Name of Student

Name of Professor

Name of Class

Day Month Year

**Gambling effects on The Economy**

**Introduction**

The growth and surge of gambling in the United States of America (USA) in recent decades is a manifestation of the enhanced acceptance of gambling as a kind of recreation. The promises of substantial tax revenues and economic incentives have caused the spread of gambling potentially. Several contentious questions have been raised in the past as whether or not legalized gambling has manifested in productivity for the community. It is essential to highlight the adverse and positive impacts of gambling on the economic structure of society. To assess the issue, the economic cost of pathological gambling ought to be comprehended in the paradigm of the overall consequences of gambling on society. Primarily, the essential benefit-versus-cost issue needs to be deliberated after taking into consideration several economic factors as tangible and intangible effects, economic transfers versus real cost, future and present values, losses and gains experienced by several groups in diverse settings and indirect and direct effects.

**Discussion**

To begin, financial complications pose the most significant and compelling cost to the gamblers in the disorder. Since the access to money becomes limited, they resort to crime to appease bookies, pay debts, garner money to gamble and maintain their appearance. A wide range of studies has explicated the estimates of the extent of pathological gamblers who advance to serve prison and commit crimes for offenses like embezzlement, fraud, robbery, forgery and still. However, the advent of gambling establishments into economically stressed communities with enhanced rates of unemployment causes the community to face several adversities. For instance, the loss of employment is the crucial adversity impeding progressive economic development. A study postulated that above 60% of the surveyed gamblers lost more than eight hours of work by dedicating it to gambling(*Is Gambling a Good Economic Development Bet?*). The average gambler costs the employers more than $1,300 each month and the lost labor costs because of the unemployment which is about $1,300 each gambler annually.

Another prominent adversity produced by gambling is bankruptcy. The pathological gamblers either seek the acquisition of loans or file for bankruptcy. Besides, there are both indirect and direct impacts of the casino. The direct effect illustrates the net addition to the resources of the community. For instance, it reflects the cost associated with offering services and goods as the wages acquired by the employees get are the direct effects of casinos. The indirect effect refers to the supplementary effects which casinos cast on communities. However, the essential comprehension of gambling on the community remains a highly subjective characteristic. It is found to be varied among individuals and economic sectors as per their perceptions and economic inclinations.

Moreover, an overview of certain researches highlights the potential increase in government revenue. There are occasional instances where the integration of a new manifestation of gambling contributing to the government revenue fundamentally cuts into the profit of another form which then contributes toward the government revenue. However, the revenue can also decline in certain circumstances. Some of the examples are when the newly introduced form does not add to the revenue of the government as Indian casinos cast adverse impacts on business revenue and personal income which is the subject to government taxation. The cases wherein gambling revenue is extracted from a local territory but the revenue is received by the federal or state government, the municipal government can suffer losses when they do not get the equivalent value as the federal or state services.

In addition, the evidence proves one of the reliable impacts of gambling is the enhancement of public services as education, health and social security. The revenue is often utilized to avoid the rise in taxes and reduce the debt. Governments primarily offer regulatory oversight on the operations of gambling. Therefore, various researchers who assessed the matter found an increase in the regulatory costs with the introduction of gambling. Since the government is involved in the commercial dispensation of gambling, the administrative cost increases in such jurisdictions. The construction of gambling venues have found to potentially contribute toward the wealth and physical assets of the community and thus enhances the mechanism of infrastructure value(*Economic Impact of Legalized Sports Betting - AGA*). A critical appraisal of the mater reflects that the value can accelerate in circumstances involving the stimulation of complementary businesses. For instance, hotels and restaurants can advance to gain the advantage of the area. The four prominent kinds of gambling as casinos, bingo halls and horse race tracks cast these productive impacts on the venues. It has been assessed that other manifestations as the addition of EMGs to bars or internet gambling never increase the infrastructure value. The magnitude of the increase in the value is the sum of the extent of development of infrastructure with larger gains existing in the impoverished areas.

