

CHAPTER 3

**CITIZEN AND BUSINESS ATTITUDES
TOWARD GAMBLING**

INTRODUCTION

The attitudes of Louisiana citizens and businesses toward gambling are discussed in this chapter. Data for this chapter were largely derived from the resident survey (See Appendix B for a complete report on the resident survey) and the business survey (See Appendix C for a complete report on the business survey). These results, for the most part, are **purely attitudinal**; very few "hard facts" about the gambling industry are included. Instead, attitudes of Louisiana residents and businesses about the gambling industry are reported. However, for policy makers, attitudes and perceptions of constituents and business leaders are very important.

RESIDENT SURVEY

In October 1998, over 2,200 Louisiana residents were reached by phone and asked a series of questions regarding their attitudes about gambling and the impact of gambling on their lives, their communities, and on the State of Louisiana. The survey was designed to oversample people in those areas of Louisiana that have significant gambling activities. Thus, a larger number of people in each of the Lake Charles, Shreveport-Bossier City, New Orleans, and Baton Rouge areas were contacted to insure that the sample size in those areas was sufficient to allow comparisons among areas. Questions were asked about all of the various forms of gambling that are legal and practiced in Louisiana.

The first series of questions asked residents to indicate what they thought about the overall impact of each form of gambling. Table 3-1 depicts the results by gambling type. Responses for additional forms of gambling are reported in Appendix B.

TABLE 3-1
OVERALL IMPACT OF GAMBLING

Type of Gambling	Positive	No Impact	Negative
Casino	26.4%	46.3%	26.3%
Video Poker	16.0%	55.4%	27.5%
Horse Racing	14.0%	63.9%	20.2%
Off-Track Betting	8.7%	66.2%	23.1%
Lottery	26.1%	51.7%	21.1%
Overall (Asked as a separate question.)	32.2%	16.9%	44.9%

Source: Gambling Study Team, Louisiana Resident Survey, 1998

As Table 3-1 shows, "no impact" is the response most often reported for all the major forms of gambling in Louisiana. However, for all forms of gambling except lottery and casinos, negative impacts were cited more often than positive impacts. Moreover, the number of people who felt that casinos had a positive impact was only one-tenth of one percent higher than the number of people who felt casinos had a negative impact. According to residents' perceptions, off-track betting has the largest negative-to-positive response ratio with over 2 ½ times as many people reporting a negative impact.

Residents were also asked a general question about the overall impact of gambling (as opposed to any particular form of gambling). As shown in Table 3-1, it is clear that, in general, more people believe that, overall, gambling has had a negative impact more than a positive impact (by a more than four-to-three margin). Interestingly, the 44.9% negative impact for gambling overall is significantly higher than even the highest negative response elicited when questioned about specific forms of gambling (video poker at 27.5%).

A series of questions was asked about the effect of gambling on the respondent's community, on the respondent personally, and on his or her financial position. The results are shown in Table 3-2.

TABLE 3-2
IMPACT OF GAMBLING

Area	Positive	No Impact	Negative
On the Community	22.9%	45.6%	27.6%
On Respondent Personally	14.7%	73.3%	11.1%
On Respondent Financially	8.6%	84.9%	5.6%

Source: Gambling Study Team, Louisiana Resident Survey, 1998

Thus, even though most Louisianans admit that gambling has had little negative impact on them personally or on their finances, over one fourth still believe that gambling has had a negative impact on their community.

A series of questions was asked to determine the attitudes of Louisiana residents about the impact of gambling on various quality of life issues. Table 3-3 presents the results of those questions.

Whether it is true or not, many Louisiana residents believe that gambling has had a negative impact on social values (young people, family life, and social problems) and on crime (violent crime, vice crime, and property crime). However, this is not a majority opinion. In fairness, it must be noted that the largest portion of the respondents answered “about the same” for most questions.

