

IMPACT OF TOURISM ON GAMBLING IN THE FLATHEAD VALLEY

by

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A professional paper submitted in partial fulfillment
of the requirement for the degree

of

Master of Science

in

Business Education

MONTANA STATE UNIVERSITY
Bozeman, Montana

July 1992

Spec-
4 pub
p378. Sub 18

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of a professional paper submitted by

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ACKNOWLEDGEMENT

The writer wishes to express appreciation to Dr. Norman Millikin, chairman of her graduate committee, whose time, assistance, and guidance proved invaluable from the inception of this project through its completion.

The writer would also like to thank Bob Robinson, director of the State of Montana's Gambling Control Division, Helena, Montana, for his advice concerning the survey instrument and for copies of gambling revenue statistics.

The writer would also like to thank Melinda Meacham, a friend and colleague, for donating many hours of her time to assist with the time-consuming collection of data for this project, and also Pete Wade, a friend and colleague, for his advice and encouragement.

The writer also expresses sincere appreciation to her husband and children for their support and patience during the course of her graduate work.

ABSTRACT

The major purpose of this study was to determine how much tourists gamble on video gambling machines in the Flathead Valley and to produce a profile of the typical gambler in that part of the state.

To collect the data for the study, 100 persons who were involved in the gambling activity were interviewed randomly during the month of August, 1991. August is considered to be in the height of tourist season in the Flathead Valley. In addition to the personal interviews, a questionnaire was mailed to 38 bar/tavern/casino owners to compare owners' responses to responses given by persons who were gambling.

FINDINGS

The data revealed that, at any given time during tourist season, the majority of persons gambling in the Flathead Valley are local residents (53%) compared to 47% tourists. Male tourists tend to gamble more than female tourists while local females tend to gamble more than local males. The age group that had the most gamblers was 41-50, with age ranges 31-40 and 21-30 in second and third place respectively. Most of the gamblers surveyed (67%) were either high school graduates or graduates of a 2-year college, and 54% of the gamblers reported an income of \$30,000 or greater. The gamblers surveyed stated that they do not gamble very often (62% gamble a couple times per week or a couple times per month) and that they do not spend much of their personal funds on gambling (59% spend less than \$25 each time they gamble).

The presence of legalized gambling apparently does not influence many tourists to visit the Flathead Valley (85% of tourists said "no"), but the overwhelming majority of persons surveyed (80%) believe that gambling is good for Montana. Most gamblers are not aware of problems caused by gambling and believe that gambling revenue should be used to decrease taxes and to improve education. Other areas in which they would like to see gambling revenue be used are listed in the study. While only 15% of tourists said gambling influenced their decision to visit the Flathead Valley, 77% of the tourists reported that they believe tourists come to Montana because of gambling; and 66% of the tourists believe that at least half the tourists who visit Montana gamble when they get there.

In comparing the bar/tavern/casino owners' responses to the gamblers' responses, the writer found that the owners differed in their perception of the most popular age ranges of persons gambling in their establishments. With regard to this question, 62% of the owners thought that the 31-40 age range was the most common. With regard to how many tourists vs. residents gamble in their

establishments, 46% of the owners stated that most gamblers are local residents while 39% believed that the gamblers in their establishments were half tourists and half local residents. The owners also differed on the question regarding whether tourists gamble once they get to the Flathead Valley--46% of the owners reported that only half the tourists gamble when they get there, and 31% reported that very few tourists gamble. With regard to how much local residents gamble, 77% of the owners indicated that local residents either gamble more or about the same as do tourists.

TABLE OF CONTENTS

List of Tables	viii
CHAPTER 1	1
Introduction	1
Statement of Problem	2
Questions to be answered	2
Need for Study	3
Limitations of Study	4
Definition of Terms	4
Summary	5
CHAPTER II	6
Introduction	6
History	6
Gambling in Montana	7
Study comparisons	9
Controversial issues	11
Summary	13
CHAPTER III	13
Procedures	13
Sources of Data	13
Construction of Survey Instrument	15
Collection and Analysis of Data	16
CHAPTER IV	17
Presentation and Discussion of Results	17
Summary	38
CHAPTER V	42
Conclusions	42
Recommendations	43

LIST OF TABLES

<u>Table</u>	<u>Page</u>
Table 1: Gender of persons surveyed	18
Table 2: Marital status of persons surveyed	19
Table 3: Age ranges of persons surveyed	20
Table 4: Educational level of persons surveyed	21
Table 5: Employment information for persons surveyed	22
Table 6: Income level of persons surveyed	23
Table 7: Residence information for persons surveyed	23
Table 8: Frequency of gambling	24
Table 9: Amount of money gambled	25
Table 10: Reason for gambling	26
Table 11: Is gambling wrong?	26
Table 12: Would you like to see more legalized games?	27
Table 13: Did gambling influence your decision to visit Montana?	27
Table 14: Is gambling good for Montana?	28
Table 15: Awareness of social problems caused by gambling	28
Table 16: Awareness of crime caused by gambling	29
Table 17: Gambling revenue should be used to decrease taxes	30
Table 18: Gambling revenue should be used to improve education	30
Table 19: Where gambling revenue should be used	31
Table 20: Do tourists come to Montana because of gambling	32
Table 21: Do tourists gamble when visiting Montana	33
Table 22: What percent of your net profit do you attribute to gambling?	34
Table 23: Has legalized gambling created problems for your business or for the community?	34
Table 24: How often do tourists gamble in your establishment?	35
Table 25: Do tourists patronize your business other than gambling?	35
Table 26: Do you add employees for the months of June, July, and August?	36
Table 27: How much money does the typical gambler spend each time he/she comes in to gamble?	36
Table 28: The typical gambler in your establishment is in which age range?	37
Table 29: Do you advertise the availability of gambling in your establishment outside the Flathead Valley?	37
Table 30: How would you describe the gamblers in your establishment?	38
Table 31: Describe your experience with regard to tourists and their gambling habits	39
Table 32: What is your experience with regard to local residents and their gambling habits?	39

CHAPTER I

CHAPTER I

Introduction

Gambling is a controversial topic in the state of Montana. Between the years of 1889 and 1991, Montana has experienced all aspects of illegal and legal gambling. (Pulcini, 1991) Montana probably ranks third after Nevada and New Jersey in the availability of gambling. There is no doubt that this newest industry has brought big bucks to many business owners. During the first quarter of 1991, the average video keno machine in Montana made \$48 a day for its owner, and the average video poker machine made \$31. The machines are by far the most popular form of gambling in Montana. In 1991, \$251.8 million was spent on the machines compared to only \$21.5 million on the state lottery. (Hegeman, BDC, 6/30/91) The table on the following page which was obtained from the Gambling Control Division in Helena is strong evidence that the proceeds from gambling activities in the Flathead Valley are growing very fast. The taxes collected on video gambling machines in Kalispell alone from 1988 to 1990 have increased 200.6%; Whitefish in the same time period increased 144.7%; and Columbia Falls, 74%. In an article in Kalispell's daily newspaper, The Daily Interlake, dated June 18, 1992, Bob Robinson was quoted as saying that an estimated \$356 million was.

VIDEO GAMBLING MACHINE TAX DISTRIBUTION
(Number of Machines Reporting)

FY 1988	<u>Kalispell</u>	<u>Col. Falls</u>	<u>Whitefish</u>	<u>Flathead County</u>
1st Qtr.	\$33,933	\$9,022	\$12,853	\$36,271
2nd Qtr.	33,784	11,176	12,611	36,090
3rd Qtr.	37,040 (186)	12,571 (57)	13,671 (69)	39,514 (274)
4th Qtr.	<u>43,418</u> (184)	<u>15,163</u> (51)	<u>13,785</u> (74)	<u>50,250</u> (278)
FY TOTAL:	\$148,175	\$47,932	\$53,010	\$162,125
FY 1989				
1st Qtr.	\$43,131 (190)	\$14,445 (52)	\$16,095 (66)	\$55,233 (270)
2nd Qtr.	45,744 (244)	17,469 (61)	16,555 (84)	52,489 (279)
3rd Qtr.	57,574 (238)	15,566 (62)	20,085 (95)	50,616 (285)
4th Qtr.	<u>59,833</u> (234)	<u>17,616</u> (69)	<u>21,058</u> (117)	<u>55,568</u> (258)
FY TOTAL:	\$206,282	\$65,096	\$73,793	\$213,906
FY 1990				
1st Qtr.	\$93,693 (241)	\$17,978 (64)	\$31,352 (102)	\$59,600 (253)
2nd Qtr.	88,563 (255)	19,703 (68)	25,800 (106)	58,952 (251)
3rd Qtr.	120,134 (301)	22,841 (62)	29,581 (124)	58,452 (272)
4th Qtr.	<u>150,467</u> (285)	<u>22,910</u> (63)	<u>42,999</u> (106)	<u>67,881</u> (267)
FY TOTAL:	\$452,857	\$83,432	\$129,732	\$244,885
FY 1991				
1st Qtr.	\$165,721 (292)	\$24,737 (94)	\$49,736 (127)	\$66,788 (256)
2nd Qtr.	142,931 (269)	24,002 (88)	45,743 (145)	55,974 (270)
3rd Qtr.	153,340 (304)	26,484 (82)	57,352 (140)	62,407 (250)
4th Qtr.	Taxes are Due July 15, 1991 - Distribution approx. 8/30/91			

