

Louisiana Gambling Study Analysis of Resident Survey

Methodology

The perceptions of, impacts from, and activity related to gambling of residents were important factors to identify in the comprehensive study of gambling in Louisiana. To this end, the Editorial Board devised a questionnaire that would elicit the type of information needed to assess these elements. A Computer-Aided Telephone Interviewing (CATI) system was used to administer the questionnaire. The details of the survey methodology are presented below.

The objective of the survey was to obtain 2,200 completed interviews of Louisiana residents with 400 coming from each of the Baton Rouge, Lake Charles, New Orleans and Shreveport-Bossier City Metropolitan Statistical Areas (MSAs) and 600 coming from the balance of the state. Random telephone numbers in replicates of 100 were purchased from by Survey Sampling Incorporated (SSI) using a Random B sample. This type of sample creates a stratified sampling frame of estimated phone households from blocks containing three or more phones per active block.

The Telephone Survey Center in the Center for Business & Economic Research at Northeast Louisiana University was selected to administer the survey. Between October 13 and November 20, 1998, 16,093 dialings (attempted and completed calls) were made to 8,126 numbers, resulting in 2,228 completed interviews. The total number of completed interviews by area was Baton Rouge–406, Lake Charles–406, New Orleans–406, Shreveport-Bossier City–405, and Balance of State–605.

Overall, the response rate of the survey was high. Only 5.1% of those contacted refused to participate and 0.5% terminated the interview prematurely. Examination of codes collected as a result of the final disposition of the 8,126 numbers reflected that these codes were not significantly different from norms for telephone surveys of the state. Examination of general demographic characteristics reflected that these were in consonance with those typically found in telephone samples in Louisiana. Specifically telephone samples result in fewer males (38%) than in the population (48%), and fewer blacks (22%) than in the population (31%). No significant anomalies were noted with regard to other demographic characteristics. Although some differences were detected in terms of general demographic characteristics by area, these appeared to be within normal sampling error.

Weighting

The sampling framework that was selected targeted 400 responses in each of the four metropolitan areas in which casinos operate (Baton Rouge, Lake Charles, New Orleans and Shreveport-Bossier City). For the balance of the state, the target was 600 completed surveys. The actual number of responses was slightly higher for all areas.

This framework oversampled the smaller population areas in the state to get a sufficient number of observations for these areas. Consequently, not all areas of the state had an equal representation in the sample. Analyzing the survey responses as they were collected would have resulted in inaccuracies, particularly when combined to form totals for the whole of Louisiana. To overcome this geographic

imbalance in the sample, a weighting scheme was designed to adjust the number of responses in each geographic area according to the proportion of the adult population of the state residing in that area.

As discussed in the methodology section above, the sample was slightly skewed toward women and whites, at the expense of men and minorities as is commonly true in this type of research. Another weighting scheme was devised to adjust the number of responses in each race/sex cohort in each geographic area according to the proportion of the adult population in that race/sex cohort for that area.

The results of these two stages were two weights to apply to each survey response—an area weight and a race/sex weight. The product of these two weights formed the total weight to be used in the ultimate weighting scheme. The outcome of this procedure was to adjust every weighted survey observation so that each one represented an appropriate proportion of the total population in each geographic area, race group, and sex cohort.

The weights were derived in a relatively simple fashion. Each weight was the quotient of two factors—the proportion of the total population in each group divided by the proportion of the total sample size in each group. The tables below display the weighting procedure and final weights.

Geographic Area, Race/Sex, and Total Weights for Residents Survey

Area	Race/Sex Weights						Geographic Area Weights
	White Male	White Female	Black Male	Black Female	Other Male	Other Female	
Lake Charles	1.21200	0.78191	1.67307	1.31529	0.24244	0.24347	0.22658
Baton Rouge	1.11467	0.85938	2.04025	0.97075	0.29628	0.33542	0.71010
New Orleans	1.17525	0.91981	1.49424	0.89514	0.30287	0.41190	1.68520
Shreveport-Bossier City	1.17009	0.83472	1.50796	0.98776	0.38014	0.34406	0.48763
Balance of State	1.24550	0.76085	2.02680	1.04760	0.40016	0.38007	1.59674
Total Weights (Race/Sex * Geographic Area)							
Lake Charles	0.274618	0.177168	0.379089	0.298022	0.054932	0.055165	
Baton Rouge	0.791525	0.610246	1.448782	0.689328	0.210386	0.238186	
New Orleans	1.980545	1.550063	2.518108	1.508498	0.510395	0.69414	
Shreveport-Bossier City	0.570568	0.407031	0.735318	0.481656	0.185367	0.167774	
Balance of State	1.988735	1.214878	3.236262	1.672746	0.638954	0.606865	

