

Statement to the Press

by J. Terrence Brunner, Executive Director

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Demographic Survey of Riverboat Casino Patrons in Illinois

Illinois' gambling policy is founded on the assumption that riverboat casinos are a viable form of economic development, the premise that riverboats bring positive economic impacts to local communities, as well as regional and state economies. By simply placing riverboat casinos in economically distressed towns throughout the state, local economies can be revitalized and new jobs created.

The depth of economic analysis that served as the basis for this assertion by our legislators, prior to passing the landmark legislation, was symbolized by Representative Zeke Giorgi's response to a question about projected revenue when he said:

"I'll guess fifteen to twenty million dollars, but don't...I've just done my own mathematics without...The Economic Fiscal Commission tried to put something together. They weren't able to, isn't that right? And I just did my own arithmetic on the number of people I thought would be there on a sunny day and so on."

This is the quality of analysis that supports the idea that riverboat casinos induce economic development. The legislation spelled out the purpose:

Representative Giorgi put it best, "now this bill is a result of a lot of discussion and talk about economic development... The consensus of the task force is that this will indeed spur economic development, create jobs, boost tourism, bring new life to the rivers of Illinois, cause beautification along the riverbanks."

Confident of the economic wonders yielded by riverboat gambling, legislators expressed explicitly in the intent of the Illinois Gambling Act of January 1990 that it is to "benefit the people of the State of Illinois by assisting economic development and promoting Illinois tourism." The word tax never appears.

That was 1990. In 1996, Illinois still does not know if it is winning or losing, or by how much. The state has not taken the time or allocated the resources to produce analysis that measures economic development created by gambling. Or study whether new tourism, upon which economic success of gambling policy hinges, has occurred at all. Instead, these important questions have been allowed to go unanswered. New gambling proposals continue to be shrouded in wildly speculative debate similar to Representative Giorgi counting people on a sunny day and so on."

We do know that gambling has been a huge commercial success. Casino owners in Illinois, without any doubt, have been the biggest winners. That money has been counted. But the intent of the Illinois gambling policy is not to legalize casino gambling for the sole purpose of making a few privileged individuals incredibly rich. It is to enhance the economic life of aging river towns and to be a catalyst spreading new wealth throughout the economy.

These findings drawn from data collected by the Better Government Association represent a comprehensive, objective, and unbiased look at who gambles on Illinois riverboats, how much they lose, and where they come from. The research project was conducted jointly with Professors William N. Thompson and Ricardo C. Gazel from the University of Nevada Las Vegas. They designed the questionnaires which are similar to those used in their project on Indian gaming in Wisconsin. They provided a strict methodology to the approach and gave expert analysis to the data.

When considering economic development, economists agree that net job creation is dependent on attracting new tourists to the casino.

On tourism. The results of the field study show that riverboats have failed to create new tourism. By almost any definition of a tourist this is true. The evidence is overwhelming and conclusive:

- * 84% of gamblers are from Illinois while only 16% are from out-of-state
- * 85 percent of people who gamble in Illinois live within 50 miles of the casino
- * Over one half the out-of-state players live within 50 miles
- * Only 4.6 percent travel more than 100 miles
- * 97.7 percent of all Illinois gamblers stay less than one day
- * 9.2 percent of out-of-state visitors stay over night
- * Less than 12 percent of out-of-state visitors stayed in either a hotel or motel

The purchases that casino patrons made outside of the casino were minimal, and irrelevant to any discussion of economic impact. Out of 785 players interviewed, only one out-of-state visitor, that traveled over 100 miles, reported making a purchase in town. Only 3% of all out-of-state players spent money outside the casino.

On the population that gambles. The largest percentage share of gamblers are locals. "There is no doubt that Illinois draws their largest share of patrons from their own communities and other nearby communities." Over five-sixths of the amount of money gambled is not new money brought into the local area. It is money that is already in the community. In 1995 Illinois riverboats reported overall revenues from food, drinks, and gambling of \$1.3 billion. The gaming win, gambling dollars kept by the casino, was \$1.2 billion. The large share of the \$1.2 billion was taken out of the local economy.

Who are the Gamblers?

- * 83.4 percent are residents of Illinois
- * 21.3 percent are retired
- * 7 percent of gamblers earn less than \$10,000 per year
- * 7 percent of gamblers earn between \$10,000 to \$20,000 per year

- * 85% live within 50 miles, 50% within 25 miles, 25% within 10 miles, 14% within 5 miles from the casino

Economically, the failure of riverboat casinos to draw in new tourists is worsened by the regressive impact on vulnerable groups in the local population. What are the characteristics of the 15% of Illinois residents in the 5-mile ring around the casino.

