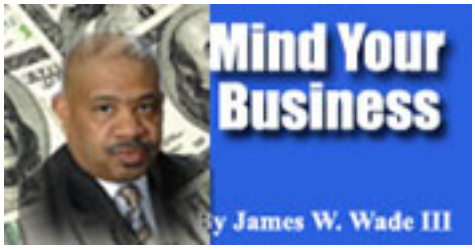

The sum total of these indirect jobs and income is some multiple of the direct effects, hence, the often used term – multiplier effects.

The impact of casino gambling

After a week in business, The Horseshoe Casino inClevelandis pouring in great results. But one of the matters I guess I did not take time to consider is how affects other things.

How many bus trips will be cut out toDetroitand other gambling places?

I read in another newspaper howDetroitwill be affected financially with the casinos opening inOhio. DoesClevelandhave this to look forward too now there's a new casino is opening up inToledo?

The Horseshoe Casino is the first Ohio gambling casino to open its doors to the public. The new Casino is designed to highlight downtownCleveland creating excitement and dollar signs for hotels, restaurants, and entertainment venues.

Many studies have been completed on the economic impacts of casino gambling.

Most have been sponsored by promotional or opposition groups, while some have been produced by more neutral government agencies or by independent researchers. The studies differ in scope, method of analysis, and underlying, often biasing, assumptions. Their conclusions vary widely, and it is not surprising that the literature has generated much heat in addition to light on the issue.

Gambling can be a powerful economic development tool.Las Vegasis a testament of the powerful ability of gambling to foster economic development. Because of gambling,Las Vegashas shown impressive job growth, developed into a major city with a low tax burden that many state and local governments look at with envy, and has spawned significant private and public sector investment.

But can theLas Vegasmodel be duplicated?

Dan Gilbert is set to build another Casino in walking distance to the one at the Higbee building. Isn't that how Vegas started? The main fact that I have stated before is that it has at least created 1,600 jobs.

Building a casino creates new jobs, such as a card dealer, in the sense that they did not exist before. But they may not be new jobs for the economy. Money spent on a gambling facility is money that already existed but was spent on other things. That is probably an obvious point, but one that needs to be made.

Building and running a gambling facility doesn't create wealth. It merely transfers it. The benefit for a region is the transfers are from outside of the region. In contrast, there is not a stimulus or net benefit if development of the casino leads to more money being spent outside of the region.

Can you imagine the affect on this new venue ifClevelandhad a winning sports team?

I can see many Browns and Cavs fans going to the casino after each game. Now again will that affect other vendors?

Much of the gambling industry's rapid expansion in recent years can be attributed to its effective courting of local business leaders, who have been tantalized by promises of increased tourism and economic development. In community after community, however, the promises of the industry have failed to come to fruition.

Worse, local businesses suffer as discretionary dollars are drained from the economy and as they and their communities experience the social fallout that typically accompanies legalized gambling.

Now, I want it to be a win win situation. Gilbert has stated he wanted it to be two way, which will help the business owners also. Is a casino more like a factory or a restaurant? This analogy refers to the fact that a factory typically brings in revenue from the outside and is thus able to spur economic growth, while a restaurant typically serves only residents and primarily recirculates money already in the region.

If an entrepreneur sought to open a clothing store in an existing building in an established commercial district, he/she could readily proceed without interference. The decision is purely a private one.

A burden of proof requirement now exists about whether a casino will be good for the community. Thus it has become standard practice for operators to present statistics on the numbers of jobs and income created on site, and a natural extension to emphasize that these direct effects cause a chain reaction of increased economic activity throughout the host region.

The sum total of these indirect jobs and income is some multiple of the direct effects, hence, the often used term – multiplier effects.

I am very proud of my city being jump started by this dazzling $350 million dollar investment, but I am still concerned for growth in the business community for everyone. With gasoline prices

almost $4 dollars a gallon, the housing situation, and seniors having their pension plans attacked, will people turn to gambling in hopes of winning?

Well, I hope the business community will all make out with this new venue and I won't have to write about the city going into a financial hardship due to people leaving Cleveland going to the next hot gambling establishment.

Mail comments to James W. Wade III at jwade@call-post.com and visit Mind Your Business on our website at www.callandpost.com.

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