

Quotes, data, and reports, that can be used to explain the impact of gambling on families and communities

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**West Virginia Supreme Court Justice Starcher, C.J., concurring and lamenting:
Filed October 17, 2003 [Excerpt]
<http://www.state.wv.us/wvsca/docs/fall03/31540c.pdf>**

Personally, I question whether it is right or wise for my government to set up and operate this massive, statewide, government-operated gambling system - and to use, in managing this system, thousands of privately-managed sites that are impossible to supervise and monitor; and to also use thousands of gambling devices that are known to be especially dangerous and addictive; and then to make it next to impossible for future generations to cancel, revamp, or restrict this system, because of the legal obligation to pay off bonds that are based on gambling revenues . . .

Regardless of one's ultimate position on the wisdom of this course, it is beyond dispute that West Virginia, as a result of this decision by the Legislature, does now and will in the future increasingly suffer a substantial amount of tragic harm and injury to individuals, families, businesses, and communities.

Under the system created by the Legislature, we can expect to have between twenty to forty (closer to forty) *thousand* West Virginia adults, and about five *thousand* West Virginia teenagers - at any given time - who are problem or pathological gamblers. The effects of these thousands of West Virginians' severe gambling problems - on their families, jobs, schools, communities, and households - will directly and negatively affect several hundred thousand other West Virginians: family members, employers, etc. Many personal bankruptcies will originate in gambling problems, as will many incidents of crime, suicide, divorce, and domestic violence. Less than five percent of West Virginians with gambling problems will seek help; of those, perhaps half will be able to recover significantly. [\(See footnote 1\)](#)

This, in rough summary, is the tragic human cost (in numbers) that our Legislature has decided our State will pay, to get the benefits of widespread, state-operated, "convenience" gambling.

Each of these tragic numbers, of course, has a human face.

When I think about the "instant lottery ticket" system that the Legislature has created in every community in our State, the first image that comes to my mind is the memory of two poorly-dressed women whom I recently saw, as they were sitting in a beat-up car, outside a convenience store.

The women were feverishly scratching the surfaces of their lottery tickets to see if they had a winning number. When they were done, they headed inside to buy some more tickets.

This, I thought, is how we are financing our senior citizens' centers - on the backs of these low-income people's wishful imagination that they might miraculously escape their materially impoverished existence by "hitting it big."

I thought of the Bible verse - "insofar as you do it to the least of these, you do it to me." What would Jesus think of balancing the State's budget on the dollars of these poor women?

And when I think about the thousands of "video slot machines" that are spread across the state, I think of a middle-class family I know where a wonderful parent became addicted to video machine gambling - the "crack cocaine of gambling" - and in a few months, lost tens of thousands of dollars. (The speed and ease of play of video slots rapidly accelerates the addiction process for vulnerable individuals.)

This, I thought, is how a building in some politician's home town will be financed - on the back of a family's crisis of addiction and suffering.

I do not want to be misunderstood. In no way do I condemn gambling *per se*. People should be able to gamble legally, it seems to me - but only if we devise and put in place a system that contains effective, proven structural checks and safeguards that will minimize the terrible problems and harms associated with legalized gambling.

It appears to me, however, that the system that the Legislature has created - massive, statewide, convenience gambling - is pretty much the exact opposite of a sound approach.

In West Virginia - instead of conducting gambling in a limited number of publicly managed and overseen sites, where the problems of addictive, compulsive, pathological, and excessive gambling can be avoided, identified, and responded to - the Legislature has proliferated the most fiscally regressive and psychologically dangerous gambling devices, like instant lottery and video slot machines - in thousands of decentralized, privately managed sites, where *all of the financial incentives are to maximize revenue, and to ignore problem and pathological gambling*.

Furthermore, the Legislature does not even allow gamblers to have the best chance of success, or at least to prolong their entertainment as they lose their money. Instead, the Legislature sets high odds against gamblers (much higher than Las Vegas). Then, the massive gambling revenues, well above the costs of doing business, are treated as a "cash cow" for our government, which becomes dependent upon these revenues. *The Legislature is even issuing bonds that must be paid from money taken from our State's children decades from now, when they become gamblers.* [\(See footnote 2\)](#) Talk about a credit-card government!

