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Gambling preys on poor for “success”

By Jim Nowlan

A state agency recently reported that gambling revenues in Illinois were up more than 7 percent in the past year. This gives me the opportunity for my annual rant about how the state almost shoves gambling down our throats. The big losers are the poor, as I show below.

The state generates more than \$2 billion in annual revenue (which are actually taxpayer losses) from seven forms of gambling. And still gambling proponents want more.

The state fired the marketing company that was running the state lottery for not selling enough tickets, even though the company had increased annual sales by half a billion dollars.

There is already advance deposit wagering, so you can bet from your smartphone. Video gambling terminals are popping up in floral shops and even family fun centers.

Horse-racing aficionados clamor for these terminals at the tracks, to prop up their dying industry. Struggling cities like Waukegan and Danville want casinos.

The lottery is the big kahuna of Illinois gambling, generating about two-thirds of total net revenues to the state.

Last year the lottery netted \$217 for every person in the state; that is about \$600-700 per family.

But from my initial assessment, poor people buy far more than their share of lottery tickets. I took a look at 2013 lottery sales by zip code.

For example, in zip code 60426 in south suburban Harvey, where one-third of the people are below the poverty line and per capita income is only \$14,142, lottery sales amounted to \$403 per person (more than \$1,200 per family), or about 3 percent of per capita income.

In Chicago zip code 60619, where poverty is 3 in 10, sales amounted to \$463 per person, or 2.3 percent of per capita income.

In contrast, Chicago zip code 60611, with a per capita income of \$110,000, had lottery sales of \$319 per person, or only 0.2 percent of income. In another prosperous zip code in the city, sales amounted to \$278 per person, or 0.5 percent of income.

I took a look at my own rural zip code, where poverty is only 10 percent but per capita income is also relatively low at \$28,600. Last year we spent on \$98 per person on lottery tickets, or 0.3 of income.

It appears from this quick assessment that poor people tend to spend more of their income, probably none of it discretionary income, on gambling than do others.

Revenue from our state's 10 casinos is down, though in September the loss per patron was still a hefty \$109.

The casinos are hurting from the proliferation of video gambling terminals. Since piloted in 2012, 18,400 terminals are now found in 4,500 locations across the state, the equivalent of 16 new casinos (at 1,200 terminals per casino).

We don't know who gambles at the loud, blaring terminals, but they probably aren't installing any in the Pump Room or at tony suburban country clubs. I do know that some of the people in my hometown who frequent the video gambling don't have two nickels to rub together.

As a civil libertarian, I guess it is okay if a person wants to gamble, yet it is unseemly for the state to contend it is good public policy to fleece the poor ever more aggressively in order to generate a few more dollars for the state.

We should stop the expansion of gambling in Illinois. In addition, we should use some of the state winnings (taxpayer losses) to mount a major study of the consequences of gambling on the state's residents.

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School funding update. A few weeks ago in this space I predicted that if House Speaker Mike Madigan wanted it, school funding reform that reallocated state funds from the wealthier to the poorer school districts would pass.

I now think I was wrong because of the almost iron law of politics—once you have given something to citizens, it is almost impossible to take it back.

In other words, most lawmakers have school districts that would be winners (receive more state money than at present) as well as losers (receive less). The losers are squawking loudly, and the lawmakers are backing off, even though many lawmakers would see net gains for their districts.

So, not until there is enough new money to make every school district a winner (or at least not a loser) will there likely be school funding reform. And that is not likely for years to come.