

Chicago Tribune

Chicago Tribune, June 22, 2008

*Study urges wariness of state gambling revenue:
Economy hurting industry, report says*

By Ashley Wiehle

SPRINGFIELD — A major gambling expansion has been touted as the way to pay for a proposed \$34 billion construction plan in Illinois, but a new study suggests states may be counting too much on that money.

A report by the Rockefeller Institute of Government shows revenue growth from gambling across the country has slowed during the last three years.

Study authors at the New York-based think tank warn that sluggish economic growth and social objections to gambling have taken a toll on gambling revenue.

In Illinois, proponents of a statewide construction plan, including Gov. Rod Blagojevich, want to pay for it with the help of a land-based casino in Chicago.

The idea stalled in the waning hours of the spring legislative session last month, when House Democrats gave it a cool reception.

The state's nine casinos brought in \$142.7 million in May, down 14 percent from May 2007.

Gene O'Shea, spokesman for the Illinois Gaming Board, said the drop in casino revenue can be partly attributed to the statewide smoking ban that took effect in January. O'Shea attributed the nationwide drop to the weakening economy.

"People don't have as much discretionary income," O'Shea said. "It's going into their gas tanks."

Whatever the reason, the study says states shouldn't rely on gambling as a growth stream.

Illinois counts on gambling for about 4 percent of its state revenue — a figure nearly double the national average of 2.3 percent, according to Robert Ward, deputy director of the Rockefeller Institute and co-author of the study.

"States have become very reliant on gambling revenue, Illinois more so than most," Ward said. "It's not going to be a real winner of a solution in the long term."