Gambling Community Impact Case Studies

Community Impact Analysis Instructions

These case studies provide data about the impact of gambling on three different communities. For your assigned case study:

1. Review all the economic and social data provided
2. Identify and analyze both positive and negative impacts
3. Consider how impacts are distributed across different population groups
4. Evaluate whether the economic benefits outweigh the social costs
5. Develop policy recommendations to maximize benefits while minimizing costs
6. Consider whether you would support similar gambling expansion in your community

Use the analysis questions at the end of each case study to guide your evaluation.

Case Study 1: Riverdale Casino Development

Background

Riverdale (population 50,000) approved a casino development five years ago. The facility includes a casino with 1,200 slot machines and 50 table games, a 150-room hotel, three restaurants, and a 500-seat entertainment venue. The project required a $200 million investment and was developed by Regional Gaming Corporation.

Economic Data

- Casino employs 800 local residents with an average salary of $35,000
- Annual tax revenue: $12 million (15% of city budget)
- Tourism has increased 25% since opening
- Local hotel occupancy up 30%
- $5 million invested in infrastructure improvements (roads, utilities)
- Casino construction created 350 temporary jobs over 18 months
- Casino purchases $3.5 million in goods and services annually from local businesses
- Property values within 1 mile of casino decreased by 5%
- Property values in commercial district increased 15%

Social Data

- Problem gambling treatment requests increased 40%
- Casino funds problem gambling treatment program ($500,000 annually)
- Bankruptcy filings increased 15% in the county
- Calls to financial counseling services up 20%
- DUI arrests increased 10% within 5-mile radius of casino
- Local restaurants report 10% increase in business
- Crime rate up 8% overall, primarily non-violent offenses
- 24-hour police substation established at casino (funded by casino)
- Local arts programs receive $250,000 annually from casino foundation

- Casino employs 120 people who were previously unemployed

Community Survey Results

- 55% of residents report positive view of casino
- 30% report negative view
- 15% neutral
- 25% report knowing someone with a gambling problem
- 60% believe economic benefits outweigh social costs
- 45% report visiting the casino at least once per month
- 35% report increased community pride due to development
- 20% report traffic congestion as a major concern
- 15% report noise pollution as a major concern

Analysis Questions

1. Identify and quantify the economic benefits to Riverdale.
2. Identify and quantify the social costs to Riverdale.
3. Analyze which population groups benefit most and which bear the most costs.
4. Evaluate whether the economic benefits outweigh the social costs for the community as a whole.
5. Suggest policies that might maximize benefits while minimizing costs.
6. Would you support a similar casino development in your community? Why or why not?

Case Study 2: State Lottery Expansion

Background

Five years ago, the state expanded its lottery program to increase education funding. The expansion included the addition of new games, online access to purchase tickets, increased retailer commission, and an extensive marketing campaign. All lottery revenue after prizes and expenses is dedicated to education funding.

Economic Data

- Annual lottery sales increased from $800 million to $1.2 billion
- Education funding from lottery increased from $300 million to $450 million
- Created 200 new jobs in lottery administration and retail
- Marketing budget increased from $20 million to $40 million
- Average household spending on lottery: $500 annually
- Retailer commissions increased from $40 million to $60 million
- Administrative costs increased from $60 million to $90 million
- Prize payouts increased from $400 million to $600 million

Social Data

- Households earning under $30,000 spend average of $950 annually on lottery
- Households earning over $100,000 spend average of $250 annually
- Problem gambling helpline calls increased 35%
- Online gambling platform has 800,000 registered users (10% of adult population)
- 60% of lottery spending comes from 20% of players
- Convenience stores report 5% increase in foot traffic
- Problem gambling services funding increased from $2 million to $3 million
- Players in lower-income zip codes spend 4x more on lottery than those in higher-income areas

Education Impact

- Education funding increased 5% overall
- Lottery funds now represent 8% of total education budget (up from 6%)
- $150 million in additional education funding spent on:
    - Technology improvements: $60 million
    - Teacher grants: $30 million
    - College scholarships: $40 million
    - School building improvements: $20 million
- No significant change in educational outcomes measured
- Public perception of education funding adequacy unchanged
- State politicians cite lottery as reason for not increasing education budget from general funds

