

## Casinos: An Addiction Industry (*Illinois Law Review Symposium on Gambling, 2021*) – Partial Summary

- “...like some other extremely profitable but now embattled enterprises, notably the tobacco and opioid pharmaceutical industries, the casino industry may find itself in a very defensive posture in the years to come. In a very real sense, all three are examples of addiction industries. Besides their profitability, these three industries’ business models share other features which are described herein. Consumer addiction to their products is a key factor in maintaining profitability.” \*
- “...each industry’s business model has resulted in enormous social costs that, to a greater or lesser extent, present legal or regulatory challenges.” \*
- “...the *DSM-5*\*\* now classifies Gambling Disorder in the category of “Substance-Related and Addictive Disorders” because, “gambling behaviors activate reward systems similar to those activated by drugs of abuse.”
- “...electronic gaming machines (EGMs), which are also known by the name of their mechanical predecessors, “slot machines,” generate sixty-two to eighty percent of casino profits. They have been referred to as the “crack cocaine of gambling.””\*
- “...EGMs are designed by engineers to addict consumers in order to maximize revenue.” \*
- “One national estimate from the 1990s found the cost to the criminal justice system alone from gambling-related crime was comparable to the costs caused by drug addiction or alcoholism.”\*
- “...Lost productivity is also a significant social cost of Gambling Disorder. One estimate found that the lost productivity per individual with a gambling disorder (then referred to as a “pathological gambler”) ranged from \$25,000 to more than \$50,000 per year (adjusted for 2020 USD)”. \*
- “While in the late twentieth century casinos operated in only two states, today they operate in more than forty states. State policymakers sought to keep their citizens’ gambling and resulting wealth transfer from crossing state lines and, therefore, licensed casinos within their borders. A primary goal of state regulation of this industry has been to ensure that the host state gets a share of casino revenue. This has resulted in a casino arms race among states. As such, compared to the tobacco and opioid pharmaceutical industries, the casino industry’s business model draws far less legal and regulatory scrutiny focused on the harms it causes.” \*
- “***The casino industry, much like the tobacco and opioid pharmaceutical industries, relies on a multi-faceted business model of methodical exploitation of consumer addiction combined with efforts to control the scientific narrative and use of corporate social responsibility campaigns as a public relations tool.***”\*

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\*= Emphasis added

\*\*= Diagnostic and Statistical Manual of Mental Disorders, National Institute of Corrections