



The Research Bureau

# Should Worcester Welcome a Slot-Machine Casino?

Report 13-02  
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## **EXECUTIVE SUMMARY**

On March 13, 2013, Worcester was designated as the preferred site for a slot-machine casino by Mass Gaming LLC, a subsidiary of Rush Gaming. While the company has not yet submitted a specific proposal to the City Manager, The Research Bureau undertook this study of the slots industry in order to understand its operations and to examine its potential effects on the City. This report is a supplement and update to our 2007 report “Casino Gambling in Worcester: The Case For and Against” ([http://wrrb.org/files/downloads/reports/pub\\_admin/2007/REPORT07-04WEB.pdf](http://wrrb.org/files/downloads/reports/pub_admin/2007/REPORT07-04WEB.pdf)), which concluded that the net effects of bringing a casino to Worcester would be far more harmful than beneficial. In our present research, we discovered that the societal harm associated with casinos in general is greatly exacerbated by new developments in slot-machine technology, multiplying the dangers identified in the earlier report.

Based on our research on slot machines, the Bureau notes the following:

- Today’s slot machines enable much faster play than formerly (as many as 1,200 games per hour) and are designed (via electronic “enhancements” in sound and video effects) to generate a “winning” feeling on the part of the player, even when he has lost – thus increasing their addictive effect, as well as the rapidity with which players’ losses mount. (The speed of play is further enhanced by enabling players to pay with credit and debit cards.)
- Studies show that those who play the new slot machines regularly become addicted three to four more times more rapidly than other gamblers.
- Most revenue from today’s casinos built in urban areas comes from nearby residents (who will tend, in Worcester’s case, to be the least well-off members of the community), not from “high rollers” traveling to a city from elsewhere. A 2004 study “found that living within ten miles of a large-scale gaming operation put individuals at a 90 percent increased risk for gambling problems.”
- The potentially disastrous effects of making the new slot machines easily accessible to urban residents can be seen most graphically in Las Vegas, which has the highest rate of suicides in the nation (twice the national average), a significant number of which are local residents, as well as exceptionally high rates of poverty, crime, bankruptcy, automobile accidents, child abuse, and pathological addictions of various kinds.
- Owing to increased competition, the casino industry, far from promising to be a “cash cow” for municipal finances, let alone a tool of economic development, is now in economic decline, with much of newer facilities’ revenues coming from “cannibalizing” those of rival facilities. (Atlantic City casinos, for instance, have experienced six straight years of declining revenues.)

In light of these facts, The Research Bureau highly doubts that any supposed (but probably chimerical) economic benefits from locating a slots parlor in Worcester can possibly outweigh the harm it will cause to the quality of our civic life. If anything, the sorts of behavioral problems associated with slots casinos are likely to reduce the attractiveness of the new City Square development (in which the City has invested so heavily), adjacent to the former Wyman-Gordon property where a casino is likely to be located, to potential new businesses and residents; to

similarly reduce the City's appeal to students at MCPHS University, which has recently expanded its operations in the downtown area; and even to negatively affect the image of Holy Cross College, located just a five-minute drive down I-290 from the Wyman-Gordon property. Bringing a slots casino to town hardly seems compatible with Worcester's vision of itself as a place whose reputation and growth are tied to its investments in higher education, health care, and biomedical research—as well as its status as a desirable place to raise families.

## INTRODUCTION

In October, 2007, responding to Governor Deval Patrick's proposal (subsequently enacted by the Massachusetts Legislature) to authorize the construction of three "resort-style" gambling casinos in the Commonwealth, The Research Bureau issued a report titled "Casino Gambling in Worcester: The Case For and Against."<sup>1</sup> Based on a survey of relevant academic and journalistic studies of the effects of casinos elsewhere in the U.S., our report concluded that despite the promise that casinos would enhance the fiscal well-being both of the state and of the city in which they were located – thanks to tax revenues, and the promise of more jobs from constructing and working in them – on balance, the net effects of bringing a casino to Worcester would be far more negative rather than positive, and thus the City should do what it can to deter the introduction of such an establishment here. Among the report's specific findings were the following:

- The gambling or "gaming" industry has not been known to develop the local economy beyond itself. According to an international strategic adviser, "Casinos don't grow skills. They don't nurture talent." Thus, promoting the establishment of casinos seems hardly compatible with the Governor's stated goal of improving Massachusetts residents' skills so as to prepare

them for jobs in the Commonwealth's high-tech, engineering, bio-medical economy.

