

Community Leader Perceptions of the Social and Economic Impacts of Indian Gaming

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Abstract

The development of casino gambling in recent years whether through state-regulated or Native American gaming operations has resulted in increased concern over social and economic impacts. This study assessed perceptions of eight community leaders as to how the area was affected by a major expansion of a Native American casino. Leaders were interviewed prior to and several years after the completed expansion. Leaders felt the expansion had contributed positively to the community but noted increased social concerns. Overall, economic impacts were positive, however, the uniqueness of a Native American casino operation posed other challenges.

Keywords: casino, gambling, gaming community, social impact, economic impact

Introduction

The increased development of legalized gaming in many states as well as the introduction and expansion of Native American casino operations have resulted in a great deal of focus on the impact of gaming on communities.

Historically, literature on impacts has focused on crime and problem gambling as the most reported social impacts surrounding gaming development (Aasved, Schaefer & Merila, 1995). Largely, the research focused on social issues related to any type of gambling activity versus casino gambling specifically. In recent years the literature, however, places significant emphasis on both the social and economic impact of casino operations.

The literature points to various impacts on a community as a result of casino operations. Casino gambling has been tied to several issues, from housing value to the availability of alternative recreation offerings. Specifically, problem gambling, crime, employment, property values/community life, recreation/entertainment opportunities, social programs, and economic issues are highlighted. What is interesting, however, is the discrepancy in the findings. Some research supports the increase of social concerns such as crime and problem gambling in a community but other findings show these are not issues in other communities. Few distinctions are made about comparing these impacts to state supported versus Native American gaming operations.

The difference between Native American and state-regulated casino operations has not been thoroughly explored (Jorgenson, 1998). Native American casino facilities are operated differently than state-regulated operations. One such difference is tribal decision-making. Hsu (1999) points out that as a sovereign nation, a tribal government makes decisions that concern the tribal community, where residents of the non-tribal community are not able to affect decisions. Yet, non-tribal community members' lives are impacted by these gaming decisions. As such, it is unclear if the impacts are different

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on a local community depending on the base from which gaming operates.

The casino industry is changing rapidly and it is important to gain an understanding of the impact Native American casino gambling operations have on a local community over time. This study proposes to understand this issue.

Literature Review

Literature describing various social and economic impacts on communities with casino gaming operations is highlighted as well as information on the differences between state-regulated and Native American gaming operations.

Economic Impacts

Community Economic Issues

Understanding economic impacts (direct and indirect) on communities is difficult to do. Boger, Spears, Wolfe, and Lin (1999) suggest studies use varying assumptions and means to gather data to address community impacts. Both positive and negative economic impacts are apparent. Much of the literature, however, suggests the economic benefits for communities to develop casino gaming operations are positive. Casino operations appear more economically stable than other type businesses in the amusement and recreation sectors. Often, casino gaming is considered by financially struggling communities and is seen as a positive economic enhancement to solve fiscal issues. Communities hope that additional jobs, increased wages, increased property values, and reduced public assistance will result in a stimulated local economy. (National Gaming Impact Study Commission (NIGSC), 1999; Rephann, Dalton, Stair, & Isserman, 1997).

Boger, et al. (1999) indicates that rural area casinos result in greater business development. Due to gaming activities, communities may develop additional schools, medical facilities, and infrastructure systems as a result. Although the Wisconsin Policy Research Institute (WPRI) (1995) agrees that Wisconsin's Native American casinos have positively contributed to community growth projects, they have found it is not positive for all. Most (80%) of casino patrons are older Wisconsin residents with lower incomes, therefore, local gains are coming at the expense of other local Wisconsin areas. Only 20% of visitors are from out-of-state. Rephann, et al. (1997) concurs indicating that it is the local government and workers who are not recipients of this economic prosperity.

Residents and local businesses may not be the ones economically benefiting from casino operations. Out-of-county residents may be hired over local people. Patrons visiting self contained casino operations (those with food and beverage, recreation, retail, and lodging facilities) may not have need to frequent local establishments and local customers may be drawn to the casino facilities as well (Rephann, et al., 1997). A quasi-experimental control group method was used to identify economic impacts on counties with and without casino establishments. Control counties fulfilled these criteria: they did not have a casino operation within sixty miles of the county, data were available in similar time frames, and they were similar to casino counties in industry, demographics and economic growth. Assessing 67 counties with casino operations indicated that when casino's were used as an economic development strategy for financially depressed communities, earnings, employment and development increased. State and local governments were not, however, financially stimulated; most money gained was leaked to outside communities (Rephann, et al., 1997).

WPRI (1995) found that the economic gains were not as great in Wisconsin casinos when the social impacts were considered. Challenges exist in measuring the social and economic impacts, as it is difficult to prove cause-effect relationships. Data can be gathered on crime, suicide, and family problems, though they cannot be directly linked to gambling (United States General Accounting Office (USGAO), 2000; WPRI, 1995).

Casino operations appear more economically stable than other type businesses in the amusement and recreation sectors.

Evaluating the economic impact specific to Native American operations is more problematic. According to WPRI (1995) these casinos gathered and reported the data themselves. Data were not independently examined and tribes may not have been asked additional questions regarding economic impact including the source of gamblers money. It is suggested several studies misrepresented the economic impact from out of state monies.

