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## Public Opinion on Indian Casinos and Rural Economic Development in NYS\*

By **Angela A. Gonzales**, **Daniel B. Ahlquist**, and **Thomas A. Lyson** (Cornell University)

### What is the Issue?

American Indian tribal government gaming (or Indian gaming as it is known in the vernacular of public discourse) is one of the fastest growing and most profitable industries in much of rural America today (Borden, Harris, and Fletcher 1997). With employment opportunities in manufacturing and agriculture waning, tribal government gaming enterprises have become not only popular venues for rural and suburban leisure, but an important source of employment and revenue in regions that have been plagued for generations with both Indian and non-Indian poverty (Gonzales 2003a). At the same time, few rural development issues have sparked as much public debate and controversy as Indian gaming (Gonzales 2003b). But unlike more conventional economic development strategies such as tourism, gaming often raises moral and social concerns, with many people associating it with drug use, prostitution, and organized crime (Miller and Schwartz, 1998; Roehl, 1999). Because these perceived negative features must be weighed against the expected economic development benefits such as job creation, increased municipal revenues, and business development, the public is often asked to weigh in on this issue. In this brief, we examine the issue of Indian gaming in New York State using data from a statewide survey of residents that included specific questions about the expansion and development of Indian and non-Indian gaming.

### The Role of Casino Gambling in Rural Development

While casino gaming has been legal in Nevada for more than seven decades and in Atlantic City, N.J., for more than a quarter century, it was not until the late 1980s and early 1990s that other jurisdictions across the country began to introduce commercial casino gaming. Today, the gaming industry consists of two segments, Indian tribes and commercial, publicly traded corporations. Both have flourished, but with the passage of the Indian Gaming Regulatory Act in 1988, legally permitting Indian tribes to open, own, and operate casinos on reservation land (Gonzales and Stansbury, 2008), the growth of Indian casinos has outpaced that of commercial casinos with each passing year. In 2006, tribally owned casinos operated in 25 states, generating annual revenue of over \$27 billion while commercial casinos operated in nine states and generated annual revenues of \$34.11 billion (American

Gaming Association 2008). Although Indian gaming is more prevalent, many of the economic development benefits of Indian casinos are captured by the sponsoring tribe and its associated reservation. In contrast, commercial casinos are viewed by many as better tools of economic development because they tend to generate more jobs and taxes and their spillover effect covers a wider geographic area. In the face of growing budget deficits, New York and other states have looked to both Indian and commercial gaming as a way of increasing tax revenue and stimulating economic development.

### Casinos in New York State: An Evolving Wedge Issue

Casino gambling, while not new to the state of New York, took on new proportions following the attacks on the World Trade Center on September 11, 2001. In the wake of its economic and fiscal reverberations, the New York State Assembly gave legislative approval to the largest ever expansion of gambling in the state's history. In addition to the introduction of video lottery terminals at many horse racing tracks, the gambling package also included the development of six new Indian casinos in upstate New York.

In 2001, New York had two Indian-run casinos. Today, as a result of the state legislature's decision, New York is now home to eight tribally-owned gaming facilities, most of which are located in rural parts of the state. The Seneca Nation of Indians own and operate the Seneca Niagara Casino in Niagara Falls, the Seneca Allegany Casino, the Seneca Buffalo Casino in Buffalo, in addition to high-stakes bingo operations on both their Cattaraugus and Allegany Reservation lands. The St. Regis Mohawks operate the Mohawk Bingo Palace and the Akwesasne Mohawk Casino on reservation lands near the U.S. and Canadian borders. The Oneida Indian Nation of New York operates the Turning Stone Casino outside of Syracuse. In 2007, New York's eight Indian-run casinos generated more than \$1 billion in revenues, and despite a slowing of the economy, the state's Indian gaming facilities saw a 7.7% increase in revenue from 2006 to 2007, topping \$1.02 billion (Blain 2008).