Summary of Findings

Overall Perceptions

- \$ The general sentiment of Louisianians about the overall impact of gambling on the state carries a distinctly negative flavor. Some 45% of respondents felt that the impact has been negative. However, a considerable proportion (32%) felt that it has been positive. The middle ground on this issue is relatively small—17% felt that gambling has had no impact, while 6% were unsure. It is clear that the feelings of Louisianians are strong—either positive or negative, with the negatives outweighing the positives.
- \$ As the questions about perception of impact became more personal, the response became less polar. Some 46% of residents felt no impact from gambling on their community; 73% felt no impact personally; and 85% felt none on their financial situation.
- \$ When asked about the impact of various forms of gambling on overall satisfaction of life in Louisiana, No impact was the most cited response. In fact, in all but one measure (the impact of casinos) No impact was offered by more than 50% of the respondents. Still, 46% of those surveyed felt that casinos did not affect their satisfaction with life in Louisiana.
- \$ Respondents were also asked to assess the impact of gambling on specific quality of life indicators in Louisiana. The most common response was no change due to gambling. However, there were two factors which gambling was felt to improve—the availability of restaurants and tourism. No factor was predominately negative. The factors which registered the largest negative response were social problems (48% of respondents) and crime—property (45%), vice (43%), and violent (42%).
- \$ More than one-half (53%) of the respondents felt that gambling has had some positive effect of the Louisiana economy and the same percentage felt that it had some negative effects. The most important benefits of gambling cited by respondents were economic in nature—more jobs/employment opportunities (62%), more tax revenues (40%), more tourism (34%), economic development (32%), and new business opportunities (27%). The most important drawbacks were social in nature, with a larger variety of answers offered. The most commonly cited negative responses were gambling addiction (60%), poor people spend money they can't afford to on gambling (53%), more family problems (27%), more crime (25%), and more corruption (23%).

Personal Effects

- \$ The relation of gambling to personal crime victimization measured very low in the survey. Some 85% of the respondents had not been a victim of crime since 1995. Only 2% of all residents stated that their victimization was gambling related and 3% were unsure of the relationship.

Gambling Activity

- \$ The inception of casino gambling in Louisiana seems to have little impact on the residents' playing characteristics. Some 60% of respondents admitted to having gambled at some time in their lives, and 54% stated that they have gambled at a casino. Combining these two factors suggests that 89% of those that had ever gambled have done so at a casino. Yet, more than half (51%) of the casino gamblers stated that they gamble at about the same frequency as before casinos were legalized in Louisiana. A little more than one-quarter (28%) said they gamble more frequently now. Additionally, 54% said they go to casinos outside of Louisiana at about the same rate as they did before gambling was introduced in the state. Some 39% frequent out-of-state casinos less since the inception of gambling in Louisiana. In seeming contradiction, 57% of those surveyed stated that they would not gamble if Louisiana casinos were closed.
- \$ Louisiana residents do not perceive that gambling takes away from spending on other activities. A full 81% of gamblers stated that there is nothing they spend less on in order to gamble. Of those activities that were mentioned as being cut back, the only notables were movies or other entertainment (9%), eating out (7%), and shopping (5%).

Area Differences

- \$ Perceptions about gambling differ according to the resident's location within the state—those from Shreveport-Bossier City or Lake Charles, where gambling has been successful in attracting tourist visitors, are much more likely to view gambling as having a positive impact on Louisiana. Those in the balance of the state view it more negatively.
- \$ To illustrate, 45% of all Louisiana respondents felt that the overall impact on the state has been negative; 32% felt that it has been positive; 17% felt that gambling has had no impact; and 6% were unsure. In the Shreveport-Bossier City and Lake Charles metropolitan areas, the majority of respondents (54% and 51%, respectively) felt that gambling had a positive effect. In Baton Rouge, 54% felt that it had a negative effect.
- \$ In similar fashion to Louisiana as a whole, the more personal the gambling questions become, the less impact is perceived. Most people in the state felt that gambling had no impact on them personally. However, respondents in areas which attract sizeable numbers of out-of-state gamblers reported more positive effects. Some 27% of those in Lake Charles and 22% in Shreveport-Bossier City felt that gambling had positive impacts on their personal lives.
- \$ These patterns are reflected throughout the quality of life measures as well. Simply stated, people in the Shreveport-Bossier City and Lake Charles areas view gambling as resulting in greater positive effects with fewer negative consequences than other Louisiana residents.