Public Perception Data

- 65% support lottery as voluntary method to fund education
- 30% view lottery as regressive form of taxation
- 45% incorrectly believe lottery covers majority of education funding
- 25% report playing lottery weekly or more frequently
- 70% of those who play cite "supporting education" as one reason for playing
- 85% of those who play cite "chance to win" as primary reason
- 55% of non-players cite moral or financial concerns as reasons for not playing

Analysis Questions

1. Identify and quantify the economic benefits of the lottery expansion.
2. Identify and quantify the social costs of the lottery expansion.
3. Analyze the distribution of benefits and costs across different income groups.
4. Evaluate the effectiveness of the lottery as an education funding mechanism.
5. Suggest policies that might make the lottery more equitable or effective.

6. Would you support further lottery expansion in your state? Why or why not?

Case Study 3: Tribal Casino Development

Background

A rural tribal nation opened a casino resort on reservation land seven years ago, following an economic development initiative. The facility includes a 75,000 square foot casino, 200-room hotel, multiple restaurants, and a cultural center highlighting tribal history and arts. The tribe maintains full ownership and management of the casino.

Economic Data

- Casino employs 1,200 people (70% tribal members)
- Unemployment on reservation decreased from 25% to 10%
- Tribal government revenue increased 300%
- Median household income on reservation increased from $24,000 to $38,000
- $50 million invested in reservation infrastructure and housing
- Casino profits fund:
  - Per capita payments to tribal members: 30%
  - Tribal government operations: 40%
  - Infrastructure and economic development: 20%
  - Education and cultural programs: 10%
- Tribe has invested $10 million in new businesses (grocery store, gas station, manufacturing)

Social Data

- Problem gambling treatment program established (serves 200 people annually)
- High school graduation rates increased from 65% to 82%
- New health clinic built serving 5,000 tribal and non-tribal community members
- Cultural preservation program funded ($2 million annually)
- Youth substance abuse rates decreased 15%
- Traffic accidents increased 25% on main access road
- Tribal college enrollment increased 40%

- Tribal language program participation increased 300%
- Problem gambling rates among tribal members increased from 3% to 7%
- Elder care program established with casino revenues

Regional Impact

- 500 non-tribal members employed at casino
- Surrounding communities report 15% increase in tourism
- Local businesses report mixed impact (some positive, some negative)
- Housing costs in region increased 20%
- Casino contributes $1 million annually to regional infrastructure projects
- Problem gambling rates in surrounding counties increased from 2% to 4%
- Regional tax revenues (sales, lodging) increased 12%
- Some retail businesses report 10-15% decline in sales
- Restaurant business up 25% region-wide

Tribal Member Perspectives

- 85% report improved economic situation since casino opening
- 70% believe casino has positively impacted tribal culture and identity
- 25% express concerns about cultural values and traditional lifestyle changes
- 90% support continued casino operation
- 65% report improved relationship with surrounding communities
- 80% report increased pride in tribal identity
- 35% report concerns about problem gambling in the community
- 75% believe benefits significantly outweigh costs

Analysis Questions

1. Identify and quantify the economic benefits to the tribal nation and surrounding region.
2. Identify and quantify the social costs to the tribal nation and surrounding region.

3. Analyze the impact on tribal sovereignty, culture, and self-determination.
4. Evaluate the distribution of benefits and costs between tribal members and non-tribal residents.
5. Suggest policies that might maximize benefits while minimizing costs.
6. Do you believe tribal casino development is an effective economic development strategy? Why or why not?

Comparative Analysis Framework

Use this table to organize your analysis of your assigned case study:

Impact Category	Benefits	Costs	Net Assessment
Economic			
Employment			
Government Revenue			
Public Services			
Social Welfare			
Problem Gambling			
Community Character			
Infrastructure			
Overall Assessment			