

THE ECONOMY AND PROBLEM GAMBLING

Legalized gambling has significant impacts on the economy.

- ◆ State revenues produced by state operated gambling (e.g., state lotteries), fees imposed from state licensing of gambling operators, and other taxes and fees generated by legalized gambling can contribute significantly to a state’s budget.¹ However, there is a downside. People of low socioeconomic status tend to spend proportionately more on gambling than people of higher socioeconomic status and are more likely to develop a gambling problem. This suggests that increasing gambling related revenues leads to increased socioeconomic inequality, as most of the negative impacts associated with gambling effect socioeconomically disadvantaged groups within the population.²



Expansion of gambling has been shown to lead to social costs (i.e., mental illness, crime, family/relationship, job loss, etc.), which consequently lead to economic cost (bankruptcy, treatment costs, criminal justice costs).³ The average social cost of one individual who has a gambling disorder has been estimated at \$9,393.⁴



Economic gains created by legalized gambling creates long-term fiscal challenges as gambling revenue growth slows or declines.⁴ Revenues from casinos do not have a significant impact on per capita government spending or revenues overall.⁵

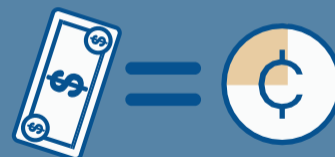


The positive impact of casinos on employment and earning is only short lived, with benefits appearing for only about 5 years and limited to hospitality and entertainment industries.⁵



In 2016, Oregonians lost approximately \$1.7 billion to legalized gambling. The state collected \$548.5 million in taxes and fees from major types of gambling in 2015.¹

For every dollar in state revenue generated from legalized gambling, about one-quarter of one cent is dedicated to problem gambling services.¹



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DESCREASED PRODUCTIVITY AND PROBLEM GAMBLING

- Some data suggests that up to 61% of individuals with problematic gambling have missed work in order to gamble.⁶ Other data suggests that approximately 40% of individuals engaged in problematic gambling reported that their job performance had been impacted by their gambling.⁷
- Within Australia, estimated productivity loss within the workplace due to gambling is estimated at over \$300 million.⁸
- Problem gambling may be related to absenteeism, impaired working relationships, termination of employment, increased unemployment benefit payments, and productivity losses.⁹
- Data suggests that half of individuals who engage in problematic gambling indicated difficulty with concentration due to gambling problems.⁹

Approximately 40% of individuals who gamble report that gambling has affected their job performance.⁹

HOUSELESSNESS AND PROBLEM GAMBLING

- One study found that 82% of individuals who were experiencing houselessness and problem gambling, stated that gambling preceded their houselessness.⁹
- Lifetime rates of subclinical problem (46.2 %) and disordered (12.0 %) gambling were significantly higher among individuals who were houseless and predominantly African American than in the general population.¹¹
- Past-year of houselessness increased the risk of a problem gambling diagnosis in a sample of treatment-seeking Veterans.¹²
- In Australia, estimated houselessness and housing expenditures related to problem gambling range from \$300,000 to \$2.3 million.¹⁰

Houselessness increases the risk of lifetime prevalence of problem gambling 12X compared to the general population.¹¹

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 9. Eby, L. T., Mitchell, M. E., Gray, C. J., Provolt, L., Lorys, A., Fortune, E., & Goodie, A. S. (2016). Gambling-related problems across life domains: an exploratory study of non-treatment-seeking weekly gamblers. *Community, Work & Family*, 19(5), 604–620. <https://doi.org/10.1080/13668803.2015.1112255>
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UNEMPLOYMENT AND PROBLEM GAMBLING



- Roughly 60% of individuals who have engaged in problematic gambling reported being out of paid work for at least 1 months' time.¹² Of these, roughly 30% received some sort of social benefits within the last year.¹³
- Historically, approximately 25-30% of individuals seeking treatment for Gamblers Anonymous lost their job due to gambling.¹⁴

HEALTHCARE COSTS AND PROBLEM GAMBLING

- Within Australia, estimated problem gambling-related costs to health and human service system were estimated somewhere between \$6 million to \$79 million in 2010-2011.¹⁰
- In the U.S., substance use disorders are about 3.8x more common than gambling disorders, while public funding for substance misuse treatment is about 334x greater than public funding for all problem gambling services (\$24.4 billion versus \$73.0 million, respectively).¹
- In 2012, the total expenditures in health care per patient with a diagnosis of problematic gambling, in the state of Massachusetts, was between \$9,500 - 14,500.¹⁵



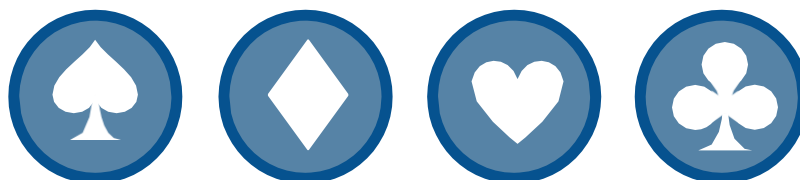
CRIMINAL JUSTICE COSTS AND PROBLEM GAMBLING

- Within the state of Oregon alone, problem gambling related costs to the criminal justice system is estimated at over \$10 million a year.¹⁶
- Within Australia, estimated problem gambling related costs to the criminal justice system (including police, courts, and correction systems) was estimated at \$26 million in 2010-2011.¹⁰

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PROBLEM GAMBLING AND THE ECONOMY: THE OTHER SIDE OF THE RESEARCH

- There is a multi-directional relationship between gambling and the economy. While problem gambling may be harmful to individuals and families involved, casinos and revenue from gambling may provide funding to state and local governments. Gambling revenue raised roughly \$27.7 billion dollars for state and local governments within the United States in 2015.¹⁷
- Some research shows the gambling does not impact government revenue and can even negatively impact state budgets.² However, other research shows that gambling has been associated with increased government revenue and overall economic growth¹⁸ through the taxation of gambling venues and operations, becoming involved in the provision of gambling and receiving revenue, or by government-controlled monopolies.¹⁹
- For local communities hosting casinos, gambling has been shown to increase personal income and decrease poverty rates, although this is at the cost of surrounding communities.²⁰



PROBLEM GAMBLING EXPANSION POLICY CONSIDERATIONS

Due to the known social-economic impacts of gambling and problem gambling, it is imperative responsible gambling measures are in place with each piece of gambling expansion legislation. Further, prior to expanding gambling, policy makers should advocate for studies on the impacts of gambling related proposals and make fully informed decisions.

- Understand both the economic gains, costs, and hidden costs associated with legalized gambling when making gambling related policy.
- Use caution when assessing risk and benefit of casinos or other forms of gambling in a community.

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Key Findings

- There are significant societal costs associated with legalized gambling, which lead to economic consequences.³
- Individuals who gamble problematically are likely to report that gambling has affected their job performance, whether through difficulty concentrating, absenteeism, and even termination.^{6,7,9}
- Problem gambling causes increased costs to both healthcare systems^{10,15} and criminal justice systems.^{10,16}
- Legalized gambling has financial, labor, and health impacts that have been observed at the individual, interpersonal, and society levels. For example, gamblers' increased debt and financial strain affect family members' lives, and the effects of escalating into bankruptcy and homelessness are also observed in the community. Additionally, these impacts can have long term effects and create a change in the life course of an individual, and even pass between generations.²¹

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