

**VOICES OF PROBLEM GAMBLING  
RECOVERY, INC.**

Advocate      Educate      Promote Recovery

An Oregon Based 501 C-3

estab. 2007

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**HOUSE COMMITTEE ON BUSINESS and LABOR**

March 29, 2017

Testimony by:    Wes Wood

DIRECTOR

VOICES OF PROBLEM GAMBLING RECOVERY, INC.

**H.B. 2971**

Increases number of video lottery terminals on premises of race licensee.

- We OPPOSE any increase to a formula that increases numbers of machines by location or license.
- Oregon struggle with "casino row", has been historically a massive failure, and burden on the local communities.
- With over 80,000 citizens of Oregon in need of Problem Gambling Treatment Services, and knowing that location and availability are key to the on-going problem, it is irresponsible to promote this.
- Also, by approving it opens the door to expansion, in the future, to those who may create a similar eligibility.
- The collateral damage to communities and families is far more important than some "Casino" growth model.
- The burden of revenue growth, put onto the Oregon Lottery, should be closely observed and not simply put onto the backs of those most severely affected.

**H.B. 2549**

Authorizes Oregon Lottery to issue registrations to fantasy contest operators.

We OPPOSE as it represents a role to expand the Lottery into Fantasy sports.

Please refer to attached documents for impact of fantasy sports, in Oregon.



## Social Impacts of VLTs

### *Brief Review of Empirical Literature*

Researchers unanimously agree that the most significant negative impacts of gambling are those associated with problem gambling. Williams, Volberg, and Stevens defined problem gambling as “having difficulties limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community.”<sup>23 (n.8)</sup> Problem gamblers comprise a minority of gamblers that contributes a disproportionately high share of gross gambling expenditures.<sup>2, 4, 5, 6, 9, 11, 13, 15, 17, 19</sup>

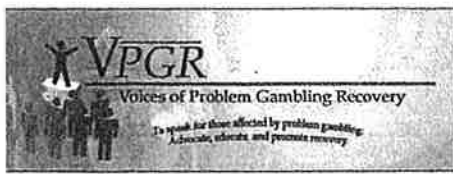
Increased rates of problem gambling can lead to higher rates of substance use, depression, insomnia, child abuse and neglect, domestic violence, vehicle accidents, divorce, and suicide.<sup>22</sup> In addition, people of low socioeconomic status tend to spend proportionately more on gambling than people of higher socioeconomic status, and are more likely to be problem gamblers. While individuals in these disadvantaged groups are more likely to suffer the consequences of problem gambling (e.g., financial distress, loss of employment, domestic disputes) regardless of their participation in gambling, the research indicates that gambling may exacerbate underlying issues and increase the likelihood of such consequences. This suggests that gambling may contribute to increased socioeconomic inequality, as the majority of negative impacts associated with gambling effect socioeconomically disadvantaged groups within the population.

#### **VLTs / EGMs are the Most Destructive Form of Gambling**

While there have been reports of persons becoming addicted to many different forms of gambling, there is a general finding within the body of research that video lottery terminal (VLT) gambling and other forms of electronic gambling machines (EGMs) tend to be more closely associated with problem gambling than any other form of gambling,<sup>1,6,9,11,18</sup> which is attributed in part to EGMs being a ‘continuous’ form of gambling, meaning that they allow particularly frequent cycles of play.<sup>9,23</sup> Specifically, EGMs tend to be the gambling activity with the highest expenditures by problem gamblers<sup>6</sup>, and the most preferred form of gambling reported by problem gamblers.<sup>3,9,11,18</sup> Of the 1530 problem gamblers who enrolled in Oregon’s gambling treatment system in 2009, 75% reported their primary place of gambling was at a Oregon State Lottery video retailer.<sup>24</sup>

#### **Ease of Access to EGMs is the Best Predictor of Gambling Related Social Harms**

Researchers have tentatively concluded that the probability of problem gambling tends to increase as distance to gambling venues decrease.<sup>2,6,11,16</sup> The vast majority of all gamblers live within easy driving distance of the venues they patronize.<sup>2,4,6,11,18,19</sup> Two studies found that of EGM users specifically, between 40% and 54% report that they live within 3.1 miles of their preferred EGM venue.<sup>6,11</sup> If most gamblers live within easy driving distance of gambling venues, it follows that the majority of problem gamblers probably also live within the same radius. In one study, 38% of probable problem gamblers who reported EGMs as their highest spending activity also reported that proximity was the primary factor influencing their choice of venue, and 26% reported “ease of access” as the top factor.<sup>6</sup> In terms of relative ease of access and the number of available EGMs in an area, some researchers have tentatively concluded that ease of access is a better predictor of related social harms than the density of EGMs in a particular area.<sup>11</sup> The most straightforward explanation for the relationship between convenience gambling and high rates of problem gambling prevalence is the availability of an attractive gambling opportunity can lead to gambling pathology in some people who would not otherwise develop it.<sup>21</sup>