Gamblers living closer compared to those living further away:

- * have lower average annual income
- * are younger
- * have a larger share of non-whites
- * not married
- * lower level of education
- * unskilled labor
- * unemployed

"We concluded above that casinos have their larger market shares among those who live closer to them. We can extend that conclusion and say that casinos have their larger market shares among those less educated with lower income who live closer to them."

Furthermore, those close-in players:

- * visit the casino more than twice as much as someone living over 50 miles away, they lose twice as much of their annual income as other patrons.
- * lose a higher percentage of their income to gambling (14 percent lose more than 5% of their annual income.)
- * are 28 percent black, which drops to 7-8 percent until reaching 50 miles when it climbs back to 28 percent;
- * are six times as likely to be unemployed.

How badly are distressed groups; poor, seniors, and non-whites effected?

- * 20% of the under \$10,000's lose more than 5% of their income
- * 11% of the \$10,000 to \$30,000 lose more than 5% of their income
- * 29% of seniors lose more than 5% of their income
- * 34% of non-white lose more than 5% of their income

"It is incredible to find that 40% of the unemployed gamblers spend over 25% of their income in the casinos. If casinos are devices for gaining government revenues in Illinois, state residents are paying them. Even worse, the poor, the unemployed, the less educated are paying the lions share of these tax revenues. This is a

regressive tax with perverse effects in terms of income redistribution."

What are the public policy implications of these demographics? In the last six months the federal government has shut down twice over the issue of where to find funding for the health care, for old people (medicare), and poor people (medicaid.) Those watching this debacle have suggested that these issues would be addressed more effectively at the state and local level. Here we have an example of your Illinois state government in action. While Washington politicians wring their hands over what to do, Illinois has franchised and sponsored a gambling enterprise which disproportionately takes the money out of the pockets of these same poor and senior citizens—the same folks who the national government is agonizing over.

Professor Thompson has pointed out:

"Perhaps the state of Illinois has by design followed a socially perverse path by choosing to put casinos in economically distraught locations. Instead of helping the locations achieve economic growth, it appears that the state has brought casino gambling to economically distraught individuals. Instead of giving to them, the state has created a device which takes from them."

Thus, we are left with a monstrous conclusion. It now seems clear that the worse thing that we could do to the economies of aging river towns was to place casinos in the heart of these distressed areas.

Casino Gamblers in Illinois: Who Are They?

Professors Ricardo C. Gazel and William N. Thompson

University of Nevada Las Vegas

I. Introduction

Advocates of legalized casino gambling--whether industry players, government officials, or members of the general public--invariably advance the notion that casino enterprise will bring net positive economic impacts to local communities as well as regional and state economies. Casinos are seen as job providers and sources of tax revenue. They are considered to be magnets that can attract tourists and their expenditures to local areas and to states.

The basis for the positive economic impacts is found in the patronage of non-local, out-of-state players who are attracted by opportunities to gamble. These visiting players inject new income into the casino venue. In other words, gambling enterprise is seen as a net exporter activity which results in more income injections into than income leaks out of the economy. (Leaks may be caused by casino expenditures). Most frequently, the casino legalization proponents point to the economic successes witness with the legalization of casinos in Nevada, particularly Las Vegas, and in Atlantic City. Certainly these casino jurisdictions are winners. The case of Las Vegas finds a local area attracting 30 million visitors a year, each of whom (on average) spends three nights and four days. Atlantic City attracts even more visitors, but each spends only part of a day in the gambling city; they are what is called day-trippers.

The common characteristic shared by Las Vegas and Atlantic City is that the preponderance

of their gamblers come from outside their boundaries and from beyond. These visitors represent a net injection of monetary income into the local and state economies. The driving force that results in tourist participation in gambling is the fact that each of these casino venues has a multiplicity of very large casino facilities. The gambling capacity of the cities could not be filled without tourists. Therefore the casino properties vigorously advertise and market their capacity to people who live outside their state and regional economies. To be sure, Las Vegas does have a genre of smaller casinos which are able to survive and even thrive with local players. As such, these properties do little to help the tourist export posture of the community.

Most new casinos jurisdictions--such as the riverboat venues of the Midwest and South Central states--do not allow free market entry for casino operators. Unlike Atlantic City and Las Vegas, they offer a limited number of licenses. Therefore, most of the casinos in these new venues find that they have a monopoly or near monopoly (duopoly or oligopoly) over a territory that may extend outward for one or two hours driving time. Or in the case of suburban Illinois a few licenses may be enabled to serve an entire metropolitan area of millions of people. Quite simply, the casinos are postured to succeed if they implement feasible marketing plans to local or near local players. Hence we have a dilemma. We have casino advocates who successfully sell casino gaming as an export product, but we license properties that have the potentiality for success without having to export their products.