[Excerpt]

Department of Legislative Services
Office of Policy Analysis
Annapolis, MD

January 29, 2003

http://mlis.state.md.us/Other/Gaming_2003.pdf

Social Impacts of Gaming

- Concerns have been raised regarding the social impacts of gaming – these include gambling by minors, pathological gambling, and increased crime rates.
- While various studies lack consensus on the incidence of pathological and/or problem gambling, the 1999 report of the National Gambling Impact Study Commission estimated that approximately 7.5 million adults could be considered pathological or problem gamblers.
- Other studies examined by the commission estimated that anywhere from 2% to 7% of adult gamblers suffer from pathological or problem gambling.
- Delaware spends \$1 to 1.5 million annually, and West Virginia spends \$300,000 to \$500,000 annually on addressing issues related to problem gambling.
- Expenditures generally focus on gambling treatment helplines and prevention/education programs.

Observations on Gambling and Government

- In addition to policing functions, a broader and far more important role for government regulation is determining the scope and manifestations of gambling's presence in society and thus its impact on the general public.
- **One of the more damning criticisms of government decision making in this area is the assertion that governments too often have been focused more on a shortsighted pursuit of revenues than on the long-term impact of their decisions on the public welfare.**

National Gambling Impact Study Commission, 1999

Median Income for 4-Person Families, by State

[West Virginia is ranked 49th in the nation, below Mississippi!]

<http://www.census.gov/hhes/income/4person.html>

| | |
|----------------------------|----------|
| Calendar year ¹ | 2003 |
| Fiscal Year ² | 2006 |
| Montana | \$49,124 |
| Arkansas | \$48,353 |
| Mississippi | \$46,570 |
| West Virginia | \$46,169 |
| New Mexico | \$45,867 |

According to US Census 2005 Data

25.6% of West Virginia' children live in poverty

This represents a 1.3% increase from 2000

18.5% is the average poverty rate in the US

Connecticut has a 11.6 % poverty rate

http://www.oregon.gov/OHCS/docs/PovertyReport2006/5PovertyReport_natlsummary.pdf

**Federal Reserve Bank of Minneapolis
Fedgazette, March 2003**

[Excerpt]

Do lottery tickets and other forms of gambling compete with essentials in the household budget? Yes, . . .
<http://woodrow.mpls.frb.fed.us/pubs/fedgaz/03-03/food.cfm>

Most economic studies have found that gambling expenditure, and, therefore, gambling taxes are regressive in the sense that the poor spend a higher proportion of their income on gambling than do the rich. Indeed, even though participation rates are similar among demographic groups, research show that there are significant differences in the levels of spending among groups, and generally speaking, members of less advantaged groups – the poor, racial minorities and less educated spend considerably more per capita.

Focus on the Family

Gambling and Kids

[Excerpt]

The next generation is the first in modern American history to grow up in an era when gambling is legally sanctioned and culturally approved.

<http://www.family.org/socialissues/A000000430.cfm>

By Ronald A. Reno

The next generation is the first in modern American history to grow up in an era when gambling is legally sanctioned and culturally approved. **Tragically, adolescents have proven extremely susceptible to the enticements of gambling and are becoming hooked at rates even greater than their adult counterparts.** Scholars and researchers caution that we may only be seeing the “tip of the iceberg,” and that the seeds of destruction being sown in these young lives today portend immense individual and cultural devastation as we enter the 21st century.

- A 1997 survey of 12,000 sixth- through twelfth-graders in Louisiana found that 86 percent had gambled. Almost six percent of the students surveyed by the Louisiana State University Medical School researchers met the criteria for pathological gambling, while 16 percent could be classified as problem gamblers.¹

Citizenlink.org

Focus on Social Issues – Gambling

West Virginia’s Video Lottery: Available, Accessible And Very Addictive

06/08/2006

By Chad Hills

Video Lottery: more addictive than you think.

<http://www.citizenlink.org/FOSI/gambling/A000002215.cfm>

Notable Points Concerning West Virginia’s Video Lottery Terminals (VLTs):

- 11,471 racetrack video lottery machines at the state’s four racetracks (racinos)
- 8,171 limited video lottery machines at convenience stores and retailers [bringing the total in the state to 19,642 VLTs offering gambling accessibility and availability]

Statistics:

Lotteries: the top Five Per-Capita-Spending Sates (2004)

| Lottery Jurisdiction | Population (millions) | FY – ’04 Sales (millions) | FY – ’04 Sales Per Capita |
|--------------------------|-----------------------|---------------------------|---------------------------|
| Rhode Island (2) | 1.08 | \$1,480.63 | \$1,370.95 |
| South Dakota (2) | 0.76 | \$664.42 | \$874.24 |
| Delaware (1) | 0.82 | \$640.92 | \$781.61 |
| West Virginia (1) | 1.81 | \$1,303.49 | \$720.16 |
| Massachusetts | 6.43 | \$4,381.25 | \$681.38 |
| TOTAL U.S. | 265.66 | \$48,801.60 | \$183.70 |

