Don't Gamble with Aloha

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Hawaii. So why doesn’t Hawaii roll the dice? The state’s distinctive geographic advantages set it apart from other tourist destinations and make legalized gambling less attractive. However, the location alone does not keep gambling away. HCALG and key government officials play an important role in preventing legislation that legalizes gambling.

In 1931, Assembly Bill 98 legalized most forms of gambling in Nevada. Since then, the gambling industry has grown rapidly throughout the United States, and today, the US Casino gaming market is worth $76.79 billion. Casinos and other gambling establishments are generally located near tourist areas, hence gamblers’ push to build casinos in Hawaii and create a paradisiacal gaming center.

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Dianne Kay recently stamped the last of her Give Aloha campaign envelopes in a small office in downtown Honolulu. Surrounded by stacks of letters petitioning state representatives to support the anti-gambling effort, the eighty-six-year-old president of the Hawaii Coalition Against Legalized Gambling (HCALG), who has led the organization since 1999, wrapped up another campaign. The Hawaii Coalition Against Legalized Gambling is a grassroots organization that boasts the slogan “Don’t Gamble with Aloha.” The nonprofit has worked for years to oppose bills introduced to the legislature that might admit casinos, lotteries, or other forms of legalized gambling to Hawaii. Its mission is “to prevent the introduction of legalized gambling into Hawai’i and educate the public about the effects of legalized gambling.”

Hawaii and Utah are the only states in the USA without some form of legalized gambling. Utah’s religious population provides an explanation for its lack of slot machines, but Hawaii tells a different story. A top tourist destination, Hawaii is tempting to large, gambling-based corporations. Nevertheless, the state legislature has rejected every bill that proposes introducing gambling to Hawaii. So why doesn’t Hawaii roll the dice? The state’s distinctive geographic advantages set it apart from other tourist destinations and make legalized gambling less attractive. However, the location alone does not keep gambling away. HCALG and key government officials play an important role in preventing legislation that legalizes gambling.

Paradise

In 1931, Assembly Bill 98 legalized most forms of gambling in Nevada. Since then, the gambling industry has grown rapidly throughout the United States, and today, the US Casino gaming market is worth $76.79 billion. Casinos and other gambling establishments are generally located near tourist areas, hence gamblers’ push to build casinos in Hawaii and create a paradisiacal gaming center. Nevada’s gambling hub attracted approximately 39.01 million visitors in 2017—and Nevada doesn’t have white-sand beaches or waterfalls.
Some argue that gambling would boost Hawaii’s tourism rates and strengthen the state’s strongest industry. However, Hawaii’s booming tourism market is part of HCALG’s explanation for why gambling is a threat to Hawaii. Tom Kay—who is both Dianne’s husband and an influential HCALG member—highlighted the cannibalization that could occur within the tourism industry if it introduces gambling. He remarked, “Tourists come with a fixed number of dollars to spend... [Gambling] takes away tourist dollars otherwise spent for small businesses who really rely on [them].” Furthermore, Hawaii’s tourism industry is based on natural assets that have not exactly left the business crying for reform. In 2017, it set new record totals with $4.76 billion of visitor spending on Maui alone. The Department of Business, Economic Development & Tourism further projects that visitor arrivals are expected to increase 6.1 percent in 2018. Tom even referred to a pending capacity problem, referencing the dwindling number of empty hotel rooms. The significance of these statistics lies in the factors motivating more and more people to visit Hawaii. Tom explained, “Hawaii has remained a very special attraction unlike any other state in the US... When families are planning to have a nice vacation, if they come to Hawaii they come to the real beauty of paradise.” Tourists fly across the Pacific for the beaches and the palm trees. They can find casinos much closer to home.

**Culture**

Hawaii’s unique culture also fosters some opposition to legalized gambling. The phrase “don’t gamble with Aloha” represents an underlying social theme. Aloha is a culturally significant term for people of Hawaiian descent—many of whom resent recent development and commercial growth, which has destroyed various cultural landmarks on the islands. Social activists in Hawaii oppose the commercialism associated with gambling. Furthermore, US News and World Report states that Hawaiians’ friendliness is a draw for visitors. The islands have promoted a family-friendly image throughout their tourism industry. When announcing yearly growth rates, the president and CEO of Hawaii Tourism Authority proudly stated, “It’s especially heartening that tourism is supporting 204,000 jobs in Hawaii, knowing how the industry’s success helps families, businesses and communities statewide.” Note the emphasis on “families, businesses and communities.” Maybe for Hawaii, it’s not all about the revenue. Opponents of legalized gambling in Hawaii and throughout the United States are concerned not only with cash, but also with social costs.