The commercial experience of the first years of riverboat operations is well recorded. With the exception of one boat which was licensed for a rural area not close to any large urban center, and another boat within secondary urban center served by a larger competitor, the boats have been very successful. Revenues for eight of ten operators have far exceeded original projections.

Casino operators in Illinois have in every sense of the word been winners. With the passage of time, their revenue intake increases. However, the riverboat casinos of Illinois were not given a legalized existence for the purpose of making operators wealthy--albeit, free enterprise success is often a virtue pursued in American public policy. (On the other hand, the quasi-monopoly structure of Illinois licensing is anything but a structure for free enterprise). The explicit purpose for passage of the Illinois Riverboat Gambling Act of January 1990 was to bring economic development to river communities which had suffered through years of commercial decline in the 1980s. An economic turnabout was projected to occur as a result of the riverboat gambling. Gambling tourists from outside the local area and from beyond the boundaries of the state of Illinois would consume non-casino goods and services produced locally.

The evidence of the commercial success of the boats is recognized. The money has been counted. In 1995 ten licensees secured revenues in excess of \$1.3 billion from their patrons. Most of this revenue--\$1.2 billion was in gambling wins for the casinos. Some observers have also seen economic development for the riverboat communities. Michael Ficaro, a Chicago attorney who represents riverboat operators, offered these words of encouragement:

"Riverboat gambling has returned to Illinois with the same vitality it enjoyed in the mid-1800s. Now as a highly-regulated industry, it has encouraged tourism and promoted economic development throughout Illinois and its river cities. Riverboat gambling has provided entertainment to its participants and tax revenue to the state and local communities. Riverboat gambling has made the voyage into the gaming experience for Illinois a successful and worthwhile venture." (M. Ficaro, "Illinois," in A.Cabot, W.Thompson, and A. Tottenham, eds. 1993. International Casino Law. 2ed. Reno: Institute for the Study of Gambling, University of Nevada.Pp.23-30, at 30).

Words of encouragement, written in 1993, a year and a half into the "experience"--but what is the evidence? Have the riverboat casinos been winners for the local communities and the state of

Illinois like they have been winners for their owners? This study is being made in an attempt to answer that basic question.

In the initial quest to find "the answer," we have sought to identify the Illinois riverboat gambling market. In order to find the market, we have examined the characteristics of the players who have actually come to the casinos and participated in gambling. This section of our report provides the results of an initial analysis of the demographic and socio-economic characteristics of the riverboat gamblers. Are they rich out of state rogues in the image of Rhett Butlers--gambling with a vitality known in the mid-1800s? Are they wealthy entrepreneurs on business tours, retired couples on vacation, or are they something else? School teachers, factory workers, people on disability pensions, welfare mothers, foreign tourists, or persons living in the riverboat communities?

The initial analysis examines data gathered in a survey of players. A research team of summer interns with the Better Government Association of Chicago traveled to five boat sites during July and August 1995. There they interviewed 785 players. The interview schedule, which appears in the Appendix, was a modification of one used the previous year by the authors for a study of 697 gamblers in Native American casinos of Wisconsin. (See W. Thompson, R. Gazel, D. Rickman, 1995. The Economic Impact of Native American Gaming in Wisconsin. Milwaukee: Wisconsin Policy Research Institute.) In addition to asking demographic questions to the players we asked about their gambling behavior during the casino visit and also about any other spending activity inside and outside the casino which was a result of their excursion to the casino.

In Section II we will describe the survey methodology, while we present demographic results and analysis of player behaviors in Section III.

II. Survey Methodology

a. Basic Data

Randomly selected interviews were conducted at five riverboat casino sites --Aurora, Alton, Elgin, Joliet, and Rock Island. Interviews were made on eight different days in July and six different days in August, 1995, during both day (639 interviews) and night (146 interviews) shifts. A total of 785 interviews were completed and verified. See Table 1 below.

Table 1: Number of Interviews by Site

Site	Total
Aurora	275
Alton	36
Elgin	205
Joliet	207
Rock Island	62
Total	785

b. Data Verification

The data collected in the survey served as the base for this report. We have, in collaboration with the Better Government Association of Chicago, been very careful to cover different months, days, hours, and locations, in order to avoid systematic bias in the data collection pro-

cess. However, there is always, even if small, probability of bias since we did not cover all 10 casinos in Illinois as well as all months and hours of operation. In order to test whether our Illinois survey data was consistent with previous data from other studies, we used national survey data collected by the Mississippi State University in January 1995 on gambling behavior in the U.S.