- Casinos divert consumer spending from other, more productive local enterprises.
- Much of the money generated by casino revenues, unlike that generated by more conventional business activity, goes to regions outside the local community, rather than being recycled within it.
- As the number of casinos proliferates nationwide, casino profits inevitably decline, as their business increasingly depends on "cannibalizing" one another. As a result, actual revenues and hence tax receipts from a new casino are likely to fall far short of its advocates' projections.
- Casinos, like other forms of gambling, disproportionately attract lower-income individuals, thus depriving the neediest families of assets that would enable them to maintain their financial independence and advance their life prospects. It is highly doubtful that any supposed gains to the poor from increased spending on education and social services derived from casino tax revenues will outweigh these costs to them.

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- Casinos lead to an increase in the number of pathological gamblers. The National Impact Gambling Study Commission (1999) found that the rates of pathological gambling addictions doubled among populations that live within 50 miles of a casino.
- The proximity of casinos is also strongly correlated with an increase in personal bankruptcies, crime rates, and suicides. In Atlantic City, for instance, crime rates increased by 300 percent between 1977 and 1981, the years immediately following the legalization of casino gambling in 1976, and much of that town remains depressed and crime-ridden. One study found that people who engage in crime to support compulsive gambling behavior typically have no prior record of criminal behavior, suggesting that encouraging gambling has a corruptive effect.
- Each of the foregoing negative personal effects are likely to be far greater when a casino is located in an urban locale like Worcester, within easy traveling or even walking distance of a large population, than when it is in a largely remote area like Connecticut's two casinos, requiring a lengthy (and hence probably less frequent) trip on the part of most of its customers.
- Casinos convey to people, poorer ones in particular, the message that betting, as distinguished from working, saving, and investing, is the road to financial success for oneself and one's family. As social scientists

William Galston and David Wasserman observe, the recent rise in the popularity of gambling, especially when it is encouraged by government in order to enhance its own revenues (and thus carries the stamp of official endorsement), promotes "a loss of confidence in hard work as a source of social advancement," generating "cynicism about the work ethic" that is "particularly destructive for individuals with limited resources." "At a time when so many forces are pushing in the direction of shortsightedness, irresponsibility, and passivity," they remark, "public institutions have an affirmative obligation to defend the older, but by no means outdated, virtues of industry, thrift, self-command, and care for the future," an obligation that is directly contradicted when government encourages people to gamble.

### **RECENT DEVELOPMENTS IN WORCESTER**

While The Research Bureau believes that the conclusions of its 2007 report remain valid, the present report is intended as a supplement to our previous analysis, designed to address some recent developments. On March 13, 2013, Massachusetts Gaming, a subsidiary of Rush Gaming notified Worcester City Manager that Worcester is its preference for a slots operation. This news follows several months of speculation about a gambling facility consisting entirely of slot machines on the long-vacant former Wyman-Gordon property along Madison Street.<sup>2</sup> In