When asked if gambling has had any positive effects, 53.3% replied that it had. The most often cited response was that gambling produced more jobs (61.8 % of respondents). Other positive effects listed were more tax revenues (39.8%), more tourism (33.7%), good for the economy (31.9%), and new business opportunities (27.2%).

TABLE 3-3
IMPACT OF GAMBLING ON QUALITY OF LIFE

<u>Response</u>	<u>Better¹</u>	<u>Worse¹</u>
Local Government Services	19.4%	12.2%
Local Community's Youth	9.7%	29.8%
Property Values	20.6%	16.1%
Quality of Family Life	8.5%	37.6%
Availability of Restaurants	48.2%	7.8%
Violent Crime	5.9%	41.8%
Entertainment Options	41.1%	9.9%
Vice Crime	2.6%	43.1%
Tourism	55.2%	7.9%
Social Problems	3.2%	47.7%
Business Climate or Environment	33.5%	15.6%
Property Crime	3.9%	44.9%

Source: Gambling Study Team, Louisiana Resident Survey, 1998

¹ Remaining percentages are in "about the same" category.

When asked if gambling has had any negative effects, 53.3% also replied that it had. The most often cited response was that gambling produced more gambling problems (59.5 % of respondents). Other negative effects cited were gambling by poor people (52.9%), more family problems (27.4%), more crime (24.9%), and more corruption (23.1%).

Statewide, 15.4% of the respondents reported being a crime victim since January 1, 1995. However, only 1.9% of the respondents (12.3% of the victims statewide indicated the crime was gambling related.

Almost 60% (59.8%) of the respondents indicated that they had gambled sometime in their life. Of these, 78% indicated that they had gambled in the past 12 months. When asked if they had ever gambled at a Louisiana casino, 49.2% of respondents indicated that they had. Of those who had gambled at a Louisiana casino,

43.4% indicated that they had not gambled in a casino before going to one in Louisiana.

Thus, there is some evidence that the introduction of casino gambling into Louisiana has provided opportunities for previous non-gamblers to gamble.

A series of questions was asked to residents who gamble to determine if the existence of Louisiana gambling caused them to stay at home to gamble instead of going out of state to gamble. The results are summarized in Table 3-4 and indicate that **out-of-state casino visits by most (54%) Louisiana residents who gamble were unaffected by the introduction of Louisiana casinos.**

TABLE 3-4
FREQUENCY OF OUT-OF-STATE CASINO VISITS
AFTER INTRODUCTION OF CASINOS IN LOUISIANA

<u>Less Frequently</u>	<u>About the Same</u>	<u>More Often</u>
38.7%	54.0%	4.7%

Source: Gambling Study Team, Louisiana Resident Survey, 1998

Those who gamble in Louisiana casinos were asked what would they do if the Louisiana casinos closed. The responses included go out of state to gamble (26.6%), play the lottery (4.9%), play video poker (2.0%), go to the race track (1.2%), and not gamble (57.1%). **Thus, it would appear that almost 60% of current casino gamblers would gamble less if casinos were not readily available. However, 38.7% did indicate that they do visit out-of-state casinos less frequently, keeping gambling dollars in the State.**

The survey was designed so that it was possible to analyze the results by geographical area. Results are reported for Lake Charles, Shreveport-Bossier City, New Orleans, Baton Rouge, and the rest of the State. Residents were asked a series of

questions about the impact of the various forms of gambling. The results are shown by geographical area in Tables 3-5 and 3-6.

