

Gambling - Background Information

"By their fruit you will recognize them. Do people pick grapes from thorn bushes, or figs from thistles? Likewise every good tree bears good fruit, but a bad tree bears bad fruit. A good tree cannot bear bad fruit, and a bad tree cannot bear good fruit." (Matt 7:16-18)

1. Some history (note 1)

- a. Gambling recorded from ancient Chinese days (circa 2300 B.C.)
- b. "Knucklebones" (six-sided bones) were used in India before 1000 B.C.
- c. Crooked dice have been found buried with Pharaohs and loaded dice in Pompeii
- d. Cards appeared in Asia in late first century and in Europe in 14th century (Italy and France)
- e. England enacted laws against gambling in 1500's and 1600's
- f. Colonies frowned upon gambling ("dishonor to God"), however lotteries were common in all 13 at one time or another
- g. Revolutionary War - lotteries funded troop supplies, by 1832 more than 400 lotteries drew \$66M of bets
- h. By 1894 all lotteries illegal in States; Nevada legalized gambling in 1931; NH began lottery in 1964
- i. Native American tribes began operating casinos in 1988

2. Some statistics

- a. More money is gambled (wagered legally) than spent on groceries each year (>\$600B)(note 2)
- b. More money is spent on gambling in Mississippi than all retail sales combined (note 3)
- c. From 2%-6% of the adult population has a serious gambling problem (note 4); 5%-8% of adolescents are addicted to gambling (note 5)
- d. Lotteries and casinos bring in roughly the same amount of revenue (payout rates 50% and >90% resp.)
- e. 48 States have legalized some form of gambling (note 6)
- f. 25 years ago, 95% of gamblers were men, by 1995, 55% are now women (note 1)
- g. Per capita Lottery losses in states with Lotteries was \$35 (1973) and \$150 (1997)
- h. Tribal gambling (revenue?) grew from \$212 M (1988) to \$6.7 B (1997)
- i. In 1988 there were about 70 Indian Casinos/Bingo Halls (16 states), by 1998 over 260 facilities
- j. There are over 700 chapters of Gamblers Anonymous (GA) today

3. What about the well publicized benefits?

- a. Is it a "painless" tax? For every dollar the state receives, the taxpayer must put up at least three dollars (infrastructure, regulatory cost, criminal justice system, social-welfare cost)(note 7)
- b. Will it increase employment? Jobs tend to be low-paid without transferable skills; in Illinois ('90-'93) one job was lost for each one gained (note 8)
- c. Will it bring more business into the state? 55 Counties that allowed casinos showed same economic expansion as rest of the nation (4%)(note 9)

4. Some Net Effects

- a. Crime rates in towns with casinos are twice the national average (note 9)
- b. Gambling preys on those that can least afford it (escapism) - it is in effect a regressive tax (note 10)
- c. Rate of illegal gambling in states with some form of legal gambling is three times higher than states without gambling (note 10)
- d. When gambling is legalized, communities suffer from 100% to 550% increases in the number of addicted gamblers (note 11)

- e. Gambling revenues tend to replace other sources of revenue for schools (no net benefit, in many cases there is a reduction in overall spending on education)(note 12)
- f. The suicide rate of spouses of "compulsive" gamblers is 150 times the national average (note 13)
- g. As much as 40% of white-collar crime is caused by compulsive gamblers (note 1)
- h. The compulsive gambler costs society an average of \$53,000 each in lost wages, theft, related substance abuse costs, and legal and health counseling (note 14)
- i. Local businesses and families suffer since money goes to gambling instead

Notes:

1. Rex M. Rogers, "Seducing America - Is Gambling a Good Bet?" 1997
2. U.S. Bureau of the Census, "Statistical Abstract of the United States: 1997, (117th edition), Washington D.C., 1997, p. 769; Eugene Marin Christiansen, "A New Entitlement," *International Gaming and Wagering Business*, August 1998, p. 3
3. Joe Rutherford, "Resist Expansion of Casino Gambling." *Northwest Mississippi Daily Journal*, September 30, 1995, p. 6A
4. National Council of Problem Gambling, Inc. (1993). "The Need for a National Policy on Problem and Pathological Gambling in America," November 1
5. Andrew Quinn, "Studies Find Many Teens Hooked on Gambling," *Philadelphia Inquirer*, August 16, 1998
6. Patricia McQueen, "North American Gaming at a Glance," *International Gaming and Wagering Business*, September 1998, p.21
7. Kindt, John Warren (1994). *Statement before a hearing of the U.S. House of Representatives Committee on Small Business*, September 21.
8. Grinols, Earl L. (1994). *Testimony before a hearing of the U.S. House of Representatives Committee on Small Business*, September 21.
9. Shapiro, Joseph P. (1996). "America's Gambling Fever," *U.S. News & World Report*, January 15
10. *Biblical Principles Concerning Issues of Importance to Godly Christians*, Plymouth Rock Foundation; 1984
11. Kindt, John Warren (1994). "The Economic Impacts of Legalized Gambling Activities," *Drake Law Review*, vol. 43
12. Peter Keating, "Lotto Fever: We All Lose!" *Money*, May 1996, pp. 144, 147; Donald E. Miller and Patrick A. Pierce, "Lotteries for Education: Windfall or Hoax?" *State and Local Governments Review*, Winter 1997, pp. 40-41
13. "Gamblers' Families Lament Losing Side," *The Grand Rapids Press*, 23 March 1995, A14.
14. Norman L. Geisler and Thomas A. Howe, "Gambling a Bad Bet: You Can't Win for Losing in More Ways Than You Can Imagine," (Grand Rapids: Revell, 1990)

Additional Sources:

- o "Gambling and the Lottery" Tony Evans; 1995
- o "Family News From Dr. James Dobson" April and July 1999 newsletter
- o "National Gambling Impact Study Commission Report" 18 June, 1999