



# Video Lottery Terminals

Baptist General Convention of Texas  
Christian Life Commission

## What are Video Lottery Terminals?

A Video Lottery Terminal or VLT is a computer that simulates a slot machine or casino game. It looks like a simple arcade game with flashy lights and (usually) a comfortable chair that allows the user to stay at the machine for long periods of time to continuously pump money into it. Most importantly, a VLT is a computer with a random number generator that decides which quarter put into the machine it keeps and which quarter it pays out on.

### Slot Machines

A video lottery terminal is a slot machine because just like a slot machine there is a mechanism that randomly chooses when a player wins or loses. If you recoil at the thought of slot machines in the gas station where children buy soda or in the airport when you get off the plane; VLTs are no different. The primary function of the machine is that when a player inserts his

money the machine randomly decides whether this player is to win money. There is no difference in function between slot machines and video lottery terminals.

### Not A Video Game

A video lottery terminal is not a simple video game that we see in our living rooms similar to a child's Nintendo. The purpose of arcade and console games is to provide innocuous amusement. When a quarter is put into an arcade game the purpose is innocent fun provided by the game being played. While proponents of video lottery terminals will say that their machines offer the same type of experience, the difference is that in a regular arcade machine there is no promise or opportunity of a monetary prize at the end of the game. The fun of the video lottery game comes from that opportunity of monetary payoff at the end of the game. Thus rather than

being like arcade machines, video lottery terminals are slot machines.

### So, what are Video Lottery Terminals?

They are computers with random number generators that simulate slot machines

They are designed to get people to sit down and continuously play. They are considered to be the most addictive and most destructive form of gambling.

*It's money down the drain.*



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- Special points of interest:**
- *Video Lottery Terminals are slot machines.*
  - *Pathological and problem gamblers will provide 30% - 40% of the revenue from VLT's.*
  - *Gambling addiction is a serious problem the state must face if gambling is allowed to expand.*
  - *The addicted gambler is one of the most important gamblers to the total revenue of the gambling industry.*



# Gambling Addiction and Video Lottery Terminals



*Video gambling is the MOST ADDICTIVE and DESTRUCTIVE form of gambling.*

To the average gambler, video gambling is the most addictive and destructive form of gambling. The January 1996 issue of *The South Dakota Journal of Medicine* contained a study about gambling addiction and found that 97.9% of gambling addicts in treatment were primarily addicted to video lottery, and not other forms of gambling.

Also their data suggested that there was little substitution of other forms of gambling when video lottery was unavailable<sup>1</sup>.

### Gaming Companies Rely on Addicted Gamblers

A large percentage of gambling companies revenue comes from addicted gamblers. Because of this for the state and gambling companies to see the projected returns from expanded gambling the industry must have addicted gamblers. While gambling proponents give lip service to the dangers and consequences of gambling addiction, their reliance on addicted gamblers to maxi-

mize their revenue can cause conflicts of interest in which the true scope of the dangers of gambling addiction are not addressed by the gaming industry and their lobbyists who attempt to woo legislators into expanding gambling. In sites with slot machines, 30% - 35% of the gambling revenue is from problem and pathological gamblers.

A person who cannot control his gambling is the perfect candidate for the gambling industry because as he stays at the machine longer and longer waiting for it to pay off, he plays right into the hands of the gambling industry. The addicted gambler is one of the most important gamblers to the total revenue of the gambling industry.

### Addiction and the Population

While to many people gambling is an innocuous activity where adults rationally decide how much they can wager, the gambling addict loses this ability to decide for himself how much he can afford to bet. It is the same as someone addicted to alcohol,

tobacco, or drugs. The person addicted to gambling continues gambling for the sake of gambling, even in the face of insurmountable debt he will not be able to stop.

These addictions bring many social and financial problems to the community at large. In particular gambling addicts face bankruptcy, broken homes, increased tendency towards suicide, and increased tendency towards alcohol and other chemical dependency.

<sup>1</sup>Carr, Robert D. Ed. D.; Buchkoski, Jerome E. Ph. D.; Kofoed, Liad MD; and Morgan, Timothy J. MD. *The South Dakota Journal of Medicine*. "Video Lottery and Treatment for Pathological Gamblers." January 1996

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## Gambling Addiction

According to a Harvard Medical School study, 1.6 percent of adults are addicted to gambling at some point in their lives, and an additional 3.8 percent will face less serious problems that could worsen<sup>1</sup>. This population of problem gamblers defines people who cannot stop gambling no matter how much money they lose. While this population seems low, they are vastly over represented in their importance to the revenues of the gaming industry.

