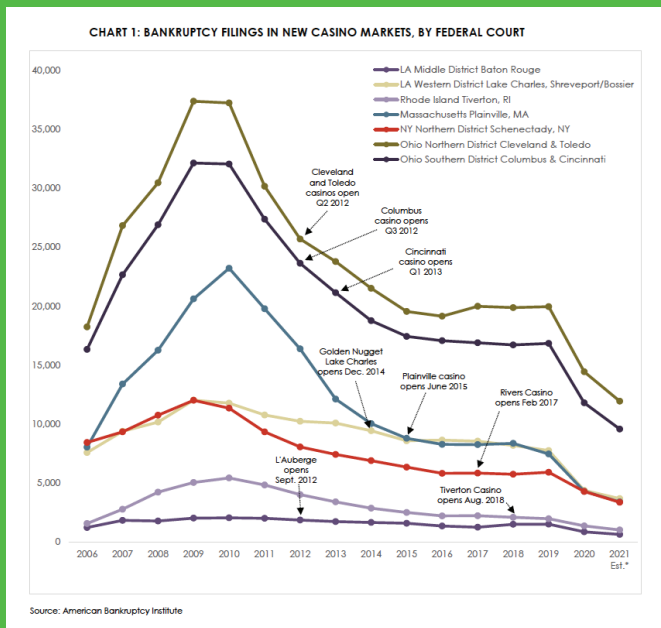


RESORT CASINO GAMING DOES NOT INCREASE SOCIAL ISSUES INCLUDING DIVORCE, BANKRUPTCY AND PROBLEM GAMBLING, IN HOST COMMUNITIES.

Evidence in emerging and established casino markets shows no correlation between the opening/presence of a casino and rates of divorce or bankruptcy. In markets that already have access to gaming, the addition of a resort casino gaming development does not increase problem gaming rates.

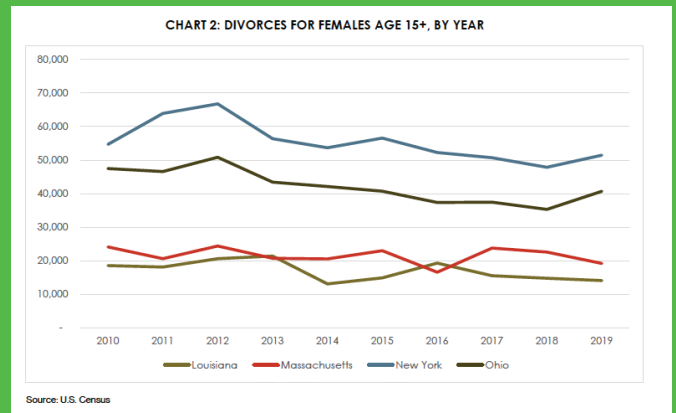
BANKRUPTCY

Bankruptcy filings declines in host communities where resort casinos opened.



DIVORCE

There is no correlation between the introduction of resort casino and divorce rates.



SECONDARY RESEARCH

SEIGMA STUDY¹

The Social and Economic Impacts of Gambling in Massachusetts (SEIGMA), a study conducted by the University of Massachusetts in Amherst, found no correlation between opening/presence of casinos and rates of bankruptcies and divorce.

SPECTRUM GAMING²

An independent casino research and professional services firm completed a report for the New York State Legislature. Overall, this study raises doubt that there is a statistical relationship between casinos and divorce and suicide.

¹ SEIGMA Study - "Social and Health Impacts of Plainridge Park Casino (PPC) in Plainville", SEIGMA, Fact Sheet 10, June 2019. <https://www.umass.edu/seigma/fact-sheets>.

² Spectrum Gaming Study - "Gaming Market Study: State of New York", prepared by Spectrum Gaming Group for the New York State Gaming Commission, January 2021, pages 125-127.



CONVERGENCE
STRATEGY GROUP

ST. TAMMANY CORPORATION

SLIDELL RESORT CASINO COMMUNITY IMPACT ASSESSMENT:
SOCIAL IMPACTS

FINAL:

October 27, 2021

SOCIAL IMPACTS

There are potential negative social impacts as they relate to casinos, as a segment of the population experiences problems controlling their behavior. This chapter focuses on the concept of “problem gambling”, which is a catch-all for those with problems stemming from any form of wagering, not just casinos. While we refer to casino patrons as “gamers”, and the term “problem gaming” may be appropriate to describe casino patrons experiencing problems, “gambling” is a more widely-used term to describe all forms of wagering, and as such, “problem gambling” is the more widely-used terminology to describe wagering addiction issues. Marital issues and personal bankruptcy issues, as they potentially relate to problem gambling, are addressed herein.