Last Update: June 30, 2014

# Gambling and Problem Gambling in Oregon

## Fact Sheet

- **Oregonians have easier access to slot machine style gambling than almost any other U.S. state**
  - In 2012, legalized gambling in Oregon included 19,536 electronic gaming machines in 9 Indian casinos and over 2000 state lottery retailer locations.
  - Video lottery terminal (VLT) gambling and other forms of electronic gambling machines (EGMs) tend to be more closely associated with problem gambling than any other form of gambling.
- **Problem gambling impacts thousands of Oregonians**
  - An estimated 81,800 adult Oregonians have problems with gambling (2.7%: 1 in every 37 adults)<sup>1</sup>
  - Approximately 4,000 Oregonian adolescents report severe gambling-related difficulties<sup>2</sup>
  - Problem gambling impacts families, children, and communities
- **Untreated problem and pathological gamblers cost Oregon vital economic resources**
  - Higher rates of bankruptcy, divorce, other mental health and addictions problems and suicide
  - Higher frequency of civil and criminal judicial system involvement
  - Higher frequency of problems on the job and loss of productivity
- **Approximately 1,400 adult Oregonians receive Lottery funded treatment each year**<sup>3</sup>
  - Nearly 90% report a preference for gambling on machines (video poker, line games, slots)
  - Nearly three-quarters report Oregon Lottery retailers as their primary location (VLT Retailers)
  - The combined estimated gambling related debt of those entering treatment last year \$35 million.
  - With unstable funding and advertising, enrollments fell 42% below the projected utilization.
- **Treatment is effective and inexpensive**
  - 85% of treatment enrollees report improvement at 12-month post-treatment follow-up
    - 74% report no gambling 12 months following treatment
  - Average treatment cost per successful completion case is only \$2,379
- **Awareness, Prevention and “Play Responsibly” are working**
  - Youth gambling participation rates have dropped
  - The prevalence of problem and pathological gambling has not significantly increased between the last two prevalence studies (2001 & 2006) even though gaming expenditures had increased.
- **Oregon has a duty-of-care to its citizens to provide protections from state-operated gambling**
  - ORS 461.549; 409.435; 409.430 established Problem Gambling Treatment and Prevention Services funded by not less than 1% of Lottery net proceeds (1992).

<sup>1</sup> Based on a 2012 U.S. Census Bureau estimate of 3,029,797 persons age 18 and over and findings from the most recent Oregon problem gambling prevalence study (2005).

<sup>2</sup> Based on 1998 Oregon adolescent gambling prevalence study. <http://www.oregoncpg.com/wp-content/uploads/2009/04/OGATF-adolescent-gambling-final-report.pdf>

<sup>3</sup> Based on 2013 OHA problem gambling program report. <http://www.oregon.gov/oha/amh/gambling/2014-0122-oha-pgs-annual-report-2013.pdf>

# PROBLEM GAMBLING

## TRENDS & ISSUES IN 2016

### NEW CONCERNS IN 2016: KIDS, ONLINE GAMBLING & FANTASY SPORTS

#### ANY AGE



Most unregulated fantasy sports and online gambling sites don't have strict age verification. Kids are being marketed to as young as 6 years old [1]. There are higher rates of problem gambling among adolescents who gamble on the internet [2].

#### EASY ACCESS



Most unregulated fantasy sports and online gambling sites are readily available to most teens via smartphones and tablets. Prepaid debit cards are often used to make transactions.

#### OFTEN ALONE



Online gambling and fantasy sports tend to be done alone, and it is easier to hide the behavior from family and friends.

Daily fantasy sports sites are considered gambling, and therefore are currently illegal, in 11 states [3].

### MANY EFFECTS, MANY CONNECTIONS

Bankruptcy

Legal problems

Job problems

Crimes

Suicidal ideation

Relationship problems

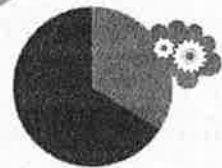


0 10 20 30 40 50 60

Common consequences of gambling problems, reported by Oregonians in gambling treatment [4].