We isolated the Illinois cases within the national survey data. Then we determined the ratio of those who reported gambling in casinos in the previous twelve months to those who did not do so. Next we applied that ratio to the Illinois adult population county by county, so that we could estimate the potential casino gambling population for each county in the state. In the next step, we used the reported number of visits to casinos among those who gambled dividing them into three groups depending on the distance between place of residence and closest casino location. Applying the two sets of information (share of the adult population who gambled in casino and the frequency of casino visits by distance from casino) to specific casino locations we were able to estimate the total number of gambling visits per year which each location would receive. We also determined which percentage of those visits would be local (county) residents, non-local Illinois residents, and out-of-state visitors. For all the five locations we surveyed, the difference between estimated number of visits using this methodology, and the number of admissions actually reported by the casinos was less than five percent. The results were even closer for location of players. Estimates using the national survey ratios and population number for the area of influence of each casino were, for all cases, very close to the estimates using our Illinois survey data in terms of local and non-local (as well as Illinois and out-of-state) distribution of players. In no case the difference was over three percent. These comparisons increased the level of confidence

we have in our estimates.

III. The Survey Population: Who are the Illinois Casino Gamblers?

The major demographic and socio-economic characteristics of the riverboat gamblers in Illinois are reported in Table 2 below. The percentages of tourist and non-tourists casino patrons in Illinois are strikingly different from those found in Las Vegas. There an estimated number of players in excess of 85% come from other states and regions. The export quality of the Las Vegas casino products are very noticeable in visitor data. Such is not the case for Illinois. The patrons of Illinois riverboats are overwhelmingly residents of Illinois--83.4%. This should not be a surprise since Illinois is surrounded by states which have casino gambling and also several casinos are located relatively close to large urban centers, especially Chicago area. These large urban centers become the target market for the close by casinos. There is no commercial incentive for the limited number of casinos to seek visitors from further distances, since the numbers of locals they cater to more than fill their capacity. If the purpose of casino gambling was to attract out-of-state visitors, it is clear that this goal has not been achieved.

Of all gamblers, two-thirds are male, three quarters are white, and over 60 percent are married. There is a large number of retirees (21.3 percent) compared to other occupations (see Table 2). The majority of gamblers have at least a high school education and a substantial number (38.4 percent) are college graduates. The patrons are evenly distributed across age groups.

Adding to the dismaying fact that over 80 percent of gamblers are Illinois residents, there is an additional item of concern. Most of the gamblers are from areas very close to the casinos. One quarter of all gamblers live within ten miles from the casino and another quarter between 11 and

25 miles. Half the gamblers live within 25 miles of the casino. Less than 15 percent live more than 50 miles away from the riverboats. There is no doubt that riverboats in Illinois draw their largest share of patrons from their own communities and other nearby communities. Over five-sixths of the amount of money gambled is not new money brought into local area. It is money that is already in the area of the community.

These disturbing demographic facts need further analysis. They don't tell the whole story by themselves. The information in Table 2 is important to have a first idea of riverboat gamblers in Illinois. Our survey also gathered information about individual characteristics and about their behaviors: how often players visited the casinos, their expenditures within and outside casinos as well as the reasons for their visit the area--if they came from a distance. We start exploring some of this data in Table 3.

Table 2: The Survey Population

	Illinois		Out-of-State		Total	
	Number	%	Number	%	Number	%
Visitors	654	83.4	130	16.6	785	100.0
Gender						
Male	418	64.6	83	64.3	501	64.6
Female	229	35.4	46	35.7	275	35.4
Race and Ethnicity						

White	473	73.1	118	90.8	591	76.1
African-American	120	18.5	7	5.4	127	16.3
Hispanic	25	3.9	3	2.3	28	3.6
Asian	25	3.9	1	0.8	26	3.3
Native American	2	0.3	1	0.8	3	0.4
Other	2	0.3	0	0.0	2	0.3
Marital Status						
Married	383	59.5	89	69.0	472	61.1
Not Marries	261	40.5	40	31.0	301	38.9
Occupation						
Professional	78	12.6	15	12.1	93	12.6
Unskilled Labor	69	11.2	12	9.7	81	10.9
Services	72	11.7	13	10.5	85	11.5
Sales	61	9.9	8	6.5	69	9.3
Retired	127	20.6	31	25.0	158	21.3
Government	20	3.2	3	2.4	23	3.1
Clerical	21	3.4	7	5.6	28	3.8
Technical	50	8.1	10	8.1	60	8.1
Manager	43	7.0	16	12.9	59	8.0
Casino	11	1.8	2	1.6	13	1.8
Unemployed	12	1.9	1	0.8	13	1.8
Homemaker	38	6.2	5	4.0	43	5.8
Student	15	2.4	1	0.8	16	2.2

Table 2 (Continue)	Illinois		Out-of-State		Total	
	Number	%	Number	%	Number	%
Education						
Less than High School	31	4.8	7	5.5	38	4.9
High School Graduate	197	29.7	36	28.1	233	29.4
Some College	177	27.4	34	26.6	211	27.2
College Graduate	175	27.0	37	25.0	212	26.7
Some or Complete Graduate School	72	11.1	19	14.8	91	11.7
Household Income						