TABLE 3-5
PROPORTION INDICATING GAMBLING HAS A **POSITIVE** IMPACT
BY AREA

Type of Gambling	Lake Charles	Shreveport-Bossier City	New Orleans	Baton Rouge	Rest of the State
Casinos	38.0%	35.4%	26.8%	21.1%	24.8%
Video Poker	19.6%	17.7%	15.8%	14.5%	16.0%
Horse Racing	18.7%	21.2%	14.5%	10.4%	12.9%
Off-Track Betting	8.8%	11.6%	8.8%	5.9%	8.9%
Lottery	30.8%	27.8%	27.3%	24.6%	25.1%

Source: Gambling Study Team, Louisiana Resident Survey, 1998

TABLE 3-6
PROPORTION INDICATING GAMBLING HAS A **NEGATIVE** IMPACT
BY AREA OF THE STATE

Type of Gambling	Lake Charles	Shreveport-Bossier City	New Orleans	Baton Rouge	Rest of the State
Casinos	22.8%	17.7%	25.3%	29.1%	28.1%
Video Poker	27.2%	21.7%	24.4%	31.1%	29.8%
Horse Racing	18.7%	17.2%	16.7%	20.4%	23.4%
Off-Track Betting	20.9%	17.2%	21.8%	21.9%	25.7%
Lottery	19.8%	16.7%	19.2%	22.8%	23.1%

Source: Gambling Study Team, Louisiana Resident Survey, 1998

The pattern of residents' attitude is clear. **Residents in Lake Charles and Shreveport-Bossier City have a much more positive attitude about gambling than do people who live in the other parts of Louisiana.** They also have much higher positive responses about all forms of gambling than do residents of other areas in Louisiana.

Moreover, they have generally lower negative responses about all forms of gambling than do other areas of Louisiana. It is no coincidence that the riverboat casinos in Lake Charles and Shreveport-Bossier City have been the most successful and have been the only areas of the State in which casinos have attracted a large number of visitors from outside the area to gamble.

BUSINESS SURVEY

The first mailing of the business survey was sent to 13,000 businesses on November 10, 1998 with a cover letter from Governor Foster. A postcard was mailed November 17, 1998 as a reminder to those who had not returned the survey or a thank you to those who did return the survey. A follow-up mailing with a different cover letter from Governor Foster was mailed to a sample of the original 13,000 businesses. Over 2,800 businesses (21.5%) completed the survey.

The first question asked of businesses was, "Has the presence of gambling affected your local community as a place to do business?" The answers to this question vary widely depending on where the business is located. As was the case in the resident survey, business people in Lake Charles and Shreveport-Bossier City tended to answer positively to a much greater extent. In Lake Charles, 72.3% indicated that gambling had positively affected their community; in Shreveport-Bossier City, the proportion was 71.5%; in New Orleans, Baton Rouge, and the rest of the State, the positive responses were 44.7%, 47.8%, and 51.3%, respectively.

The next set of questions asked business respondents to indicate what effects the specific kinds of gambling had on their community as a place to do business. Table 3-7 presents the State totals for responses to these questions.

TABLE 3-7
BUSINESS ATTITUDES TOWARD GAMBLING'S EFFECT ON THEIR
COMMUNITY AS A PLACE TO DO BUSINESS

Type of Gambling	Very Positive	Positive	No Effect	Negative	Very Negative
Casinos	15.9%	19.0%	9.1%	28.8%	24.6%
Video Poker	11.7%	11.2%	12.4%	25.5%	35.9%
Horse Racing	6.4%	13.4%	48.1%	12.0%	7.9%
Off-Track Betting	3.1%	6.2%	47.4%	16.9%	9.4%
Lottery	7.2%	12.7%	36.5%	22.9%	14.8%

Source: Gambling Study Team, Opinion Survey of Louisiana Businesses, 1998

When the business responses are viewed by area of the State, a very similar pattern to the resident survey emerges. Businesses in Shreveport-Bossier City and Lake Charles tend to feel much more positively about gambling than do businesses in the rest of the State. **The pattern is clear. In those areas in which the form of gambling in question is viewed as bringing in dollars and visitors from outside Louisiana, the business community is positive about that form of gambling (see Table 3-8). In areas where the particular form of gambling has no presence, such as horse racing in Baton Rouge, the business community is not very positive about that form of gambling.**