#### SUBSTANCE ABUSE

More than 1 in 3 gamblers (36%) in treatment have been in alcohol and/or substance abuse treatment [5].

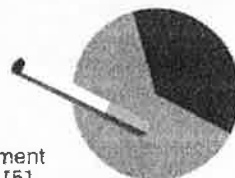


#### MENTAL HEALTH ISSUES

One in 3 (34%) have had treatment for other mental health issues [5].

#### TOBACCO USE

6 in 10 (63%) of gamblers in treatment also use tobacco [5].



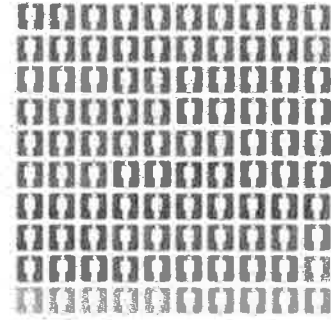
Addictions & mental health issues often go hand in hand. Problem gambling is one of those issues!

## SIGNS OF A PROBLEM



## MOST PROBLEM GAMBLERS PREFER VIDEO FORMS OF GAMBLING

For 73 of every 100 problem gamblers, video poker / video line games are the games of choice [5].



■ Video Poker ■ Video Line Games ■ Slots ■ Cards ■ Other

## A COMMON PROBLEM, BUT MORE PEOPLE NEED HELP



1 in every 37 Oregonian adults (2.6%), has a gambling problem [4].

### OVER 83,000 OREGONIAN ADULTS HAVE GAMBLING PROBLEMS, BUT ONLY A SMALL PERCENTAGE GET HELP.

In 2015, 1,182 problem gamblers and 150 family members received free problem gambling treatment in Oregon [5]. That's only a little over 1% of those who need help. We want more people to know that help is available, and that they don't have to do it alone!

## TREATMENT & PREVENTION WORK!

### TREATMENT IS SUCCESSFUL AND PEOPLE RECOMMEND IT.



64% reported no gambling 6 months after completing treatment [4].



95% would recommend Oregon gambling treatment programs to others [4].

### PREVENTION EFFORTS ACROSS OREGON HAVE:



- ✓ Raised awareness that problem gambling is a public health concern.
- ✓ Raised awareness about the growth of different types of gambling.
- ✓ Made big changes to bring problem gambling into other existing health efforts.

73% of Oregonians believe that gambling problems are preventable with education & awareness [5].

Know someone with a problem? Have the conversation.

**1-877-MY-LIMIT**  
(1-877-695-4648)\*



Infographic developed by PreventionLane at Lane County Public Health, [www.preventionlane.org](http://www.preventionlane.org), funded by Oregon Problem Gambling Services, [www.oregonpgs.org](http://www.oregonpgs.org)



PROBLEM GAMBLING AWARENESS MONTH  
→ HAVE THE CONVERSATION  
#HAVETHECONVO

preventionlane  
[www.preventionlane.org](http://www.preventionlane.org)



2/2016

24/7 helpline. Help is free, confidential, and it works!

\*OUTSIDE OREGON? CALL 1-800-522-4700

SOURCES [1] National Council on Problem Gambling, February 24, 2016. <http://www.ncpgambling.org/wp-content/uploads/2016/02/Press-release-re-NFL-letter-2-22-16-FINAL.pdf> [2] Derevensky J, Gupta R. Internet gambling amongst adolescents: A growing concern. *International Journal of Mental Health and Addiction*. 2007;5:93-101. [3] Breslow, J.M., Cherrag, L., & Nolan, D. (2016, Feb. 8). Is it gambling? How states view fantasy sports. *PBS FRONTLINE*. Retrieved from: <http://www.pbs.org/wgbh/frontline/article/is-it-gambling-how-states-view-fantasy-sports> [4] Moore, T. (2016, February 16). Preliminary findings of the 2015 Oregon adult gambling prevalence study. Retrieved from <http://www.oregonpgs.org/workforce-development/> [5] Moore, T. (2014). Oregon gambling treatment programs evaluation update 2014. Salem, OR: Oregon Health Authority, Addictions and Mental Health Division, Problem Gambling Services. Retrieved from [http://www.oregon.gov/chs/amh/gambling/2014\\_PGS\\_Program\\_Evsi\\_Report.pdf](http://www.oregon.gov/chs/amh/gambling/2014_PGS_Program_Evsi_Report.pdf)