

“FLORIDA ECONOMY WILL BE DESTROYED”

Thanks to a gambling bill sponsored by Governor Rick Scott, Senator Ellyn Bogdanoff, and State Representative Erik Fressen.

Watch out when politicians tell you that they will fulfill their campaign promises of new jobs and economic prosperity by bringing more gambling to Florida:

GAMBLING ECONOMIC IMPACT

-(Gambling) involves simply sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to kill time, gambling subtracts from the national income." Nobel Laureate Paul Samuelson (1)

-Building a casino creates new jobs, such as a card dealer, in the sense that they did not exist before. But they may not be new jobs for the economy. Money spent on a gambling facility is money that already existed but was spent on other things. That is probably an obvious point, but one that needs to be made. Building and running a gambling facility doesn't create wealth, it merely transfers it. The benefit for a region is if the transfers are from outside of the region. In contrast, there is not a stimulus or net benefit if development of the casino leads to more money being spent outside of the region. (2)

-Local residents who used to go to restaurants now spend their money in the casino. Then the casino has no net economic benefit. (3)

-Tourists who used to spend money on other activities within the region now go to a gambling facility within the region. (4)

-Locally-owned businesses go bankrupt because consumers have changed their expenditures to casinos that happen to be owned by out-of-state interests. (5)

-Casinos buy more products from out of state than the businesses they replace. (6)

-Casinos result in increased social costs including police and other public services as well as the costs of pathological and problem gamblers. (7)

POVERTY INCREASES

Legalized gambling makes poor people poorer. It also adds individuals and families to the poverty rolls.

-Gambling is a regressive form of taxation. The poor lose the greatest share of their income to gambling, as various studies show. (8).

-A 1995 study of casino gamblers in Wisconsin found that half had household incomes below \$30,000. (9).

-Those with incomes below \$10,000 comprise 7 percent of Illinois riverboat gamblers. They report median gambling losses of \$1,900 annually. (10).

-The poor and minorities are more prone to gambling problems, according to Henry Lesieur. (11).

-The Minneapolis Star-Tribune reports that more than 1,000 Minnesotans file for bankruptcy annually due to gambling losses. (12).

-The Detroit News reports that gambling-related bankruptcies in metro Detroit have increased up to 40-fold since the opening of a large casino in neighboring Windsor, Ontario. (13).

(1). Paul A. Samuelson, Economics, 10th ed., 1976, p. 425. (2,3,4,5,6,7.) Economic Impact of Gambling – Library of California 1997 (8). Abbott, Douglas A., and Sheran L. Cramer, "Gambling Attitudes and Participation: A Midwestern Survey," Journal of Gambling Studies, vol. 9, no. 3. 1993, p. 259; Clotfelter, Charles T., and Philip J. Cook, Selling Hope: State Lotteries in America (Cambridge, Mass.: Harvard University Press, 1991), p. 100; Commission on the Review of the National Policy Toward Gambling, "Gambling in America." 1976, p. 65; Borg, Mary O., Paul M. Mason, and Stephen L. Shapiro, "The Incidence of Taxes on Casino Gambling: Exploiting the Tired and Poor," American Journal of Economics and Sociology, July 1991, pp. 323-332. (9). Thompson, William. Ricardo Gazel, and Dan Rickman. "The Economic Impact of Native American Gaming in Wisconsin." Wisconsin Policy Research Institute Report, April 1995, p. 23. (10). Better Government Association, "Statement of J. Terrence Brunner, Executive Director," Nov. 3, 1995. (11). Lesieur, Henry R., "Compulsive Gambling," Society, May/June 1992, p. 48. (12). Ison, Chris, "Dead Broke," Star Tribune, Dec. 3, 1995, p.A1. (13). French, Ron, "Gambling Bankruptcies Soar," Detroit News, Dec. 3, 1995, p.A1.