With the exception of the Seneca Nation casinos in Niagara Falls and Buffalo, the remaining six tribally-owned gaming facilities in New York State are on tribal land, in the central and northern part of the state. However, in the Catskills, a once prosperous resort destination and prime location due to

its proximity to the New York City metropolitan area, several tribes (including three out-of-state tribes whose traditional homelands were in New York) have been vying for the rights to build and operate two off-reservation casinos. In 2005, as part of a deal to settle the St. Regis Mohawk Tribe's land claim against the state, former Governor George Pataki proposed a deal granting the tribe land and permission to open a casino in the Catskills in exchange for dropping its suit against the state. The deal fell through, but in 2007, former Governor Eliot Spitzer approved plans for a \$600 million Las Vegas-style casino in the Catskill Mountains for the St. Regis Mohawk tribe (Bagli 2007). However, in order to operate an off-reservation gaming facility the tribe required the approval of the Secretary of the Interior. In 2008, Secretary of the Interior, Dirk Kempthorne, rejected the proposed Indian casino in the Catskills along with 20 others elsewhere in the country, stating that off-reservation casinos would have a negative impact on reservation life (O'Conner 2008). Despite the Secretary's decision, support for the expansion and development of Indian casinos remains strong in New York in the face of the largest projected state deficit in recent memory.

### What are New Yorkers Attitudes on Casino Gambling?

In an effort to better understand how New York State residents feel about the expansion and development of Indian casinos, questions related to casinos and gambling were included as part of the 2004 annual Empire State Poll, conducted by Cornell University's Survey Research Institute. The telephone survey was administered to a random sample of 1,020 New York State residents.

Survey respondents were asked whether they favored Indian casinos, in general, and whether they favored Indian casinos in their own community. The results are reported in Table 1. Overall, there was less favorable support for the development of Indian casinos in the respondent's home community than for Indian casinos in general. Nearly 2/3 of respondents did not favor the development of Indian casinos either in general or in their community. Men favored the development of an Indian casino in their community more than women, Catholics favored the development of Indian casinos more than Protestants or Jews, Republicans held more favorable attitudes towards Indian casinos than did Democrats, and younger adults favored the development of Indian casinos more than older adults.

### Discussion

In the seven years since the New York State Assembly approved the expansion and development of six new Indian casinos, public perception has waxed and waned over the proposed deals and local politicians have lined up on both sides of the issue. Several municipalities in the region and across the state adopted resolutions opposing casino gambling, including the town and village of Saugerties and the towns of New Paltz, Woodstock, Marletown, Gardiner and Shandaken. In 2005,

**Table 1:** Percent of New York State residents in 2004 who supported the establishment of additional Indian casinos, in general, and Indian casinos in the respondent's home community.\*

Personal Characteristics	Support Indian casinos in your community	Support Indian casinos in general
Men	31.7	37.4
Women	24.3	36.2
Democrat	27.8	36.2
Republican	36.8	41.6
Catholic	32.4	44.2
Protestant	24.0	31.7
Jewish	20.0	32.0
65 or older	24.6	29.4
30 or younger	32.2	44.2
NYC resident	26.6	36.0
Non-NYC resident	30.1	38.4

\*Data are from the 2004 Empire State Poll (see [www.sri.cornell.edu/sri/esp.introduction.cfm](http://www.sri.cornell.edu/sri/esp.introduction.cfm))

the Ulster County Legislature passed a resolution granting the county legislature the authority to act in municipal affairs with regard to casino gambling, with similar resolutions proposed in the town of Denning and city of Kingston.

Although casino gaming is a relatively recent addition to the economic development options available in states and counties in the U.S., in many nonmetropolitan areas, proponents argue that the gaming development will help revive long moribund economies. The debate over the development of Indian casinos in the economically depressed Catskill region of New York is a case in point. However, the results of our study show that not all citizens favor this kind of economic development. The case of Indian gaming in New York State illustrates the barriers and opposition to casino gambling that exists and can be mobilized to forestall new casino development.

It is still too early to tell what the full economic development potential of casino gambling will be for rural New York State and more generally for rural America. But with the recent downturn in the economy, whether or not casinos prove to be "recession proof" as many in the gaming industry purport remains to be seen (Sasseen 2007). But even if the rate of growth experienced by the gaming industry slows, it is likely to be many years before we either reach a saturation point, where there are no longer any economic benefits associated with establishing additional casinos, or when public opinion hardens to the point that further expansion is not politically feasible. In the interim, now is the time for researchers and policymakers to collect baseline data, both quantitative and qualitative, to monitor and evaluate in a systematic fashion the social and economic impacts of casinos on rural communities in the U.S. This research will provide a basis for evidence based decision making in the future. ▲

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