TABLE 3-8
PROPORTION INDICATING GAMBLING HAS
A POSITIVE OR VERY POSITIVE IMPACT
BY AREA

Type of Gambling	Lake Charles	Shreveport Bossier-City	New Orleans	Baton Rouge	Rest of the State
Casinos	68.6%	72.3%	32.5%	32.2%	20.2%
Video Poker	37.6%	35.2%	22.3%	23.3%	17.0%
Horse Racing	20.7%	52.8%	23.6%	5.6%	10.9%
Off-Track Betting	7.3%	24.3%	12.3%	4.6%	4.3%
Lottery	21.4%	33.3%	21.5%	19.3%	14.2%

Source: Gambling Study Team, Opinion Survey of Louisiana Businesses, 1998

A series of questions was asked to determine the specific impact of gambling on business costs and revenues and profits. Table 3-9 presents a summary of the results for gambling as a whole.

TABLE 3-9
BUSINESS ATTITUDES TOWARD GAMBLING EFFECT ON THEIR BUSINESS

Business Condition	Positive	No Effect	Negative	Mixed
Business Revenue & Customers	22.8%	39.8%	28.2%	4.0%
Business Costs	7.2%	62.3%	23.3%	1.3%
Business Profits	19.3%	43.2%	27.6%	2.8%
Employees	6.1%	62.8%	25.8%	0.9%

Source: Gambling Study Team, Opinion Survey of Louisiana Businesses, 1998

Again, the results vary by area of the State. Businesses in Lake Charles and Shreveport-Bossier City tended to answer every question with a response that is twice as positive as that of the State average. This is clearly due to the bigger economic impact, particularly the visitor impact of casinos in Lake Charles and Shreveport-Bossier City. It

is interesting to note, however, that their negative responses are not higher than those businesses in other parts of Louisiana. If gambling is larger in these two communities and gambling does have costs associated with it, you would expect to find greater negative responses from businesses in those areas along with greater positive responses. We did not identify such an effect.

It has often been argued that one potential negative impact of gambling, especially casinos, is that gambling attracts workers from existing businesses. According to the business survey, 11.9% of all businesses statewide indicate that they had lost employees to the casino industry. In Lake Charles and Shreveport-Bossier City, as expected, those percentages are higher (20.8% and 17.1%, respectively). When asked why these employees had left to go to the casino industry, businesses statewide said some of the reasons were higher pay (67.2%), better benefits (31.0%), and a different working environment (29.3%).

It is often argued that crime and gambling go hand in hand. The business survey asked businesses if they had experienced crimes related to gambling. Survey questions asked about robberies, employee theft, non-employee theft, and burglary. Table 3-10 presents the results of these questions.

TABLE 3-10
PROPORTION OF BUSINESSES IMPACTED BY GAMBLING-RELATED CRIME
BY AREA

Type of Crime	Lake Charles	Shreveport- Bossier City	New Orleans	Baton Rouge	Rest of the State
Robbery	0.9%	0.8%	1.7%	2.7%	1.8%
Employee Theft	6.0%	7.7%	6.0%	11.1%	7.4%
Non-Employee Theft	3.5%	3.6%	3.1%	4.7%	3.9%
Burglary	1.7%	2.8%	2.7%	4.2%	3.0%

Source: Gambling Study Team, Opinion Survey of Louisiana Businesses, 1998

These results should be viewed very skeptically. It seems that the overall attitude about gambling impacts the business response to the level of crime attributable to gambling. In Baton Rouge, the area of Louisiana with the least gambling activity, businesses indicate that they have the largest problem with gambling-related crime. Lake Charles and Shreveport-Bossier City, the two areas with the most gambling activity, report the least problems with gambling-related crime. Interestingly, some 7 % of all businesses statewide indicate that they have had employee theft related to gambling. Even in Lake Charles and Shreveport-Bossier City, where the aura of good feelings about gambling seems to be the strongest, 6.0% and 7.7% of the businesses indicate that they experienced some employee theft related to gambling.