(1) Includes net VLT sales (Cash in less cash out)

(2) Includes gross VLT sales (Cash in)

“[L]awmakers need to factor into their analysis something that has received little attention thus far: that video gambling machines are “the crack cocaine” of gambling because they are so addictive.” - Robert Hunter, clinical psychologist at the Problem Gambling Center in Las Vegas¹

Concerns:

- Four out of the five states with the highest per-capita spending on lotteries have legalized the most addictive form of gambling in history: video lottery terminals (VLTs).
- Lottery researchers, Clotfelter and Cook, calculate that the top 10 percent of lottery gamblers account for 65 per cent of lottery revenues. In other words, the majority of lottery revenue comes from a relatively small segment of the population that gambles excessively on the lottery.²
- If information from the Charleston Gazette’s article and NASPL’s lottery data (2004) are combined, calculations indicate that there are enough VLTs in West Virginia to allow each person in the state nearly four consecutive days of gambling time on a VLT.³
- No wonder the per-capita spending on West Virginia VLTs was more than \$720 per person in 2004 - or four times the national average!

[Excerpt]

The Herald-Dispatch

Local groups deserve shot at table games, too

December 28, 2006

<http://www.herald-dispatch.com/apps/pbcs.dll/article?AID=/20061228/OPINION/612280308/1034>

Given recent events in West Virginia, it's time to face the fact that full-fledged casino gambling will be a reality in this state soon. Considering the results of last month's general election and events in Pennsylvania, 2007 could very well be the year the Legislature approves a bill allowing local option elections for casino gambling at the state's four existing racetracks.

But a new wrinkle has been thrown into the debate. Jesse Bane, an Oak Hill, W.Va., bar owner and spokesman for the West Virginia Association of Club Owners and Fraternal Services, said the association plans to ask the Legislature to legalize table gaming in the Elks, Moose and other lodges during the upcoming session, according to the Associated Press.

"If they give table games to the racetracks, it's only fair that the fraternal clubs get them too," Bane said.

To be clear, The Herald-Dispatch still believes any expansion of gambling to include table games should be the result of a statewide vote. The issue affects more than just people in four counties. It affects us all.

But if the Legislature yields to the will of gambling lobbyists, the fraternal clubs have a good point. Why should the guys at the Elks, VFW, American Legion and the Eagles, among others, have to drive to Cross Lanes to play blackjack legally? Why can't they run their own roulette tables for their own members?

The genie is out of the bottle, and it's not going back in. If table games are inevitable, then everyone will want a piece of the action. If Kanawha County gets poker, blackjack, roulette and other games of skill and chance, other places in this part of West Virginia will want the same.

And really, who can blame them?

Remember, It's Always About the Money

Posted Thursday, February 23, 2006; 06:00 AM

It will be the resulting decline in revenues to the state treasury – not the effects on racetrack employees or the Northern Panhandle economy – that will force the Legislature to act on table games legislation.

Story by Dan Page

<http://www.wvntv.com/story.cfm?func=viewstory&storyid=8948>

[Excerpt]

How did we get here?

The ball started rolling in 1984, when citizens, by a vote of 437,357 to 219,453, established the West Virginia Lottery. The gambling camel nudged his nose under the West Virginia tent at that moment . . .

Those 656,810 voters in 1984 could not have envisioned noisy slots soaking up cash at the state's four racetracks. They could not have imagined mini-casinos popping up on street corners across the state, giving players convenient places to lose.

Gambling – once identified with the underworld – has become a lifestyle for many West Virginians. It has allowed state legislators to generate revenues, preserve the size of government and protect their power bases in Charleston and within their own districts. In other words, they've made self-serving decisions. They have taken the easy way out.

And why shouldn't they continue to follow the same path? When this election year is over, when out-of-state competition finally squeezes down the state's gambling revenues, state lawmakers again will make the most convenient choices. That means racetrack owners – at least those whose local counties will support them – finally can order those roulette wheels.

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washingtonpost.com

W. Va's Burgeoning Gambling Habit

[Excerpt]

By Elizabeth Williamson

Washington Post Staff Writer

Monday, March 14, 2005; Page B01

<http://www.washingtonpost.com/ac2/wp-dyn/A32381-2005Mar13?language=printer>

[O]n a chilly night last week, Donna Gough found herself sitting beneath a plastic foam replica of Neptune, feeding quarters into one of the 3,800 whirring machines. That's more slots in one spot, Charles Town's owners say, than any casino in Las Vegas. . .