Rephann, et al. (1997) found communities able to reap the greatest benefit from casino operations (no distinction between tribal and non tribal) were more rural and with a large market within driving distance. Other contributing factors included, good transportation, infrastructures, and public services, additional recreational opportunities, and skilled, low paid labor.

Employment

As casino operations support economic development models they also bring an increase in employment opportunities (Felsenstein, Littlepage, & Klacik, 1999). Casino operations provide an increase in employment and greater opportunities for community members (Giacopassi, Nichols, & Stitt, 1999; Long, 1996). As a result, communities with gaming operations experience a decrease in the unemployment rate. Room, Turner, & Ialomiteanu (1999) however, suggest the net effect appears to be minimal due to the ebb and flow of employment opportunities. First, an increase in employment opportunities exists, followed by a decrease; therefore the net effect is minimal. The USGAO (2000) agrees stating government officials found jobs increased and the unemployment rate was unaffected.

Wage scales within rural casino communities have increased because of the increased competition for workers (Boger, et al., 1999). Jobs in non-casino facilities will be paid higher wages based on this labor impact.

Property Values

Long (1996) suggests that property values rise as a result of an increase in employment, personal income, and local business success. Yet, in communities with casino gaming operations people feel they live in a less desirable place. They do, however, feel the economic impact to the community is a positive one. Seventy-seven percent of leaders in seven casino communities found there was a positive economic impact on the local area (Giacopassi, et al., 1999).

Social Issues

Research related to the social issues due to gambling include, problem behaviors, criminal activity, social services, recreation/entertainment, and quality of life. Most research suggesting social issues have improved is based on the impact gaming has had on the Native American communities. Research related to social impacts of the entire community suggest not all issues are positive contributions to a community (Hsu, 1999).

Problem Gambling

There are differing opinions regarding the impact of gaming on social systems. The literature suggests some communities experience an increase in problem gambling behaviors and others feel no impact. Some suggest this is unclear, as there may be a long-term effect of gambling problems since many casinos are new operations (Braunlich, 1996; Govoni, et al., 1998; Room, et al., 1999).

Often, those who feel a problem exists can cite examples of people they know with problems (Braunlich, 1996; Room, et al., 1999). Yet, Govoni, Frisch, Rucpich & Getty (1998) suggest no significant change in gambling behavior exists. It is suggested that people with a propensity to participate in gaming activities are the same, but the type of gambling has changed. Some support this suggesting a casino does not lead to problem gambling; people may have been gambling in lotteries or sports before and are now gambling in casinos (Braunlich, 1996; Govoni, et al., 1998; Room, et al., 1999). The National Council on Problem Gambling (NCPG) (2001) agrees indicating that USGAO's (2000) report suggests even pathological gambling cannot be directly tied to casino gaming because problem gamblers also have other behavior disorders.

Most estimate that 1-3% of the population are pathological gamblers yet some suggest this to be as high as 8% of the population (Corelli, 1994; Hunter & Bleinberger, 1995; Volberg, 1994; NCPG, (2001). A study of 1,000 Wisconsin residents suggested 3.8% had problem gambling behaviors and indicated this was due to the seventeen Native American casinos in the state (WPRI, 1996a).

In an effort to manage problem gambling issues, the National Opinion Research Center (NORC) (1999) found in a study of 544 chief executive officers of non-tribal and tribal casinos more than 80% of casinos posted signs providing telephone numbers for problem gambling assistance. This, however, was less common in tribal casinos.

WPRI (1995) suggests there are additional social costs associated with problem gamblers including judicial, lost work time, insurance protection, social worker/ counseling, and family welfare costs. Further it is suggested how important are controls to limit those “most vulnerable to gambling problems” (WPRI, 1995, p. 42).

Criminal Activity

Similar to literature regarding problem gambling, research related to criminal activity and participation in gambling has also proven inconclusive. Stokowski (1996) found in rural Colorado all areas of crime increased with the development of casino operations. Others found an increase in criminal activity occurred but suggested this increase has not been specifically tied to casino activity (Aasved, et al., 1995). Crime statistics measure the total number of crimes in a community but do not take into consideration the increase of the number of visitors in a community. Those casino communities reporting crime figures with visitor numbers factored in indicated no significant increase (Braunlich, 1996). Giacomassi, et al. (1999) indicated police perceptions supported this as they felt crime was not affected. Long (1996), however, found that community members held the perception that more serious crimes had increased regardless of the crime figures. Changes in criminal activity were not linked to gambling activity but changes in reporting and in more concentrated law enforcement efforts were (USGAO, 2000).

Findings regarding traffic violations, more specifically, appear consistent. Carmichael, Peppard Jr. & Boudeau (1996), Long (1996), and Room, et. al. (1999) found that in both state-regulated and Native American casino communities crowding and traffic congestion have increased the number of driving hazards. A significant increase in the number of traffic crimes has been reported. Some suggest additional areas of concern are crimes related to problems within homes, and finance-based crimes, such as embezzlement, and robbery (Giacopassi, et.al., 1999; Room, et. al., 1999).

WPRI (1996b) over a three-year time frame, analyzed state statistics using linear regression to identify how much change in crime rate could be explained by casino existence. The study focused on the state of Wisconsin and concluded that serious property crime, burglaries, and another serious crimes, such as drug possession, drunk driving, public nuisance, criminal trespass, obscenity, bribery, blackmail, and perjury were associated with casino communities. Additionally, counties with casinos experienced 12.2% higher arrests than non-casino counties. A significant relationship did not exist with forgery, fraud, embezzlement, vandalism, weapons, and gambling offenses.