OTHER PERMITS ISSUED FY 1991

Card Tables	14	1	9	9
Keno/Bingo	2	0	2	2

FY 1990 LICENSE AND TAX DISTRIBUTION AS % OF LOCAL GOV'T. GENERAL FUND REVENUE

16.63%	17.46%	11.74%	4.9%
--------	--------	--------	------

NUMBER OF LICENSED OPERATORS

25	11	15	48
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wagered through the state's video gambling machines during 1991. He also stated that the industry is still in its early stages of growth and that annual gambling tax revenue climbs about \$4 million a year and has ballooned by 79% in the past three years. At the same time, the number of machines has increased 47% to about 13,000. The increase in the number of video gambling machine permits issued is evidenced by the Montana Gambling Statistics as of May, 1992. (See Appendix C)

On the down side, this new industry also brings its own unique problems. Opponents of gambling say that there is a rise in the numbers of compulsive gamblers seeking treatment. For example, membership in Gamblers Anonymous in Montana has tripled between 1985 and 1990. In the larger gambling states of Nevada and New Jersey, compulsive gambling is getting to be as big a problem as drugs and alcohol. (Hegeman, BDC, 6/30/91)

Regardless, gambling appears to be here to stay, and this paper will look at the many issues surrounding this subject.

Statement of the Problem

The purpose of this study was to determine how much, if at all, tourists gamble on video gambling machines in the Flathead Valley and produce a profile of the typical gambler in this part of the state.

Questions to be Answered

The specific questions to answered in this study were:

1. What is the residency status of gamblers who are gambling

- in Flathead County--in state vs. out of state; in county vs. out of county?
2. What is the age range, educational level, and gender of gamblers surveyed?
 3. What is the income range of gamblers surveyed?
 4. What is the average amount spent on gambling at each gambling session by gamblers surveyed and how often they participate in gambling?
 5. What are the occupations of gamblers surveyed?
 6. What are the reasons why people are gambling?
 7. What are the attitudes of gamblers and gambling establishment owners about socioeconomic problems brought about by gambling?

Need for the Study

There are no dependable statistics available as to who actually gambles. (Pulcini, 1991) According to the Bob Robinson, administrator of the Gambling Control Division in Helena, there is a great need to develop a profile of a typical gambler in this state in general, and in particular in a tourist area such as the Flathead Valley. While business owners have done some informal surveys on their own, Mr. Robinson believes that no studies of this type have been done. (Personal interview, 7/1/91) One recent study that has been done measured Montanans' opinions about gambling games, regulations, and effects. (Gaming Advisory Council, May, 1988) The results of this study have been compared to the 1988 study.

Limitations of the Study

The following limitations were placed on the study:

1. The survey was limited to adults (over 21 years of age) participating in gambling activities--specifically video gambling machines--in businesses holding liquor licenses in the Flathead Valley in the three incorporated communities of Kalispell, Whitefish, and Columbia Falls.
2. In order to obtain data relating to tourists, the study was limited to the busiest tourist season: June, July, August, and September.

Definition of Terms

Gambling: A form of activity in which the parties involved who are known as bettors or players voluntarily engage to make the transfer of money or something else of value among themselves contingent upon the outcome of some future and uncertain event. (Encyclopedia of Social Sciences)

Gambling Device: A mechanical, electromechanical, or electronic device, machine or slot machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling activity. (Montana Code Annotated, 1989)

Illegal gambling device: A gambling device not specifically authorized by statute or by the rules of the State. (Montana Code Annotated, 1989)

Keno: A game of chance in which prizes are awarded using a card with 8 horizontal rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive. (Montana Code Annotated, 1989)

Lottery: A scheme, by whatever name known, for the disposal or distribution of property by chance among persons who have paid or promised to pay valuable consideration for the chance of obtaining the property or a portion of it or for a share or interest in the property upon an agreement, understanding, or expectation that it is to be distributed or disposed of by lot or chance. (Montana Code Annotated, 1989)

Raffle: A gift enterprise in which each participant buys a chance or chances to win a prize. (Montana Code Annotated, 1989)

Slot Machine: A mechanical, electrical, electronic, or other gambling device, contrivance, or machine that, upon insertion of a coin, currency, token, credit card or similar object or upon payment of any valuable consideration, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise, tokens, or anything of value, whether the payoff is made automatically from the machine or in any other manner. (Montana Code Annotated, 1989)

Summary

Gambling is a relative newcomer to Montana's legitimate economic picture. It is common knowledge that gambling has existed in this state since it was occupied only by Indians. (The Gamblers, 1978) The gambling issue has always been controversial, and the Flathead Valley is no exception. The author and her husband own a gambling establishment, although in another area, and have found it to be essential for the survival of the business. That interest combined with the fact that no studies have been done of this type caused the author to choose this topic. The results of this study can be shared with business owners, as well as the Gambling Control Division, and used in marketing strategies. The results will provide insights into unanswered questions about who actually gambles in the Flathead Valley.

CHAPTER II

CHAPTER II

REVIEW OF THE LITERATURE

*Life is only a game of poker, played well or ill,
Some hold four aces; some draw and fill;
Some make a bluff and oft get there,
While others ante and never hold a pair.*

--Pat Hogan, Suicide note
(The Gamblers, 1978)

Introduction

This chapter will present a brief history of gambling in general and a chronology of gambling in Montana in particular. Also presented will be a comparison between two previous studies on various gambling issues. Finally, the controversial side of gambling will be discussed as well as some ideas about why many people find gambling so fascinating and addicting.

History

Almost everyone gambled in the Old West. Everyone from old prospectors to 10- and 12-year old children won and lost hundreds of dollars and more at the gaming tables. However, when one thinks of the early gamblers, one may not realize that some of the eagerest of all the Western gamblers were the Indians. These native Americans had been losing their ponies, tipis, and even their wives to one another centuries before the white man came along. The Indians played with dice that had only two faces with one or both sides painted, carved, or decorated; and the player

scored points according to which side of the dice landed up. They also played simple games such as which hand contained a hidden object. Most Indians played games of chance whenever they had time on their hands and nearly always played for the sole purpose of taking their opponents for everything they had. The women enjoyed gambling as much as the men. The women often challenged one another to foot races and wagered any possession they had. Occasionally, they would wager other people's property without the owner's knowledge and many times lose all. (The Gamblers, 1978)

Gambling in Montana

In Montana, gambling has been a form of entertainment for the past 100 years. However, depending on community leaders, law enforcement officials, or the dominance of certain religious groups, gambling was blatantly out front or secreted in the back rooms of taverns. It has only been in the last ten to fifteen years that gambling has been considered to be an industry in its own right. It has proven to be a profitable endeavor, both in large- and small-scale economies. (Pulcini, 1991)

The following chronology illustrates how Montana has come around the full circle with regard to gambling regulations.

1889--Even though Montana's new Constitution made all forms of gambling illegal, gambling was wide open in parts of the state. A Harper's Magazine correspondent described Butte in 1891: "There are 16 licensed gambling halls in Butte, and the largest ones are almost side by side on the principal streets....They are large, bare rooms, with layouts for faro, craps, stud poker, and other games.....The gambling halls keep open all the time except from Saturday midnight to Sunday midnight. In summer the doors stand open, and the gambling may be seen from the pavement."

1910--Gambling is deemed illegal in every western state.

1922--Eighteenth Amendment (Volstead Act) ratified; "Prohibition" begins. "Rum-runner" trails from Canada permeate the border; the liquor business simply joins the games in the back rooms.

1933--Twenty-first Amendment repeals Prohibition. Gambling reappears in the re-opened bars of Montana. The Depression makes games of chance even more tantalizing; "pull-tabs" become popular in bars all over the state.

1937--In an effort to legitimize, what is already a fact of life, the state legislature passes the Hickey Act which legalizes various table games....

1945--The state legislature legalized slot machines for non-profit organizations since, by all accounts, one-arm bandits (like the numerous machines in the Montana Club in Helena) were whirling away at a steady pace already.

1949--Because so many operators had "gone too far," the state legislature allocated \$20,000 to enforce anti-gambling laws; Arnold Olson, Attorney General, complies with enthusiasm.

1950--The state Supreme Court rules that slot machines and punch boards are illegal under the state constitution. An initiative to legalize gambling is shot down by voters 4-1 (except in Butte).

1972--A Constitutional Convention referendum to give the legislature and the people the authority to approve or disapprove of gambling is passed by the voters (who also approve the new constitution).

1973--The state legislature passes the Card Game, Bingo, Raffles and Sports Pool Act.