SUMMARY OF FINDINGS

An increase in availability of specific forms of gambling (ie. a casino closer to a population), has not proven to have a statistically significant impact on prevalence of problem gambling. Evidence in emerging casino markets shows **no correlation between the opening/presence of a casino and rates of bankruptcy or divorce**. In all of the casino markets studied, **bankruptcy filings declined after casino openings**.

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PROBLEM GAMING

In Louisiana there are myriad different types of gambling, ranging from casinos to horse racing, the lottery, bingo, video poker, charitable games, online gaming, private wagering and more recently sports betting, as well as illegal wagering on dog and cock fights. The National Council on Problem Gambling (“NCPG”, an agency neutral on the position of legalized gambling, formed in 1972 to educate and advocate for programs and services to assist people and families impacted by problem gambling) estimates that 2 million U.S. adults (1%) meet the criteria for severe gambling problems in a given year, and that another 4-6 million (2-3%) would be considered to have mild or moderate gambling problems - they do not meet the full diagnostic criteria for gambling addiction but meet one or more of the criteria and are experiencing problems due to their gambling behavior.¹ These percentages reflect a catch-all for problems stemming from any and all of these different forms of available gambling.

According to NCPG’s 2016 Survey of Problem Gambling Services in the United States,

“An estimated 1.3% of Louisiana adults (46,136) were believed to manifest a gambling problem in 2016.” The survey goes on to note, *“In 2016, the Louisiana problem gambling helpline received 1,045 calls for help, marking a 30% decrease from 2013. Correspondingly, the number of Louisiana residents receiving state-supported gambling treatment services fell 34% since 2013. A total of 354 people received state supported gambling treatment services in 2016.”*²

According to the University of Massachusetts-Amherst’s School of Public Health and Health Sciences research program on the Social and Economic Impacts of Gambling in Massachusetts (‘SEIGMA’), daily lottery and horse racing gamblers are the ones most likely to demonstrate problem gambling disorder in terms of prevalence by player type, though problem gambling issues may be higher for casino patrons on a nominal basis given the larger universe of players.³ As new forms of gaming are introduced and become popular (i.e., sports wagering, internet wagering, wagering on esports), the universe of gamblers may increase, as likely would the number of individuals that develop a problem gambling disorder and experience some form of gambling harm.⁴

However, an **increase in availability of specific forms of gambling, rather than the introduction of a new format, has not proven to have a statistically significant impact on prevalence of problem gambling.** The SEIGMA research team studied prevalence in the Greater Springfield (Massachusetts) market prior to and post-opening of the MGM Springfield casino. SEIGMA designed the Problem and Pathological Gambling Measure (PPGM) as its primary instrument to assess problem gambling in their study. Based on the PPGM, there was no change in the prevalence of at-risk and problem gambling between 2015 and 2019 among residents of Springfield and surrounding communities.⁵

In July 2019, SEIGMA’s Alissa Mazar, PhD authored a presentation examining the social and economic impacts of casinos in Massachusetts, which included interviews with several city leaders and public

¹ <https://www.ncpgambling.org/help-treatment/faq/>

² “2016 Survey of Problem Gambling Services in the United States”, National Council on Problem Gambling. https://158bvz3v7mohkq9oid5904e0-wpengine.netdna-ssl.com/wp-content/uploads/2018/03/2016-Survey-of-PGS-in-US_FULL-REPORT-FINAL-12-19-2017-1.pdf#page=100, page 93.

³ “Gambling and Problem Gambling in Massachusetts: Results of a Baseline Population Survey”, SEIGMA, September 15, 2017. https://www.umass.edu/seigma/sites/default/files/Updated_BGPS_Report_Final.pdf page 79.

⁴ There are several studies dated in the early 2000’s and earlier that tie bankruptcy and divorce rates to casinos, but as we note in this chapter, in many cases at that time casinos represented a new form of available gambling, not an additional venue to do so. As such, as discussed throughout this chapter, the impact of adding a casino to a market in terms of the number of problem gamblers is different in most markets (including St. Tammany) than it was 2+ decades ago.

