

A Vision for Boston: Questions for the 2009 Mayoral Candidates

DAY 14: CASINO GAMBLING

Would you support an effort to authorize casino gambling in Massachusetts and in Boston?

Boston is facing difficult fiscal times. The City's 2010 budget was 1.1% smaller than its 2009 budget and the City managed to avoid laying off uniformed public safety personnel and limit the layoffs of teachers primarily through the use of federal stimulus funds and wage freezes. It is likely that fiscal 2011 will be as tight as 2010 but equally unlikely that stimulus funds and wage freezes will provide as much help this time around.

Debate raged last year at the state level whether to authorize three resort casinos, with the Governor using licensing revenues in his fiscal 2009 budget proposal to fund a portion of local aid. The casino initiative was ultimately defeated in the state legislature, but the issue is likely to be revisited in the Legislature this fall. As an alternative to resort casinos, some gambling proponents have proposed allowing existing racing facilities, including Suffolk Downs in East Boston, to operate slot machines.

Gambling proponents point out that the Commonwealth already operates a gambling operation, the Lottery, that returned \$935 million in local aid to cities and towns in 2008 and, for that reason, moral opposition to gambling's legalization in Massachusetts is hypocritical. Furthermore, they claim that Massachusetts' residents spent \$920 million at Connecticut's resort casinos and at slot parlors in Maine and Rhode Island in 2008, producing \$211 million in tax revenue for those states, and that finding a way to keep that money in Massachusetts is only common sense. Proponents also point to job creation benefits. The Greater Boston Chamber of Commerce, in a study it produced in 2008, estimated that between 10,000 and 11,500 construction jobs and another 17,000 to 21,000 permanent jobs would be created if three resort casinos were to be built in Massachusetts.

The direct benefits for Boston of a resort casino would include the expansion of the City's tax base, the creation of construction and permanent jobs, and the potential economic development a resort casino might spur in its immediate vicinity.

Opponents, however, like to point out that gambling, like so many other industries, is hardly recession proof. The state of Rhode Island was nearly forced to bailout the Twin Rivers Casino, which recently filed for bankruptcy, and even Foxwoods, among the world's largest casinos, is struggling with financial insolvency, as it seeks to restructure almost \$1.4 billion in debt. As for the economic development benefits, they point to Atlantic City's rampant poverty, which surrounds the glittering casinos that line its boardwalk.

Gambling opponents also argue that, even if there are benefits to building casinos, the societal costs outweigh them. This includes, they argue, increased crime, gambling addiction and, for many people, a resultant slide into poverty, requiring larger human service expenditures. Some opponents have also pointed out the correlation between the siting of casinos and lower high school graduation rates.

Would you support efforts at the state level to authorize resort casinos in Massachusetts? Would you support efforts to build a resort casino in Boston? Would you support the installation of slot machines in the state's racing facilities, including Suffolk Downs? What added state financial benefits would you expect for Boston as the host community of a casino?

Contact: Elaine Beattie at 617-227-1900 or ebeattie@bmr.org – www.bmr.org

Liam Day at 617-723-2277 ext. 203, 617-721-1341 or lday@pioneerinstitute.org