1976--The President's Commission on the Review of National Policy toward Gambling concluded that gambling is inevitable....it is an activity that is practiced or tacitly endorsed by a substantial majority of Americans.

1983--Initiative 92, setting up a Gaming Commission and a limited list of games on a county-by-county bases is rejected by voters.

1985--Video Poker Machine Act permitting five poker machines per liquor license, unlimited keno machines; two-thirds licensing fees to remain in local communities, one-third to go into general fund.

1986--State lottery is approved by 69 percent of voters; 2,887 video poker machine licenses were issued. Total fees collected--\$3.4 million....Net income for bar owners--\$32.3 million.

1988--The Net Proceeds Tax (15 percent) on licensed poker, keno and bingo machines takes effect; two-thirds goes to the county, city or town in which the machine is licensed. \$100 of the \$200 annual license fee per machine is assigned to local communities.

1989--SB-431 is passed which creates the Gaming Advisory Council; transfers responsibility for licensure/taxation of gambling to the Gambling Control Division in the Department of Justice.

1990--11,600 video gambling machines are registered in the state...Total revenue for gambling is \$292 million...Video machines comprise 86% of the total...The state's 128 incorporated municipalities earn \$9 million...from video-machine taxes and licensing fees.

1991--As of February, 12,300 video machines are licensed in the state; growth rate is approximately 200 new machines per month...State Senate Full Judiciary Committee rejects a blackjack bill. Sports "pull" tabs and a broader definition of Sports Pools are approved by the legislature.

(Pulcini, 1991)

Study Comparisons

The following table shows a comparison between Montana residents' attitudes toward and opinions about gambling in 1973 and in 1988. The 1973 study was done by the Gallup Organization, Inc., at the request of the Montana Board of Crime Control. The 1988 study was done by the Survey Research Center at MSU at the request of the Gaming Advisory Council.

ISSUE	1973 (1103 adults)	1988 (635 adults)
Favor legalized gambling	55% favor legalized gambling	% not indicated; however, a majority is tolerant of current games
Bingo	91% approve 9% disapprove	81% approve 17% disapprove
Raffles	85% approve 15% disapprove	76% approve 29% disapprove
Poker	48% approve 52% disapprove	65% approve 30% disapprove
Slot Machines	44% approve 56% disapprove	47% approve 48% disapprove
Dice Games	38% approve 62% disapprove	28% approve 60% disapprove
Dog Racing	49% approve 51% disapprove	34% approve 61% disapprove
Is gambling good for Montana?	46% yes 47% no	34% yes 35% no 22% both
Casino gambling	34% approve 66% disapprove	38% approve 57% disapprove

It is interesting to note that the more recent study appears to indicate that fewer people favor the same gambling issues which were surveyed in 1973. The 1988 study revealed that the majority of Montanans do not gamble frequently (50% of those surveyed did not gamble in the past year; only 17% gamble frequently). The 1973 study did not give a percentage of those who gambled frequently, but did state that over half of those surveyed reported gambling at some time themselves. The 1973 study also showed that men were more likely than women to favor legalized gambling; those under age 50 were more inclined to favor gambling; upper income residents and those living in populated areas were more likely to favor gambling.

And, interestingly, Montana natives were more likely than non-Montana natives to favor gambling.

Controversial Issues

A study cannot be done on gambling without at least touching upon the controversial nature of the subject. Compulsive gambling is considered just as severe a disease as alcoholism and drug addiction. It is unique in that it does not involve chemical intake, but has the same deadly cycle of dependency. A new concept, "dual dependency," (Roche, 1990) is being dealt with in treatment fields which is a combination of abuses of alcohol and gambling or drugs and gambling. Even the Bozeman Daily Chronicle reports that membership in Gamblers Anonymous in Montana has tripled between 1985 and 1990. (Hegeman, BDC, 6/30/91)

Just who is the compulsive or "real" gambler? Robert D. Herman gives the following characteristics or clinical symptoms:

1. Gambling is a typical, chronic, and repetitive experience in his life.
2. Gambling absorbs all his other interests like a sponge.
3. The gambler is pathologically optimistic about winning and never "learns his lesson" when he loses.
4. The gambler cannot stop when he is winning.
5. No matter how great his initial caution, the true gambler eventually risks more than he can afford.
6. The gambler seeks and enjoys an enigmatic thrill which cannot be logically explained, since it is compounded of as much pain as pleasure. (Herman, 1967)

The gambler usually has two stock answers for the question, "Why do you gamble?" One is, "I gamble because I want to win

money," and the other is, "I gamble because of the thrill and excitement of the game." Many gamblers will insist that life is a gamble. Why shouldn't they be the lucky ones? Tom Beatty, *The Gambler*, from *Spoon River Anthology* by Edgar Lee Masters says it best:

I was a lawyer, like Harmon Whitney or Kinsey Keane or Garrison Standard, for I tried the rights of property, although by lamplight for thirty years in that poker room in the back of the opera house. And I say to you, Life's a gambler, head and shoulders above us all. No mayor alive can close the house, and if you lose, you can squeal all you will, you'll not get back your money. He makes the percentage hard to conquer. He stacks the cards to catch your weakness and not to meet your strength; and he gives you seventy years to play. For if you cannot win in seventy, you cannot win at all. So if you lose, get out of the room, get out of the room when your time is up. It's mean to sit and fumble the cards and curse your losses, leaden-eyed, whining to try and try.
(Masters, 1914) McMillan Pub. Co., New York, NY.

There is a common fallacy in that argument that says luck alone determines the outcome. Herman quotes Chatfield's epigram: "Good and bad luck is but a synonym, in most instances, for good and bad judgment." (Herman, 1967) The irrational motive in gambling noted above is the thrill of the game. Herman also mentions Dostoevski, who wrote the greatest description of a gambler in literature, The Gambler. Dostoevski, himself, was a pathologic gambler and was quoted as saying: "The main point is the game itself. On my oath, it is not greed for money, despite the fact that I need money badly." (Herman, 1967) According to Herman, gambling is not a profession but a dangerous neurosis. The gambler is propelled by forces over which he has no control. He is an objectively sick person who is subjectively unaware that he is

sick, and that ignorance does not make him any the healthier!
(Herman, 1967)

Summary

In conclusion, the review of the literature revealed that there is an abundance of written material on the subject of gambling, much of it dealing with the tragic consequences of compulsive gambling. However, there are relatively few statistics showing who actually gambles in this state. This study, therefore, presents a profile of the typical gambler in Flathead County as well as data regarding the impact of tourism on gambling in Flathead County.

CHAPTER III

CHAPTER III

Research Procedures

Procedures

The purpose of this paper was to determine how much tourists gamble in the Flathead Valley and to develop a profile of the typical gambler in this part of Montana. The writer's research hypothesis is that, at any given time, there will be more local residents gambling than there will be tourists.

This chapter outlines the procedures that were followed to obtain the needed data from persons participating in gambling activities in the Flathead Valley.

1. Sources of data
2. Construction of Data Instrument
3. Data Collection Methods

Sources of Data

The data for this study were obtained by face-to-face interviews with adult males and females (age 21 and over) gambling in bars and casinos in the three incorporated areas of Flathead County: Kalispell, Whitefish, and Columbia Falls. Additional data were obtained from owners of businesses possessing liquor licenses in those same three areas. The sample chosen was 100 persons to be interviewed during the busiest tourist season (June, July, August,

September, 1991). The interviews took place in the major gambling establishments where the largest number of people gamble in the cities of Kalispell, Whitefish, and Columbia Falls. Those businesses included, but were not limited to, the following list:

Kalispell:	Gold Nugget Casino Outlaw Inn Cavanagh's Hotel Casino Pancho Magoo's The Sportsman Bar
Whitefish:	Four Seasons Casino Best Bet Casino Remington Casino The Palace Bar
Columbia Falls:	The Nite Owl Paul Bunyan's Bar River Bridge Inn

These businesses were chosen because they are the most prominent of the gambling establishments in the Flathead Valley; therefore, they would be the most logical choice for entertainment for tourists. The interviews took place on weekends and evenings because that was the most likely time for tourists to frequent gambling establishments. Many of the businesses mentioned have musical entertainment which also tended to draw tourists. The interviewees were chosen on a convenience sample basis with approximately the same number of males and females being selected. Because Columbia Falls is somewhat less of a tourist town than Kalispell and Whitefish, the breakdown of interviewees from each location was approximately the following:

Kalispell:	40	Whitefish:	40	Columbia Falls:	20
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The survey instrument (see Appendix B) for business owners was mailed out to all businesses possessing liquor licenses. A list of

those businesses was obtained from the Flathead County Telephone Book since no other agency would cooperate in providing the writer with a list. Since there are approximately 38 businesses with liquor licenses in the Flathead Valley, a 50% return was hoped for, but only 34% actually returned the questionnaire. The writer noted a somewhat suspicious and distrustful attitude as to why a study was being done on gambling exhibited by some of the personnel in the gambling establishments in which data were collected. This attitude may explain why there was a small return on the questionnaire sent to the owners.