"We look at this as entertainment," said Gough, 44, of Amelia, Va. "But sometimes when you go to bed at night, you close your eyes and you still hear that ding, ding, ding, ding, ding, ding."

It gets into your system."

Now, looking over its shoulder at gaming initiatives in Maryland, Pennsylvania, Delaware and Kentucky, West Virginia wants to up the ante. If a new bill is passed by the legislature as expected, county residents will vote again, this time on whether to bring table games to the four tracks. If it passes, West Virginia would rival Las Vegas in its variety of gambling options. Supporters say such games as roulette and blackjack will keep out-of-town visitors coming. Opponents say gambling profits are not the way to bankroll a state.

Increasingly, observers on both sides agree on one thing: West Virginia's got the makings of a habit – and of a cautionary tale for neighboring states bent on gambling for cash.

"Once you start down the road, it's hard to stop," said state Sen. Andy McKenzie (R-Wheeling), who supports the table games measure. When as much as one-fifth of the budget comes from gambling, he said, "it's difficult to eliminate."

In 2001, Gov. Bob Wise pushed a measure to legalize about half the machines, in an effort to regulate them and collar more cash for education. The legislature passed the measure in a close vote. The decision, those on both sides of the issue say, brought slots from tracks into neighborhoods and angered the public.

The law, said gambling opponent Sen. Mike Oliverio (D-Monongalia), "expanded slots into all 55 counties, into nearly 1,500 locations and the public never voted on it."

It was a sign, he said, that "legislatures can get addicted to gambling . . . and more gambling becomes an easy fix."

| Nevada's Rank Among States | Category | Sources, etc |
|----------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Most dangerous state in the nation | <i>Morgan Quitno Press, which has published comparative analysis for more than 15 years, released its latest "safety" rankings and found the gambling state the most dangerous place in the nation. The company compared rates per 100,000 for murder, rape, robbery, aggravated assault, burglary and motor vehicle theft.</i> http://www.governmentguide.com/community_and_home/where_i_live/factors.adp |
| 1 | Suicides | <i>Highest in the nation from 1990-1999. Other states have won the honor in 2,000 and 2001, but Nevada has never dropped below third. As the experts note, "Annual fluctuations in state levels combined with often relatively small populations can make these data highly variable. The use of several years' data is preferable to conclusions based on single years alone."</i> http://www.suicidology.org/ |
| 1 | Divorce | <i>At 6.8 per 1,000, Nevada is 1.7 times the national average. U.S. Bureau of Census, 2001</i> |
| 1 | Prostitution | <i>10 of Nevada's 17 counties split about \$500,000 in license fees for 28 licensed brothels that hire hundreds of women. State health officials estimate those women perform about 365,000</i> |
| 1 | Women Killed by Men | <i>Sue Glick, "Number of Females Murdered by Males in Single Victim Offender Homicides and Rates by States, 1996, ranked by Rate," Violence Policy Center, Washington D.C., Sept. 1998</i> |
| 1 | Gambling Addictions | <i>Rob Bhatt, "Assigning Responsibility for Gambling," Las Vegas Business Press, June 22, 1998</i> |
| 3 | High School Dropouts | <i>National Center for Education Statistics</i> http://nces.ed.gov/programs/quarterly/vol_4/4_3/3_5.asp#H3 |
| 3 | Poor mental health | <i>Nevada residents reported they were in poor mental health 39% of the past 30 days in 2001. Kaiser Family Foundation.</i> http://statehealthfacts.kff.org |
| 3 | Alcohol Related Deaths | <i>National Institute on Alcohol Abuse and Alcoholism, 2002</i> http://www.niaaa.nih.gov/publications/sdataadj.txt |
| 4 | Bankruptcies | <i>2004 estimates for all states</i> http://www.abiworld.org/statcharts/HouseRank.htm |
| 4 | Deaths from firearms | <i>17.3 per 100,000. US average 10.2 in 2000. Kaiser Family Foundation.</i> http://statehealthfacts.kff.org |
| 10 | Prisoners Locked Up | <i>U.S. Department of Justice. Office of Justice Programs</i> http://www.ojp.usdoj.gov/bjs/pub/pdf/p02.pdf |
| 47 | Voter Participation | <i>Federal Elections Commission, 2000 Presidential Election</i> |