



LEAGUE OF WOMEN VOTERS OF MASSACHUSETTS

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Testimony to the Committee on Bonding, State Assets and Capital Expenditures

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Casinos in the Commonwealth will not be an Economic Boon, but an Economic Drain

The League of Women Voters of Massachusetts strongly opposes any plan to change current gambling laws to allow class 3 gambling.

In 1982, following a year-long study, the LWVM adopted its Casino Gambling position. Members opposed the legalization of casino gambling, weighing the stimulus to increased employment, tourism and tax revenue against the demands for social and municipal services, police protection and the establishment of a state regulating body. For the past several months the League has been updating its information on casino gambling. We have compiled more than 30 independent studies and articles written by professors of law, economics, and psychology; reporters from states that have casino gambling and states that are considering casino gambling; taxation specialists; and concerned citizens, including Warren Buffet, renowned investor and businessman.

These studies and reports all conclude that casino gambling is not a solution to the fiscal problems that states face and is definitely no substitute for a reasonable tax policy. The anticipated financial gain is easily outweighed by the myriad of problems that accompany the introduction of casino gambling.

Some of the main fiscal issues associated with the Governor's proposal that we are greatly concerned about are:

- **Gambling is a business that drains the economy, it does not bolster it:** Independent research has shown that for every \$1 earned in revenue from casinos, \$3 is spent in the costs associated with them. *"Gambling in America: Costs and Benefits". Gringols, Earl PH.D. 2005.*
- **Gambling revenues fail to solve state fiscal problems:** Not one state in this country has ever solved its budget problems with gambling revenues. Last year, New Jersey, with its 17 casinos, had to shut down its state government due to a budget crisis. *Governor Corizne signs executive order for orderly shutdown of government operations, Office of the Governor press release, July 1, 2006.*
- **Casinos will not bring an economic multiplier effect to our area:** Cities like Atlantic City and Detroit and states such as Louisiana and Mississippi continue to languish despite their heavy concentration of casinos. If casinos provide good economic development, as their proponents say, then *The Boston Business Journal* would not be strongly editorializing against them. Casinos lower a region's standard of living by attracting many low-wage casino jobs and merely act as a jobs transfer, not a jobs creator. Local businesses and cultural institutions will lose demand in transference of disposable income expenditures. *"Gambling numbers don't add up." The Boston Business Journal, September 21, 2007. Pg 63.*
- **The negative impact of casinos is most intensely felt within a fifty mile radius of the facility.** Under the Governor's proposal for 3 mega casinos placed strategically across the State, there is no community in the Commonwealth left without an overlaying negative fiscal effect. Central Massachusetts is the area of greatest concern, with a triple overlay effect, falling in the fifty mile radius of all three of the proposed casinos. *National Gambling Impact Study Commission Report commissioned by US Congress 1999.*

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There will be an economic drain to local businesses and cultural institutions due to transference of disposable income spending, and a lack of well paying job opportunities beyond the construction phase. If you allow the Governor's proposal, we will all have to deal with the negative impact on the State's ability to attract serious and more beneficial industries who would logically avoid coming to Massachusetts. Businesses will avoid a situation that could leave their workforce vulnerable to the casinos' predatory tactics. When given a choice of two locations of similar appeal, the presence of a casino could well be the deciding factor, and Massachusetts would be the losing state. All of these negative impacts could contribute to a worsening of our economic situation and the state's ability to generate revenue.

The economic factors alone, not even considering the social costs, should be enough to discourage legislators from pursuing this idea. Using the Governor's own estimates of negative social impact, if casinos were amusement parks and gambling addiction an injury to 5% of children who ride the rides, leaving 250,000 children in Massachusetts permanently disabled, would you still consider having them a part of the economic development of our state?