The study was begun in July, 1991, by obtaining related literature from the Roland R. Renne Library, Montana State University at Bozeman, Montana, the public library in Bozeman, Montana, local newspapers from the Gallatin and Flathead Valleys, various business journals from Northwest Montana, and personal interviews with bar owners and administrative personnel at the State government level.

Construction of the Survey Instrument

After a review of the literature and an interview with the Administrator of the Gambling Control Division, the researcher identified those issues which were important to the study and developed a questionnaire (see Appendix A). In addition to questions relating to residency, age, gender, income, occupation, and gambling habits, the researcher also included attitude questions for the purpose of comparing results with two earlier studies done in 1973 (Survey of Attitudes of Montana Residents

Toward Legalized Gambling, 1973) and 1988 (Montana Gambling Survey, 1988). A draft was developed and reviewed in the Business Education Research Class at Montana State University and later submitted to Dr. Norm Millikin for approval in July, 1991. Following approval of the instrument, a pilot study was conducted in Whitefish, Montana, which is considered by many to be one of the most desirable tourist destinations in northwestern Montana. Adjustments to the instrument were made after the pilot study, and the instrument was finalized. A draft of the second questionnaire (see Appendix B) was also developed and reviewed in the Business Education Research Class in July, 1991, for the purpose of obtaining information from bar/tavern/casino owners that could be compared to the data collected from persons gambling in those owners' establishments. Assistance in making adjustments to the second questionnaire was received from Dr. Christopher Schatte, the writer's husband, who has owned and operated a bar/casino for the past five years.

Collection and Analysis of Data

The data were collected during the summer tourist season in the Flathead Valley (June, July, August, September, 1991). The data were compiled and analyzed using percentages and are reported in tables in Chapter IV of this paper. Results were compared between tourists' responses and local residents' responses. Then the owners' responses were compared to the gamblers' responses. A profile of the typical gambler responding to the survey was also developed. The database tool of Microsoft Works was used to compile and query the data.

CHAPTER IV

CHAPTER IV

PRESENTATION AND DISCUSSION OF RESULTS

During the month of August, 1991, one hundred people were interviewed while gambling in the cities of Kalispell, Whitefish, and Columbia Falls. The persons interviewed were chosen at random with no regard to sex or age. Each table represents a specific question asked of the respondents and the data illustrate the responses. The actual number of responses is given in the table as well as the percentage of Flathead County residents' responses and tourists' responses. Each table is followed by a brief summary of the data and related writer comments. Some of the respondents chose to make additional comments related to gambling in Flathead County. Therefore, these comments have been included. Each table is divided into three categories: total response, Flathead County response, and tourist (non-Flathead County) response.

Data collected from persons gambling

Table 1

GENDER OF PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
Males	55	25 - 45%	30 - 54%
Females	45	28 - 62%	17 - 38%

There were slightly more males who were tourists than were Flathead County residents; however, the females who were Flathead County residents were significantly higher than were females who

were tourists. This would appear to indicate that male tourists tend to gamble more than female tourists, while Flathead County resident females gamble more than do Flathead County resident males.

Table 2

MARITAL STATUS OF PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
Single	32	22 - 69%	10 - 31%
Married	68	34 - 50%	34 - 50%

Over twice as many gamblers surveyed were married than were single, and there was no difference between married Flathead County residents and married tourists. However, twice as many of the single gamblers were Flathead County residents as were tourists. A possible explanation for this finding is that single tourists coming the the Flathead Valley would more than likely be in a younger age bracket and therefore more attracted to outdoor types of recreation as opposed to sitting in a casino gambling. The single Flathead County resident, however, has access to the outdoor recreational activities all the time and might choose gambling as one of his/her regular recreational pasttimes. Out of the 28 Flathead County female residents, 7 of them (25%) were single compared to only 1 out of the 17 tourist females. A possible explanation for this finding is that female tourists usually travel with a family unit as opposed to traveling alone.

Table 3

AGE RANGES OF PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
21-30	21	12 - 57%	9 - 43%
31-40	25	13 - 52%	12 - 48%
41-50	29	15 - 52%	14 - 48%
51-60	16	6 - 38%	10 - 62%
60+	9	7 - 78%	2 - 22%

While the age group comprising the largest number of gamblers is the 41-50 group, it is interesting to note that the first three age groups make up 75% of the total surveyed. Those persons with the greatest earning power are those in the age groups between 31 and 50 years of age; therefore, it is not surprising that 54% of the total surveyed would fall into those two groups. The breakdown between Flathead County residents and tourists in the first three age groups is not very significant with the exception of the 21-30 age group in which there were slightly more Flathead County residents. The 51-60 age group, however, showed more tourists gambling. This may be due to the fact that tourists in this age category would probably not be participating in the more strenuous outdoor activities which attract many younger people to Flathead Valley; therefore, gambling in the casinos would be a popular choice of entertainment for persons of this age.

Table 4

EDUCATIONAL LEVEL OF PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
8th grade or less	9	5 - 56%	4 - 44%
High School	39	21 - 54%	18 - 46%
2-year College	28	16 - 57%	12 - 43%
4-year College	10	2 - 20%	8 - 80%
Beyond 4-year College	14	9 - 64%	5 - 36%

Most of the gamblers surveyed were high school graduates (39%); those gamblers with a 4-year college degree or beyond comprised 24% of the total surveyed. The only area in which tourists outnumbered the Flathead County residents on this question was the 4-year college. This may be due to the fact that the closest 4-year institution is 125 miles from Flathead County (University of Montana, Missoula). All the other categories were fairly evenly distributed between Flathead County residents and tourists with the exception of beyond 4-year college education in which Flathead County residents were higher. The writer has no explanation for that finding.

Table 5

EMPLOYMENT INFORMATION FOR PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
Laborer	8	7 - 88%	1 - 12%
Technical	4	0 - 0%	4 - 100%
Professional	32	14 - 44%	18 - 56%
Housewife	4	4 - 100%	0 - 0%
Agricultural	4	2 - 50%	2 - 50%
Service/Retail	17	10 - 59%	7 - 41%
Clerical	8	4 - 50%	4 - 50%
Other	16	7 - 44%	9 - 56%
Unemployed	7	5 - 71%	2 - 29%

These data appear to indicate that the typical Flathead County gambler is likely to be involved in one of the following occupations: laborer, housewife, agricultural, service/retail, clerical, or else unemployed. The typical tourist gambler is likely to be involved in one of the following occupations: technical, professional, agricultural, clerical, or some other occupation not specified on the questionnaire. This information tends to support the educational level data which was obtained from Flathead County residents, namely, that 79% of the Flathead County residents have a two-year college degree or less which would qualify those persons for the occupations listed above.

Table 6

INCOME LEVEL OF PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
< \$10,000	16	13 - 81%	3 - 19%
\$10,000-20,000	19	13 - 68%	6 - 32%
\$20,001-30,000	8	5 - 63%	3 - 37%
\$30,001-40,000	20	10 - 50%	10 - 50%
> \$40,000	34	10 - 29%	24 - 71%
No answer	3	2 - 67%	1 - 33%

These data indicate that Flathead County resident gamblers have a significantly lower income than do tourist gamblers. Flathead County gamblers making \$30,000 or less were 58% compared to only 26% for tourists in that same income bracket. Flathead County residents making more than \$30,000 were 42% compared to 74% for tourists in that income bracket. The writer attributes this finding to the fact that the economy in the Flathead Valley is primarily dependent on tourism and service industries; therefore, salaries tend to be fairly low; also, tourists visiting a resort area such as the Flathead Valley are likely to be persons with higher incomes.

Table 7

RESIDENCE INFORMATION FOR PERSONS SURVEYED			
	Total	Flathead Co.	Tourists
Flathead Co.	53	53%	0%
Montana	15	0%	15%
United States	10	0%	10%
Canada	20	0%	20%
Other	2	0%	2%

These data support the writer's initial premise that, at any given time, even during the height of tourist season, the majority of gamblers will be Flathead County Residents. It is not surprising, given the close proximity of Flathead County to the Canadian border, that the number of Canadian gamblers is as high as 20%, twice as high as tourists from the U.S. outside of Montana.

Table 8

FREQUENCY OF GAMBLING			
	Total	Flathead Co.	Tourists
Daily	12	10 - 83%	2 - 17%
Couple times per week	31	19 - 61%	12 - 39%
Couple times per month	31	19 - 61%	12 - 39%
Almost never	26	5 - 19%	21 - 81%

These data were quite predictable since tourists presumably do not have the access to gambling on a regular basis as do residents of Flathead County or Montana in general. It is interesting that these data turned out identical for both Flathead County Residents and for tourists on gambling a couple times per week and per month.