Less than \$10 000	47	7 7	2	1 7	49	6 8
Between \$10 000 and \$19 999	49	8 0	4	3 4	53	7 3
Between \$20 000 and \$29 999	85	14 0	15	12 9	100	13 8
Between \$30 000 and \$39 999	93	15 3	20	17 2	113	15 6
Between \$40 000 and \$49 999	100	16 4	20	17 2	120	16 6
Between \$50 000 and \$59 999	81	13 3	23	19 8	104	14 3
Between \$60 000 and \$69 999	42	6 9	4	3 4	46	6 3
Between \$70 000 and \$79 999	25	4 1	7	6 0	32	4 4
Between \$80 000 and \$89 999	25	4 1	7	6 0	32	4 4
Between \$90 000 and \$99 999	18	3 0	2	1 7	20	2 8
Equal or above \$100 000	44	7 2	12	10 3	56	7 7
Distance of Residence from Casino						
5 miles or less	84	15 7	4	4 4	88	14 1
Between 6 and 10 miles	58	10 9	10	11 1	68	10 9
Between 11 and 15 miles	54	10 1	5	5 6	59	9 5
Between 16 and 20 miles	59	11 0	3	3 3	62	9 9
Between 21 and 25 miles	34	6 4	1	1 1	35	5 6
Between 26 and 30 miles	99	18 5	2	2 2	101	16 2
Between 31 and 50 miles	106	19 9	12	13 3	118	18 9
Between 51 and 75 miles	30	5 6	10	11 1	40	6 4
Between 76 and 100 miles	6	1 1	18	20 0	24	3 8
Above 100 miles	4	0 7	25	27 8	29	4 6
Age						
30 year old or younger	110	17 5	10	80	120	15 9
31 to 45 year old	167	26 6	38	30 4	205	27 2
46 to 60 year old	214	34 1	44	35 2	258	34 3
61 to 75 year old	122	19 4	30	24 0	152	20 2
76 or older	15	2 4	3	2 4	18	2 4

A. Casino Player Behavior

The large majority of players (including local residents) reported gambling in the casino as their main purpose of visiting the area. However, close to one quarter of players from out of state were visiting the area for other reasons than gambling. Only a very small fraction of out-of-state visitors stay over night (9.2 percent) compared to the large share represented by less-than-a-day

visitors (89.9 percent). It is also important to note that close to one third of the out-of-state visitors were visiting the specific casino for the first time compared to 11.7 percent of first visitor from Illinois. Among those who gamble, state residents visit Illinois riverboats 30 percent more times than their out-of-state counterparts in a year period. There is no significant difference between residents and nonresidents in terms of their visits to other casinos since most of them had visit gambling establishments in other jurisdictions. Less than 12 percent of out-of-state visitors stayed in a hotel or motel while in Illinois.

Table 3: Pattern and Reasons for Visits

	Illinois		Out-of-State		Total	
	Number	%	Number	%	Number	%
Purpose of Visit						
Gamble	563	90.8	91	77.1	656	88.6
Other	57	9.2	27	22.9	84	11.4
Length of Stay						
Less than a day	614	99.2	107	89.9	723	97.7
One night	5	0.8	11	9.2	16	2.2
Two nights	0	0	0	0	0	0

Three nights	0	0	0	0	0	0
Four nights	0	0	1	0.8	1	0.1
Five nights or more	0	0	0	0	0	0
First Visit						
Yes	75	11.7	37	31.1	114	15.0
No	564	88.3	82	68.9	646	85.0
Average Annual Visits						
Six or less	353	64.2	61	73.5	414	65.5
More than 6 less or equal 12	91	16.5	13	15.7	104	16.4
More than 12 less or equal 24	50	9.1	3	3.6	53	8.4
More than 24	56	10.2	6	7.2	62	9.8
Visit Other Casinos						
Yes	512	82.3	90	83.0	612	82.6
No	110	17.7	19	16.1	129	17.4
Where Staying						
Hotel/Motel	5	0.8	12	11.7	19	2.4
Friends/Relatives	3	0.5	14	10.8	17	2.2
RV Park	1	0.2	0	0	1	0.1
Other	645	98.6	93	77.5	748	95.3

B. Casino Players Behavior: The Residents of Illinois

As we said before, the majority of Illinois residents who visit the state riverboats live relatively close to the casinos. Close to 16 percent of them live within 5 miles from the casinos where they play more frequently, 11 percent live between 5 and 10 miles, and 27.5 percent between 10 and 25 miles. Thus, over 54 percent of gamblers from Illinois live within 25 miles from the riverboats and another 38 percent between 25 and 50 miles. Less than one percent live more than 100 miles from the riverboats. There is no doubt that gambling activity has been financed by local and

adjacent communities to the casinos.