\$ These perceptions are not at all surprising. The Shreveport-Bossier City and Lake Charles areas contain 8 of the 13 operating riverboat casinos in Louisiana. Additionally, the majority of the visitors to those casinos live in nearby Texas. Much of the substantial economic benefit offered to those areas by casino gambling is new money infused into the community. Similarly, the social problems often associated with gambling and gamblers are transferred to the areas in which they reside, in this case, Texas and other states. This combination makes gambling very appealing to Shreveport-Bossier City and Lake Charles residents. On the other hand, the vast majority of gamblers in New Orleans and Baton Rouge casinos live in Louisiana. Thus, the casinos in these areas do not infuse as much money into the economy because some gambling spending displaces other spending by local residents. And the social problems associated with gambling stay in those areas as well. Therefore, it is no wonder that overall perceptions are vastly different across areas of the state. The balance of Louisianians, located in areas with no local gambling or closer to one of the three Indian casinos in the state, felt about the same as residents from New Orleans and Baton Rouge.

\$ Survey respondents were asked to provide their home zip code from which the parish of residence was determined. Parish of residence was, in turn, linked to the results of the statewide 1996 video poker election results. Specifically, each parish had the option to repeal video poker operations beginning in 1999. It was thought that the analysis of residents' perceptions of gambling based upon their area's election results would prove meaningful. On the contrary, very few statistical differences were observed. In fact, the most telling measure, the impact of video poker on satisfaction with life in Louisiana revealed no differences by whether or not video poker was voted out.

Personal View of Gambling

\$ A major factor coloring the perceptions of the impacts of gambling on Louisiana was the individuals' personal view of gambling. Some 46% of those surveyed felt that gambling was acceptable for anyone to do; 27% felt that it was acceptable for others, but not for themselves personally; and 24% stated that gambling was unacceptable for anyone to do. These personal views are the principal underlying cause for Louisianians' feelings about the impact of gambling on the state. People who believe that gambling was acceptable for anyone perceived gambling in a more positive light, while people who believe that gambling is totally unacceptable perceived gambling *considerably* more negatively.

\$ For example, 53% of those surveyed who approved of gambling felt that it has had an overall positive impact on the Louisiana. However, 83% of those who disapproved felt that it has had an overall negative impact on the Louisiana. On every single measure of the impact of gambling, either overall, personal, quality of life, or gambling activity, the same pattern was observed. In fact, the degree of statistical significance was extraordinarily high on all measures.

\$ It is interesting that almost one-third (32%) of the individuals who disapproved of gambling have actually gambled in the past. Indeed, 26% of them have gambled in a casino. Conversely, 82% of those who view gambling as acceptable for anyone have gambled; 77% of these people have gambled in a casino.

\$ Analysis of demographic characteristics of individuals according to their personal view of gambling yielded two consistent linear patterns—younger individuals and men are more likely to find it more acceptable for anyone to gamble, while women and older people are more likely to totally disapprove of gambling. Other statistically significant patterns were observed; however, they were not consistent across all subcategories. For example, gambling approval generally decreases with income, but it rises again for individuals with annual family incomes of \$75,000 or more.

Gambling Employment Experience Differences

\$ Respondents were asked two questions related to their work experience in the gambling industry—whether they are currently working in the industry or whether they have ever worked in the industry. From this, a single dichotomous variable was derived. Either the respondent 1) has worked in the gambling industry (either currently or in the past) or 2) has never worked in the gambling industry. The impressions of gambling based upon this variable are remarkably consistent. It was expected and observed that the group that has gambling employment experience would have more favorable perceptions of the effects of gambling. However, the degree of consistency was unexpected. Statistically significant differences were observed on almost every gambling impact measure.

Age Differences

\$ Age clearly has an influence on Louisianian's views on gambling. On many measures, the breakpoint is 45 years of age. Survey respondents between 21 and 44 years generally had much more positive perceptions of gambling than those 45 years and older. Younger residents viewed each form of gambling as having more positive impacts on their overall satisfaction with life in the state than did older residents. Fewer statistical differences were observed between ages in the social cost factors.