Calhoun County Community Development (2002) studied a Midwestern gaming community where police reported an increase in domestic violence, citations for driving under the influence, and youth crime due to lack of supervision. This apparent increase could be a direct result of the casino, or it has been posited that the increase in the number of citations is directly related to the increase in the number of officers. As more officers take to the streets, more offences are likely to be caught. Conversely, there is a train of thought that an increase in patrols would lead to a decrease in criminal activity, since potential deviants may obey laws out of fear of being caught under the increased watch.

Crime statistics measure the total number of crimes in a community but do not take into consideration the increase of the number of visitors in a community.

As police departments in various communities, both gaming and non-gaming based, have taken on the role of "saturation patrols" for particular areas, it appears that crime does tend to drop in the area being patrolled, along with a drop in the number of citations. The Austin, Texas Police Department discovered that focused patrols in their downtown areas resulted in a decrease in the number of reported crimes and arrests for that zone. However, during the same period, the crime rate for the whole of Austin increased (Community Action Network, 2002). A 1999 study on gang suppression through saturation patrols by Fritsch, Caeti, & Taylor (1999) concluded that while some data supported a decrease in criminal activity as a result of focused patrolling, other data showed the exact opposite. This led to the conclusion, concurring with prior studies, that saturation patrolling and other traditional policing techniques (rapid response, investigations, etc.) do not increase nor decrease the level of criminal activity significantly for a given area.

Social Programs

Changes in social issues within gaming communities are supported by some research. Long (1996) observed how some communities are experiencing a decrease in the need for financial assistance programs, yet an increase in child protection and other social service programs. Additionally, Giacomassi, et al. (1999) indicated that social worker case loads have increased in casino communities. Further, they found that the casino added stress to individuals with existing finance, drinking, and family problems. Hsu (1999) contends that some communities have experienced a reduced need for social services.

Recreation and Entertainment

Some discrepancy exists regarding recreation/entertainment opportunities. Some research indicates community residents see no improvement/impact on recreation options while others suggest residents feel positive about their recreation choices (Carmichael, et al., 1996; Long, 1996). Room, et al. (1999) found respondents spent less money at other local entertainment venues as a result of having a casino attraction.

Community Life

Residents of places with gaming operations felt a decrease in their sense of community as well as a reduced overall quality of life (Carmichael, et al., 1996; Long, 1996; USGAO, 2000). Yet, residents appear to approve of these casino developments. Room, et al. (1999) found that even with increased criminal activity and problem gambling, the community approved (75%) of the casino after the first year. Giacomassi, et al. (1999) found similar results. They surveyed community leaders in seven new casino communities and found 59% favored having the casino, and 65% stated an increase in the quality of life. Further, 77% of leaders found there was a positive impact on the local area.

Native American Casino Operations

Casino growth has occurred most significantly in Native American communities (WPRI, 1995). Some Native American casino operations are partially owned and/or managed by non-Indian corporations. Other Indian casino facilities are operated solely by a sovereign nation (Jorgenson, 1998). The sovereign nation is a distinct political community not subject to a state's power to tax. Tribal communities have the ability to self-govern without the influence of the United States government. They have the same powers as the U.S. government to regulate commerce within their jurisdiction. This regulation of commerce has provided an economic base for Native American communities not available to non-Indians and "most have adopted some form of self-regulation with minimal state oversight" (WPRI, 1995, p. 8). Historically, Native American communities were economically fragile. Gaming has provided a means to improve their economic well-being and ability to self-govern (<http://www.sagchip.org/government/council/events/2000/082800-sovereignty-defined.htm>). Individual states develop compacts with Native American casino operations when gaming is identified as a chosen business. In some areas, tribes pay a percentage of revenue earned from their

gaming business to offset the monies lost from these operations not paying any property taxes.

Jorgenson (1998) suggests the impacts of Native American gaming social issues are similar to non-Native American gaming social issues. However, in state-regulated operations, some nuances that are unique to Native American operations emerge. Although most impacts were supported, Carmichael, et al. (1996) found that the impacts of Native American casinos include “environmental effects of development and the impact on the local tax bases” (p.14). They suggest further research should be done in Native American gaming operations that are undergoing expansions.

Based on the unique arrangement associated with Native American casino operations, the impacts on communities may be different from those that are state-regulated. Prior research has focused heavily, however, on state-regulated casino operations rather than Native American casino operations.

What appears consistent is the discrepancy in research related to the impact of casino operations on these social and economic issues. Conflicting literature exists in each of the impact areas and no prevalent literature base exists to indicate what occurs more often in casino communities. Most of this research has focused on state-regulated casino operations and has not addressed if these impacts are more or less consistent in communities with Native American casino establishments.

Purpose

The purpose of this study was to understand the impact a Native American casino operation had on a local, non-tribal community over time, specifically a period of five years. The study research questions were as follows:

1. Would a Native American casino operation influence the economic impact on the community over time?
2. Would a Native American casino operation impact the social issues in the local community over time?
3. Would community leaders view the casino operation as positive or negative relating to the quality of community life over time?
4. Are the results from studies done on state-regulated casino operations different from Native American run operations.