⁵ “Impact of MGM Springfield on Gambling Attitudes, Participation and Problem Gambling”, SEIGMA, November 13, 2020. https://www.umass.edu/seigma/sites/default/files/Springfield_Targeted_Surveys_Report.pdf, page vi.

health professionals.⁶ Dr. Mazar’s interviews supported the June fact sheet findings of no correlation in the Plainville, Massachusetts market post-opening of the Plainridge Park racino; the presentation includes the following interview quotations:

- “We have had GA (Gambler’s Anonymous) meetings here [Plainville United Methodist Church] for approximately 20 years. At present, about 15 people attend these meetings each week. We have not seen any increase in attendance since Plainridge [Park Casino] opened.” - Secretary for NE Gamblers Anonymous, Mar 7, 2018.⁷
- “I don’t really see any impact on the health and well-being of the people of Plainville. Conditions now seem to be as they were prior to the opening of the casino.” Lou LeBlanc, Chairman of the Board of Health, Plainville, MA, Mar 1, 2018.⁸
- “...residents have not come to us with concerns that there has been an increase in problem gambling.” Jennifer Thompson, Town Administrator, Plainville, MA, Jan 25, 2018.⁹

BANKRUPTCY

In order to evaluate the relationship between new casino openings and bankruptcy rates, CSG analyzed bankruptcy filings in the emerging casino markets addressed in this study.¹⁰ None of the emerging casino markets studied showed increases in bankruptcy filings after the casino opened. **In every case, bankruptcy filings declined after casino opening.** While we do not contend that the declines in bankruptcy filings are attributable to the casinos, **it is clear that the casinos have not caused increases in bankruptcies.**

The following chart and table present the number of bankruptcy filings within the federal court jurisdictions covering the casino locations, from 2006 through August 2021. For 2021, CGS generated estimates using data from the first 8 months of the year, which showed significant declines in the number of filings across all jurisdictions. This decline, and those in 2020 were likely due to the COVID-19 pandemic (including court closings and supplemental income provided to individuals through federal programs), and should be viewed with some caution.

⁶ Alissa Mazar, PhD, “The Introduction of Casino Gambling to Massachusetts: Impacts to Date”, SEIGMA, July 20, 2019. https://www.umass.edu/seigma/sites/default/files/NCPG_presentation_Impacts_to_date2_share.pdf, pages 15-29.

