Putting Problem Gambling in Perspective

by Andrew Klebanow

The success of gaming development on Indian lands has allowed many tribes to explore the feasibility of replacing their aging, temporary buildings with new, amenity rich facilities. Despite the recession, tribes are moving forward with plans for future development. These developments, often in more accessible locations closer to population centers, often spark debate among various constituencies in the local community.

Any public debate on the pros and cons of casino development inevitably brings up the topic of problem gambling and its economic and social costs on the host community. Often these debates take place without a reasonable understanding of what problem gambling is, how prevalent it is and how significant the problem is when compared to other pathologies. These debates are frequently led by those who are morally opposed to casino gambling and it is that moral opposition that often clouds reasonable discussion. It is essential to clarify what problem gambling is, explore its prevalence in society, and compare its social and economic costs to other forms of aberrant behavior caused by what many see as more benign industries.

Definition of a Problem Gambler

So what is problem gambling and how prevalent is it? Clinically, the American Psychiatric Association in its Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) classifies pathological gambling as an impulse control disorder and describes ten criteria to guide diagnoses, ranging from "repeated unsuccessful efforts to control, cut back or stop gambling" to "committing illegal acts such as forgery, fraud, theft or embezzlement to finance gambling" (NGISC, p. 4-1-4-2).

In 1999, the United States National Gambling Impact Study Commission (NGISC) submitted its report to the U.S. Congress and President (National Gambling Impact Study Commission, June 1999). The NGISC Study reported on three studies completed in 1997 and 1998 that estimated the percentage of U.S. adults classified as pathological gamblers ranged from 1.2 to 1.6%. Despite the growth of gaming development since the NGISC report, the rate of problem gambling has remained fairly constant. In other words, even with greater access to gaming entertainment, the percent of adults who can be considered pathological gamblers has remained constant at about 1.4%.

The NGISC reported that pathological gambling often occurs in conjunction with other behavioral problems including substance abuse and personality disorders. The NGISC further noted that mood disorders such as depression, suicidal thoughts, and anti-social hyperactivity often co-exist with pathological gambling. These joint occurrences are referred to as "co-morbidity."

Co-morbidity presents a wealth of challenges to the medical researcher. How does one isolate the effects of pathological gambling on say, marital stability, from the effects of co-existing conditions like substance abuse? Is pathological gambling a bi-product of say, substance abuse? Is substance abuse a bi-product of problem gambling or is the combination of disorders caused by a more fundamental personality disorder? Is the severity of one disorder related to the other?

These issues illustrate the challenges that medical, social and economic researchers face when attempting to identify the social and economic costs of gaming and the effects that pathological gamblers have on their communities. It is simply not an easy task to quantify their effects.

Recognizing the possible social costs associated with problem gambling, the U.S. casino industry, comprised of Native American gaming enterprises, publicly owned companies and state-run lotteries, and led by the American Gaming Association (AGA), instituted a number of policies and programs designed to educate the casino employee population in identifying problem gaming behavior; inform the gaming public as to the signs of problem gambling and where to get help; and support treatment initiatives for problem gamblers. These initiatives came at a significant cost. Casinos, including Native American gaming enterprises, contribute portions of their gaming revenue to fund these programs and they have demonstrated an ongoing commitment to support these initiatives at their properties. One cannot walk through a casino anywhere in the United States without seeing brochures that spell out the signs of problem gambling or posters that advise where to call if one needs help. Casinos have also employed self-exclusion programs that allow patrons to ban themselves from casinos if they so desire.

In sum, it is generally agreed that about 1.4% of the adult population in the United States qualifies as problem gamblers and that a subset of that population incurs a cost that society must pay for. It is for these reasons that the gaming industry has and continues to support initiatives that educate and treat problem gambling. However, other industries have been far slower to embrace the costs that their products and services impose upon society yet, communities rarely raise a sign of protest against them.

Putting the Numbers in Perspective

In August of 2010 the U.S. Center for Disease Control issued a report stating that 27% of the U.S. population (72.5 million Americans) are now classified as obese. Unlike problem gambling, where the costs on society are hard to measure, obesity has some very real and significant costs. On average, an obese person incurs $1,400 more a year in medical costs than a person of normal weight. The U.S. Centers for Disease Control report estimates the costs to U.S. society at $147 billion a year. And unlike problem gambling, whose physical effects are for the most part, unknown, obesity is known to lead to heart disease, stroke, diabetes, cancer and premature death.

U.S. government policy and the food industry's response to this epidemic stand in stark contrast to the efforts of the gaming industry to police itself and government's role in public policy towards casino gambling. U.S. agricultural policy subsidizes the production of corn, soybean and other commodities that are the raw ingredients of many foods linked to obesity. Cattle and hogs are fed feed made from corn. High-fructose corn syrup is the primary sweetener in soft drinks and a myriad of other products are produced from raw agricultural ingredients whose production is subsidized by taxpayers. Agricultural subsidies have the net effect of reducing the costs of food production and allow food manufacturers, restaurant companies and fast food chains to increase portion size while reducing food costs. Any attempt to reduce these subsidies to U.S. farmers is summarily blocked by politicians from agriculture states and lobbyists who represent agricultural interests.

Recognizing the obesity epidemic, both the U.S. federal government and state governments have explored a number of initiatives to limit consumption, including instituting a tax on sugary soft drinks. Rather than address its role in combating the obesity epidemic, the soft drink industry has opposed any such measures at every level of government. The American Beverage Association, an industry lobbying group, characterized the tax as a "money grab" and has advocated that a tax on sugary soft drinks would affect low income consumers the most. So far, their efforts have succeeded in preventing governments from imposing such a tax.

The U.S. restaurant industry has likewise refused to take steps that might limit consumption. It has opposed posting calorie counts on menus or any other measure that might inform consumers of the hazards associated with their products. Rather, restaurant companies continue to develop recipes that encourage increased consumption of calories. They employ food chemists, test kitchens and market researchers to develop products that consumers want and crave, regardless what consumption of those products will have on their customers' health and society as a whole.

Restaurant companies and food manufacturers have essentially adopted strategies developed by the tobacco industry, which is to deny their responsibility to the epidemic and oppose policies that would limit or tax consumption. It is common knowledge now that for over a half century U.S. tobacco companies denied that their products were unhealthy and funded scientific studies to support their claims. Only in the face of overwhelming scientific evidence have tobacco companies modified those strategies. Nevertheless, tobacco companies continue to lobby against initiatives, such as bans on indoor smoking that would restrict exposure to second-hand smoke. Today roughly 20% of adults smoke and their costs, both social and economic, are a significant burden on society.

To put problem gambling in perspective, one must only look at three numbers: 1.4% (the percent of adults who are problem gamblers, 27% (the percent of adults who are obese) and 20% (the percent of adults who smoke). Problem gambling is real and the casino industry acknowledges it, but its impact on society and on the lives of Americans is relatively small when compared to obesity and tobacco use.

The American Gaming Association and Indian casino operators in particular should be commended for their roles in acknowledging that their products are not without risk and for funding initiatives to educate the public and its employees as to those risks, and for funding treatment programs. The food and tobacco industries would be wise to learn from the gaming industry on how to address the negative effects of their products. Likewise, those who are opposed to casino development should not use the fear of problem gambling on their community as a legitimate argument to oppose casino development. The numbers do not support it. ♣

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