

# Is gambling economically viable for new jersey research paper

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This paper endeavors to research information regarding the issue of gambling, specifically within the state of New Jersey. Whilst gambling has been an inevitable part of human history, controversy still surrounds its impact on the social environment. In many countries, gambling is forbidden or restricted, however in the United States gambling is seen by many as a form of entertainment. In addition, revenue taxes derived from gambling contribute to both local and national economies. The goal in this paper is to evaluate the revenue and cost factors derived from gambling in New Jersey, and show that gambling's social and economic costs outweighs the benefits.

## **INTRODUCTION**

American history has incorporated gambling as an entertainment form of U. S. culture, however gambling has also been associated with crime, such as depicted within the 'birth' of Las Vegas, one the world's leading gambling centers; its beginnings formulated by criminal elements such as the Mafia. Notwithstanding, gambling has evolved to become a sophisticated highly technological form of entertainment worldwide, both on-site and online. One of the problems associated with gambling is its inherent ability to negatively affect the social environment due to many gamblers succumbing to addiction and compulsive behavior. Although gambling is perceived as an international social issue, this paper now turns to how the state of New Jersey views gambling as an entertainment form, and also its negative impact on their population groups.

According to a recent local governmental article, it is noted, " An estimated 350, 000 New Jersey residents are considered to be pathological, problem, or at-risk gamblers" (Weinbaum 1). This possibly represents 2% - 3% of New Jersey's population; invariably negatively affecting a larger number of residents either directly or indirectly exposed to these adversely affected individuals. This larger group may include families, local communities, workplaces and healthcare facilities. Indeed the problem has reached such serious proportions that the state has ongoing programs designed both to warn and to educate the public regarding the risks and dangers of gambling. Institutions and organizations such as the New Jersey Lottery (NJL), the Department of Human Services' Division of Mental Health and Addiction Services (DMHAS) and also the Council on Compulsive Gambling of New Jersey, Inc. (CCGNJ) are actively trying to stem the rise of compulsive gambling. Indeed, even lottery tickets incorporate a 1-800-GAMBLER helpline number (1), followed by extensive exposure on advertising and promotional literature and signage.

A study facilitated in 2008 by the Central University Teaching Hospital located in Warszawa, Poland pointed out, " Gambling is frequently the cause of bankruptcy, leading the whole family to poverty and extreme destitution" (Ros 1). This addiction is often uncontrollable; thereby replacing parental and marital responsibilities resulting in a breakdown within the social environment in local communities. Moreover, this compulsive addiction is often a long term, verified by Ros as he adds, " Gambling often draws people for very long periods of life - these periods may frequently last several

scores of years" (1). Therefore, this study draws an inference suggesting that entire generations grow up under the 'trauma' of living within an uncontrolled environment. Sadly, this social 'disease' can be passed on down to successive generations; a cost that cannot be defined only in financial terms, but in social costs.

Complicating this 'cocktail' of adversity within local communities is an additional factor increasing the complexity of the problem. The potential revenue derived from gambling taxes thereby increasing state revenues, may compromise the efforts of both governmental and social organizations to lessen or remove this social 'scourge'. Perhaps, this is scenario is highlighted by a recent CBS News report which the New Jersey Republican Governor, Chris Christie states, " New Jersey will defy a federal ban and let people bet on the outcomes of football, basketball and other games this fall" (CBS Sports. com 1). This report attempts to justify this new approach by stating, " legal sports betting also would provide a new source of revenue from a huge pool of money that now flows untaxed to unlicensed offshore Internet sites or to illegal bookmakers" (2).

Whatever the political or economic advantages gained by this proposal, this relaxation of legislated regulations may ironically increase the state's financial, social and healthcare costs, budgeted with the objective of reducing the negative impact of compulsive and uncontrollable gambling practices. Adding to the contradiction or conflicts of interests, this report goes on to note, " Christie said 50 percent of the revenue generated by sports betting would go toward treatment programs for compulsive

gamblers" (2). Drawing upon the above sourced information, this study suggests that income generated by legislated additional gambling revenue is offset by the allocation of further state resources to prevent gambling addiction. This contradictory mindset suggests that the entire issue of gambling costs needs to be independently researched; both costs absorbed by the state, and costs incurred by diverse and local population groups.

An additional aspect to this social problem is regarding its growing trend reflecting an increasing negative impact on society. A guide published in Canada, devoted to assisting professionals tasked with combating addiction and mental health issues, named 'Problem Gambling: A Guide for Helping Professionals' claimed, " In 2005, 9. 6% of adults reported experiencing negative impacts by someone else's gambling compared to 5. 2% in 2001. Those affected by problem gambling often experience financial difficulty, emotional distress and relationship problems" (Camf 13). This study assumes that socio-economic trends in Canada reflect similar trends in the United States; thereby relevant to socio-economic issues with the state of New Jersey. Assuming a natural increase in population size, especially in the U. S.; including the increase in both the intake of both legal and illegal immigrants, this adverse upward trend is likely to continue.

Moreover, this paper suggests that this drive by political and economic self-interest groups to relax legislated regulations, will further add to the downward spiral of this social 'disease', borne in part by local communities; thereby logic will assume that this initiative will add to these groups' responsibility and blame for the increase in this social problem.

Another serious aspect related to gambling whether compulsive or responsibly managed, relates to crime. A paper published by the University of Illinois in 2000, claimed, " Evidence is converging to show that casino gambling causes significant increases in crime" (Grinols 1). Apart from human and social costs, additional burdens are placed on law enforcement agencies, prison authorities and supporting institutions involved in crime prevention. This is perhaps an 'unseen' cost, yet the budget allocated to both these federal and state funded institutions is a significant drain on available resources.

In addition, this paper claims that the ratio of increase in crime is directly related to the location of casinos with a designated area, " The raw data suggests that 12. 4 percent of the crime observed in casino counties would not be there if casinos were absent" (2). This damning evidence indicates an in-balance between the many people affected by this problem, and the interests of the more privileged and elite minority population groups. In addition, this paper looks at another statement by Grinols in which he maintains, " If casino gambling cannot be offered in ways that cause it to pass a cost benefit test, then banning it (as was done until recently) is preferable on economic terms" (3). Whilst this may be considered by some to be extreme, this mindset and direction of thinking may assist in reducing the adverse impact of this social disease on New Jersey society.

Finally, Grinols points out that, " In areas with casinos the evidence points to costs of \$63 per adult per year, but other studies that provided information on all of the social costs of casinos suggest that the total is over \$100 per

adult annually" (3). He goes on to compare these figure with income derived from gambling revenue, by adding, " Research on the benefits suggests they are no larger than \$40 per adult annually. Thus casino gambling fails a cost-benefit test by a substantial margin in terms of Index I crimes alone" (3).

## **CONCLUSION**

This paper suggests that according to the above evidence cited, the costs of combating the effects of gambling in New Jersey, far outweighs the perceived benefits. Furthermore, attention is drawn to the increase trend of families adversely affected by gambling; with the possibility of the situation worsening if the manipulation of 'protective' legislation by certain self-interest groups is allowed to continue.

## **Works Cited**

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