Limitation

This study is limited to the local, non-Indian community and does not address the Native American population or tribe specifically regarding social and economic impacts to the Native American community.

Methodology

A small Midwestern community was selected as the site for the study. Native American gaming had been available for ten years in the community but on a very small scale. The former 20,000 square foot facility included slot machines and bingo. In the mid 1990s, the facility was significantly expanded to a 200,000 square foot facility. In addition to expanding the number of slot machines and seating for bingo, various card and table games were added. Since opening, the average daily attendance has been estimated from a few thousand to 15,000 people.

In an effort to understand how the expansion would impact the local community, eight community leaders were identified as the study sample. These leaders were identified as those responsible for key issues for the community. Although this number

was small, these eight represented each area of importance in this small-sized community. Leaders included those professionals in positions titled: Police Chief, Director of Public Safety, Municipal Judge, Chamber of Commerce Executive Director, City Manager, Convention and Visitor Bureau Executive Director, Director of Social Services, and Executive Director of Economic Development.

Prior to the opening of the large expansion, qualitative interviews were conducted with each leader. Five years following the opening of the expansion, the individuals in the same leadership positions were interviewed. Of the eight initially interviewed, four remained in the same position five years later, whereas four were new to the position. Those four new to the position were in the local area five years earlier and had experienced both the small facility and the expansion. This attrition was expected as professionals progress in their respective careers. The concerns and issues however were expected to be equally represented by new leadership as their respective positions required them to represent the issues of the community. As an example, if available housing was an issue with leaders in 1995 then a new leader in 2000 would still have issues with housing if indeed it was still a community concern. Leaders were representing their professional views on the position they held in most instances. Exceptions (e.g., personal knowledge of anyone with a gambling problem) are noted in the findings.

The questions asked during the interviews were designed to elicit the leaders' understanding and professional views as to the social/economic impacts the gaming facility had on the local community as a result of expansion. Specifically, they were asked about issues that related to their particular area of expertise. All leaders responded to questions regarding problem behaviors and what they felt the impacts would be with the expansion. The same questions were asked both in 1995 and in 2000. The same interviewer gathered data over a two-month time frame in both 1995 and 2000. The qualitative data were examined comparing responses from 1995 to 2000. Additionally, leader comments in the first interview, relating to impacts they projected, were compared to what had occurred.

Additionally, a comparison was made similar to that done by Rephann, et al., (1997) where county data of this casino community were compared to a non-casino county with similar characteristics. The comparison county was selected based on the population size, growth pattern, proximity to an urban city, and industries represented in the community. Table 1 highlights the comparison factors for these two communities.

Table 1: Comparison data for casino and non-casino counties

Comparison Variables	Casino and Non-Casino County Statistics*			
	Casino 1990	Casino 2000	Non-Casino 1990	Non-Casino 2000
Population	54,624	63,351	50,057	56,755
Proximity to market over 100,000 people	64 miles	64 miles	40 miles	40 miles
Industries	rural, agriculture, university, oil/gas production manufacturing, and casino gaming	Same, plus an expansion of the casino gaming operation	farming and agriculture (livestock and produce), manufacturing and service industries*	Same

* US Bureau of the Census, MEDC Economic Profiler, 1990 and 2000 data

Data derived for these comparisons ranged in years from 1990-2000. Due to reliance on secondary research, some data were gathered prior to this study beginning (e.g., Census data in 1990). The small casino operation was in existence in 1990, however, and no other noted community changes occurred between 1990-1995 that would influence the comparison.

Findings

Research question: Would a Native American casino operation influence the economic impact on the community over time?

Economic Impact

Community Economic Issues

The community has experienced significant economic gain as a result of the casino facility. Based on the compact between Native American tribes and the state government, two percent of “net win” from electronic games of chance are given to the local community. Further, the compact indicates these monies should be allocated to local units of government and the amount provided should be equal to the share of property taxes they would otherwise receive if the tribe were subject to taxation (www.state.mi.us/mgcb/c-stipulation_consent%20.htm). These funds have contributed over \$28 million into the local economy funding various programs and services, including the purchase a fire truck and police vehicles, support for infrastructure improvements, partially financing a community recreation center, and assisting with programs for the Commission on Aging. The challenge, however, related to these funds is the method in which they are distributed.

The tribal-state compact also indicates that “each tribe shall determine which local unit or units of government shall receive payments . . .” and determine the amount given to each unit as well (www.state.mi.us/mgcb/c-stipulation_consent%20.htm). The tribal council controls where those funds are given, similar to state-regulated casino operations whereby the local government controls where taxes are allocated. In the Native American operations, however, community agencies request funds for capital improvement projects versus using the money for operating funds. There is no guarantee the funds will be granted to agencies, and they cannot rely on those monies from year to year. Funds are needed for expanding public service personnel, establishing road improvement plans, and establishing an operational budget for governmental agencies as taxes would provide. Similar to conclusions by Carmichael, et al. (1996), the local tax base was impacted by the expansion of the casino.

Before the expansion, community leaders were concerned there might be political issues surrounding the expected increase in funding that would result from the expansion. Since the tribal council controlled the allocation of money, respondents also feared there would be a need to “politic” their particular cause to the council. An additional challenge was that for the past several years, several different tribal councils governed the Native American community. This rapid change of leadership had some community leaders more concerned. Also suspect was the infighting that may occur when the various community agencies would or would not get their project funded. In 1995 it was projected by community leaders from city, county and township governments that working closely together was critical if this was to succeed.