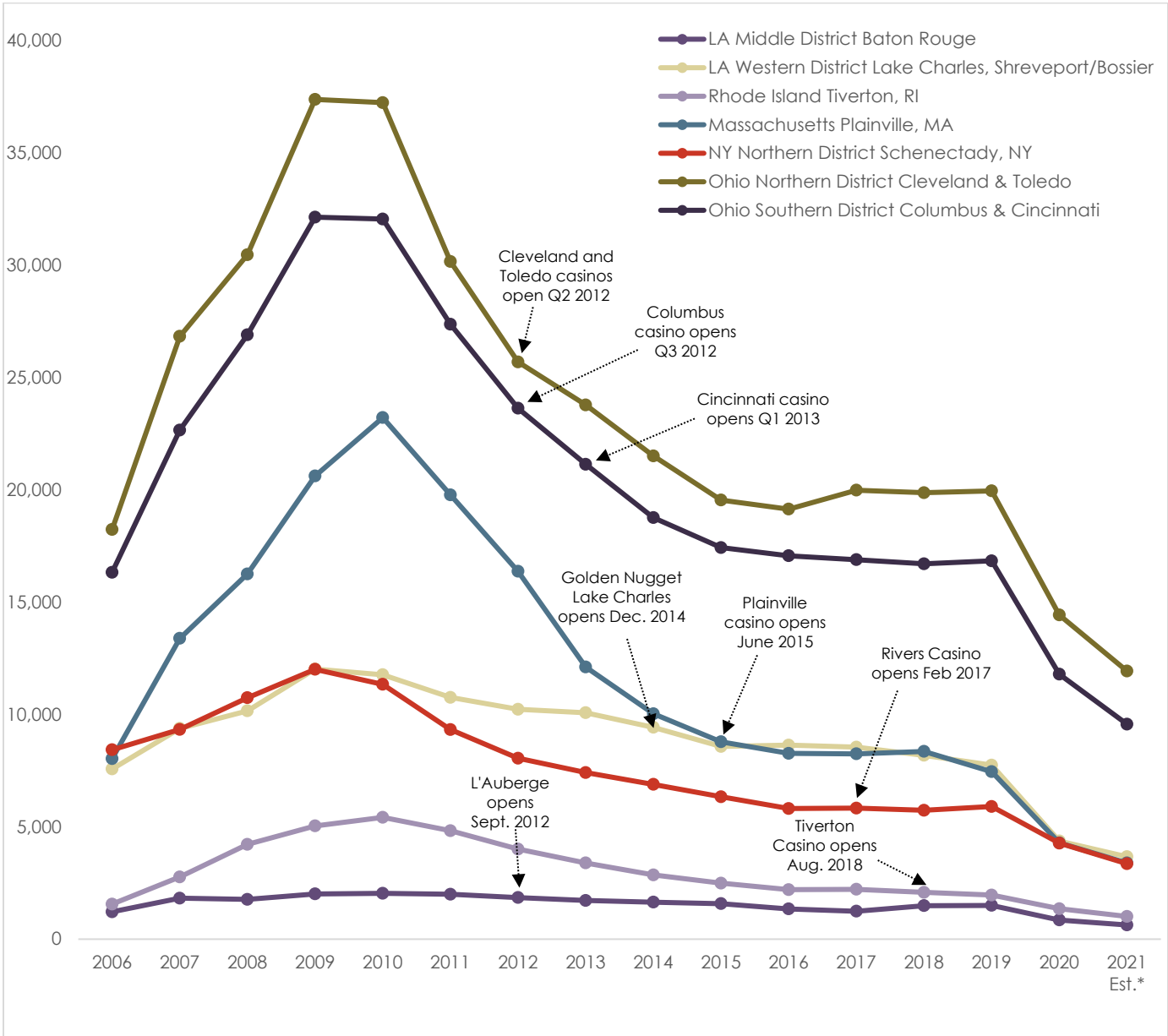
⁷ Ibid, page 26

⁸ Ibid, page 29

⁹ Ibid

¹⁰ Pittsburg, KS was not included as the jurisdiction of Kansas Bankruptcy Courts is not designated in the same manner as in other states, and the casino’s location near the state border would further serve to obfuscate the data.

CHART 1: BANKRUPTCY FILINGS IN NEW CASINO MARKETS, BY FEDERAL COURT



Source: American Bankruptcy Institute

TABLE 1: BANKRUPTCY FILINGS IN NEW CASINO MARKETS, BY FEDERAL COURT

YEAR	LA Middle District – Baton Rouge	LA Western District – Lake Charles, Shreveport	Rhode Island - Tiverton	Massachusetts – Plainville, Boston, et al	NY Northern District - Schenectady	Ohio Northern District – Cleveland & Toledo	Ohio Southern District – Columbus & Cincinnati
2006	1,216	7,576	1,558	8,035	8,430	18,237	16,329
2007	1,824	9,381	2,770	13,390	9,336	26,834	22,662
2008	1,771	10,164	4,219	16,258	10,747	30,467	26,904
2009	2,014	12,023	5,040	20,618	12,011	37,382	32,141
2010	2,040	11,769	5,422	23,217	11,344	37,239	32,058
2011	2,000	10,762	4,828	19,779	9,331	30,167	27,374
2012	1,851	10,231	4,008	16,374	8,054	25,694	23,634
2013	1,723	10,080	3,393	12,114	7,417	23,781	21,139
2014	1,647	9,430	2,858	10,034	6,889	21,511	18,765
2015	1,579	8,578	2,493	8,784	6,339	19,548	17,432
2016	1,347	8,636	2,204	8,270	5,816	19,143	17,068
2017	1,244	8,546	2,217	8,250	5,832	19,986	16,893
2018	1,491	8,184	2,084	8,359	5,736	19,876	16,710
2019	1,503	7,748	1,963	7,455	5,904	19,955	16,840
2020	852	4,367	1,355	4,287	4,273	14,431	11,795
2021 Est.*	632	3,669	1,011	3,392	3,359	11,934	9,570

Source: American Bankruptcy Institute

LOUISIANA

The preceding chart and table show annual filings for two regions of Louisiana, but we note that bankruptcies in Louisiana are recorded in three courts – Eastern Louisiana, Middle Louisiana and Western Louisiana. St. Tammany would be in Eastern Louisiana, Baton Rouge in Middle Louisiana and Lake Charles in Western Louisiana. As noted, casinos were added to markets in Baton Rouge and Lake Charles during the 2010’s, where there were already casinos present since the early 1990’s, whereas no new casinos were added in the Eastern jurisdiction.

