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PATHOLOGICAL AND PROBLEM GAMBLING COSTS COMMONWEALTH ABOUT \$170 MILLION ANNUALLY

Majority of costs spawned by state lottery and parimutuels

Some \$77 million in Bay State's costs attributable to CT casinos and RI slot parlors

While Massachusetts residents spent an estimated \$1.1 billion in 2005 at Connecticut's casinos and Rhode Island's slot parlors, they bring back to the commonwealth about \$77 million annually in pathological and problem gambling costs, primarily personal and business related, according to a behavioral survey on gambling's societal costs released today by the University of Massachusetts Dartmouth Center for Policy Analysis (CFPA).

Rhode Island's societal costs are less --- about \$17 million --- since the state's two slot parlors, Lincoln Park and Newport Grand, captured about \$190 million in 2005 from Massachusetts residents. At the same time, Rhode Islanders in 2005 spent an estimated \$323 million at Foxwoods and Mohegan Sun. Approximately \$7.8 million of Rhode Island's annual social costs are primarily attributable to Connecticut's casinos and Ocean State slot parlors.

Overall, pathological and problem gambling costs Massachusetts society about \$170 million per year, costs not primarily borne by government but by individuals and families affected by pathological and problem gambling, and by private businesses due to lost productivity or by creditors in the form of debt write-offs.

Two weeks ago, the CFPA released a poll and behavioral survey of 1,041 Massachusetts residents showing that 57% of Bay Staters support authorization of a Massachusetts casino, 30% are opposed, and 14% are undecided. That same survey showed that 53% of Massachusetts residents support authorization of slot machines at Bay State racetracks, with 29% opposed, and 18% undecided. In both polls, a majority of the state's residents evaluated the costs and benefits of casinos and slot parlors, commonly referred to as "racinos," and concluded that the fiscal and economic benefits of gambling expansion generally outweigh the potential costs.

"There's no denying that there are some costs associated with gambling expansion, just as there are significant fiscal and economic benefits" said Dr. Clyde W. Barrow, director of the CFPA. "And a clear majority of Massachusetts' tax-paying residents believe, after weighing the potential benefits and costs, that the time has come for the commonwealth to approve one or more casinos and slots at the state's racetracks."

As part five of a seven-part survey determining New England residents' gambling attitudes and behavior, as well as the potential costs and benefits of gambling expansion, the CFPA interviewed 2,806 residents from Massachusetts, Rhode Island, New Hampshire and Maine.

Of the 1,041 Massachusetts residents surveyed, the CFPA estimated that 2.6% of Bay State adults over the age of 18 --- about 123,000 --- are either pathological or problem gamblers, which is just less than the national average of 2.7%.

Among the 1,097 Rhode Island residents interviewed, 1.6% --- about 13,000 --- are identified as pathological or problem gamblers.

The CFPA, which neither supports nor opposes gambling, studies gambling because of the increasingly significant public policy implications of gambling's fiscal, economic and social impacts throughout New England.

Pathological and problem gambling in Massachusetts and Rhode Island is accentuated by the availability of various gaming products --- state lotteries, keno, pari-mutuels, and slot parlors ---- within the commonwealth's 351 cities and towns, and the Ocean State's 39 cities and towns, respectively.

Combined, in Massachusetts and Rhode Island, there are literally thousands of state lottery outlets, hundreds of keno parlors, six parimutuel facilities, and two slot parlors.

Also, easily accessible for both states' residents are Foxwoods and Mohegan Sun, southeastern Connecticut's two Native American destination casinos.

The American Psychiatric Association's (APA) Diagnostic and Statistical Manual of Mental Disorders classifies "pathological" gambling as an impulse control disorder and describes 10 criteria to guide diagnoses of the disorder. "Pathological" gamblers are defined as experiencing at least five of the ten criteria; "problem" gamblers are defined as experiencing at least three-to-four criteria, but fall below the threshold for pathological gambling. The CFPA incorporated the APA's pathological, problem, and at-risk criteria in designing its survey.

A recent University of Chicago National Opinion Research Center study on pathological and problem gambling estimated the cost to U.S. society at approximately \$6 billion annually in lost business productivity, bankruptcy, divorce, law enforcement, treatment, social welfare, and other costs.

By comparison, a U.S. Department of Labor study estimates that alcohol and drug abuse cost American businesses alone \$81 billion annually in lost productivity --- a burden 13 times larger than is attributable to problem and pathological gambling.

The American Lung Association estimates that smoking costs business and government \$167 billion annually in social costs --- \$92 billion in lost productivity and \$75 billion in direct health care expenses.

Recently, it has been estimated that "internet abuse" costs private businesses \$54 billion annually in lost productivity.

In two weeks, the CFPA will issue a recommendation on how the commonwealth can best maximize the benefits, and minimize the costs of expanded gambling should the commonwealth's elected officials approve one or more casinos and slots at the state's four racetracks.

In early March, the CFPA will release its fourth annual New England Gaming Update (NEGU), which tracks spending by residents of Massachusetts, Rhode Island, Connecticut, New Hampshire, Maine, Vermont and New York at the Connecticut casinos, Rhode Island VLT parlors, and Bangor, Maine's recently opened slot parlor. According to the most recent NEGU, in 2005 Massachusetts residents spent an estimated \$1.1 billion --- \$890.3 million and \$190.4 million, respectively, at Connecticut's casinos and Rhode Island's slot parlors.

For a summary of today's survey results, go to "What's New!" at <http://www.umassd.edu/cfpa>.
The summary will be posted on Sunday, February 11, at 6pm.