Table 9

AMOUNT OF MONEY GAMBLED			
	Total	Flathead Co.	Tourists
< \$25	59	35 - 59%	24 - 41%
\$25-50	21	12 - 57%	9 - 43%
\$50-75	6	1 - 17%	5 - 83%
\$75-100	2	0	2 - 100%
> \$100	8	2 - 25%	6 - 75%
No answer	4	3 - 75%	1 - 25%

The purpose of this question was to obtain information relating to how much money the gambler typically allocated for this activity each time he/she participated. It was not intended that they include any winnings in the amount, only personal funds which they possessed upon entering the casino. These data indicate that the majority of gamblers interviewed (59%) spend a relatively small amount (< \$25) of their personal funds each time they gamble. The writer's initial premise on this question was that people would spend more each time they gambled than was revealed by the data in Table 9. However, since this question was rather personal, it may be possible that persons interviewed may not have given an accurate answer upon being questioned by the interviewer.

Table 10

REASON FOR GAMBLING			
	Total	Flathead Co.	Tourists
Win money	30	20 - 67%	10 - 33%
Thrill of game	18	5 - 28%	13 - 72%
Nothing to do	16	8 - 50%	8 - 50%
Fun	30	14 - 47%	16 - 53%
Relaxation	3	3 - 100%	0
Job-related	2	2 - 100%	0

Some people gave more than one reason; therefore, the total adds up to more than 100. It is clear that Flathead County residents are more interested in winning money than are tourists. Tourists primarily gamble for fun, the thrill, and because they have nothing better to do at the time. While Flathead County residents also gave those reasons, 39% of the FC residents gamble for the purpose of winning money. This may be due to the low incomes in the area, thus people try to supplement their incomes by gambling winnings. One gambler related that she won over \$500 shortly before Christmas, 1991, and was able to provide a nicer Christmas for her children as a result.

Table 11

IS GAMBLING WRONG?			
	Total	Flathead Co.	Tourists
Yes	14	7 - 50%	7 - 50%
No	84	46 - 55%	38 - 45%
No Answer	2	0	2 - 100%

Both Flathead County residents and tourists were equally

divided on the "yes" response to this question; however, on the "no" response, Flathead County residents numbered 46 or 55% compared to 45% of tourists. Some comments by the persons interviewed regarding this question were: There is nothing wrong with gambling as long as people can afford it and don't take food or other necessities away from their families.

Table 12

WOULD YOU LIKE TO SEE MORE LEGALIZED GAMES?			
	Total	Flathead Co.	Tourists
Yes	56	31 - 55%	25 - 45%
No	38	22 - 58%	16 - 42%
No answer	6	0	6 - 100%

The majority of Flathead County residents and tourists alike would like to see more games legalized. When asked to specify, the responses included: black jack or 21 and Las Vegas-style slot machines. Those that said "no" replied that what was legalized now was enough, and a couple people even said they wished all legalized gambling would be prohibited.

Table 13

DID GAMBLING INFLUENCE YOUR DECISION TO VISIT MONTANA?			
	Total	Flathead Co.	Tourists
Yes	7	NA	7 - 15%
No	40	NA	40 - 85%
Not applicable	53	53	NA

These data appear to suggest that 85% of the tourists interviewed were not influenced to visit Montana because of

legalized gambling. It is the writer's belief that most tourists visit Montana because of its scenery, lack of population, and the abundance of outdoor activities available. Gambling is but one form of recreation in which they may or may not participate once they arrive in Montana.

Table 14

IS GAMBLING GOOD FOR MONTANA?			
	Total	Flathead Co.	Tourists
Yes	80	40 - 50%	40 - 50%
No	13	10 - 77%	3 - 23%
No answer	7	3 - 43%	4 - 57%

The majority of people interviewed believed that gambling is good for Montana; that majority was equally divided between Flathead County residents and tourists. However, for those who said "no," 77% were Flathead County residents. Further questioning of the people who replied "no" revealed some generalized statements about gambling such as: "It is addictive" and "It takes money away from people's families."

Table 15

AWARENESS OF SOCIAL PROBLEMS CAUSED BY GAMBLING			
	Total	Flathead Co.	Tourists
Yes, A lot	12	7 - 58%	5 - 42%
Not Much	34	30 - 88%	4 - 12%
None	53	25 - 47%	28 - 53%
No Answer	1	1 - 100%	0

Social problems referred to in this question are: problems

relating to families such as divorce or child neglect, and family members who gamble away the family savings or assets. Only 12% of the total number of people interviewed were aware of a lot of social problems caused by gambling. That number was fairly evenly distributed between Flathead County residents and tourists. However, it appears that Flathead County residents are aware of some social problems (88%) while tourists represented only 12% of the responses in that category. For those that were aware of no social problems, it again was evenly distributed between the two groups.

Table 16

AWARENESS OF CRIME CAUSED BY GAMBLING			
	Total	Flathead Co.	Tourists
Yes, A Lot	6	3 - 50%	3 - 50%
Not Much	14	11 - 79%	3 - 21%
None	79	42 - 53%	37 - 47%

Crime, as referred to in this question, is any unlawful activity which occurs as a result of or related to legalized gambling. Only 6% of the total surveyed indicated that they were aware of a lot of crime caused by legalized gambling. Again, as in Table 15, Flathead County residents revealed that they are aware of some crime problems while not many tourists said the same. Those who replied "none" were fairly evenly distributed between the two groups. Since tourists are only in Flathead County for a relatively short time, the tourist response in Table 15 and Table 16 is not surprising.

Table 17

GAMBLING REVENUE BE USED TO DECREASE TAXES			
	Total	Flathead Co.	Tourists
Strongly Agree	44	29 - 66%	15 - 34%
Agree	39	20 - 51%	19 - 49%
Disagree	10	3 - 30%	7 - 70%
Strongly Disagree	1	0	1 - 100%
No Answer	6	1 - 17%	5 - 83%

Even though tourists are not impacted by taxes in Flathead County, the question was asked to determine what attitudes exist relating to how gambling revenue is used. The same rationale was used for Tables 18 and 19. A majority of Flathead County residents (55%) strongly agree with this statement, and no Flathead County residents strongly disagreed. An overwhelming majority (92%) of Flathead County residents either strongly agreed or agreed to the statement. The same held true for tourists--72% either strongly agreed or agreed with the statement.

Table 18

GAMBLING REVENUE SHOULD BE USED TO IMPROVE EDUCATION			
	Total	Flathead Co.	Tourists
Strongly Agree	46	27 - 59%	19 - 41%
Agree	41	19 - 46%	22 - 54%
Disagree	9	6 - 67%	3 - 33%
Strongly Disagree	2	0	2 - 100%
No Answer	2	1 - 50%	1 - 50%

An overwhelming majority in both groups (87%) either strongly agreed or agreed with this statement. While a small number from

each group disagreed with the statement, it is interesting to note that two tourists strongly disagreed with the statement. Upon further questioning, they replied that they thought enough money was already spent on education and that revenue from gambling should be directed to other areas.

Table 19

WHERE SHOULD GAMBLING REVENUE BE USED			
	Total	Flathead Co.	Tourists
Roads	28	20 - 71%	8 - 29%
Social Services	13	5 - 38%	8 - 62%
Welfare Recipients	9	4 - 44%	5 - 56%
Elderly	3	3 - 100%	0
Hospitals/health	4	3 - 75%	1 - 25%
Communities	2	1 - 50%	1 - 50%
Youth Recreation	1	0	1 - 100%
State Parks	1	1 - 100%	0
Property Taxes	6	3 - 50%	3 - 50%
No Answer	33	13 - 39%	20 - 61%

There were a lot of people who did not wish to answer this question. The writer has no explanation for that other than presumably they just did not have an opinion on this topic. For those who did respond, the data appear to indicate the majority of Flathead County residents would like gambling revenue used to improve roads and highways. While the tourists seemed concerned about roads, they were equally concerned about social services and thought that gambling revenue should be spent in that area as well. Both groups were equally divided on spending gambling revenue to

help welfare recipients while a small number Flathead County residents would like to see gambling revenue spent on behalf of the elderly.

Table 20

DO TOURISTS COME TO MONTANA BECAUSE OF GAMBLING?			
	Total	Flathead Co.	Tourists
Yes	68	32 - 47%	36 - 53%
No	31	20 - 65%	11 - 35%
No Answer	1	1 - 100%	0

A majority of those surveyed (68%) believe that tourists do come to Montana because of legalized gambling. The tourists further reinforced that opinion by a majority of 53% over Flathead County residents' 47%. The interesting and perhaps puzzling aspect of these data is that only 15% of the tourists, in Table 13, stated that gambling influenced their decision to come to Montana. The writer believes that data in Table 20 represent a prevalent attitude (on the parts of Flathead County residents and tourists alike) that tourists come to Montana to gamble, but, when actually questioned as to their own reasons for visiting Montana, the tourists did not list gambling as having influenced their decision. This finding reinforces again the writer's initial premise that at any given time, even during tourist season, the majority of gamblers in Flathead County are Flathead County residents and not tourists.