L’Auberge opened in Baton Rouge in September 2012 and Golden Nugget in Lake Charles in December 2014. According to data from the American Bankruptcy Institute, bankruptcies in Middle Louisiana fell from 1,851 in 2012 to 1,723 in 2013, and continued to fall annually through 2017, to 1,244. Bankruptcies in Western Louisiana totaled 9,430 in 2014 and fell to 8,578 in 2015. The volume increased slightly in 2016, but fell sharply thereafter, through 2019 (and again in 2020, which as noted again, may be a year of misleading data due to the pandemic).¹¹

In the Eastern Louisiana court (where no casinos were added during the 2010’s), the bankruptcy volume briefly dipped from 2012 to 2013, but was otherwise a U-shaped curve from 2013 to 2019, in

¹¹ American Bankruptcy Institute, <https://www.abi.org/newsroom/bankruptcy-statistics>. Accessed October 12, 2021.

contrast to what was generally a steady decline elsewhere in the state (and the country). In consideration of the three regional Louisiana data trends, it is not evident that the addition of a casino to a market where casinos already had been present leads to incremental non-commercial bankruptcy. (consideration of commercial only of non-commercial bankruptcies does not change this conclusion, as commercial bankruptcy is a very small share of the totals).

TABLE 2: LOUISIANA BANKRUPTCY FILINGS, BY FEDERAL COURT

	2012	2013	2014	2015	2016	2017	2018	2019
LA-E	3,814	3,548	3,467	3,337	3,160	3,461	3,433	3,464
LA-M	1,851	1,723	1,647	1,579	1,347	1,244	1,491	1,503
LA-W	10,231	10,080	9,430	8,578	8,636	8,546	8,184	7,748