It is key to address the socioeconomic influence that gambling has across communities. While the gambling can create rapid growth, it may be matched by an equally quick decline. Mesquite, Nevada, provides an example of volatility within the gambling industry. The small town near the Arizona border experienced rapid growth when its gambling industry took off in the 1990s. But when the recession hit, the industry crumbled. Black Gaming LLC, owner of a key Mesquite casino, filed for bankruptcy, and layoffs were severe. Clearly, Honolulu and Mesquite differ in size, industry breadth, and a number of additional factors; nevertheless, gambling could still lead to volatility or economic decline in Hawaii. Technological progress may also threaten organized casinos and group gambling. The online gambling industry is growing, and new legislation suggests that it will continue to expand. As gamblers shift their attention from computers to slot machines, the entire casino market may shift.

In terms of social costs, HCALG and anti-gambling activists argue that the external costs of legalized gambling outweigh the benefits. Crime is strongly correlated with gambling. In 2017, the Honolulu Police Department (HPD) cracked down on illegal game rooms because they led to other crimes. Major Larry Lawson of the HPD criminal investigation division wrote, “We know that game rooms are often the hubs of illegal activity...
such as drug dealing, robberies, assaults, and homicides have been associated with game rooms.” Hence gambling could take a toll on Hawaii’s strained police force. Casinos and gambling establishments also raise local levels of alcoholism, prostitution, and addictive behavior. Addicted gamblers are subject to compulsive casino visits, excessive participation in games, and other addictive behaviors associated with alcoholism and drug addiction. Moreover, gambling-related addictions often lead to bankruptcy, suicide, and family problems. According to the North American Foundation for Gambling Addiction Help, nearly ten million people in the United States have an addiction problem due to gambling. Beyond these ten million victims, we must consider the families, friends, and communities impacted by their behavior. For Hawaii, a state focused on strengthening communities, these statistics are foreboding.

These socioeconomic effects of gambling fall heavily on the poorer segments of the population. The phrase “a tax on the poor” is often used to describe gambling because gambling corporations usually target low-income households. Melissa Kearney of the Brookings Institution claims that “a number of studies have investigated the demographic predictors of lottery gambling and have tended to find that, on average, state lottery products are disproportionately consumed by the poor.” This applies to other forms of gambling as well. The “get rich quick” phenomenon is one that often fades with education and income. Fear of contributing to the unequal distribution of wealth also damages gambling’s appeal to residents of Hawaii.

Politics

While Hawaii’s unique environment is not particularly conducive to gambling, at the end of the day, the legislators vote. Thus, HCALG works to educate not only the local population but also the legislative body about the detrimental effects of legalized gambling. As a 501(c) (3) corporation, HCALG is not allowed to lobby. Tom explained that “HCALG is really set up to educate the people in Hawaii.” However, he remarked, “The legislators also need to be educated.” The organization invites experts to instruct the legislature about the economic implications of legalizing gambling. It also works with the community and has developed a fascinating list of sponsors, including the Advocates for Consumer Rights, the Buddhist Peace Fellowship, the Hawaii Bankers Association, and the Hawaii State Parent Teacher Student Association, and others. David Ige, governor of Hawaii, represents these local organizations well and has been a key player in the anti-gambling movement. Ige opposes all forms of legalized gambling and has spoken out to support HCALG’s cause. So far, the majority of legislators have shared Ige’s point of view and voted against gambling bills. However, HCALG projects that the younger generation of legislators may change the future of gambling in Hawaii.

Potential

As Hawaii looks forward, it must remember gambling’s growth pattern and the differing opinions of the younger generation. As previously mentioned, Diianne Kay is in her eighties. So is Tom. So are the HCALG secretaries and board members. Overall, about 80 percent of HCALG members are octogenarians. Regardless of the various explanations for the organization’s unique age dynamic, it provides a representative metaphor for the relationship between age and support for gambling. Tom and Dianne both claim that a generation gap divides gambling opinions. In their experience, younger members of the legislature are less supportive of the anti-gambling efforts and more likely to vote in favor of legalized gambling than are elderly legislators. Waiman Mok, an economist at Iowa State University, found that in general, younger people exhibit more gambling behavior—have higher participation scores—than older people do.

This supports Tom and Diianne’s assertion that younger generations are more supportive of gambling. It also leaves us wondering whether youth will age out of their gambling behavior or if the anti-gambling effort will lose momentum over time. Either way, the debate about legalized gambling will continue within the Hawaii State Legislature. HCALG is gearing up for a volatile year in 2019 in response to the Supreme Court ruling against the 1992 federal law which banned commercial sports betting. After examining the various arguments against legalized gambling in Hawaii, we can understand how the island state has stayed gambling free for so long: gambling does not support the “Spirit of Aloha.” The new question is, how long will HCALG and other longstanding political figures be able to hold their ground?