By 2000, the community found a good working solution to these challenges. Following the expansion, all local government agencies collaborated on project requests prioritizing them collectively. This resulted in better communication between agencies at the city, township and county offices. The community leaders noted improved relations with other community agencies as a result. The need for “politicking” did not exist as the tribal council supported the unified requests.

The community leaders were, however, concerned about the need for additional money for increased operating expenses as a result of the expansion and more visitors to the community. The two percent monies did not cover operational funding requests. In response to this situation, the community proposed a local employment tax for all community employees to offset these funding issues. Therefore, local workers would pay for the challenges the community faced due to the expansion.

It should be noted that subsequent arrangements (post 1998) with Native American tribes and this state included a provision that required representatives from local government be involved in the decision making for these funds. A "local revenue sharing board" consisting of local units of government representatives would allocate funds given by casinos and the arrangement further outlines specific allocations for certain units of government (e.g., public safety) (www.state.mi.us/mgcb/c-little_traverse%20.htm). However, local funding allocation as the state government intended, under either set of guidelines, is not occurring in all tribes with casino developments. Monies are being allocated to areas not intended by tribes (under past compacts) and by Local Revenue Sharing Boards (under current compacts) (interview with E. Bush, Michigan Gaming Control Board, October 21, 2003).

Employment

As a result of the casino development, respondents felt the community experienced an increase in the number of opportunities for workers from 1995 to 2000. This is supported in Table 2 findings. Unemployment rate for the gaming county reduced from 6.3% to 2.9% from 1990 to 2000. In the non-gaming county, however, a similar reduction occurred. Employment opportunities within the gaming county remained stable over the ten years, which was similar to the non-gaming community figures. Although a greater percentage of people work outside the non-gaming county, the percent change over the ten-year period remained stable. A similar pattern existed for the people living below the poverty level in both counties. The gaming county had a larger percentage of the population, however, at the poverty level. Between 20-25% of the population in the gaming county were below poverty versus 5-9% in the non-gaming county (Table 2). These findings show that even though the respondents indicated improved employment opportunities, the statistics regarding employment failed to support the gaming county was any different than the comparable non-gaming county.

Pay at many establishments increased over time due to an increase of employee turnover and lower unemployment. The community leaders indicated this was especially true for those businesses relying on entry-level workers. Prior to 1995, businesses enjoyed the surplus of available entry-level workers with a local college campus in the community. Many employers paid minimum wage to workers as the demand for entry-level jobs was high. After the casino expansion this changed, according to community leaders. The large number of jobs at the casino paid more and the increase in supply created lower demand for other businesses. To remain competitive, other

employers increased pay to entry-level workers. These findings were similar to the research done by Long (1996), Felsenstein, et al. (1999), and Boger, et al. (1999).

Property Values

Similar to Long's (1996) findings, respondents indicated property values increased in the community over the ten-year time frame. Some suggested the casino expansion impacted the increased need for low and moderate-income housing, and because the community did not have enough housing, prices were higher. As a result, many employees came from neighboring communities.

The comparison of gaming and non-gaming county statistics supported that the gaming county housing value did increase over the ten years. However, the non-gaming

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county increased as well, more than the gaming county. It appears this increase cannot be directly tied to the development of casino gaming (Table 2).

Table 2: Property, poverty, and employment comparison of casino and non-casino counties

Comparison Variables	Casino and Non-Casino County Statistics*			
	Casino 1990	Casino 2000	Non-Casino 1990	Non-Casino 2000
Median Property \$ Value	53,200	91,800	54,100	107,100
Percent below the poverty level	24.9	20.4	9.1	5.5
Unemployment Percentage	6.3	2.9	6.4	3.1
Percent who work outside the country	20.2	20.6	58.1	59.2

*US Bureau of the Census, American Factfinder, 1990 and 2000 data

Research question: Would a Native American casino operation impact the social issues in the local community over time?

Social Issues

Problem Gambling

The number of respondents able to personally identify one or more individuals with problem gambling behaviors increased in the five-year time frame, as Braunlich (1996) and Room, et al. (1999) also found. Only 1 of 8 respondents personally knew of someone with a gambling problem in 1995, whereas, all eight indicated that they were more aware of people with problems than they knew five years previous. Each now personally knew of at least one person with a gambling problem that significantly impacted their quality of life (e.g., lost job, divorced spouse, estranged from children, and bankruptcy). Most all questions to leaders centered on their professional opinions with this exception. Four of the leaders were in their identical roles but four others were personally only interviewed once, in 2000. These leaders were asked to reflect if they were aware of someone back in 1995 and findings were similar to other respondents. Similar to Giacopassi, et al. (1999) and Room, et al. (1999) findings, problem gambling activities became more prevalent in legal issues over the five years as well. Respondents also indicated more area embezzlement and divorce cases identified gambling problems as the root cause of their issues in the five-year time frame.

No known research has been conducted regarding problem gambling in the local community. Findings are therefore limited to these leaders' observations.

An observation, not noted in earlier studies, suggests a decreased number of outreach programs focused on problem gamblers existed in the five-year time frame. The investigator contacted all previously listed agencies and current listed agencies in the yellow pages likely to address problem gambling by telephone, finding most were no longer operating locally. The casino did not have any assistance available when asked on the telephone. Private counseling services or general public services were the only options available. Surprisingly, no specific service for problem gamblers was in the area in 2000. This supports NORC's (1999) finding indicating Native American operations were less likely to post signs offering assistance to problem gamblers.