particular, a Cambridge hotel developer, Richard L. Friedman, told the *Worcester Telegram and Gazette* last December that he was “actively working” on such a proposal as part of a “\$150 million plan for a boutique hotel and other uses near the downtown CitySquare development,” describing it as the “higher quality level of development” that Worcester needs. The Wyman-Gordon property is now under agreement with Mr. Friedman’s Carpenter Company. In a statement sent to the City Council, Mr. Friedman noted that the Wyman-Gordon property is under consideration for gaming use by one or more highly qualified gaming companies which submitted an application to the Gaming Commission.<sup>3</sup> The head of the Worcester Business Development Corporation has expressed “interest” in the proposal as part of a possible “larger economic development plan” linked to the City’s Canal District and Theatre District (in the area of the Hanover Theater).<sup>4</sup> And Worcester’s City Manager, while expressing skepticism that so-called “gaming” “is an economic win for the city,” has emphasized that any casino would have to “integrate with [the City’s] economic development agenda” and enhance “our existing restaurant, theaters, cultural and entertainment venues.”<sup>5</sup> Although some city councilors who discussed the proposal similarly seemed favorably disposed to the proposal so long as it was a “high-end” one, linked to a hotel, The Research Bureau doubts that any such hotel development can possibly outweigh the negative effects, both economic and social, that a slots casino will bring to the City.

By way of background, we note that the proliferation of casinos in the Northeast since our 2007 report has continued in subsequent years, generating serious financial problems for existing establishments. For instance, casino revenue

in Atlantic City, the second city (after Las Vegas) to have legalized casino gambling, declined by 37% from 2006 through 2011, and then fell an additional 8% in 2012 – the sixth straight year of decline.<sup>6</sup> Revenues at Connecticut’s Foxwoods, the world’s largest casino, similarly had declined for six straight years through 2011. Hence *New York Times* reporter Michael Sokolove observes that “[t]he big buzzword in the [casino] business right now is ‘cannibalization’” (as noted in our 2007 report), referring to the practice of “casinos’ gobbling up one another’s customers, which for some of them may be the only route to survival.” “Struggling with declining revenues and big debts,” as well as the prospect of further competition from new casinos to be built in Massachusetts (along with the expansion of gambling at the Twin River slot parlor in Rhode Island), Foxwoods and neighboring Mohegan Sun Casinos were reported at the end of 2011 to “have mapped out strategies that will have them competing against each other even more intensely – for customers who live nearby and for the high rollers who flit from casino to casino.”<sup>7</sup> And even the CEO of Foxwoods, Scott Butero (the casino’s seventh head since 2007) forecasts that states like Connecticut and New Jersey “that have come to rely on gambling will see their share [of revenue] decrease” in coming years.<sup>8</sup>

## **SLOT MACHINES: HOW THEY WORK**

In the present report, we emphasize the particular dangers associated with the newest form of slot machines, electronic ones, which have been highlighted in recent research, including an important book by MIT Professor Natasha Dow Schüll, *Addiction by Design: Machine Gambling in Las Vegas* (Princeton University Press, 2012). (Remaining parenthetical page citations in the text refer to this book.) Any slots parlor brought to Worcester would be sure to use this technology.

Schüll's thoroughly researched study explains the transformation that has occurred in the gambling industry since the 1980's, in which "social" games like blackjack and craps that once dominated the casino floors have largely been displaced by slot machines, which now generate more than 85% of industry profits (5). Much of the reason for this change has been the transformation of the machines themselves, which no longer require the player to pull a lever, but merely entail pushing a button – thus enabling much faster play (as many as 1,200 "games" per hour); and which are designed (via electronic "bells and whistles") to generate a "winning" feeling on the part of the player, even when he has lost (55, 92-3). As another scholar, Kevin Harrigan of the University of Waterloo (Ontario) has explained, for instance, the latest machines enable players "to bet on different pay lines at the same time," making them much more addictive than previous ones. In a typical multi-line setup, "a player can bet on up to 20 different pay lines in a single game. If [he] wins on 9 of the 20 lines, resulting in a net loss, the machine still celebrates the occasion with sound and

video effects."<sup>9</sup> *New York Times* writer Michael Sokolove elaborates that while current slot machines are programmed to take "about 9 cents of every dollar wagered" by a gambler, they are also designed to produce the visual illusion of "frequent near misses," along with issuing periodic "small payouts" designed to extend the gambler's "T.O.D. (time on device)" and thus increase his overall losses.<sup>10</sup> Addiction specialists are concerned that the "false wins" served up by this new technology "set off the same reward mechanism in the brain that is activated by actually winning a game," thus heightening the addictive effect. (For this reason the government of Queensland, Australia, enacted regulations in 2010 that forbid the display of a congratulatory message after a false win.)<sup>11</sup>

