

Debate

Is Gambling Harmful To Our Society?

ISSUE: Do the economic benefits gained from the gaming industry outweigh the damage that gambling inflicts on those who are addicted?

“Gambling” is the wagering of money or property on the outcome of a game or event that is largely random with the intent to win more money or property. “Gaming” refers to the industry created by the activity of legal gambling. Examples of gambling and gaming include lotteries, poker and other table games, slot machines, other casino games, horse racing, and online gambling. In 2009, the global legal gambling market was worth over \$335 billion, with lotteries and casinos generating most of that revenue. Proponents of gaming argue that the industry generates much-needed revenue for state and local governments and provides psychological benefits. However, critics claim that gaming is addictive, provides few societal benefits, and drains resources from society.

Gaming supporters argue that regulated and legal gambling provides both psychological and economic benefits. Some psychologists claim that gambling brings out the “fortune-hunter” within us, creates opportunities to exercise control, and helps people to release tension and stress. Others believe that going to a casino is a form of entertainment, similar to attending a movie, show, or sporting event. According to a 2011 public opinion poll, 82 percent of Americans believe that casino gaming is acceptable for themselves or others.

Proponents also argue that gambling adds significant economic value to communities in the form of employment opportunities and higher tax revenue. The American Gaming Association argues that gaming is “vital to the states and communities where it operates, creating jobs and business opportunities for local businesses and providing direct gaming tax revenues to stimulate struggling economies and help communities grow.” In 2010, casinos generated over \$34.6 billion in revenues and paid \$7.59 billion in taxes to state and local governments. The tax rate on gaming revenue varies from state to state, ranging from 6.75 percent in Nevada to 55 percent in Pennsylvania. The tax revenues from gaming help states pay for projects like education, infrastructure, economic development, and other state-funded services.

Gaming also helps many communities to create local jobs and grow their tourism industries. According to the National Opinion Research Center (NORC) at the University of Chicago, welfare payments and unemployment rates are 12 to 17 percent lower in the communities that are closest to casinos. Hotels, spas, golf courses, shopping districts, restaurants, and other entertainment venues often develop or expand near successful casinos. The NORC found that the hotel and lodging revenues in communities near casinos are 43 percent higher than in communities without casinos.

However, critics of the gaming industry claim that gambling is harmful to individuals and society. Casinos and lotteries are profit-driven businesses; they use sophisticated techniques to ensure that the “house” wins the majority of the time. However, the gaming industry implies that “winning big” is more probable than it really is. Thus, people with little money are often attracted to gambling because it gives them the feeling that they will hit the jackpot.

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The positive psychological effects of gambling can be addictive, especially for pathological gamblers. The American Psychiatric Association defines pathological gambling as a clinical disorder characterized by a persistent and recurring failure to resist gambling behavior that is harmful to the individual and concerned others. Studies suggest that pathological gamblers make up about 1 percent of American adults. The social ills associated with problem gamblers are widespread and often go beyond an addiction to gambling. Problems with gambling can lead to bankruptcy, crime, domestic abuse, and even suicide. A single bankruptcy could potentially impact 17 people. The National Council on Problem Gambling estimates that gambling addictions cost the U.S. \$6.7 billion annually, and some experts believe that cost could be even higher.

Many critics don't believe that state and local governments take responsibility for the social problems generated by the gaming industry. Sam Skolnik, a former gambling addict and author of *High Stakes: The Rising Cost of America's Gambling Addiction* argues that although many states use some gambling revenues to treat and prevent gambling addictions, this may not be enough. He says, "Essentially, [legislators are] admitting that they know they are creating a class of gamblers who become addicts. If you know what you're doing creates problems, is this appropriate policy?"

There are two sides to every issue:

1. Gambling produces positive psychological and economic benefits at a relatively low cost to society.
2. Gambling creates social problems that outweigh the benefits of job creation and tax revenues.

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