Respondents were asked in 2000 why this may be occurring. They indicated a variety of reasons including local residents may 1) not feel they have a problem, 2) not want to be in a small local community support group (as everyone knows everyone

else), 3) choose individual therapy options, and/or 4) have had problem behaviors for years but the expansion made the discussion more visible.

Criminal Activities

The community experienced an increase in some criminal activities over the five-year time frame. However, these were not directly attributed to the development of the casino expansion as Aasved, et al. (1995) also found. Respondents suggested this increase was more directly related to the increase in the number of visitors to the community. It was suggested that the same criminal findings would have occurred if a theme park had opened instead. The community leaders also noted increased congestion and traffic related incidents (e.g. speeding, minor accidents, etc.). These findings were similar to Long (1996), Carmichael, et al. (1996), and Room, et al. (1999). Additionally, in terms of youth crimes, the community respondents experienced a greater challenge working with youth offenders whose parents may now be working around a 24-hour schedule with children at home unsupervised. This was suggested to be related to the expansion of the casino operation.

In the county comparison, however, statistics suggest the impact of a gaming facility on local crime levels appears to have less of an effect that what may be expected. Table 3 illustrates this, by examining five crime indicators and comparing them across a span of five years in the gaming county. In four of the five crime categories, the gaming county had at least 50% more offenses than the non-gaming county. Both the gaming and non-gaming counties experienced similar crime patterns, however, over the five-year time span. The gaming county saw significant growth in its casino operations, and therefore could have potentially seen a dramatic change. Data indicates that this did not occur.

Fraud had the most significant change among the crime indicators for the gaming county, when taking the actual number of cases into account, representing a 23.53% increase from 44 additional offenses. This compares to embezzlement, which saw the greatest change percentage in the gaming county at 53.33%, but saw one of the lower increases in terms of raw numbers – in this case, only eight. The exaggeration of the percent change in embezzlement was similarly noticed in the non-gaming county, where a 112.5% increase was realized, despite it only requiring an additional nine cases over the past five years. Finally, though vandalism, burglary, and driving a vehicle under the influence of alcohol or narcotics (DUI) created the bulk of offenses in the gaming county, they have remained relatively unchanged during the five-year period. In contrast, the non-gaming county saw its most dramatic changes in those three categories, with all but DUI offenses decreasing in number (Table 3).

Table 3: Crime comparison between gaming and non-gaming counties

Comparison Variables	Gaming and Non-Gaming County Crime Statistics (Offenses)*					
	Gaming** 1995	Gaming** 2000	Percent Change	Non-Gaming 1995	Non-Gaming 2000	Percent Change
Fraud	187	231	23.53%	85	81	-4.71%
Embezzlement	15	23	53.33%	8	17	112.50%
Vandalism	872	871	-0.11%	550	442	-19.64%
Burglary	305	288	-5.57%	371	281	-24.26%
DUI	411	425	3.41%	252	328	30.16%

*Michigan State Police Criminal Justice Information Center (1996, 2001).

**Data does not include tribal police figures in the gaming community

Table 4 highlights these figures taking into consideration population statistics for both the gaming and non-gaming counties. A comparison of the number of offenses per 1000 residents was made and findings indicate the gaming county experienced an increase in fraud and embezzlement offenses per 1000 residents. Conversely, the non-gaming community experienced increases in embezzlement and DUI offenses per 1000 residents in that same period. Both counties experienced a reduction in vandalism and burglary per 1000 residents.

Table 4: Crime comparison between gaming and non-gaming counties per 1000 residents

Comparison Variables	Number of Crimes Reported per 1,000 Residents in Gaming and Non-Gaming Counties			
	Gaming 1995*	Gaming 2000*	Non-Gaming 1995	Non-Gaming 2000
Fraud	.034	.036	.017	.014
Embezzlement	.003	.004	.002	.003
Vandalism	.16	.14	.11	.08
Burglary	.056	.045	.074	.05
DUI	.075	.067	.050	.058

These statistical comparisons differed from the respondent interviews. Youth oriented and traffic crimes (e.g., vandalism, burglary, DUI) had reduced in 2000 (per 1000 residents). These findings, however, are somewhat problematic. Some criminal behavior is reported only through the tribal police force, and the local community figures or the State Uniform Crime Report do not reflect the number of criminal instances occurring due to the sovereign nation status of the tribal community. Tables 3 and 4 do not represent any criminal activity from the tribal police force.

Based on the information available, however, and as many others have found, the findings here indicate no significant criminal activity differences exist since the development of the casino expansion (Aasved, et al., 1995; Braunlich, 1996; Giacomassi, et al., 1999). Though the casino community experienced a greater number of offenses in all the comparison variables, the change was not as dramatic as might be expected between a gaming and non-gaming community. It also appears that the presence of a gaming operation may result in a stabilization of crime rate, possibly due to the increased presence of law enforcement officials as Fritsch, et al. (1999) concluded. Casino operations do not appear to be a major factor in contributing to an increase in crime rate.