The speed of play on the newest machines is further enhanced by enabling players to pay with credit cards rather than coins. To increase the machines' "seductive appeal" (or simply to conceal just how poor the player's chances of long-term "success" are), slots are the only game for which Nevada casinos refuse to post the odds of winning: a game designer attests to the importance of "mak[ing] a machine that is *perceived to present greater chances of payoff than it actually has*" (78, 90 [emphasis in original]).

The overall result of these technological enhancements is to make slot machines far more addictive than in the past (hence the title of Schüll's book). According to a recent report on casino gambling in Canada, "experts on gambling addiction say the number of problem gamblers is growing dramatically and that most of the difficulties come from people hooked on the new slot machines, which critics call 'the crack cocaine of gambling.'"<sup>12</sup> Prof. Garry Smith, a gambling specialist at the University of

Alberta, cites the speed factor in explaining the addictive character of the new machines, which he opposes legalizing because they are ‘the most dangerous form of gambling out there.’”<sup>13</sup> The government of Hungary recently outlawed the formerly “ubiquitous” slot machines, maintaining that “tens of thousands of Hungarian families had been ruined” by them; “experts estimate that there are some 100,000 gambling addicts in Hungary, a country of 10 million people, while another 500,000 are at risk of developing a gambling habit.”<sup>14</sup> For similar reasons, the provincial government of British Columbia in Canada recently cancelled plans to legalize video gambling, “foregoing more than \$100 million a year in anticipated tax revenues.”<sup>15</sup>

As Schüll explains, slot machines are now designed to appeal to players’ “bodily and sensory propensities so as to facilitate longer, faster, and more intensive play.” Slots are constructed in a way that refocuses players’ attention “from playing-to-win to playing for ‘time-on-device.’” In other words, the goal is to keep players so wrapped up in the game experience that they find it all the harder to let go, no matter how much they have lost. Because of the machines’ speed, electronic slot machines involve “the most intensive ‘event frequency’ of any existing gambling activity,” inducing a “trancelike state” on the part of the gambler (18). Indeed, machine designers are now able not only to increase a given machine’s addictiveness for all those who play it; they have developed an “ability to track, analyze, and adjust to individual players’ predilections so as to heighten their absorption” in the machines. The designers, Schüll observes, are thereby able to delude gamblers into a false “sense of control” over their playing, in a way that heightens their “self-dissolution and entry into the ‘machine zone.’” (26-27). Other

technological innovations include programming “unique ‘sound events’” into the machines so as to “energize the player, keep him there longer,” “creat[ing] chairs that subtly vibrate and pulse in accordance with certain game events, confirming players’ experience of these events at the bodily level,” and “‘integrat[ing] touch sensations into the human machine interface,’ creating ‘touchscreens that touch back,’” as a means to “‘capacitate’ continued gambling” (62-3, 67). So effective are the new type of slot machines, or “video gambling devices,” that individuals who play them became addicted **three to four times more rapidly** than other gamblers (in one year, versus three and a half years), even if they had regularly engaged in other forms of gambling in the past without problems” (emphasis added). It is misleading, Schüll argues, to maintain that these machines are intended to serve as a form of “entertainment”; rather, they are designed to insulate the “player” from the outside world, and indeed from independent thinking or choice; the goal is to use up the player’s funds as quickly as possible. In another new development, casinos have developed ways of linking gamblers’ “player cards” to their debit and credit cards, ATM cards, and checking account so as to maximize access to *all* the player’s financial resources – without any interruption (which might offer time for reflection on whether to continue playing (69-72). The result of this sort of linkage, according to one gambler quoted by Schüll, is to “induc[e] a kind of disconnection from reality” so that “real money can subtly morph into play money” (71), and gamblers lose awareness of the reality of their losses.<sup>16</sup>

