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Gambling expansion in Illinois a good bet

By Jim Nowlan

I would bet the ranch (or at least the ranch house) that Illinois will further expand gambling in the coming year or so to include more casinos as well as slot machines at race tracks. This will make some poor people poorer.

The state is broke, not any better off than Greece. We have at least \$130 billion in debt and unfunded obligations, probably much more if conservative actuarial assumptions are used.

According to law, our recently increased income taxes begin ratcheting back toward prior levels in 2015, even though we haven't shown we can balance the books with all the tax increases.

Thus, state lawmakers and the governor will be looking under every rock for more revenue, other than from taxes. More gambling is right there for the taking, even though we haven't yet digested the new video gambling machines in taverns and Legion halls. At present, gambling revenue to the state represents about 2 percent of total state revenue, or about \$1 billion.

So I was wondering, "Who gambles?" And is it true that the poor among us are bigger gamblers than the rest of us?

A 1999 University of Chicago report found that from 10-17 percent of us gamble monthly or more often, with those of under \$24,000 in annual income at the low end of that range and those with more than \$100,000 at the high end.

According to the American Gaming Association (AGA), 44 percent prefer the lottery; 27 percent, casinos; 15 percent, poker, and 8 percent, horse racing. Slightly more men (29 percent) than women (26 percent) gamble.

Sixty million of 221 million adults in the US gambled at casinos this past year. At the casinos, slot machines were by far the most favorite games (53 percent) with blackjack next at 23 percent; poker was favored by 7 percent; craps, 3 percent, and roulette at 3 percent as well.

Illinois has 10,000-plus slots and gaming machines, but that number will double or more with video gaming in taverns coming on line. After Nevada and New Jersey, Illinois is one of the biggest gaming states, as we have at least seven forms of legal gambling (lottery, casinos, horse racing, video gaming, bingo, even pull tab and jar games).

The AGA surveys find that 84 percent of gamblers set a budget when they go gambling and that half of those set a limit of \$100; 23 percent have limits under \$200 and 9 percent have limits above \$300.

But back to the poor and gambling. The two times I have been on casino boats (Peoria and Rock Island), I think I observed an older, middle and working class clientele.

As Prof. Dean Gerstein, co-author of the UC study mentioned above, has said: “By any reasonable definition, the largest numbers of gamblers are clearly not poor. . . .But when poor people gamble, a larger proportion has serious problems related to their gambling than wealthy people.” The poor simply have less discretionary income, probably none, which they can afford to spend gambling.

“The bottom line is a lot of this gambling,” says John Kindt, a professor at the University of Illinois at Urbana and an opponent of gambling, “is directed toward the poorer segments of

society who are spending proportionately more.” Kindt said he was referring to lotteries primarily, which he considers a “gateway drug” to creating new addictive gamblers.

So it appears that gambling affects low-income persons more adversely than those with higher incomes.

Yet the lure of more state dollars will trump those concerns in the end, because of the desperate need for state cash to pay off old bills and help dig our state out of a terrible budget hole.

The politics of gambling legislation is more bewildering than the Rosetta stone. Horsemen hate casino operators but want slot machines; casino operators hate the idea of more casinos; cities without casinos want them, especially Chicago mayor Rahm Emanuel. All have high paid lobbyists duking it out in Springfield.

But bet on more gambling next year or the following year.