Social Issues

Social issues related to child protection/neglect cases followed a similar pattern to public safety issues in the five-year time frame. Synonymous with the findings of Long (1996) and Giacomassi, et. al. (1999), community leaders suggested that an increase in social service and child protection programs existed. They indicated however, that increased efforts to identify child protection and social service issues may have resulted in more reported activity. The community did not suggest a significant increase in the number of social service issues was due to the casino expansion.

Recreation and Entertainment

There was an increase in the number of local businesses, especially in the service sector. Not all businesses have benefited, however, from the gaming operation. Some suggest visitors limit their participation to the gaming facility rather than attending other

The presence of a gaming operation may result in a stabilization of crime rate, possibly due to the increased presence of law enforcement officials.

community activities/businesses. The casino expansion developed into a self-contained facility (included restaurants, lodging, and shopping) that was not available prior to the development. This is similar to the findings by Room, et. al. (1999). However, local visitors utilize the additional lodging properties in the community, and the community residents have an increased number of service sector businesses in which to participate, especially food service establishments. Beyond lodging and food service, no other recreation provisions have expanded. Community leaders suggested gamblers do not cross over into other recreational pursuits. The community projected this will change as more visitors express interest in other recreational activities, specifically, youth-oriented activities and retail choices. Regarding business operations, some suggested an increase in the service levels provided to guests exists due to increased competition.

Research question: Would community leaders view the casino operation as positive or negative relating to the quality of community life over time?

Community Life

In 1995, prior to the development, leaders were cautious, even skeptical of the impact the expansion would have on the community. Most had expressed both professional and personal concerns on the impact the expansion would have on the quality of life for residents and themselves. These fears, however, were not apparent in 2000. Even though some community leaders were apprehensive about the impact of the expansion, it appears these fears have reduced and people became more positive about the addition to the community.

All respondents suggested that the social and economic impact to the sovereign nation and local Native American population increased significantly. The expansion within the community provided a great deal of added services (e.g., education, health, social services, and recreation) to the local Native American people as well as a financial base to tribal members as they were paid a significant monthly stipend based on the casino's profitability.

Unlike USGAO (2000) suggesting people view casino development negatively on a community, these leaders indicated otherwise. Similar to the results from Long (1996) and Carmichael, et. al. (1996), the view held by community leaders was more positive than negative regarding the impacts the casino expansion had on the rest of the community (non tribal land). All leaders suggested a balance existed between the positive and negative issues identified with the community. Some of the personal negatives including traffic congestion, and problem gambling were outweighed by additional community improvements (e.g., ice arena, road improvements, youth activities). Some of the potential negatives professionally (e.g. battling for 2% money distribution) were not as large an issue as projected, however, others have emerged, such as the need for additional operating budgets. These findings support both Giacopassi, et al. (1999) and Room, et al. (1999). Although not without challenges, respondents indicated the two percent monies have provided programs, facilities, and services that would never have been funded without the casino operation. Leaders noted that the slow development of the casino operation helped the community to adjust. Both residents and businesses have been able to gradually adjust to casino-related issues since gaming was in the community fifteen years earlier, but at a simpler level. In preparation for the expansion, a task force of community leaders including the tribal community helped prepare the community for the more significant changes and anticipate the social and economic impacts of the expansion.

Research question: Are the issues related to state-regulated versus Native American casinos different?

Two issues aforementioned emerged in the findings as unique issues to communities with Native American operated casino gaming facilities. First, funds provided in lieu of taxation proved beneficial but not without challenges for the community. Everyone agreed that significant money was provided to the community. However, the means in which it was allocated to various community services was problematic. Control over the distribution of the funds rested at the tribal level, and although no leadership in-fighting had occurred, the challenge with financing operating budgets was apparent. This may not be an issue in state regulated casinos. Also, the amount distributed, although significant, was projected to be larger in a state regulated operation where more dollars would be raised through taxation.

Second, criminal offenses are not all reported as the tribal police force does not need to contribute their records to state statistical analyses. The true understanding of the impact or changes in crime is therefore not clear. Community members should be made aware of the true impact this or any other development has had on all social service issues. Data can be misleading without all facts available. With sovereign nation status, Native American communities do not have to report these or other figures that could allow for a clear picture on impacts, economically or socially.

Discussion

Similar to other casino impact research, this community has experienced a number of economic and social impacts since the expansion of a small casino into a large operation. Over a five-year time frame, comparisons, based on interviews with community leaders, suggest both positive and negative impacts have resulted.

From 1995-2000, community leaders interviewed suggested there have been economic gains as a result of the casino development. The community economically benefited with millions of dollars being provided to local agencies in lieu of the casino paying taxes. Additionally, employment opportunities, wages and property values have increased as well. These positive features were not without challenges, however.

The economic impact in local communities with Native American gaming operations, however, is somewhat different than state-regulated gaming businesses. Generally, both types of communities economically benefit but they are supported differently. State-regulated casino operations provide a consistent amount of money to various agencies through taxation. As noted, Native American casino operations control the distribution of funds. As previously stated, in state-regulated gaming operations money can be used as the agency deems necessary, whereas, in this situation, the Native American tribe controls the monies allocated in this casino community. Fortunately, in this community, agencies have worked together to develop a list of joint priorities. This development over time has reduced potential politicking and in-fighting for funding resulting in improved work relationships among local agencies. It has not, however, provided opportunities for using the money in operational ways. Even through subsequent tribal arrangements have created a process to limit tribal leader involvement in fund allocation, the challenge of ensuring funds are provided to local units of government remains.