In consequence of these developments, Schüll reports that studies that take into account distinctions “among different types of gambling activities ... consistently find

that machine gambling is associated with **the greatest harm** to gamblers” (16 [emphasis added]). Two scholars whom she quotes observe that “[t]he academic literature on electronic machine gambling is, with few exceptions, faultfinding ... While there is unanimity about the superior revenue generating capacity of electronic gambling machines ... there is also concurrence on the distress these machines can visit on the public.” One study surmised that “rather than indicating pathology in the gambler” (the claim of gambling-industry representatives who try to blame problem gambling on the weaknesses of particular customers), “impaired control and subsequent problem development are an understandable and ‘natural’ consequence of regular, high intensity [machine] play.” This hypothesis was endorsed by an independent federal commission in Australia in 2010 which concluded “that ‘the problems experienced by gamblers – many just ordinary consumers – are as much a consequence of the technology of the games, their accessibility and the nature and conduct of venues [for gambling] as they are a consequence of the traits of the consumers themselves’” (16-17, 20).<sup>17</sup>

The manner in which the current generation of slot machines can exercise a pathological grip on even highly disciplined people is brought home by a recent *Telegram and Gazette* story on how Deborah L. Greenslit of Rutland, a psychotherapist with four graduate degrees and a nursing degree who is also a successful marathon runner, won what she came to call “pennies from hell” playing a slot machine at Connecticut’s Mohegan Sun Casino. In a forthcoming book titled *Living with a Loving Heart: Lessons Learned on Suffering and Pain*, Ms. Greenslit recounts how after winning a \$752,000 jackpot playing penny slot machines at Mohegan Sun, she found herself

“hooked,” soon lost back her winnings, but found herself “sitting for hours” at the machines, finding it “hard to pull away.” She finally realized that her addiction to the slots had undermined her “mindfulness,” “exacerbate[ing]” rather than healing her personal pain.<sup>18</sup> But while Ms. Greenslit was finally able to overcome the addiction, how many others from the Worcester area, lacking her discipline and training, will become enslaved to it, once a slots casino is located within easy reach (a lot closer than Mohegan Sun is to Rutland)?

## **SLOT MACHINES: IMPACT ON THE COMMUNITY**

Lest it be thought that a slots casino located near I-290 in Worcester will draw mostly on customers from outside the city and its suburbs, as noted earlier, the 1999 National Gambling Commission determined that living within a fifty-mile radius of a large-scale gaming operation doubled the rate of pathological gambling, while a larger 2004 study “found that living within ten miles of a large-scale gaming operation put individuals at a 90 percent increased risk for gambling problems. A 2003 United Way study found that “31 percent of Southern Nevadans [i.e., those living in the Las Vegas area] said someone in the household had experienced a challenge with a gambling problem during the past year, and over 6 percent reported a major challenge” [319-20].) A 2009 study cited by Schüll reports that two-thirds of Las Vegas residents gamble “at least occasionally”; of that number, “44 per cent gamble at least once a week, and 27 percent do so twice a week [or] more” (315 n. 25).<sup>19</sup> Although those figures concern all forms of gambling, Schüll notes that already by the mid-1990s, the vast majority of those attending meetings of the self-help group Gamblers Anonymous in Las Vegas “played

**slot machines exclusively**” (14; emphasis added). As scholars Andrew Yarrow and David Blankenhorn observe, contrary to the image of casinos as glamorous locales attracting out-of-town visitors, “Most revenue from today’s casinos is not from high rollers who have flown in from faraway places to stand in front of roulette wheels or dice tables, but from nearby residents who sit in front of high-speed slot machines that employ merciless algorithms to separate them from their money.”<sup>20</sup>