The closer a patron lives to a riverboat the more often he or she visits it. Among those who gamble, the average annual visits to a riverboat of those living within five miles from a casino is twice as high as the average number of visits of those living more than 25 miles away. However, the average amount lost in each visit does not vary substantially among gamblers. Thus, those living closer to a riverboat loses annually proportionally more than other patrons and are more likely to gamble and lose a higher portion of their annual household income. On average, a gambler living within five miles from the casino loses twice as much of their annual income than any other patron living further than 15 miles from the casino. In summary, those who live closer to the riverboats visit them more frequently and loses a larger share of their annual income in gambling activities.

A question to be answered is fundamental: Who does live closer to the riverboats in Illinois and, as such, constitutes their primary markets? Table 4 shows that those living closer to the riverboat compare to patrons living further away have lower average annual income, are younger, and have a larger share of non-whites, not married, lower level of education, unskilled labor and unemployed. We concluded above that casinos have their larger market shares among those who live closer to them. We can extend that conclusion and say that casinos have their larger market shares among those less educated with lower income who live closer to them.

In the next section we look at the composition of patrons based on their income and ethnicity. We try to answer the following questions: Are the poor more affected by casinos than those with higher income? Are proportionally larger shares of minority groups among casino gamblers in Illinois? Are senior citizens more affected than younger patrons? Are unemployed workers more

likely to gamble?

Table 4: Illinois' Players by Distance of Residence from Casino

	Distance in Miles				
	0 - 5	5.1 - 15	15.1 - 25	25.1 - 50	Over 50
Illinois Residents	15.7	21.0	17.4	38.4	7.4
Number of Visits					
Mean	14.96	9.57	9.33	6.52	6.58

Median	5.1	3.49	3.38	2.54	2.54
Gambling Loss as a Share of Income (%)					
Less than 1%	58.8	70.8	75.7	77.0	76.2
1.1 to 5%	28.0	18.8	18.6	18.0	19.0
5.1 to 10%	5.8	4.2	2.8	1.9	0.0
10.1 to 25%	4.5	6.2	2.9	2.5	4.8
Over 25%	2.9	0.0	0.0	0.6	0.0
Mean	2.8	1.6	1.1	1.3	1.0
Median	0.40	0.27	0.21	0.23	0.18
Gambling Loss per Visit (\$)					
Mean	45.5	45.0	44.3	50.6	45.6
Median	29.6	24.9	23.7	28.4	35.5
Household Annual Income (\$1,000)					
Mean	41.2	50.3	56.7	44.2	49.2
Median	45.0	45.0	55.0	45.0	40.0

Table 4 (continue)	Distance in Miles				
	0 - 5	5.1 - 15	15.1 - 25	25.1 - 50	Over 50
Gender (%)					

Female	32.5	31.5	32.3	37.3	47.5
Male	67.5	68.5	67.7	62.7	52.5
Average Age	45	49	49	49	49
Race and Ethnicity (%)					
White	65.1	82.1	84.6	72.5	66.7
Black	27.7	7.1	8.8	20.1	28.2
Hispanic	6.0	7.1	2.2	1.5	0
Others	1.2	3.6	4.4	5.9	5.1
Marital Status (%)					
Married	48.8	62.7	71.7	59.7	66.7
Not married	51.2	37.3	28.3	40.3	33.3
Education (%)					
Less than High School	9.5	3.6	2.2	7.4	2.6
High School Graduate	32.1	25.9	31.2	26.2	51.3
Some College	31.0	33.0	24.7	25.2	23.1
College Graduate	20.2	25.0	28.0	32.2	7.7
Graduate School	7.1	12.5	14.0	8.9	15.4
Visited other casinos					
Yes	75.3	88.0	80.2	82.8	86.5
No	24.7	12.0	19.8	17.2	13.5

Table 4 (continue)	Distance in Miles				
	0 - 5	5.1 - 15	15.1 - 25	25.1 - 50	Over 50
Occupation					
Professional, managerial	18.8	11.1	29.2	19.9	28.2
Sales, services, technical	31.3	39.7	27.0	27.2	15.4
Clerical, government	3.8	12.1	5.6	4.2	7.7
Casino	2.5	1.9	0.0	1.6	5.1
Unskilled labor	16.3	11.1	11.2	9.9	17.9
Homemakers, student	6.3	3.7	11.2	11.0	7.7
Unemployed	6.3	0.9	0.0	1.0	2.6
Retired	15.0	19.4	15.7	25.1	15.4

The data in table 4 present a clear pattern. The players who live nearer to the casinos are less able to afford to regularly participate in gambling activity. However, they participate more than those who live further away. The group of players who live within five miles made an average of 15 visits to the casino annually, and while their incomes are the lowest of all the gamblers they have a per visit loss almost the same as the others. Accordingly we find that they gamble and lose a higher percentage of their incomes. One sixth of these gamblers lose over 5% of their income in casinos, compared to ten per cent of those living between 5 and 15 miles away, and less than five per cent of those living further away. The gamblers who live nearest the casinos are much more

likely to be non-white, to be not married, and to have lower levels of education. They are least likely to have visited other casinos, and they are six times as likely to be unemployed.

