



Gambling in Iowa: Risking Our Future

By Laura P. Keith

The struggle for legalized gambling to expand in Iowa continues. At the end of August, a ballot initiative to add riverboat casino gambling was passed in Washington County. Despite those short-term economic gains that communities with casinos experience, a strong opposition to proposals that add casinos always rises up, citing the protection of families and the community at stake.

On the one hand, legalized gambling does bring in business and profit for communities and the state of Iowa. In a land where freedom allows capitalism to thrive, less regulation means our citizens can spend their dollars where they wish. In Sioux City, Council Bluffs, Osceola, Altoona, Clinton, Fort Madison, Burlington, Davenport, Dubuque, and now Riverside, more dollars have been or will be spent on gambling than any other economic area. Casinos bring in the dollars for a community, create jobs, provide money for further economic and artistic development, and even provide entertainment.

On the other hand, social values such as family and a strong work ethic are endangered by the effects of gambling, values Iowans hold dear. With the rosy reports by gambling interests come dark reports by its opponents: increased crime, job loss, stagnant community growth, blighted social problems, stemming from addiction, that are multipliers of more social problems. The tourists leave after a good time; the community must stay and deal with the aftermath.

The tough question for those who oppose riverboat casino gambling and would fight for a ban on this or any other legalized gambling is this: Is it up to the state to legislate the choices people make that might lead to major social problems as well as bring down the wealth of the community? And — if these opponents answer yes — another question follows: If the state can legislate those choices, then what is holding the state back from legislating (which includes regulating and choosing *for* the voter instead of letting the voter choose) other voter choices such as the status of marriage or abortion rights? The deeper question, then, is how much do we value the principle of liberty?

Americans in the past have not been able to decide. According to a study from *Temple International & Comparative Law Journal*, the U.S. has both implanted and supplanted the gambling industry throughout history.¹ The 1800s saw two such cycles. Gambling was first criminalized before the Civil War for reasons related to “business/economic negatives,” including higher taxes to combat social and job loss problems. Though gambling was reintroduced after the Civil War, it was criminalized a second time for the same reasons as before.² A century later, state after state has reintroduced gambling — most through state lotteries and now many through casinos.

In 2002, Iowa citizens voted to renew the gambling licenses of riverboat casinos in Iowa. In county after county, the debate on whether to allow casinos to build rages. Social and economic indicators from surrounding states that are similar to Iowa demographics such as Illinois point to gambling having bad

A Publication of:

Public Interest Institute at Iowa Wesleyan College

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effects on local economies. Many communities see the gambling industry as an answer to revive their economy through attracting more visitors and creating more jobs. However, it is an industry that fails to bring in large amounts of jobs, and sometimes communities come out with a net job loss.

Opponents to gambling, for either social or economic reasons, must work that much harder to bring in other options for their small, local economies. Instead of relying on taxing the gambling industry to provide revenue for increasingly large government programs, communities should consider reforming and restraining those programs. With better management of finances, our policy makers can find the money to improve rather than enlarge programs. And in doing so, must use their freedom to manage the market beast so that economic growth could follow. Instead of taxes from big casino lobbyists shaping policies in our state, the individual voters will. How will Iowa citizens choose to use their votes? Perhaps in time the “dollar vote” will tell.

Allowing the riverboat casino gambling industry in Iowa to expand is not a wise economic policy. Studies over the last ten years in states that have developed this industry such as Illinois have shown that the promises of economic growth last in the short term, but in the long term have little effect. Instead they lead to a strong correlation between the introduction of gambling and an increase in social problems. Citizens that desire the best for Iowa’s future cannot rely on the gambling industry to provide long-term and effective economic prosperity.

Forthcoming: Research Analysts Brad Cook and Laura Keith debate the value of the gambling industry in Iowa.

ENDNOTES:

¹Anne E.C. Bryan and John Warren Kindt, “Destructive Economic Policies in the Age of Terrorism: Government—Sanctioned Gambling as Encouraging Transboundary Economic Raiding and Destabilizing National and International Economies,” *Temple International & Comparative Law Journal*, Vol.16, No. 2, Spring 2002, p. 270-271.

² *Ibid*, 271.

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