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H.B. 1663

Testimony Before House Gaming Oversight Committee

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Thank you for inviting me before your committee today to express why the Pennsylvania Family Institute believes that House Bill 1663 would be harmful to the Commonwealth.

Many very good organizations are feeling a pinch for cash, especially in our current economic times. However, the need for fundraising for good organizations should not be confused with good fundraising. Gambling is a harmful activity and is, therefore, a harmful way to raise money. The Pennsylvania Family Institute has long opposed the expansion of gambling in our Commonwealth because of the propensity for persons to get addicted to gambling and to spend money needed for the necessities of life. The addiction of gambling leads to the breakdown of marriages and families.

Not only is gambling addictive, but according to Robert Hunter, clinical psychologist at the Problem Gambling Center in Las Vegas, “[V]ideo gambling machines are ‘the crack cocaine’ of gambling because they are so addictive.”¹ It is one of the fastest ways to gambling addiction. Researcher Dr. Bob Breen stated, “We found out that the men and women who ‘got hooked’ on video gambling became compulsive gamblers in about one year. Those who got hooked on other kinds of gambling (such as horses, sports betting, blackjack, etc.) became compulsive gamblers after about three and a half years.”² Not only is addiction fast, but the pain to the addict and their family comes more quickly. According to Gamblers Anonymous, those who gamble on horses “hit bottom” in about 20 years while video gamblers reach the same stage in about two.³ A 2003 study of Southern Nevada Gamblers Anonymous members stated,

“Without doubt, video poker machines were the game of choice for the G.A. members. Over two-thirds found the machines to constitute ‘serious’ problems for them.”⁴ Why is video poker so addicting? According to clinical psychologist Robert Hunter, it is the speed (some can play twelve hands a minute), the ability to continue playing, the notion that skill matters, and the hypnotizing effect.⁵ Two thirds of Hunter’s own clients are video poker players.⁶

Accessibility to gambling—particularly such an addictive form—only increases the opportunity for addiction. If it is hard to access, a person who has a propensity to gamble may not make the trip to play video poker. However, if the same person can drive a few miles to their local club, they are much more likely to play, and play to excess. Likewise, local exposure to video poker hooks new players who never experienced such addictive gambling and who would not consider going to a casino. If the machine is at their local club and they see others using it, much like a video game, they are likely to give it a shot. After that point, it’s statistics. A certain percentage of those who try it will get hooked.

Let me give an example—involving video lottery which is essentially video poker. In South Dakota the court ordered a temporary shutdown of video lottery machines. Of the four gambling treatment centers studied, an average of 11 gamblers per month were treated prior to the shutdown. After the shutdown, an average of less than one were treated per month.⁷ Availability affects addiction.

There is a huge cost to these addictions. Some gamble away savings, children’s savings, their homes, and even grocery money. Problem gambling can lead to marital breakup and a breakdown in the family. It is estimated that the cost of a pathological gambler is \$13,586 per year—which includes \$3,998 crime, \$3,995 business and employment costs, \$316 bankruptcy, \$700 illness, \$631 social service costs, \$111 family costs, and \$3,834 in money taken under false pretense. This number did not count the costs arising out of suicides.⁸ Any advance in gambling adds to this burden. This is particularly true with an extra addictive form of gambling mixed with accessibility.

Add the issue of alcohol to the addictive nature and proximity, and there is an even worse problem. A study of Video Lottery Terminals, which is a fancy name for Video Poker, shows that the consumption of alcohol increased the time spent gambling, the amount gambled, and the proportion of losing hands.⁹

I have no doubt that many charitable organizations have relied on *small* games of chance for funding. I'm also sure that it is more difficult to make money on these small games now that slot machines have come to Pennsylvania. The allure of gambling has moved elsewhere. It is a mistake, however, to simply allow more gambling in order to attract gambling money to charitable organizations. Instead, we should be ready to recognize that the expansion in gambling in Pennsylvania came with many problems and that the best solution is to push back gambling, not increase it all the more.

