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Iowa View

Keeping smokers in casinos is part of plan



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I read with interest Kyle Munson's Feb. 24 column "Casino's Refusal to Go Smoke-Free Puzzling." I found it to be a well-written and informative column. Kyle brought out some ludicrous inconsistencies swirling around local casinos, like promoting a bowling alley in Warren County, if voters would approve a new gambling facility.

When Kyle arrived at the key question of his piece, I was struck that he reflected many Iowans' views. He wrote, "Here's what befuddles me most: None of these casinos, neither the hopefuls nor the existing facilities, has gone smoke-free to gain an edge."

Munson goes on to lament how some bars and restaurants witnessed a jump in their business after complying with the 2008 Iowa Smoke-Free Air Act.

Here is the core of the ongoing debate that most do not understand. When the Iowa Gaming Association says that going tobacco-free will cost the state up to \$80 million in tax revenue, they are probably correct. While the gambling interests deal in fabrications constantly, here is one area of truth. If you grasp why this claim is true, then you will understand the core nature of the casino beast.

Various studies — most recently compiled by Professor Earl Grinols, an economist at Baylor University — reported that 80 percent of casino revenues are from the slot machines. Also, 70 percent come from the 35-mile radius around the casino, termed the "feeder market."

All casinos in Iowa are referred to as the convenience model versus the tourist model employed in Las Vegas. In Iowa, we derive the vast majority of gambling losses from Iowans within the feeder market radius around the casino.

Now to focus in on the true stalwarts for this business. The backbone for convenience casinos is the problem and pathological gambler. Various studies have shown that from 30 to 60 percent of these casinos' revenues come squarely on the backs of this addicted class of gamblers.

With roughly one half of Iowa's casinos' revenues sucked out of these people, please consider what other addictions they might seek to satisfy. Perhaps a myriad, but cigarettes would top the list for many.

The intentionally addictive environment created by all casinos is legendary. From the lights and sounds, even the fragrances often intermingled with the air pumped into the gambling floor. All are meant to remove inhibitions and hook the addicted gambler.

To ensure the patron has every incentive to stay within the confines of the slot parlor is their highest priority. The casinos will fight hard to keep this exemption in place. If you force the gambler to periodically make a choice between their compulsion to play the slots with a growing compulsion for that next cigarette, eventually the nicotine wins out.

Once the player exits the casino and stands outside in the open air, the spell is broken. They look at their watch, see that it is 2 a.m. and realize that they have lost \$500. Time to go home.

The core gambler would not come as often and would definitely not stay as long.

I fought much this same issue with the extension of credit on credit cards in casinos during the 1990s. When I testified in 1998 at the MGM Grand in Vegas in front of the National Gambling Impact Study Commission, I detailed this very issue. I quoted from an article in their own trade publication quoting heads of various casinos. One CEO said, "If an efficient means is provided to access cash, a 'last time' player will wager for longer than they originally intended. If we don't provide this for them, they will leave to get more cash, but won't come back."

This is why it is a huge error to equate casinos with any other type of business that relies on public patronage. Even bars can't be used for an analogous business model. Casinos are inherently predatory.

Keep in mind that Section 725 of the Iowa Code still defines gambling as a vice. Though it is legal now, it doesn't change the basic nature of the beast.