\$ The majority of respondents aged 21-64 had gambled at some time in their lives, while the majority of those over 65 years old never had. The same age pattern holds true for casino gambling and Louisiana casino gambling incidence. Interestingly, those in the 65+ age group that have ever gambled is bipolar in terms of gambling activity—one-sixth never gamble now while 22% gamble at least once a month. The age groups with the highest incidence of visiting a casino at least once a week are 65+ and 21-24 (6% each).

- \$ Respondents 44 years and younger cited greater likelihood of playing video poker than those 45 years and older. Still, one-third of the 65+ age group that has ever played video poker, plays at least once a month.
- \$ **Young gamblers (age 21 to 24) have higher than average gambling activity.** Additionally, they are considerably more likely to use an ATM debit card or cash a check, spend more than originally planned, and have a close friend and/or relative with a gambling problem.
- \$ Clearly, these gambling perceptions and activity patterns by age reflect the characteristics of personal views of gambling described above.

Race/Ethnicity Differences

- \$ Louisiana residents' perceptions about gambling did not differ significantly according to their race or ethnicity. However, what few differences that were exhibited revealed that whites generally felt more negatively about gambling than did minorities. However, whites were more likely to view gambling as having positive effects on tourism and entertainment options.
- \$ Whites were more likely to have gambled than were minorities. Interestingly, there were no statistical differences in casino visitation, but minorities were more likely to have gambled in a casino in Louisiana. Additionally, minorities were more likely to have ever played video poker than were whites.

Gender Differences

- \$ Gambling is held in higher regard by Louisiana men than by Louisiana women. On almost every measure of the effect of gambling, men have more positive perceptions than women. Some notable exceptions are impacts on the individual and his/her financial situation, in which there were no statistically significant differences.
- \$ Men have a higher incidence of overall gambling activity, but women were more likely to have ever visited a casino. Men were more likely to have visited a casino in Louisiana and have ever played video poker. Few differences by gender arose in terms of gambling activity patterns within the past year.
- \$ Again, these results reflect the overall personal view of gambling. Women are more likely to totally disapprove of gambling than are men.

Educational Differences

- \$ There are many measures of the impressions of gambling in Louisiana that are statistically different according to the respondent's highest attained education level. However, there is really only one

consistent pattern across all factors—respondents with at least a college degree view gambling more negatively than those with less education. Again, these findings are directly related to the personal view of gambling. In particular, individuals with less than a high school degree were far more likely to view gambling as unacceptable for anyone or at least for themselves.

\$ An interesting finding was that higher-educated individuals were more likely to recognize both positive and negative effects of gambling on the Louisiana economy than were those with less education. In terms of benefits, more educated individuals cited the pluses of higher tax revenues, more tourism, economic development, and better public services, while more/better jobs was the focus of less educated persons. On the negative side, the higher-educated persons expressed concern about social factors such as family problems, corruption, and crime. Those with less education were more concerned with more personal problems such as gambling addiction and gambling by people who could not afford to gamble.

\$ Respondents with at least a high school degree were far more likely to have gambled than those who were not high school graduates. However, the incidence of casino gambling and video poker were not statistically difference across education levels. College graduates were considerably more likely to have ever bet on horse or dog races, while high school graduates or those with some college had the highest incidence of ever playing the lottery. Oddly, those persons without a high school degree who have ever bet at the races or played the lottery had the highest incidences of weekly play (23% and 27%, respectively) of all education level groups.

Income Differences

\$ In general, the higher the income of respondents, the more negative were their perceptions of the overall impact of gambling on Louisiana and their community. However, there were no statistical differences on personal impacts or on their personal financial situations. Interestingly, with the sole exception of bingo, no form of gambling resulted in statistical differences according to income regarding the impact on satisfaction with life in Louisiana. Respondents with income of \$25,000 or more were more likely to view gambling as having both positive and negative effects on the Louisiana economy than did those with income below that threshold.

\$ Respondents with income of \$25,000 or more were far more likely to have gambled than those with lower income. The same pattern held true for casino gambling, but there were no statistical differences for video poker and for most other forms of gambling. Those with income of less than \$50,000 were more likely to have visited a casino in Louisiana. Analysis of other measures of gambling activity across income levels revealed few statistical differences, and no consistent patterns.