Table 21

DO TOURISTS GAMBLE WHEN VISITING MONTANA?			
	Total	Flathead Co.	Tourists
Yes, most do	50	26 - 52%	24 - 48%
About half do	40	33 - 83%	7 - 17%
Most do not	6	5 - 83%	1 - 17%
No answer	4	3 - 75%	1 - 25%

The purpose of this question was to attempt to verify the attitude referred to in the comment section of Table 20. The overwhelming majority (90%) of people surveyed believe that either most or at least half the tourists gamble when visiting Montana.

Data collected from owners

In a separate survey mailed to owners of 38 bars, taverns, and casinos in Flathead County, the following results were obtained from a 34% (13 out of 38) return. Because of the small return received on the second questionnaire, the writer acknowledges the fact that the information reported on the following pages may not represent the views of the majority of bar/tavern/casino owners in Flathead County.

Table 22

WHAT PERCENT OF YOUR NET PROFIT DO YOU ATTRIBUTE TO GAMBLING?	
Total	% of Net Profit attributable to Gambling
2	1%
2	5%
2	10%
2	30%
2	50%
1	100%
2	NO ANSWER

This information indicates that there is a wide variance among the establishments that have gambling machines in terms of how much of their net profit is attributable to gambling.

Table 23

HAS LEGALIZED GAMBLING CREATED PROBLEMS FOR YOUR BUSINESS OR FOR THE COMMUNITY	
	Total
Yes	2 - 15%
No	11 - 85%

These findings concur with the opinions found in the original survey in which 53% of the persons interviewed said they were aware of no social problems caused by gambling, and 79% said they were aware of no crime caused by gambling.

Table 24

HOW OFTEN DO TOURISTS GAMBLE IN YOUR ESTABLISHMENT?	
	Total
Daily	6 - 46%
Couple times a week	4 - 31%
Couple times a month	1 - 8%
Almost never	2 - 15%

These data would appear to indicate that 77% of the bar/tavern owners who returned the questionnaires believe that tourists are gambling in their establishments on a very regular basis, either daily or a couple times a week. The interviews with tourist gamblers revealed that only 30% of the tourists gamble daily or a couple times per week. A possible explanation for this discrepancy is that the owners are reporting what they see year-round, and the tourists interviewed were probably just in town a short time.

Table 25

DO TOURISTS PATRONIZE YOUR BUSINESS OTHER THAN GAMBLING?	
	Total
A Lot	11 - 85%
Some	1 - 8%
Almost Never	1 - 8%
Never	0

While bar/tavern owners believe that many tourists are gambling in their establishments, 93% of the owners who responded also believe that a lot or at least some tourists patronize their businesses for reasons other than gambling. Since a bar/tavern owner would not have any way of knowing if a gambler was a tourist

or a local resident (except through a personal interview or by the use of Canadian currency), it is possible that the information regarding the amount tourists gamble may be an assumption and not totally accurate.

Table 26

DO YOU ADD EMPLOYEES FOR THE MONTHS OF JUNE, JULY, AND AUGUST?	
	Total
Yes	6 - 46%
No	7 - 54%

Slightly less than half of the respondents add extra employees during the summer tourist season. This is an interesting finding since 85% reported that tourists patronize their establishments a lot. It would seem reasonable that businesses would add more employees during the heavy tourist season. However, since the owners' response reflects year-round tourist activity, adding employees during the summer months may not be necessary.

Table 27

HOW MUCH MONEY DOES THE TYPICAL GAMBLER SPEND EACH TIME HE/SHE COMES IN TO GAMBLE?	
	Total
< \$25	9 - 69%
\$26 - 50	2 - 15%
\$51 - 75	2 - 15%
\$76 - 100	0
> \$100	0

This information concurs with the data collected from the interviews which revealed that 59% of the persons surveyed stated

that they spent less than \$25 each time they gambled, and 21% said they spent between \$25 and \$50. However, 8% of the gamblers also said they spent more than \$100 while none of the bar owners believe that their typical gamblers spend that much money.

Table 28

THE TYPICAL GAMBLER IN YOUR ESTABLISHMENT IS IN WHICH AGE RANGE?	
	Total
21-30	-0-
31-40	8 - 62%
41-50	1 - 8%
51-60	2 - 15%
60+	-0-

This information contrasts with the data collected from persons actually gambling, namely, 21% were in the 21-30 range, 25% were in the 31-40 range, and 29% were in the 41-50 range. This finding would appear to indicate that owners are not aware of the actual ages of gamblers in their establishments. This may be due to the fact that owners are not in personal contact with their customers, thus only making an assumption as to the age range of the typical gambler.

Table 29

DO YOU ADVERTISE THE AVAILABILITY OF GAMBLING IN YOUR ESTABLISHMENT OUTSIDE THE FLATHEAD VALLEY?	
	Total
Yes	5 - 39%
No	8 - 62%

This information indicates that bar/tavern/casino owners tend not to advertise the availability of gambling in their establishments outside the Flathead Valley. By doing so, owners may increase their business if they knew the geographical areas and age ranges to target.

Table 30

HOW WOULD YOU DESCRIBE THE GAMBLERS IN YOUR ESTABLISHMENT?	
	Total
Most are tourists	2 - 15%
Half tourists; half local residents	5 - 39%
Most are local residents	6 - 46%

This information indicates that 46% of the owners who responded believe that most of the gamblers in their establishment are local residents. This finding supports the writer's initial premise that, at any given time, the majority of gamblers are local residents, not tourists; and 39% of the owners who responded believe that the gamblers in their establishment are half tourists and half local residents. Only 15% responded that they believe most of the gamblers in their establishment are tourists.

Table 31

DESCRIBE YOUR EXPERIENCE WITH REGARD TO TOURISTS AND THEIR GAMBLING HABITS	
	Total
Most tourists gamble once they get to the Flathead Valley	3 - 23%
Only about half the tourists gamble once they get to the Flathead Valley	6 - 46%
Very few tourists gamble while visiting the Flathead Valley	4 - 31%

The information indicates that only 23% of the owners believe that most tourists gamble once they get to the Flathead Valley. This is a stark contrast with the information collected from the gamblers surveyed--50% responded that most tourists do gamble, and 40% responded that at least half the tourists gamble once they get to Montana or to the Flathead Valley.

Table 32

WHAT IS YOUR EXPERIENCE WITH REGARD TO LOCAL RESIDENTS AND THEIR GAMBLING HABITS?	
	Total
Local residents gamble more than tourists	4 - 31%
Local residents gamble about the same amount as tourists	6 - 46%
Local residents gamble less than tourists	3 - 23%

This information reveals that owners believe that local residents gamble either more or at least as much as do tourists in the Flathead Valley. This finding reinforces the finding that indicated 53% of the gamblers surveyed were local residents

compared to 47% who were tourists. It is interesting to note that both local residents and tourists believe that most or at least half the tourists gamble when they get to Montana in general, or to Flathead Valley specifically. However, the data from both studies would appear to indicate that it is actually local residents who are doing most of the gambling, even during the height of tourist season.

SUMMARY

To summarize, the data in these two studies revealed that, at any given time during tourist season, the majority of persons gambling in the Flathead Valley are local residents (53%) compared to 47% tourists. Male tourists tend to gamble more than female tourists while local females tend to gamble more than local males. The age group that had the most gamblers was 41-50, with age ranges 31-40 and 21-30 in second and third place respectively. Most of the gamblers surveyed (67%) were either high school graduates or graduates of a 2-year college, and 54% of the gamblers reported an income of \$30,000 or greater. The gamblers surveyed stated that they do not gamble very often (62% gamble a couple times per week or a couple times per month) and that they do not spend much of their personal funds on gambling (59% spend less than \$25 each time they gamble).

The presence of legalized gambling apparently does not influence many tourists to visit the Flathead Valley (85% of tourists said "no"), but the overwhelming majority of persons

surveyed (80%) believe that gambling is good for Montana. Most gamblers are not aware of problems caused by gambling and believe that gambling revenue should be used to decrease taxes and to support education. Some of the other areas in which they would like to see gambling revenue be used are: roads, social services, welfare recipients, elderly, and hospitals. While only 15% of tourists said gambling influenced their decision to visit the Flathead Valley, 77% of the tourists reported that they believe tourists come to Montana because of gambling; and 66% of the tourists believe that at least half the tourists who visit Montana gamble when they get there.

In comparing the bar/tavern/casino owners' responses to the gamblers' responses, the writer found that the owners differed in their perception of the most popular age ranges of persons gambling in their establishments. With regard to this question, 62% of the owners thought that the 31-40 age range was the most common while the persons interviewed indicated that the 41-50 age group was most common. With regard to how many tourists vs. residents gamble in their establishments, 46% of the owner stated that most gamblers are local residents while 39% believed that the gamblers in their establishments were half tourists and half local residents. The owners also differed on the question regarding whether tourists gamble once they get to the Flathead Valley--46% of the owners reported that only half the tourists gamble when they get there, and 31% reported that very few tourists gamble. With regard to how much local residents gamble, 77% of the owners indicated that local

residents either gamble more or about the same as do tourists.

