

State gambling operators out to fleece residents, again

By Jim Nowlan

A check of my files shows that every couple of years I write a column about the expansion of gambling in Illinois. In 2010 the column opined that the addition of video poker in taverns and military clubs Illinois was making it too easy to gamble (video poker has still not been implemented in the state, and is not now expected until 2013).

Today, I note that the US Department of Justice has okayed state Internet gambling, which Illinois plans to implement with a vengeance.

We now have seven forms of legal gambling in Illinois, in order of revenues to the state in 2011: the lottery (\$690 million); riverboat casinos (\$324 million); horse racing (just \$7 million); video poker (not operating yet), and bingo, charitable games and pull tab and jar games (all negligible).

Gov. Pat Quinn recently vetoed a bill that would have added five new casinos and put slot machines at horse tracks.

There is no doubt that gambling is lucrative for the state, netting more than a billion dollars in revenue to Illinois annually, and additional sums to the cities in which casinos are located. Even so, the amount is but a couple percent of the state's total budget of \$60 billion.

Yet it takes a big bite out of some household budgets. The average family in Illinois spends \$500 a year on lottery tickets (4 million families at 3 persons per divided into \$2 billion+ in wagering on the lottery). This means that the figure is much higher for

persons who do bet on the lottery, on the premise that many people, like me, have never bought a lottery ticket.

And gambling is highly profitable to the state. Lottery prizes amount to about 55 percent of total wagering, with about 35 percent of lottery wagering net profit to the state, the remainder going to administrative costs and commissions to vendors.

Profits to the state from the riverboats are way down, from a high of \$700 million in 2005 to just \$324 million in 2011. Much of the decline is blamed on the imposition of the smoking ban in public places.

I recall a report from a few years back that about 30-35 percent of gamblers are also smokers, which is much higher than the national average of about 19 percent for American adults. My one foray onto a casino boat prior to the ban found the gaming rooms choked with a blue haze of cigarette smoke.

As a civil libertarian who wants people to have as much freedom of action as possible, I don't begrudge the many seniors who find a day at the casino a pleasant way to while away a few hours.

Yet I am offended by our state government's aggressive efforts to separate a family from its limited disposable income. After all, with gambling the citizen must lose in order for the state to profit.

State lottery director Michael Jones told Crain's Chicago Business that "lotteries are successful when you get a lot of people to play a lot." He predicts that Internet wagering could lure up to 400,000 bettors and hundreds of millions of dollars in net revenue to the state.

Just as the credit card drove personal debt into the stratosphere, on-line gaming could make it so easy to gamble that more families will be placed at risk of necessities.

With the lottery our state government is directly in the business of gambling. The state has a new contract with NorthStar Lottery Group to manage the lottery. The company's fee is tied to overall profits, so you can expect NorthStar to use the latest marketing manipulations to drive up sales.

Most states and nations are into legal gambling in a big way. Yet I can see no redeeming value for society in the activity, other than the probably legitimate psychological pleasure some receive from dreaming about what one would do if he or she won the lottery.

The state is playing its citizens for suckers with expanded gambling. At the least our state lawmakers should commission a sophisticated study of just what we are doing to our citizens with ubiquitous gambling—who gambles, how much do they gamble, how does gambling affect households?

Maybe we would find that gambling is somehow a net plus for society. But I doubt it.