

research snapshot

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Closer proximity to an urban casino could potentially affect poverty levels, without significant changes over time

What this research is about

Urban casinos are casinos located in dense urban areas, such as major cities. Many urban casinos offer fewer gaming options and fewer amenities than traditional destination-style casinos. Urban casinos may impact gambling-related problems in local communities.

According to the exposure theory, the opening of a casino exposes local communities to gambling opportunities. As a result, people will be more likely to gamble and experience gambling problems. This can lead to negative socio-economic consequences. By contrast, the adaptation theory suggests that people adapt to the casino environment over time. Thus, the rates of gambling participation and gambling problems is expected to decline over time.

The focus of this study was on one urban casino, Resorts World New York City (RWNYC). The RWNYC is currently the only casino in New York City and stands alongside the Aqueduct Racetrack in Queens, as NYC's only racino. Racinos are typically characterized by the presence of a racetrack as well as casino games, but the absence of live dealers for table games such as roulette and blackjack. The researcher examined whether people who lived close to the racino had higher levels of poverty compared to those who lived further away. The researcher also looked at whether this potential difference changed over the five years since the racino opened in 2011.

What the researchers did

The researcher analyzed the following information in this study:

What you need to know

Urban casinos are casinos located in dense urban areas, such as major cities. Previous research suggests that urban casinos may impact problem gambling or gambling-related problems in local communities. The focus of this study was based on one urban casino (or 'racino' since the facility includes a racetrack), Resorts World New York City (RWNYC). This study examined the links between proximity to the racino and poverty levels in New York City over the five years since the racino opened in 2011.

The researcher examined Public Use Microdata Samples (PUMS) scores from 2012 to 2016. This dataset was collected by the American Community Survey (ACS). Average PUMS scores were used to determine poverty levels of local communities within a 50-mile radius of RWNYC. The researcher analyzed these scores based on proximity to the RWNYC. High proximity was defined as living within a 30-mile radius of the RWNYC. Low proximity was defined as living between 31 and 50 miles from the racino.

The researcher found that high racino proximity (i.e., closer distance to the racino) was associated with higher poverty levels compared to low racino proximity. But poverty levels based on racino proximity did not change across the five years since the racino opened. The researcher suggested that the results support the exposure theory, but not the adaptation theory.

- **Racino proximity** was divided into two categories. High racino proximity was defined as living within a 30-mile radius of the RWNYC. Low racino proximity was defined as living between 31 and 50 miles from the racino. A total of 507 zip codes within a 50-mile radius of the RWNYC were identified using Google Maps and the United States Zip Code Database. Of this number, 300 zip codes were at high racino proximity and 207 zip codes were at low racino proximity.
- **Poverty levels** were defined using the Public Use Microdata Samples (PUMS) scores from 2012 to 2016. These scores were based on data collected by the American Community Survey (ACS). This questionnaire collected data at the household-level. Average PUMS scores were used to measure levels of poverty.

What the researchers found

High racino proximity was associated with higher poverty levels compared to low racino proximity. This suggests that closer distances to an urban racino could have negative socio-economic outcomes. In turn, these outcomes could potentially lead to poverty.

But poverty levels based on racino proximity did not change across the five years since the RWNYC opened. The researcher suggested that the results support the exposure theory, but not the adaptation theory. Closer proximity to the racino, which means higher exposure to gambling, leads to higher poverty levels. This supports the exposure theory. But the lack of changes in poverty levels across the five years does not support the adaptation theory.

How you can use this research

This study contributes to current knowledge on the impact of proximity to urban racinos on local communities. The researcher suggested further investigations on pre-racino poverty levels and other socio-economic and demographic factors. This line of research can be useful for practitioners, legislators, and the casino industry.

About the researchers

Paulette J. O’Gilvie is affiliated with Capella University in Minneapolis, Minnesota, United States. For more information about this study, please contact Paulette J. O’Gilvie at pogilvie@capellauniversity.edu.

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