Discussing further positive impacts, the introduction of gambling has productive impacts on the businessmen in the local jurisdiction by increased revenue, overall employment and business starts. The hospitality sector proves to be the industry sector which experiences the most economic advantages. However, gambling generally does not impact the income of individuals other than situations where gambling introduces revenue from outside and the community suffers the detrimental extent of impoverishment before the advent of gambling. It is explicitly manifested in the destination casinos hosted by Native Americans in the United States of America (USA). These were the potential productive aspects induced by gambling but it is essential to measure the magnitude of the adverse consequences.

One of the prominent impacts of gambling is the increase in problem gambling and pertinent indices. Bankruptcy, treatment numbers, divorce and suicide are some of the common examples. Sports betting can underpin benefits in the longer run bur a substantial sum of bankroll is imperative to make economic gains. These bets comprise the challenge of overcoming the massive 10% commission which is charged against winning bets by several Sportsbook(*The Impact of Gambling on the Economy: 3 Pros and Cons of Casinos | Halifax Street Angels*). Besides, the increased socio-economic cost causes a harmful impact on the economy. For instance, the presence of casinos causes a surge in crime rates, alcohol abuse, drugs and other criminal activities. Consequently, the socio-economic cost enhances to curb the crime rate. Another evident adversity is the potential decrease in the lottery sales of the state. In the presence of widespread practice of gambling in a community, the state-run lotteries almost diminish. The state struggles to harness economic incentives and it never avails the supplementary revenue generate for the lottery.

Gambling manifests in increased consumption of various public services. The construction of gambling revenues as casinos consume a significant amount of energy and electricity to run these sites. It causes an immense drain on the public services including law enforcement. It is worthy to assess the matter in the paradigm of economic productivity versus the social costs of gambling. A rational argument proposes that the benefits can only be availed when the visitors leave a substantial sum of money at casinos. The justification of licensing casinos can only be entertained if it does not have the potential to attract the flow of international or national visitors.

A critical appraisal of the discussion reveals that measuring the positive and negative impacts of gambling can become a contentious debate. The supporter of both sides asserts influence on their respective views after supplementing them with empirical evidence. The proponents of legalizing gambling state it is harmless and individuals ought to be equipped with the right to adhere to economic ventures in life without restrictions or regulations. They glorify the economic benefits to attract jobs and investment for deprived communities. The states and cities can legalize gambling to promote education and similar public services. They highlight the dimensions of tourism. Restrictions divert the tax revenue for illegal operations where the practice is not illegal. When these postulations are compared against the social cost, the productivity gets distorted. The social adversities cast by gambling are detrimental and can rarely justify legalizing it from a social perspective.

**Conclusion**

The deliberation offers a comprehensive account of the productive and negative impact of gambling on the economy. The positive side refers to the increase in the infrastructure value and the pertinent benefit cultivated by the surrounding vicinity. Besides, the increase in government revenue is another worthy aspect to be highlighted. However, the primary nature of the issue is examined after measuring it with the social cost. It is, irrefutably, a contentious debate as various schools of thoughts offer contrasting views as per their inclinations, political and economic views. The adverse implications of gambling indicate the widespread menace of unemployment and the instances where individuals engage in robbery, file bankruptcy and impede the overall economic development of the community. Hence, there exist both adverse and positive aspects of gambling and both of them have a dominant impact on the economic growth and decline of the community or state. The bottom line is that gambling underpins both the adverse and productive implications for the economy.

Works Cited

*Economic Impact of Legalized Sports Betting - AGA*. https://www.americangaming.org/resources/economic-impact-of-legalized-sports-betting/. Accessed 25 Apr. 2019.

*Is Gambling a Good Economic Development Bet?* https://icma.org/articles/article/gambling-good-economic-development-bet. Accessed 25 Apr. 2019.

*The Impact of Gambling on the Economy: 3 Pros and Cons of Casinos | Halifax Street Angels*. https://halifaxstreetangels.org.uk/economy/three-pros-and-cons-of-casinos-on-the-economy. Accessed 25 Apr. 2019.