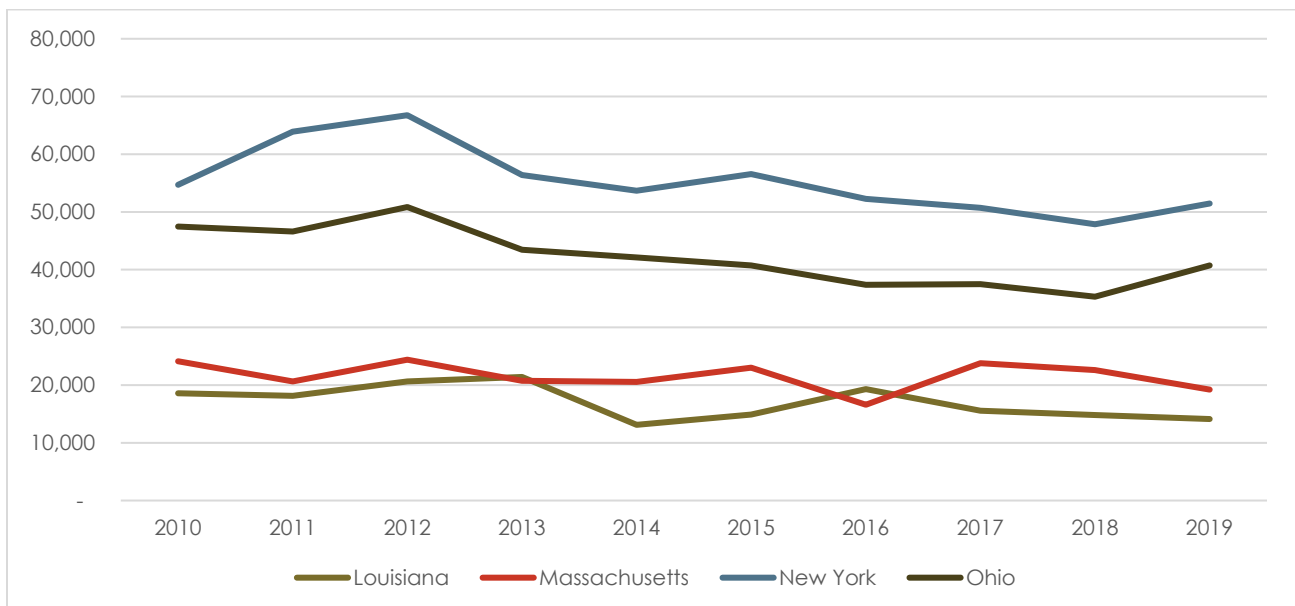
Source: American Bankruptcy Institute

DIVORCE

As addressed above, problem gambling can potentially manifest in marital problems, but as gaming venues have increasingly become incremental to a market, rather than a wholly new opportunity, the problem gambling propensity has not been increasing, nor have the related problems, i.e., divorces. Much like the issue of property values, there are too many factors in play in a market or an economy to draw causality directly to casinos.

As examples, we examine the number of females age 15+ that got divorced annually in Louisiana during the 2010's, as well as in several other states where multiple casinos were developed in the 2010's (in addition to the casinos added in 2012 and 2014 in Louisiana, Ohio had a major gaming expansion from 2012 to 2014, Massachusetts added casinos in 2015, 2018 and 2019, and New York had gaming expansion in 2017 and 2018). As demonstrated in the following chart and table, upward and downward divorce spikes occurred in each state during the course of the decade, but were never sustained or coinciding/immediately following the casino openings.

CHART 2: DIVORCES FOR FEMALES AGE 15+, BY YEAR



Source: U.S. Census

TABLE 3: ANNUAL DIVORCES BY STATE, FEMALES AGE 15+

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Louisiana	18,570	18,130	20,625	21,410	13,115	14,903	19,307	15,549	14,803	14,108
Mass.	24,126	20,638	24,401	20,733	20,553	23,014	16,596	23,792	22,596	19,207
New York	54,691	63,905	66,758	56,386	53,686	56,573	52,254	50,703	47,864	51,468
Ohio	47,478	46,594	50,848	43,443	42,121	40,742	37,373	37,475	35,313	40,717

Source: U.S. Census. **Bolded** numbers reflect years when casinos were added in each state.

SECONDARY RESEARCH

BANKRUPTCY

In June 2019, SEIGMA published a fact sheet demonstrating the social costs of the Plainridge Park racino (Plainville, Massachusetts). The findings were that there was **no correlation between the opening/presence of the racino and rates of bankruptcy or divorce**, attributing the lack of correlation to the fact that gamers in the area already had the opportunity to play/visit nearby casinos in Rhode Island and Connecticut.¹²

The issue of potential correlation between bankruptcies and casinos was also addressed in a broad statewide analysis prepared in 2021 by Spectrum Gaming Group for the New York State Gaming Commission, providing an overview of research on the issue. As noted by Spectrum,¹³

“One of the most recent studies we found examined the relationship between bankruptcy and casino/lottery introductions.¹⁴ Published in 2014, the study found that states that adopted gaming facilities and lotteries before 1995 experienced significantly higher personal bankruptcy rates. However, the effect seemed to disappear among states that adopted after 1995. The data used in this study went through 2010. This suggests that perhaps states with greater “fiscal stress” were more likely to legalize lotteries and gaming facilities earlier; such a finding has been confirmed in other research.¹⁵

....the literature provides a number of other, more dated, studies across U.S. jurisdictions and time. Some studies find a statistical link between gaming facilities and bankruptcy;¹⁶ others do not.¹⁷ Given that gaming facilities and other forms of legal gambling are already available in New

¹² “Social and Health Impacts of Plainridge Park Casino (PPC) in Plainville”, SEIGMA, Fact Sheet 10, June 2019. <https://www.umass.edu/seigma/fact-sheets>.

¹³ “Gaming Market Study: State of New York”, prepared by Spectrum Gaming Group for the New York State Gaming Commission, January 2021, pages 125-127.

¹⁴ Kent R. Grote and Victor A. Matheson, “The Impact of State Lotteries and Casinos on State Bankruptcy Filings,” Growth and Change, Volume 45 (2014), pp. 121-135.

¹⁵ Peter T. Calcagno, Douglas M. Walker, and John D. Jackson, “Determinants of the Probability and Timing of Commercial Casino Legalization in the United States”, Public Choice, Volume 142 (2010), pp. 69-90.

