

CHRISTIAN LIFE REPORT

A NEWSLETTER OF THE ALABAMA BAPTIST CHRISTIAN LIFE COMMISSION

January/February/March 2010

VOL. 20 No. 1

Gambling

by Kay Ivey

Every Alabamian knows just how bad our state's financial situation is. Spending is out of control. Like gluttons at an all-you-can-eat buffet, too many lawmakers lack the discipline to push back their plate, and spending goes on as rampantly as ever. All this at a time when state revenue is running dangerously low and very painful budget cuts are just around the corner.

So, it is easy to understand why people want to find new sources for pumping money into our cash-strapped government. It seems like a simple idea: legalize gambling in Alabama, place a heavy tax on it, and then just sit back and watch as seemingly endless waves of "free" money fill the state coffers.

But that premise is flawed. Gambling itself is based on the idea of getting something for nothing. You put down a little money and hope to win a big cash prize in return.

Ah, if it were only that easy! Simple math tells you there must be more losers than winners to make gambling profitable for the owners of the gambling operation.

And there's the problem. Using tax revenue from gambling as a funding mechanism is unpredictable at best, and unreliable at worst. A basic principle of public policy is, never fund an essential public service with an unstable source of funding.

Just look at what's happening in Nevada right now. For decades, the Silver State promoted itself as a gambler's paradise with Las Vegas as its Mecca. Millions of tourists came to visit, and billions of dollars changed hands in slot machines, at roulette wheels and over poker and blackjack tables. The state was right there, taking its share of the loot. And when times were good, it made it a good haul.

Then the current recession hit. And guess what? "Sin City" isn't quite as glitzy as it once was. Gambling in Nevada has been on a steady losing streak lately. The Nevada Gaming Control Board reports that as of last October (the most current figures available at the time this editorial was written), casino year-over-year returns have declined for 22 straight months. Not so coincidentally, that was about the same time the recession started. Regulators

say the state collected \$49.3 million in taxes based on October revenues. That's down 12.7 percent from the same month a year ago. That is in addition to millions of dollars Nevada has lost from its other non-gambling revenue sources, too.

Then there is the cost of the social problems that go hand-in-glove with legalized gambling. Gambling proponents don't like to talk about them, but I assure you they are there. Consider this:

- The average pathological gambler affects, directly or indirectly, eight other people, including family, friends, and co-workers. One-third of gambling addicts have been arrested, compared to only 5% of non-gamblers.
- Gambling addiction seriously affects absenteeism and job productivity. More than 20% of problem gamblers in treatment have lost a job because of their gambling.
- Gambling addicts are four times more likely to have poor mental health, and are four times more likely to attempt suicide than those without gambling problems.

If legalizing gambling raised the percent of gamblers in our state to the national average, 15,000 additional gambling addicts would be created, at a cost of more than \$200 million per year in crime, lost productivity and costs for health and human services.

I agree with people who want to attract new jobs to their communities and who want to find new revenue sources for our state government. But you won't find the answer in legalized gambling. It is Fool's Gold, a lure of easy money that doesn't deliver, unless you are the owner of a casino or local "bingo" joint.

Want a sure bet? We should focus our energies and invest our limited resources in recruiting stable, good paying jobs with established businesses, and encouraging existing companies to expand. Solid jobs with solid companies build solid communities.

Everybody wins that way!

(Ivey is Treasurer for the State of Alabama)

*The articles in this issue were gathered from various sources
The opinions in the Christian Life Report are not necessarily the opinions of the Christian Life Commission*