

The Central Statistic of Casino Revenues

The central statistic of casino revenues gives the lie to assurances from casino promoters that they do not want, or need, to create problem gamblers.

52 % of revenue at the average casino is the net losses of “problem gamblers,”¹ combining what are now called “disordered gamblers” and “at-risk gamblers.” This small minority of gamblers is about 4 % of the adult population, maybe 10 to 15 % of casino users.

Nearly all the quantifiable socio-economic costs of legalized gambling, more than \$60 billion/year nationally,² move through this same 4 % of adults who are disordered or at-risk gamblers. A program that reduced to zero the number of active disordered and at-risk gamblers and totally prevented formation of new ones would almost wipe away the huge quantifiable socio-economic costs of legalized gambling, estimated at \$266 /year/capita adult in the USA.³

But, that program would also reduce casino revenues by half. Government’s share, based on taxing the total net losses of gamblers (“gross gaming revenue”), would drop by the same proportion.

The casino exchange *exists only for profits*. Do you really think it would support in good faith a prevention and treatment program designed to cut its profit margin by half?

Do you honestly think the state government would support in good faith a program whose complete success would mean a 50% decrease in a budgeted revenue line? You can’t.

Or, do you think the casino exchange and government agencies would rather cooperate to showcase worthy aims for “regulation” and “prevention and treatment” that might just fall short in practice?

References

1. Grinols, Earl L. and Omorow J.D. 16 *J. Law and Commerce* 1996-97 p. 59 .
2. The figure \$60 billion comes from making low-side cost of living adjustments to convert 2003 dollars into those of 2012 and adjusting for population growth between 2003 and 2012. The 2003 figures are on page 176-177 of *Gambling in America* by Earl L. Grinols (Cambridge University Press, 2004). This works out to about one-third the annual cost of illicit drug use. <https://www.drugfree.org/join-together/drugs/new-report-estimates-illicit-drug-use-costs-u-s-economy-more-than-193-billion-annually>
3. <http://cagnyinf.org/wp/gambling-economics-statistical-summary-by-prof-earl-grinols>

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