¹⁶ See March W. Nichols, B. Grant Stitt, and David Giacompassi, “Casino Gambling and Bankruptcy in New United States Casino Jurisdictions, Journal of Socio-Economics, Volume 29 (2000), pp. 247-261; John M. Barron, Michael E. Staten, and Stephanie M. Wilshusen, “The Impact of Casino Gambling on Personal Bankruptcy Filing Rates,” Contemporary Economic Policy, Volume 20 (2002), pp. 440-455.

¹⁷ See Lynda de la Vina and David Bernstein, “The Impact of Gambling on Personal Bankruptcy Rates,” Journal of Socio-Economics, Volume 31 (2002), pp. 503-509; Richard Thalheimer and Mukhtar M. Ali, “The Relationship of Pari-Mutuel Wagering and Casino Gaming to Personal Bankruptcy,” Contemporary Economic Policy, Volume 22 (2004), pp. 420-432.

York, it seems unlikely that further expansion would have a measurable impact on bankruptcies in the state. This is because those people who are predisposed to gambling to an extent that would cause financial ruin are likely to already gamble illegally or at existing legal outlets.”

DIVORCE

Spectrum Gaming Group also addressed the issue of divorce/casino correlation in the 2021 report for the New York State Gaming Commission. Spectrum concluded from the literature review¹⁸:

“One study rigorously examines suicide rates and divorce rates.¹⁹ The study examines eight casino jurisdictions that introduced casinos between 1991 and 1994 and compares them to a set of counties that do not have casinos. The researchers concluded that suicide rates did not vary between casino and non-casino counties. The findings on divorce were mixed: rates were lower in three casino counties, higher in one, and statistically no different in four other counties. Overall, this study raises doubt that there is a statistical relationship between casinos and divorce and suicide. Nevertheless, it is clear that a gambling disorder might contribute to such problems.

A key problem with the research that addresses impacts such as divorce and decreased work productivity is that such research often relies on survey data in which people with a gambling disorder are asked about the degree to which gambling contributed to their problems.²⁰ Some studies simply assume that the problems they address are being caused by gambling. For example, one early study, praised for its thorough analysis and transparency, is based on surveys of Gamblers Anonymous members. One problem with an analysis such as that is that the researcher cannot be sure that gambling was the sole contributor to a divorce, for example. This is because most individuals with gambling disorder also have at least one other psychological or behavioral problem.”

CONCLUSION

Based on the research as discussed above, the findings appear to show that issues related to problem gambling and gambling harm generally manifest when different forms of gambling are newly introduced to an area, where it previously had not been accessible, but that correlation and incremental impacts are not apparent when the addition only makes it *more accessible*. As such, given the proximity of Slidell and St. Tammany Parish to casino options in the Greater New Orleans, Baton Rouge and Mississippi Gulf Coast markets, **historical evidence does not support an expectation of growth in bankruptcies or divorce**. Additionally, the **data from emerging casino markets show that bankruptcies have declined after casino openings, and therefore it is not reasonable to expect that the Slidell casino will increase bankruptcy filings**.

We further note that when gamers patronize casinos in Mississippi, Baton Rouge, or existing casinos in the Greater New Orleans market, there is no allocation from those revenues towards problem gambling assistance in St. Tammany Parish (or minimal, in the case of the Louisiana Association on

¹⁸ “Gaming Market Study: State of New York”, prepared by Spectrum Gaming Group for the New York State Gaming Commission, January 2021, pages 127-128.

¹⁹ Mark W. Nichols, B. Grant Stitt, and David Giacompassi, “Changes in Suicide and Divorce in New Casino Jurisdictions,” Journal of Gambling Studies, Volume 20 (2004), pp. 391-404.

²⁰ William N. Thompson, Ricardo C. Gazel, and Dan Rickman, “Social and Legal Costs of Compulsive Gambling,” Gaming Law Review, Volume 1 (1997), pp. 81-89.

Compulsive Gambling's funding statewide specifically going to St. Tammany). Conversely, a share of revenues from the casino in Slidell is slated to assist local problem gambling programs. **To the extent that local residents take advantage of additional problem gambling resources enabled by this funding, potential impacts would be muted, and could result in a decline in area problem gambling issues (including assisting those dealing with gambling harm emanating from other forms of gambling).**