Perhaps the state of Illinois has by design followed a socially perverse path by choosing to put casinos in economically distraught locations. Instead of helping the locations achieve economic growth, it appears that the state has brought casino gambling to economically distraught individuals. Instead of giving to them, the state has created a device which takes from them.

B. Casino Players Behavior: The Residents of Illinois by Income Group

Table 5: Illinois' Players by Annual Household Income

	Household Income(\$1,000)		
	Less or equal 10.0	10.1 to 30.0	More than 30.0
Illinois Residents	7.7	22.0	70.3
Number of Visits			
Mean	12.8	8.7	9.3
Median	2.5	2.5	2.5
Gambling Loss as a Share of Income (%)			
Less than 1%	50.0	67.6	75.7
1.1 to 5%	30.0	20.7	19.2
5.1 to 10%	6.7	6.3	2.0
10.1 to 25%	6.7	4.5	2.8

Over 25%	6.7	0.9	0.3
Mean	4.5	2.1	1.2
Median	0.95	0.36	0.22
Gambling Loss per Visit (\$)			
Mean	28.26	31.4	54.2
Median	23.70	23.70	41.5
Gender (%)			
Female	47.8	41.4	31.3
Male	52.2	58.6	68.7
Average Age	43.3	49.2	46.9

Table 5 (continue)	Household Income(\$1,000)		
	Less or equal 10.0	10.1 to 30.0	More than 30.0
Race and Ethnicity (%)			
White	57.8	72.4	75.2
Black	33.3	17.9	18.0
Hispanic	4.4	6.7	2.8
Others	4.4	3.0	4.0
Marital Status (%)			
Married	23.4	44.4	67.4

Not married	76.6	55.6	32.6
Education (%)			
Less than High School	19.1	5.3	3.3
High School Graduate	44.7	46.6	21.8
Some College	19.1	28.6	27.9
College Graduate	12.7	15.7	32.3
Graduate School	4.3	3.8	14.6
Visited other casinos			
Yes	76.2	77.5	84.6
No	23.8	22.5	15.4
Distance of Residence from Casino (miles)			
Mean	25.1	26.4	27.2
Median	20.0	25.0	24.0

Table 5 (continue)	Household Income(\$1,000)		
	Less or equal 10.0	10.1 to 30.0	More than 30.0
Occupation			
Professional, managerial	7.0	10.2	24.6
Sales, services, technical	14.0	24.4	34.4
Clerical, government	11.6	4.0	7.1

Casino	2.3	0.8	1.7
Unskilled labor	7.0	12.0	11.8
Homemakers, student	18.6	13.4	5.7
Unemployed	18.6	0.8	0.5
Retired	20.9	35.4	14.3

Table five merely puts an emphasis on the information presented in table 4. Here we see again that the poor play much more than they can afford. We also note that the poor gamblers are more likely to be women, non-white, and not married. They are less educated, and they are 25 times as likely to be unemployed.

Table 6: Illinois' Players by Selected Groups

	Selected Groups				
	All Play-ers	Poor	Unemploye-d	Senior	Non-White
Illinois Residents (%)	100.0	7.7	1.9	14.8	26.9
Number of Visits					
Mean	9.0	12.8	21.6	8.1	10.9
Median	2.5	2.5	8.9	2.5	5.1
Gambling Loss as a Share of Income (%)					
Less than 1%	44.2	26.7	28.6	44.4	41.9
1.1 to 5%	29.1	26.7	14.3	26.4	24.0
5.1 to 10%	10.1	13.3	0.0	16.7	10.9
10.1 to 25%	9.5	13.3	14.3	8.3	10.1
Over 25%	7.1	20.0	42.9	4.2	13.2
Mean	1.6	4.5	12.0	1.1	2.3
Median	0.27	0.95	2.4	0.29	0.33

Gambling Loss per Visit (\$)					
Mean	46.83	28.26	39.89	37.85	48.67
Median	23.70	23.70	23.70	23.70	29.62
Household Annual Income (\$1,000)					
Mean	46.96	10.00	20.50	37.68	41.14
Median	45.0	10.0	10.0	35.0	35.0