In comparison to the earlier studies done in 1973 and 1988 referred to in Chapter II of this document, 80% of the persons surveyed in this study believe gambling is good for Montana while in 1988, 34% reported that gambling was good for Montana, and in 1973, 46% reported that gambling was good for Montana. The earlier studies consisted of surveys done with Montana residents; however, if the data collected from Flathead County residents alone (75% believe gambling is good for Montana) is compared to the earlier studies, the results show a dramatic increase from the 1988 study. These results indicate that many more people now believe that gambling is, in fact, good for Montana as opposed to the number of people in the earlier studies who believed gambling was good for Montana.

The two earlier studies reported that in 1973 44% of the people surveyed approved of slot machines and 34% approved of casino-style gambling; the 1988 study revealed that 47% approved of slot machines and 38% approved of casino-style gambling. The 1988 study showed a slight increase in both cases. The results of this study, even though the persons surveyed were not asked specifically about slot machines and casino-style gambling, indicate that 56% of those surveyed would like to see more legalized games. This figure represents an increase over the two earlier studies. This is further supported by the fact that, when questioned further about which games they would like to see legalized, the most common responses were: slot machines and black jack (21).

The profile, then, of a typical Flathead County resident gambler who gambles on video gambling machines in Flathead County is the following: a married female between the ages of 41-50, has completed high school, is employed in a professional or service/retail occupation, and makes \$20,000 or less. The profile of a typical tourist gambler gambling in Flathead County is the following: a married male between the ages of 41-50, has completed high school, is employed in a professional occupation, and makes \$40,000 or more.

CHAPTER V

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study was to determine how much tourists gamble in the Flathead Valley compared to local residents and to develop a profile of the typical gambler in the Flathead Valley.

Conclusions

The writer's conclusions from the findings obtained in this study are:

1. At any given time, even during tourist season, there will be more local residents gambling than there will be tourists.
2. Flathead County resident females tend to gamble more than do Flathead County resident males; tourist males tend to gamble more than do tourist females.
3. The majority of gamblers who are gambling in Flathead County typically do not spend large amounts of money nor do they gamble excessively often.
4. There appears to be a prevalent attitude among local residents as well as among tourists that most tourists gamble when they come to Montana or to the Flathead Valley. However, very few tourists say that gambling influenced their decision to visit Montana, and most bar/tavern/casino owners say that their gambling clientele consists of either mostly local residents or half local residents and half tourists.
5. The majority of Flathead County residents and tourists alike would like to see more games legalized. The games most often suggested were Black Jack (21) and Las Vegas-style slot machines.

6. The majority of people surveyed do not see anything wrong with gambling and are not aware of any problems associated with legalized gambling in Montana.

Recommendations

The writer's recommendations based on the conclusions listed above are:

1. Bar/tavern/casino owners wishing to increase their gambling clientele should target the local population first since these people comprise the majority of gamblers in the Flathead Valley. Owners should look at targeting the 50+ age group since that is the age category in which the fewest gamblers fell and the 50+ age group is a market whose population is increasing in the Flathead Valley, as well as nation-wide. While a criticism of targeting this age group might be that many of them will have a fixed income, it can also be emphasized that the owner doesn't need any one person to spend a lot of money, but rather many people who only spend a small amount.
2. Owners should make their customers who are local residents feel as if they are valued since they do make up the majority of gamblers in the Flathead Valley. Pampering them with free or inexpensive drinks and food while gambling, Las Vegas style, is one way this could be accomplished.
3. Owners wishing to build up their tourist business should advertise in major Canadian cities the fact that gambling is available in their establishments to encourage more Canadian tourists to visit their establishments.
4. The Legislature should strongly consider legalizing black jack since a large number of people would like to see that happen and that would greatly add to the state gambling revenue. (Robinson of the Gambling Control Division predicts that industry will ask the Legislature to legalize black jack and also will seek fewer restrictions on the amount of prize money video games can pay. Daily InterLake, 6-18-92)
5. Further research should be done on a statewide basis to more accurately assess who is gambling and to determine how much tourists gamble in other parts of the state as well as in the Flathead Valley.

APPENDICES

QUESTIONNAIRE

Month _____ Day _____ Time _____

Please place a check mark () in the appropriate blank.

1. _____ Male _____ Female
2. _____ Single _____ Married _____ Single, head
of household
3. Age range: _____ 21-30
_____ 31-40
_____ 41-50
_____ 51-60
_____ 61+
4. Educational level: _____ 8th grade or less
_____ High school diploma or less
_____ 2-yr. college degree or less
_____ 4-yr. college degree or less
_____ Beyond 4-yr. college
5. Employment category: _____ laborer
_____ technical
_____ professional/managerial
_____ housewife
_____ agricultural
_____ service/retail
_____ clerical
_____ other
_____ unemployed
6. Income range: _____ Less than \$10,000/year
_____ \$10,001 - \$20,000
_____ \$20,001 - \$30,000
_____ \$30,001 - \$40,000
_____ More than \$40,000/year
7. Residence: _____ Flathead County
_____ Montana, outside Flathead Co.
_____ U.S., outside Montana
_____ Canada
_____ Other

8. How often do you gamble:

_____ Daily _____ Couple times a week
_____ Couple times a month _____ Almost never

9. Approximate amount spent each time you gamble:

_____ Less than \$25
_____ \$25 - \$50
_____ \$50 - \$75
_____ \$75 - \$100
_____ More than \$100

10. What is the major reason that you gamble? _____ To win money.

_____ The thrill of the game. _____ Nothing else to do.

Other: (please specify) _____

11. Do you think there is anything morally wrong with gambling?

_____ Yes Why? _____

_____ No Why not? _____

_____ No Why not? _____

12. Would you like to see more games legalized in this State?

_____ Yes _____ No If yes, please specify: _____

13. If you are not a resident of Flathead County, did the availability of gambling in this area influence your decision to come here?

_____ Yes _____ No

14. Do you believe gambling is good for Montana?

_____ Yes _____ No If no, why not? _____

15. Are you aware of any family or social problems that have resulted from legalized gambling?

_____ Yes, a lot _____ Yes, but not much
_____ No, none at all

16. Are you aware of any increase in crime which has resulted from legalized gambling?

_____ Yes, a lot _____ Yes, but not much
_____ No, none at all

17. The money the State collects from gambling taxes should be used to decrease taxes.

_____ Strongly agree _____ Agree
_____ Disagree _____ Strongly disagree

18. The money the State collects from gambling taxes should be used to improve education in Montana.

_____ Strongly agree _____ Agree
_____ Disagree _____ Strongly disagree

19. Other areas in which the money the State collects from gambling taxes should be used are: (please specify)

20. Do you think that tourists are more likely to come to Montana because of legalized gambling?

_____ Yes _____ No

21. Do you think most tourists gamble in Montana regardless of their reason for coming to this state?

_____ Yes, most gamble _____ Yes, but only about half
_____ No, most do not gamble

22. Comments regarding legalized gambling and/or how tourism impacts gambling in this state: (use reverse side if more space is needed).

APPENDIX B

QUESTIONNAIRE

Please answer the following questions where indicated and/or place a check mark () in the appropriate blank.

1. What % of your net profit do you attribute to gambling?

2. Do you think legalized gambling has created problems for your business or for the community?

_____ Yes _____ No If yes, please specify: _____

3. How often do tourists gamble in your establishment

_____ Daily _____ Couple times a week
_____ Couple times a month _____ Almost never

4. Do tourists patronize your business other than gambling?

_____ A lot _____ Some
_____ Almost never _____ Never

5. Do you add employees for the months of June, July, and August?

_____ Yes _____ No If yes, how many? _____

6. Do you add employees for the months of January, February, and March?

_____ Yes _____ No If yes, how many? _____

7. How much money do you think the typical gambler spends gambling each time he/she comes in to gamble?

_____ < \$25 _____ \$26-50 _____ \$51-75 _____ \$76-100 _____ >\$100

8. In which age range do you think the typical gambler in your establishment falls?

_____ 21-30 _____ 51-60
_____ 31-40 _____ 61+
_____ 41-50

9. Do you advertise the availability of gambling in your establishment outside the Flathead Valley?

_____ Yes _____ No If yes, where? _____

10. Please check the statement below that best describes your establishment:
- ☐ Most gamblers in my establishment are tourists.
 - ☐ The gamblers in my establishment are about half tourists and half local residents.
 - ☐ Most gamblers in my establishment are local residents.
11. Please check the statement below that best describes your experience with gambling:
- ☐ Most tourists who come to the Flathead Valley gamble once they get here.
 - ☐ Only about half the tourists gamble while visiting the Flathead Valley.
 - ☐ Very few tourists gamble while visiting the Flathead Valley.
12. Do you think local residents gamble ☐ more, ☐ about the same amount, or ☐ less than tourists who are visiting the Flathead Valley?