### Problems Stemming From Gambling

An addicted gambler can expect to encounter a number of setbacks to his life due to gambling losses. These problems are then inflicted onto society as a whole as the government and the community must deal with the problems stemming from gambling addiction. One of the first and most widespread problems is that addicted gamblers often miss time and lack productivity at work. This can further distress their financial situation that may already be poor due to gambling losses.

### Suicide and Families

Gambling addicts also show a much higher tendency towards suicide. In a 1997 study, a University of California-San Diego sociologist found that "visitors to and residents of gaming communities experience significantly elevated suicide lev-

els."<sup>2</sup> A separate study found that in Gulfport, Mississippi, suicides increased by 213 percent (from 24 to 75) in the first two years after casinos arrived, in neighboring Biloxi, suicide attempts jumped by 1,000 percent (from 6 to 66) in the first year alone<sup>3</sup>. Gambling addicts also often face losses of family as marriages and families break under the strain of debilitating gambling addiction.

### Crime

The most disruptive symptom of gambling addiction to society can be seen in the crime rate of gambling addicts. It is almost impossible to deny the connection between gambling and crime. From addicted gamblers committing crimes to finance their gambling losses, to the criminal activity that seems symbiotically linked with casinos. Focus on the Family researcher Ronald A. Reno notes several statistics to refute the industry's position: Three years after the arrival of casinos, Atlantic City rose from fiftieth to first in the nation among cities in per capita crime. In Ledyard, Connecticut, home of the nation's richest casino rape, robbery, car theft, and larceny all increased more than 400% in the first three years after Foxwoods (casino) opened<sup>4</sup>. The government must deal with these crime statistics; one

way to do this would be to stop gambling and by extension crime before it is started.

Gambling addiction is a serious problem the state must face if gambling is allowed to expand. Yet, the best way to halt gambling addiction is to maintain the illegality of gambling games, and not allow people the opportunity to become addicted in the first place.

<sup>1</sup><http://www.kentucky.com/mid/kentucky/news/2877250.htm?template=contentModules/printstory.jsp> 6/28/03

<sup>2</sup>David P. Phillips, Ward Welty, and Marisa Smith, "Elevated Suicide Levels Associated with Legalized Gambling," *Suicide and Life-Threatening Behavior*, vol. 27, December 1997, p. 373.

<sup>3</sup>Attorney General J. Joseph Curran, Jr., "The House Never Loses and Maryland Cannot Win: Why Casino Gaming Is a Bad Idea," Report on the Impact of Casino Gaming on Crime, October 16, 1995, p. 7. .  
<sup>4</sup>[http://www.aloha.net/~thielen/vp\\_gambling97.htm](http://www.aloha.net/~thielen/vp_gambling97.htm) 7/02/03



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## Video Lottery Terminals Will Not Turn Texas Into a Gambling Hot Spot

When Texas legislators look to expand gambling in Texas through the introduction of video lottery terminals one argument in favor of expanded gambling is that it will make Texas a more attractive destination for tourists. This stems from the dual beliefs that Texas loses money as Texans leave the state to gamble, and that if Texas legalized more gambling that Texas could draw other gamblers into the state to spend their money here. The logic follows that total state revenues will increase as Texans spend more of their money in the state in addition to the tourist dollars that could be expected from increased gambling opportunities. Unfortunately this is not necessarily true. The validity of this argument must be examined because other states that have used video lotteries have not seen remarkable increases in tourism.



*Other states that have used video lotteries have not seen remarkable increases in tourism.*

### Gambling Destination Sites

The primary gambling destinations in the United States are Las Vegas, Atlantic City, and for Texans, Louisiana and New Orleans. These locations offer much more than simply a lottery and a video lottery. Each of these locations have full casinos where gamblers can choose from a wide variety of games. States where gambling is more restricted, but still offer video gambling, show much less revenue from tourists gambling. An example of this can be seen in a study done by the Stop Video Lottery group. This study surveyed license plates at a West 41<sup>st</sup> street casino in Sioux Falls where the primary gambling method consisted of video lottery terminals. The survey conducted fifty-four random visits over a fifty-three day period. It found that 96.37 percent of the cars at the casino had South Dakota

license plates<sup>1</sup>. Thus it can be concluded that less than 4 percent of the revenue brought in through the video lottery terminals came from out of state tourists.

### What Texas Video Lottery Might Look Like

South Dakota's video lottery system is similar to what gambling proponents advocate for Texas. It is clear that tourists don't pine to come to video lottery arcades, but instead prefer the more traditional casinos found in Las Vegas and Atlantic City. It has also been found that video lottery machines and arcades tend to draw primarily those people who live in close proximity to the machines. From studies such as this it is safe to assume that video lottery alone would not be a sufficient draw to increase the number of tourists, and by extension money, coming into Texas.

<sup>1</sup>http://  
www.videogamblinginfo.com/