As for the results of gambling addiction for the local community, Schüll cites several studies listing various social problems in Las Vegas associated with gambling as indices of that city’s “disregard for human welfare” and what one pair of scholars calls its “crisis of greed, selfishness, and stupidity”: “[a]t twice the national average, the city has the highest number of suicides in the country, a significant number of which are local residents”;<sup>21</sup> Las Vegas also “scores exceptionally high on rates of poverty, crime, bankruptcy, automobile accidents, child abuse, [and] addictions of all manner” (314 n. 19). Are these really problems that we wish to risk bringing to Worcester? And is there any reason to think that programs designed to combat “problem” gambling are likely to be any more successful in Worcester, once a slots casino has been established here, than they have been in Las Vegas or Atlantic City?<sup>22</sup> Is introducing a source of major social problems to the local community while adding programs to supposedly palliate its effects any different in principle from launching a campaign to encourage more Worcester residents to smoke – in order to raise state tax revenues – while promising to “compensate” for the ill health effects by simultaneously offering to finance enhanced cancer treatment?

## CONCLUSIONS: CONSIDERING WORCESTER’S FUTURE

Finally, Worcester residents and their elected and appointed representatives should ask themselves whether casino gambling is compatible with the City’s vision of itself and its desired future as a place whose reputation and growth are tied to its resources in higher education, healthcare, and biomedical research – as well as to its being a desirable place to raise families. A major factor to be considered here is the recent commitments to the expansion of higher-education and research facilities in the downtown area, within walking distance of the former Wyman-Gordon site that has been proposed for a slots parlor.

Since opening its campus in 2000, MCHPS University has invested more than \$350 million in downtown, renovating buildings for academic and residential purposes. There are now about 1,200 graduate-level students and 300 faculty and staff at its downtown campus, and the school intends to double the number of students at the campus over the next six years. The University recently bought the Morgan Construction building in Lincoln Square, which it plans to renovate for student housing, as well as 29 condominium units at North High Gardens. It has also leased 26 micro-loft units at underutilized downtown office buildings that are being redeveloped for student housing.

Meanwhile, WPI has developed Gateway Park at the north end of Main Street for academic programs; it is building a graduate student dormitory in that complex; and it has an option on the former Boys’ Club at Lincoln Square to renovate it for its MBA program. Quinsigamond Community College recently signed a lease for a large

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portion of the former *Telegram & Gazette* building for programs in the health sciences, adult basic education, ESL, and GED. So within the next few years, there will be several thousand students living in and attending classes in downtown Worcester.

Is this the population we want to tempt with slot machines? Or will the families who have returned to the City's downtown to enjoy the new skating oval find it equally attractive if the nearby neighborhood is filled with people exhibiting the sorts of

behavioral problems associated with gambling addiction (including alcoholism and increased crime)? Equally important, should City officials encourage those who live in some of the City's poorest neighborhoods adjacent to the Wyman-Gordon site to gamble away the hard-earned financial resources on which their families depend?

The Research Bureau believes that these questions answer themselves.

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<sup>1</sup> Available at <http://www.wrrb.org>.

<sup>2</sup> The Massachusetts Gaming Commission, which is responsible for licensing gambling facilities, is in the process of reviewing applications. According to its website <http://www.mass.gov/gaming/docs/tir>, the Commission will decide which applicants move to the next round by June 2013. In addition to submitting more detailed information, applicants must execute agreements with surrounding communities and host community agreements must be approved by referendum by the end of 2013.

<sup>3</sup> See Shaun Sutner, "Developers Proposing Hotel, Slots Emporium Near Central Worcester," *Worcester Telegram and Gazette*, December 11, 2012; Steven H. Foskett Jr., "Worcester Councilors Vote to Study Taking Land Eyed for Slots Parlor," *Worcester Telegram and Gazette*, December 18, 2012. Worcester was still being "pitched" by Friedman as a location for the slot parlor complex as of February, 2013: John Monahan, "Selection of Casino, Slot Sites Continues," *Worcester Telegram and Gazette*, February 20, 2013.