Table 6(continue)	Selected Groups				
	All Players	Poor	Unemploye d	Senior	Non- White
Gender (%)					
Female	35.4	47.8	58.3	34.0	43.6
Male	64.6	52.2	41.7	66.0	56.4
Average Age	47.69	43.28	38.17	71.09	41.47
Race and Ethnicity (%)					
White	73.1	57.8	58.3	91.7	0.0
Black	18.5	33.3	33.3	7.3	69.0
Hispanic	3.9	4.4	8.3	0.0	14.4
Others	4.5	4.4	0.0	1.0	16.7
Marital Status (%)					
Married	59.5	23.4	33.3	70.5	53.8

Not married	40.5	76.6	66.7	29.5	46.2
Education (%)					
Less than High School	4.8	19.1	8.3	8.2	5.3
High School Graduate	29.7	44.7	58.3	43.3	33.3
Some College	27.3	19.2	25.0	28.9	24.0
College Graduate	27.1	12.7	8.3	14.4	26.9
Graduate School	11.1	4.3	0.0	5.2	10.5

Data presented on table six shows that the poor, unemployed, and non-white players play more often and play a larger percentage of their income. It is incredible to find that over forty percent of the unemployed gamblers spend over 25% of their income at the casinos. One eighth of the non-white gamblers wager over 25% of their incomes. The claim that casinos bring tax revenues to the state seems very weak as this information is examined. If casino are devices for gaining government revenues in Illinois, state residents are paying them. Even worse, the poor, the unemployed, the less educated are paying the lions share of these tax revenues. This is a regressive tax with perverse effects in terms of income redistribution.

Casino Players Behavior: The Out-of-State Visitor

Table 7: Out-of-State Players by Reason of Visiting the Area

	Casino as the Main Reason for Visiting the Area	
	Yes	No
State of Origin (%)		
IA, IN, MI, MO, and WI	89.1	48.1
Other States	10.9	51.9
Distance of Residence from Casino (miles)		
Mean	103.1	660.2
Median	60.0	250.0
First Visit (%)		
Yes	21.1	66.7
No	78.9	33.3
Number of Visits		
Mean	7.5	2.1
Median	2.54	1.48

Gambling Loss as a Share of Income (%)		
Less than 1%	82.0	100.0
1.1 to 5%	14.7	0.0
5.1 to 10%	1.7	0.0
10.1% to 25%	0.0	0.0
Over 25%	1.6	0.0
Mean	1.19	0.36
Median	0.20	0.35

Table 7 (continue)	Casino as the Main Reason for Visiting the Area	
	Yes	No
Gambling Loss per Visit (\$)		
Mean	44.6	59.4
Median	35.5	38.5
Length of Visit		
Less than a day	94.5	74.1
One night	5.5	22.2
Two or more nights	0	3.7
Where Staying		
Friends or relatives	6.6	29.6
Hotel outside casino	5.5	29.6
Day-trippers	87.9	40.7
Spend Money on Food and Drinks Outside Casino (%)		

Yes	9.9	18.5
No	90.1	81.5
Spend Money on Food and Drinks in Casino (%)		
Yes	38.6	35.5
No	61.4	64.5
Spend Money on Shopping Outside Casino (%)		
Yes	3.3	0
No	96.7	0
Spend Money on Shopping in Casino		
Yes	1.1	0
No	98.9	0

Table 7 (continue)	Casino as the Main Reason for Visiting the Area	
	Yes	No
Household Annual Income (\$1,000)		
Mean	50.1	61.7
Median	45.0	55.0
Gender (%)		
Female	38.9	25.9
Male	61.1	74.1
Average Age	51	47
Race and Ethnicity (%)		

White	90.1	96.3
Black	6.6	3.7
Hispanic	2.2	0.0
Others	1.1	0.0
Marital Status (%)		
Married	70.0	70.4
Not married	30.0	29.6
Education (%)		
Less than High School	4.5	7.4
High School Graduate	31.5	18.5
Some College	24.7	29.6
College Graduate	24.7	22.2
Graduate School	14.6	22.2

Table 7 (continue)	Casino as the Main Reason for Visiting the Area	
	Yes	No
Visited other casinos		
Yes	83.1	85.2
No	16.9	14.8
Occupation		

Professional, managerial	23.0	26.9
Sales, services, technical	19.4	42.3
Clerical, government	9.1	3.8
Casino	1.1	0.0
Unskilled labor	10.3	7.7
Homemakers, student	6.8	0.0
Unemployed	0.0	3.8
Retired	29.9	15.4

Among out of state visitors, those from adjacent states were most likely to come to Illinois for the essential purpose of gambling. Only 10.9% of those from further states came to gamble. Gambling in Illinois even for out-of-state gamblers is a convenience, not a vacation choice. The out of state who visit Illinois in order to gamble are not likely to stay for even one night. Only 5.5 stayed one evening, none stayed longer. Their expenditures outside of the casino were minimal. Overall, the experience of Illinois casino gaming has not been an experience of bringing tourist money into the state.