

With casinos, consider these four policy areas that will be irreparably damaged



POLICY REASON #1: The Family is targeted.

When citizens hear the cry for the expansion of gambling, it's normally from a KEEP-spokesman selling casinos by explaining how much money state government is going to receive and give away. Or, it's a pro-expansionist legislator complaining about the budget shortfall, reciting the need of government for expanded gambling. Both are focused on one thing only — how much money can be "raised" and given to government by the expansion of gambling.

Though they have often exaggerated how much can be raised, no one is pointing out that huge sums of money — literally billions of dollars — will simply change hands. Clearly, gambling doesn't create new wealth. It only makes wealth change hands. What hasn't happened in this controversy is a discussion that tells us where all this money will come from. That is no small matter.

Corporations can't gamble, nor can businesses, institutions, schools, churches, nonprofits, clubs, or civic organizations — only rooms and dads, and a few singles. In other words, all the BILLIONS of dollars that they say will be "raised" over the years through gambling is just a shift of assets FROM the hands of the family INTO the hands of the gambling industry. The government gets its share simply by heavily taxing the money as it changes hands. The bottom line is that family picks up the whole tab, and tragically, government, charged with protecting families, maneuvers to "get in on the action."

With KEEP claiming their plan will "raise" \$1.429 billion each year (That's 1429 million dollars!), it's interesting to assess that number based on Kentucky's median household income of \$35,000. It will take 40,828 families making the median income to lose all they make every year to reach the \$1.429 billion figure. This is a VERY BAD idea for Kentucky families!

POLICY REASON #2: Businesses will lose.

As families lose, businesses will lose. Think about it: after the losses, parents can't afford to take the family out to eat, buy their children new clothes for school, purchase a new refrigerator or finance a new addition to the house.

Once a family files bankruptcies, the businesses that the family owes lose even more. But the casinos always get their money.

In other regions of the country where casinos have opened, the losses to businesses have been clearly documented. Further, jobs that gambling expansionists often boast will increase, do so only briefly (2 to 3 years). At that point there is an overall loss of jobs because only the gambling industry — and newly opened pawn shops — continue to prosper.

It's actually common sense: If \$1.429 billion is taken from Kentucky families that currently is spent on goods and services in the state, where will businesses find customers that can afford their goods and services? It certainly will not be from the casino client because they've already lost and they have no interest in stopping and shopping.

Unfortunately, a good part of the business community has not seen the writing on the wall. Rather, they have believed the deception that the horse industry has spun, saying that casinos will "energize the economy." Nothing could be further from the truth. Las Vegas was built by losers from all over the country. Casinos in the Commonwealth will simply drain the wealth of those within driving distance, and their communities and their economies will pay dearly.



They agree! Casino operators ... Economics professors ...



"People will spend a tremendous amount of money in casinos, money that they would normally spend on buying a refrigerator or a new car. Local businesses will suffer because they lose customer dollars to the casinos."

Donald Trump
(Casino owner, interviewed by the Miami Herald)

"Get it straight...there is no reason on earth for any of you to expect for more than one second that just because there are people here [at casinos], they're going to run into your store, or restaurant, or bar."

Steve Wynn
(Casino owner, speaking to small business leaders in Connecticut)



"The money [local residents] wager comes from the local economy, and each dollar they spend ... they can no longer spend at a store or restaurant. This situation benefits the gambling operators, but works to the detriment of other kinds of business."

Earl Grinols, Ph.D.
(Professor of Economics at Baylor University)

"Most of the people pouring money into their [casino] slot machines will be local residents. Instead of bringing new dollars to the local economy, gambling will siphon away consumer dollars from other local businesses."

Robert Goodman, Ph.D.
(Laramie Professor of Environmental Design and Planning at Hamshire College)



POLICY REASON #4: The Vulnerable are destroyed.

The first policy reason that challenges expanded gambling describes how families are targeted (See top previous page). In particular, they are targeted financially because ALL the money casinos seek comes only from the family. No other group that pays taxes can gamble and "contribute" to the revenue that casinos "raise" for government (and for the casino owners).

This is patently unfair if the goal is to raise money for government — whether deficit or budget shortfall. Why should that burden be placed only on the backs of families?

But finances aren't the worst of the costs to families. Financial loss is just the beginning of a tragedy that all the family members, and even extended-family members, experience. There will be some citizens, poor in spirit as well as poor in financial assets, whose lives will be totally destroyed — relationship-damaging financial stress, alcoholism, drug use, child neglect and abuse, spouse neglect and abuse, divorce, depression, suicide, embezzlement, imprisonment and crime (both victim and perpetrator).

Any one of these things, but certainly a combination of them, will leave an indelible mark on the ensnared individual as well as those watching and trying to help.

And even worse, the children will lose their childhoods, and be affected for a lifetime. Doctors have a policy regarding their treatment of any patient: First do no harm. Policymakers in Frankfort would do well to apply this wisdom to the gambling expansion decision ... because The Vulnerable will be destroyed.

POLICY REASON #3: Government will be corrupted.

Think about it ... with literally billions of dollars going into the hands of the casino interests, who will become the greatest contributor and most influential group in the political process?

If our legislature is "gambling friendly" today, how much more "gambling friendly" will it be ten years from now, when all of its members have received sizeable contributions from the gambling interests? And how easy will it be for them to "replace" anti-gambling legislators?

The casino lobbyists' figures are a premonition. Again, they say that they'll "generate" \$1.429 billion each year. What they don't tell you is that to do that, they need to have ten times that amount wagered each year — that's \$14.29 billion. That's called the "house."

That \$14.29 billion is more than one and a half times the amount of money in Kentucky General Assembly's 2007 General Fund! (About \$8.7 billion.)

Now, imagine that there's a tough debate, like "Should we legalize prostitution?" (as was the case in the "casino state" — Nevada.) That legislature decided to legalize prostitution in order to embellish the gamblers' "good times." What about making strip bars and pornography more available? If gambling interests want it, what will the legislature do? The answer: the will of the casino interests.

The gambling world is all about two things — "A good time" and "the bottom line." "Good times" demand prostitution and strip bars, and of course, when good times go awry, you'll need abortion to be readily available. "Nice" legislators that will reluctantly vote for gambling today will themselves be replaced within ten years by pro-gambling legislators that will not care one iota about the family. We must ask ourselves, if government comes under the heavy hand of gambling interests, how likely is it to escape that corruption of values?

Building Kentucky's Road to Riches



Leading businessmen ... and Respected Pastors.



"Casinos? "Bad idea." We studied the data, and concluded that there are too many social problems associated with it. Plus, it doesn't help the state to just take money out of one pocket and put it in another. ... A good community is based on a firmer foundation than casinos."

Jack Pelton
(CEO of Cosco, the largest employer in Wichita, KS)

"It's a terrible way to raise money (for government). It's a tax on ignorance. ... I don't like the idea of government depending, for certain portions of its revenue, on hoodwinking citizens."

Warren Buffett
(Internationally recognized investment advisor and one of the wealthiest men in the world)



"Expanded gambling means expanded misery. Every dollar spent in a casino is a dollar stolen from a family, siphoned from the economy, withheld from legitimate business, and whisked out of the state by corporations with no conscience."

Hershal York
(Past President of the Kentucky Baptist Convention and Pastor of Buck Run Baptist Church)

"I am against the expansion of gambling in Kentucky because it has been my observation that any form of gambling tends to make the poor poorer. It's bad stewardship and bad for Kentucky."

Dave Stone
(Pastor, Southeast Christian Church)