The gambling industry has engaged in extensive lobbying efforts in Massachusetts since 2007, having spent \$137 million for that purpose, peaking in 2011, when the legislature approved the casino bill. Since Governor Patrick signed the bill, the industry has redirected its efforts towards cities and towns identified as possible casino sites. Massachusetts Gaming and Entertainment, which is seeking one of the casino licenses for which Worcester is regarded as a potential location, has spent \$110,000 on lobbying so far: Steve LeBlanc, "Gaming Money Pours In," *Worcester Telegram and Gazette*, February 21, 2013.

The possibility of the gambling industry's using its immense wealth to try to sway political decisions in its favor is further illustrated by its having donated \$2 million in 2012 to a political group allied with New York Governor Andrew Cuomo, at a time when Cuomo was developing a proposal to expand casino gambling in his state: Nicholas Confessore, Danny Hakim, and Charles V. Bagli, "Gambling Group Gave \$2 Million to a Cuomo Ally," *New York Times*, June 4, 2012. Adam Drici, "Lack of Hotels Costing Worcester Economy," [www.GoLocalWorcester.com](http://www.GoLocalWorcester.com), 2/25/13

<sup>4</sup> Priyanka Dayal McCluskey, "Worcester Leaders React to Slots Parlor Proposal," *Worcester Telegram and Gazette*, December 24, 2012. The WBDC, as McCluskey notes, "has been promoting the concept of a downtown theater district" consisting of "a hub of restaurants, shops, housing and entertainment venues, buzzing with college

students.” As we will note in our conclusion, it is difficult to imagine how the construction of a slots parlor would serve to attract market-rate housing or appealing shops and restaurants to the area – to say nothing of making downtown Worcester more college-friendly.

<sup>5</sup> Sutner, “Developers.” (As *New York Times* writer Michael Sokolove explains, “gaming” is the casino industry’s universally-used euphemism for gambling, “an enterprise that could not exist without euphemisms and legal workarounds.” “Foxwoods Is Fighting for Its Life,” *New York Times Magazine*, March 14, 2012.)

<sup>6</sup> Sokolove, “Foxwoods”; Kaja Whitehouse, “Hedgies Crap Out: AC Casinos Were Bad Bet, with 8% Revenue Hit,” *New York Post*, Jan. 11, 2013, p. 29. As “gaming” expert Richard Bronson is quoting as explaining in the *Post* story, “it’s very difficult when you’ve been a monopoly and suddenly everyone around you is in the business” (referring to Pennsylvania’s legalization of slot machines in 2004, followed by the opening of a casino at New York City’s Aqueduct race track in Queens).

<sup>7</sup> Andrew Caffrey, “Mass. Gambling Threatens Foxwoods, Mohegan Sun,” *Boston Globe*, December 27, 2011; Mark Arsenaault, “Foxwoods to Fight for Bay State Clientele,” *Boston Globe*, December 27, 2012. Clyde Barrow, director of the New England Gaming Research Project at the University of Massachusetts-Dartmouth, describes both casinos as being “in deep trouble ... boxed in by their debt,” as are “their creditors” (Caffrey, “Mass. Gambling”). After accruing a total debt of \$2.2 billion to a complex “web of bondholders and banks,” last August Foxwoods announced a restructuring deal that extended its repayment deadlines (Callum Borchers, “Seeking to Recapture the Wonder of It All,” *Boston Globe*, February 17, 2013, A10).

<sup>8</sup> Sokolove, “Foxwoods.”

<sup>9</sup> Randall Stross, “I’m Losing Money. So Why Do I Feel So Good?,” *New York Times*, January 12, 2013.

<sup>10</sup> Sokolove, “Foxwoods.”

<sup>11</sup> Stross, “I’m Losing Money.”

<sup>12</sup> Schüll cites several sources for the “crack cocaine” comparison; another term is “electronic morphine” (18, 322 n. 74).

<sup>13</sup> “Addiction to Slot Machines, VLTs,” *Encognitive.Com*, <http://www.encognitive.com/node/552>, accessed January 29, 2013.

