

Let voters decide on casino expansion

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By Robert Steele and Tony Hwang

Massachusetts, Rhode Island, and New Jersey will hold statewide referendums in November on whether to expand casino gambling.

Connecticut will not.

Instead, Connecticut's top legislative leaders have decided they alone know what's best for the state and are pushing a proposal to permit the Mashantucket Pequots and Mohegans, owners of Foxwoods and Mohegan Sun, to jointly open a "convenience" casino in the Hartford area in order to compete with the MGM mega-casino being built in Springfield.

The proposal would require legalizing off-reservation commercial casino gambling, which would represent a major policy shift for Connecticut and have important implications for the entire state.

At a minimum, the issue should be taken out of the hands of Connecticut's pro-gambling officials and decided by a statewide referendum.

This is especially true at a time when casino gambling's economic value to the state is declining and there is a growing body of research on its negative social effects.

Economically, it makes little sense to expand casino gambling when the Northeast faces a growing casino glut. Thanks to mounting competition, Connecticut's gambling revenue is down 40 percent from its peak. Delaware has put millions of dollars toward bailing out three casinos, and New Jersey has spent hundreds of millions trying to prop up its casinos, only to see a third of them close and revenues plummet 50 percent.

Looking at the trends, a 2016 study by the Rockefeller Institute of Government warns state governments that while new casinos may generate short-run increases in public revenue, that revenue can quickly reverse and decline. Moreover, more than half of Foxwoods' and Mohegan Sun's gambling revenue originally came from out-of-staters, who brought new money into the state. But these customers have been disappearing and a convenience casino won't bring them back.

As a result, Connecticut's casinos are having to increasingly depend on the gambling losses of state residents, which according to economists, simply redistributes existing money within the state without creating any net new wealth or economic growth.

Socially, the picture is even bleaker.

It is well-documented that casinos spread gambling addiction, debt, bankruptcies, broken families, and crime. A 2009 state-sponsored study reported that Connecticut's casinos were followed by a steep increase in the number of state residents seeking treatment for gambling addiction, together with a 400

percent increase in arrests for embezzlement. A 2014 study from Western Connecticut State University showed that violent crimes increased in the towns surrounding Foxwoods and Mohegan Sun after the casinos arrived despite a sharp drop in violent crime nationally and in Connecticut as a whole. And multiple studies show that a staggering 35-50 percent of casino gambling revenue comes from problem gamblers.

In other words, the casino industry's very business model is dependent upon preying on addicted gamblers and up to half the money government obtains from casino gambling comes from exploiting addicted citizens and the people around them.

Advocates are promoting the convenience casino as a way to keep Connecticut residents from going to Massachusetts to gamble and thereby slow the loss of casino revenue and jobs in Connecticut.

The casino would clearly keep some people from leaving the state to gamble, but it would also expand casino gambling in Connecticut by making it more readily available to more than 1 million state residents. Should the proposal be approved, it can also be expected to lead the state's casino tribes to revive their original proposal to open convenience casinos in Fairfield County.

And finally, legalizing commercial casino gambling would open the door to other groups seeking licenses for casinos and other forms of gambling, from neighborhood video-slots parlors popping up in other states to internet and sports betting.

The public should have a chance to decide whether the proposed casino is worth it.

Robert Steele of Essex was a U.S. representative from eastern Connecticut and is the author of "The Curse: Big-Time Gambling's Seduction of a Small New England Town." State Sen. Tony Hwang (R-Fairfield) is an assistant Senate minority leader.