(If you would like to receive a copy of the results of this study, please write your name and address on the reverse side of this paper.)

APPENDIX C

**MONTANA GAMBLING STATISTICS
PREPARED BY THE MONTANA DEPARTMENT OF JUSTICE
AS OF MAY 31, 1992**

FISCAL YEAR 1992 VIDEO GAMBLING MACHINE PERMITS ISSUED

FY 92 MONTH	POKER	KENO	TOTAL
July	6,281	4,938	11,219
August	137	137	274
September	158	98	256
October	191	165	356
November	135	122	257
December	85	72	157
January	189	186	375
February	187	191	378
March	108	84	192
April	236	257	493
May	144	138	282
June			
TOTALS	7,851	6,388	14,239

FISCAL YEAR 1991 VIDEO GAMBLING MACHINE PERMITS ISSUED

FY 91 MONTH	POKER	KENO	TOTAL
July	5,787	3,779	9,566
August	245	215	460
September	182	172	354
October	177	173	350
November	155	147	302
December	144	138	282
January	145	127	272
February	132	162	294
March	176	157	333
April	150	126	276
May	85	101	186
June	33	20	53
TOTALS	7,411	5,317	12,728

FISCAL YEAR 1990 VIDEO GAMBLING MACHINE PERMITS ISSUED

FY 90 MONTH	POKER	KENO	BINGO	TOTAL
September(\$200)	4,529	3,452	18	7,999
October	650	390	0	1,040
November	221	194	2	417
December	136	111	0	247
January	120	125	0	245
February	118	91	2	211
March	124	131	0	255
April	149	156	0	305
May	155	144	0	299
June	21	9	0	30
TOTALS	6,223	4,803	22	11,048

PRIOR YEAR VIDEO GAMBLING MACHINE PERMITS ISSUED

FISCAL YEAR	POKER	KENO	BINGO	TOTAL
FY 86	2,210	0	0	2,210
FY 87	3,600	0	0	3,600
FY 88	4,564	3,786	112	8,462
FY 89	5,107	4,502	60	9,669
FY 90 (3 month)	4,942	3,981	20	8,943
FY 90 (9 month)	6,223	4,803	22	11,048

MANUFACTURER / DISTRIBUTOR LICENSES ISSUED

Fiscal Year 1992 = 141

Fiscal Year 1991 = 132

Fiscal Year 1990 = 125

OPERATOR LICENSE STATISTICS

FY 92 OPERATOR LICENSES ISSUED = 1,801

Finals = 1,464

Transfers = 47

Withdrawn = 4

Provisionals = 224

Denials = 7

Conditionals = 11

Lapsed = 44

FY 91 OPERATOR LICENSES ISSUED = 1,831

Finals = 1,486

Transfers = 17

Provisionals = 318

Denials = 1

Conditionals = 1

Lapsed = 8

FY 90 OPERATOR LICENSES ISSUED = 1,800

Final Licenses = 1,490

Provisional Licenses = 310

LIVE GAME PERMITS ISSUED

FY 92

Poker = 231 (1 table)

51 (additional tables)

(Permit Fee = \$250 on 1st table; \$500 on each additional table)

Keno/Bingo = 192 Total

(Permit Fee = \$250)

6 permits sold for both Keno/Bingo

44 permits sold for Keno only

49 permits sold for Bingo only

Exempt

89 permits issued for Bingo only (no fee / exempt organizations)

1 permit issued for Keno only (no fee / exempt organization)

3 permits issued for both Keno/Bingo (no fee / exempt organizations)

FY 91

Poker = 238 (1 table) 49 (additional tables)

(Permit Fee = \$250 on 1st table; \$500 on each additional table)

Keno/Bingo = 120

(Permit Fee = \$500)

12 permits sold for both Keno/Bingo

49 permits sold for Keno only

59 permits sold for Bingo only

64 permits issued for Bingo only (no fee / exempt organizations)

2 permits issued for Keno only (no fee / exempt organizations)

1 permit issued for both Keno/Bingo (no fee / exempt organization)

FY 90

Poker = 234 (1 table) 59 (additional tables)
(Permit Fee = \$500)

Keno/Bingo = 117
(Permit Fee = \$500)

11 permits sold for both Keno/Bingo
52 permits sold for Keno only
54 permits sold for Bingo only

60 permits issued for Bingo only (no fee / exempt organizations)
3 permits issued for Keno only (no fee / exempt organizations)

CARD DEALER LICENSES ISSUED

Final Licenses = 874	Renewed Licenses = 342
Provisional Licenses = 44	Withdrawn Licenses = 21
Conditional Licenses = 28	Denied Licenses = 17
Replacement Licenses = 15	Refunds = 39

VIDEO GAMBLING MACHINE TAX COLLECTIONS & DISTRIBUTION

Fiscal Year	Revenue	Local Gov't (2/3)	General Fund (1/3)
FY 88	\$10.5 mill	\$7.0 mill	\$3.5 mill
FY 89	\$13.3 mill	\$8.9 mill	\$4.4 mill
FY 90	\$17.0 mill	\$11.3 mill	\$5.7 mill
FY 91	\$20.5 mill	\$13.7 mill	\$6.8 mill
*FY 92	\$24.03 mill	\$16.02 mill	\$8.01 mill
*Projected			

VIDEO GAMBLING MACHINE TAX COLLECTIONS BY QUARTER

FY	Q1	Q2	Q3	Q4	Total
1988	\$2,360,145	\$2,548,998	\$2,656,831	\$2,938,063	\$10,504,037
1989	3,136,329	3,309,638	3,401,053	3,644,534	13,491,554
1990	3,949,782	4,024,386	4,317,195	4,713,132	17,004,495
1991	4,919,102	4,959,603	5,082,883	5,595,073	20,556,661
1992	5,866,027	5,906,815	6,180,904		

LIVE BINGO/KENO TAX COLLECTIONS (100% TO LOCAL GOVERNMENTS)

FY 90 \$34, 489
FY 91 \$43, 650

SPORTS TAB TAX COLLECTIONS BY QUARTER (RETAINED BY GAMBLING CONTROL DIVISION)

FY	Q1	Q2	Q3	Q4	Total
1992	\$5,472	\$1,296	\$144		

MACHINE PERMIT FEE COLLECTION & DISTRIBUTION

FY/Quarter	Permit Revenue	Local Government	Gambling Control Division	# Of Permits Issued
'90 / 1st	\$1,880,600	\$ 940,300	\$ 940,300	9,403
'90 / 2nd	44,800	22,400	22,400	224
'90 / 3rd	141,800	70,900	70,900	709
'90 / 4th	126,600	63,000	63,000	633
TOTALS	\$2,193,800	\$1,096,600	\$1,096,600	10,969
'91 / 1st	\$2,060,800	\$1,030,400	\$1,030,400	10,379
'91 / 2nd	186,800	93,400	93,400	934
'91 / 3rd	179,800	89,900	89,900	920
'91 / 4th	103,000	51,500	51,500	524
TOTALS	\$2,530,400	\$1,254,200	\$1,265,200	12,757
'92 / 1st	\$2,350,500	\$1,175,250	\$1,175,250	11,853
'92 / 2nd	\$ 116,850	\$ 58,425	\$ 58,425	785
'92 / 3rd	\$ 96,500	\$ 48,250	\$ 48,250	972
'92 / 4th				

TOTALS

Distribution is figured:

- Gambling Control Division retains \$100 of the permit fee - July 1 through June 30
- Gambling Control Division retains \$ 75 of the permit fee - October 1 through June 30
- Gambling Control Division retains \$ 50 of the permit fee - January 1 through June 30
- Gambling Control Division retains \$25 of the permit fee - April 1 through June 30

LIVE CARD GAME PERMIT FEE COLLECTION & DISTRIBUTION

FY/Quarter	Permit Revenue	Local Government	Gambling Control Division	# Of Permits @ \$250 @ \$500	
'90 / 1st	\$ 73,000	\$ 48,900	\$ 24,100	190	51
'90 / 2nd	5,000	3,100	1,900	18	01
'90 / 3rd	7,500	5,100	2,400	18	06
'90 / 4th	2,500	1,600	900	08	01
TOTALS	\$ 88,000	\$ 58,700	\$ 29,300	234	59
'91 / 1st	\$ 67,500	\$ 44,500	\$ 23,000	190	40
'91 / 2nd	8,000	5,000	3,000	28	02
'91 / 3rd	4,750	3,150	1,600	13	03
'91 / 4th	3,250	2,150	1,100	9	02
TOTALS	\$ 83,500	\$ 54,800	\$ 28,700	240	47
'92 / 1st	\$ 69,250	\$ 45,850	\$ 23,400	191	43
'92 / 2nd	\$ 6,500	\$ 4,300	\$ 2,200	18	4
'92 / 3rd	\$ 4,000	\$ 2,600	\$ 1,400	12	2
'92 / 4th					

TOTALS

Distribution is figured:

Of \$500 = \$400 to Local Government and Of \$250 = \$150 to Local Government

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