In this community, since tribal leadership allocates monies there is no guarantee that requests will be granted. Therefore, capital expenditures are typically requested and operational funds are left to be secured in other ways. This community does not have additional funding to manage the increase in visitors. Additional police officers, social service, judicial, and public works workers are not funded. As this community seeks funding for these issues in other ways (e.g., local city tax), the burden for upkeep is placed on those in the community not affiliated with the casino development.

Although all respondents viewed the economic gains as positive, there are unique challenges to community and infrastructure issues that still need to be managed. State compacts, developed to address taxation issues, should mandate that local governments have control over funding and these allocations should be monitored. This would allow agencies to fund capital and operational issues within their respective units and insure funds are being distributed as outlined by Native American tribes and state government intended. As a result, local units of government would not be financially harmed because of the casino development.

Respondents viewed the gains in employment opportunities, wages, and property values as positive. Considering U. S. Census statistical comparisons between this gaming county and a similar non-gaming county, however, indicated the casino expansion is not necessarily the cause of these increases. Both gaming and non-gaming counties experienced growth in these areas supporting Room, et al. (1999) who suggests a minimal net effect. Concerns by respondents about employment and property values can more directly be tied to the casino expansion. Business concerns over having to pay higher wages, greater difficulty in recruiting employees (because more are now employed), and not enough low/moderate income housing were issues that occurred after the casino expansion. These issues, however, were not because the development was a casino specifically, but rather any business employing a great number of people would have caused similar concerns.

Respondents viewed the gains in employment opportunities, wages, and property values as positive.

Findings indicate that a number of social issues have developed as a result of the casino expansion. Problem gambling had increased in the community over the five-year time frame. All 8 respondents knew of someone with gambling

problems in 2000, whereas only one knew of someone in 1995. Respondents also indicated more judicial activities reflected problem gambling as a cause for their legal issue (e.g. divorce, theft, etc.). Although this had occurred by 2000, less problem gambling services existed in the community. Even though respondents indicated this is occurring for several different reasons, efforts must be taken by the community to address this potential increase in problem behaviors. The casino itself in 2000 did not provide a resource to those wanting assistance. Providing assistance within neighboring communities may address the concern of small town paranoia, where everyone knows everyone. Promoting national problem gambling resources through flyers, advertisements, and public service announcements may help those who seek support.

Respondents indicated concern over the increase in child protection/neglect cases but did not directly relate this to the casino expansion. Regardless, funding issues previously noted could assist with managing the increased caseload by providing more operating monies for increased staff.

One additional social issue, criminal activity, was not directly tied to the casino development. Community leaders indicated an increase in some types of criminal activities since the casino expansion, however, these areas were questionable when comparing the statistical crime data of the gaming and a non-gaming county. Overall, the gaming county had more criminal offenses, but any decrease or increase in offenses resembled that of the non-gaming community. No clear conclusion could be drawn from the data as not every police agency reported criminal activity.

Crime is an important consideration and issue within communities, especially ones that are considering casino developments. As tribal police offense totals are not reported to state crime reports, it is difficult to realize the impact of casino visitors to a community. As WPRI (1996b) suggested, information from Native American operations is difficult to obtain. Some type of estimation should be possible to more accurately reflect the true crime impact on a community. Relying on statistics, without all police agencies reporting, is difficult to base conclusions on.

Even with all aforementioned positives and negatives experienced over the course

of five years, respondents indicated community life was enhanced positively as a result of the casino expansion. This varied from other studies that found community members indicating a negative impact on community life as a result of a casino development. In both positive and negative instances, community members indicated they were in favor of the casino development.

The development of the casino has provided community members with additional entertainment options, mainly through lodging and restaurant choices. It has not provided additional entertainment or recreation pursuits, however. The limited recreation expansion is unique to casino developments where leaders indicated casino visitors do not partake in other recreational activities. Respondents indicated by the year 2000 there was increased interest from visitors for these services and felt that more non-gambling visitors would join a casino gambler if additional options were available. Economic development offices need to attract these types of businesses to enhance the local community's opportunities and address the growing concern of casino visitors.

The expansion of the casino operation in this community has had many impacts, some foreseen and others not anticipated. As the USGAO (2000) and WPRI (1995) indicated it is difficult to identify direct cause-effect relationships with economic and social impact measurements. Fortunately, the impact on this community suggests the benefits outweigh the challenges. The gradual introduction of the casino and the expansion helped this community adjust to many of the social and economic issues. It appears, however, no transition is perfect. Continued efforts will need to be taken allowing community agencies to work collaboratively to ensure all local needs are being met.

Local community leaders must communicate with Native American leadership on the needs of the entire community since the dispersion of funds rests with them. As noted, compacts made after this casino's agreement with the state support local government involvement in decision making on funding allocation. However, this arrangement also experiences its own set of challenges. Regardless of the agreement reached, there is increased need for community agencies to work together in this type of atmosphere.

Future research must continue to look at casino operations and how Native American operations differ from other gaming operations. Additionally, quantitative research with a larger sample of community leaders tracked over time would be valuable. Specific research on problem gambling, community member perceptions, and the impacts on Native American populations would be beneficial to individual communities that have casino operations. Since casino operations are still a new phenomenon continued analysis must be done. Longitudinal studies must continue to explore the impacts on communities, both in the short and long term.

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