<sup>14</sup> Pablo Gorondi (Associated Press), “Hungary Law to Ban Slot Machines,” *Washington Times*, October 4, 2012.

<sup>15</sup> “Addiction to Slot Machines, VLTs,” *Encognitive.Com*.

<sup>16</sup> Casino opponent Jeff Benedict recounts several instances of gamblers who used up their financial resources and were compelled to declare bankruptcy, having made use of the “credit offices” at Mohegan Sun and Foxwoods, along with the on-premise ATM machines. And he cites a recent study by researchers at Pennsylvania State College of Medicine and the University of Pennsylvania citing the particular financial risks of casinos for senior citizens. (“Stop the Casino 101 Coalition: A Losing Hand,” <http://www.stopthecasino101.com/id80.html>, accessed February 12, 2013). Schüll quotes a Las Vegas casino executive regarding the particular appeal of the latest slot machines to seniors: “We have a lot of locals with limited bankroll who visit three to four times a week, and they’re coming for the time-on-device ... The video reels [used by the latest machines] have been a major transition” (124). Numerous stories of personal ruin brought on by addiction to the newest slot machines are provided in the interviews recounted in Part Three of Schüll’s book. The addictive properties of these machines and their destructive effects on individual gamblers are also graphically described in a CBS “Sixty Minutes” program available at the following website: <http://www.cbsnews.com/video/watch/?id=7228424n>. The program includes interviews with individuals whose lives were ruined by slot-machine addiction, as well as with Prof. Schüll.

At the same time that they draw heavily on a senior clientele, Schüll reports, slot-machine designers are also working “to cultivate the ‘youth market’” for their wares “by importing the characteristics of contemporary video games into machine gambling” (305).

<sup>17</sup> Schüll even interviews a game designer who “admit[s]” that the games he builds “are addictive,” causing him continuing moral qualms about his occupation. At the same time, she cites what has become the “commonplace” observation that governments themselves have become “addicted” to gambling revenue, in their quest (in the words of the director of the South Carolina Center for Gambling Studies) “for a quick fix to long-term [fiscal] problems” (295-6).

<sup>18</sup> George Barnes, “Jackpot Proved a Mixed Blessing,” *Worcester Telegram and Gazette*, January 13, 2013.

<sup>19</sup> An earlier, 2005 study cited by Schüll found that two-thirds of Las Vegas metropolitan area residents gamble, two-thirds of whom in turn “gamble heavily (defined as twice a week or more, for four hours or longer per session), or moderately (one to four times a month, for up to four hours per session)” (8). Of course, gambling locales in the Las Vegas area (including convenience stores, gas stations, and supermarkets) are far more numerous than the single

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slots casino proposed for Worcester. But Worcester is also much less populous than Las Vegas, and the city is compact enough to render access to a centrally located casino much easier.

<sup>20</sup> “Cuomo vs. Cuomo on Casinos: Andrew, Heed Mario,” *New York Daily News*, January 4, 2012.

<sup>21</sup> Pathological gambling is associated with “the highest rate of suicide attempts (20 percent) among all the addictions” (14).

<sup>22</sup> There is widespread agreement among economists regarding the ruinous effects of casino gambling on a local community. For instance, Union College Professor Mary O’Keefe of Union College has called it “not just economically regressive, [but] sociologically destructive to the community,” while Cornell Professor Robert Frank observes, “Legalized casino gambling encourages people to pin their hopes on games of chance that are stacked against them. Those who are determined to gamble will find some way to do so, but why lend government’s imprimatur to predators’ efforts to exploit people who can least afford to bear the inevitable losses?” (Blankenhorn and Yarrow, “Cuomo vs. Cuomo on Casinos”).



*Mission Statement:*

*The Research Bureau serves the public interest of the Greater Worcester region by conducting independent, non-partisan research and analysis of public policy issues to promote informed public debate and decision-making.*



## The Research Bureau

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