The Local Option Small Games of Chance Act states that "the playing of *small games of chance* for the purpose of raising funds, by certain nonprofit associations, for the promotion of charitable or civic purposes, is in the *public interest*."¹⁰ Video Poker should not be permitted under this act because, as described above, it is not in the *public interest*. It's detrimental to the individuals involved and costly to society. Likewise, it is not a *small* game of chance. Instead, according to the proposed legislation, there is no limit on the amount that may be gambled and lost. In South Carolina, the average profit per video poker machine was \$22,000.¹¹ That hardly constitutes a *small* game of chance. Instead, the advent of video poker at local charitable organizations would have the effect of transforming them into mini-casinos. Perhaps if HB 1663 is passed, the Act should be amended to read "Large and Highly Addictive Games of Chance Act."

Who says that Video Poker will stop with charitable organizations? If we are willing to use Video Poker to bail out charitable organizations, despite all of the negative effects of such gambling, what is to keep us from using Video Poker to help out small businesses struggling throughout the Commonwealth? We are a step away from what is known as convenience gambling—a bad experiment tried in other states. After permitting convenience gambling to help out the state, South Carolina reversed course and banned the machines, realizing that the benefits were not worth the negative effects.¹²

The government should be in the business of crafting good policies that serve the people of the Commonwealth. However, gambling preys upon greed and ignorance. Moreover, it is often those who can least afford it that are providing gambling revenues. I will grant that it is not the government's intention or the intention of charitable organizations to take advantage of persons' greed and to hook them into a destructive lifestyle. However, this bill would do just that by furthering gambling in this state through making one of its most addictive forms more accessible—even in places where alcohol is

consumed. Because this bill would not serve the public interest, it should be defeated.

¹ Tyler Bridges, "Push underway to legalize video gambling," *The Miami Herald*, 30 October 2002.

² R.B. Breen and M. Zimmerman, "Rapid onset of pathological gambling in machine gamblers," *Journal of Gambling Studies*, Vol. 18, No. 1, 2002.

³ Viveca Novak, "They Call It Video Crack," *CNN.com All Politics Online*, 1 June 1998 available at <http://www.cnn.com/ALLPOLITICS/1998/05/25/time/gambling.html>.

⁴ R. Keith Schwer, William N. Thompson, Daryl Nakamuro, "Beyond the Limits of Recreation: Social Costs of Gambling in Southern Nevada," 2003 Annual Meeting of the Far West and American Popular Culture Association, 18 February 2003, available at: http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Crime%20and%20Corruption/s.nevada_beyond_limits.pdf.

⁵ "They Call It Video Crack," *Supra*.

⁶ Greg Garland, "Gambling Addicts Beginning to Surface," [Baton Rouge, LA] *Advocate*, January 31, 1994, p. 1A.

⁷ Rex Buntain, "There's a Problem in the House," *International Gaming & Wagering Business*, July 1996, p. 40.

⁸ Earl L. Grinols, "Cutting the Cards and Craps: Right Thinking About Gambling Economics," 21 December 2001, p. 13, available at <http://www.ncalg.org/Library/Studies%20and%20White%20Papers/Economics/GrinolsCutting%20Cards%20and%20Craps.pdf>.

⁹ Ellery, Michael, Stewart, Sherry, Loba, Pamela, "Alcohol's Effects on Video Lottery Terminal (VLT) Play Among Probable Pathological and Non-Pathological Gamblers," *Journal of Gambling Studies*, Volume 21, Number 3, September 2005.

¹⁰ 10 P.S. § 312 (emphasis added).

¹¹ "They Call It Video Crack," *Supra*.

¹² Jonathan Dube, "Gamblers Out of Luck: Two Losses Make This a Historic Anti-Gambling Week," *ABC News Online*, 15 October 1999.