

Legalized Sports Betting on College Games: Concerns and Harm Mitigation Measures

White Paper Produced for Voices of Problem Gambling Recovery, Inc.

Jeffrey Marotta, Ph.D., ICGC-II & Paige Reohr, M.S.

Introduction

Since the 2018 Supreme Court decision to legalize sports gambling, state-level legislatures have approached whether to open doors to sports betting at the college level. As of the writing of this paper, 11 U.S. states have authorized some form of legal college game sports betting; many others have failed to approve similar legislative bills.

Criticism proposed against legalizing collegiate-level sports gambling include increased performance pressures on student athletes from wider communities, added responsibilities to athletic departments to oversee gambling activities, and susceptibility to corruptive behavior (e.g., point shaving, leaking insider information) among student athletes (Ifrah et al., 2020; Maykuth, 2018).

On the contrary, President and CEO of the American Gaming Association (2020) has argued that the vulnerability of unpaid, amateur, collegiate athletes is reason for regulated gambling that can be overseen to avoid student athletes being taken advantage of.

To date, there is a paucity of empirical literature investigating public health outcomes precisely related to legalized betting on college sports. As such, this White Paper encompasses research and scholarly work more broadly related to the topic along with a review of harm mitigation approaches adopted by various jurisdictions and offered by academic scholars. Information provided can be used to help make informed policy on the legalization of sports betting on college games.

KEY POINTS

There are several risks associated with legalizing sports betting on college games:

- Increased risk of developing a gambling problem among young people, particularly males, and those who hold marginalized identities.
- Student athletes may be at increased risk for stress, NCAA rule violations, and related problems.
- Increased risk of harm to college sport integrity.
- Revenues from state sponsored gambling are disproportionately borne by marginalized and disadvantaged population sectors, furthering social and health disparities within our communities.

Any legislation that allows legalized sports betting on college games should include measures to mitigate unwanted consequences.

Online sports betting

Participation in online sports betting has been increasing over the last decade and even more so during the COVID-19 pandemic era (Benson et al., 2021). The increase in online sports betting participation is matched by growth in gambling advertisements during sporting events and through various forms of media, as well as growth in the sports gambling business industry (Benson et al., 2021).

Legislation that allows online college sports game wagering will likely have the effect of increasing the number of persons within the community who gamble online. The higher prevalence of online gambling is a concern as numerous studies have reported higher rates of at-risk, problem, and disordered gambling among individuals who gamble online compared to those who utilize land-based gambling activities (Allami, et al., 2021). For example, in a survey of 12,521 individuals who gambled, those who reported internet gambling (15% of the total sample) were 2.24 times more likely to engage in problem gambling (Wood & Williams, 2011). Additionally, they were 3.2 times more likely to fall into a moderate-risk category of gambling severity, compared with those who gambled but did not participate in internet gambling (Wood & Williams, 2011). Further, research conducted in Oregon found that among individuals who reported increasing online gambling during the COVID-19 pandemic screened positive on a problem gambling assessment at very high rates (Marotta et al., 2021).

Problem gambling risk among young people

As the sports betting industry grows, economic benefit will not be without social cost. Gambling literature has indicated that young men are the target audience for sports betting operators (Deans et al., 2016) and the content of advertisements often aligns with the common characteristics of online sports bettors, which is typically young, male, tech-savvy, and professional (Hing et al., 2016). Particularly at risk are young adults (approximately 21-39 years of age), who have been observed to be particularly at risk for developing problem gambling behaviors (Marotta et al., 2021).

Identified risk factors to developing problem gambling include young people, particularly males, and those who hold marginalized identities, such as low-income, Indigenous and certain historically marginalized racial groups, having low educational attainment, being unemployed, and residing in deprived neighborhoods (Abbott, 2017). A recent Oregon general population study observed young adults and Hispanic-identifying individuals to be particularly at risk for developing or exacerbating existing problem gambling behavior (Marotta et al, 2021). Male young adults may be at an increased risk as a result of being more involved and placing more bets compared to female counterparts (Seal et al., 2022). The legalization of distributing prizes based on the outcome of collegiate sporting events will inevitably lead to increased problematic gambling behavior among young people.

Student athlete well-being

There is a great deal of literature highlighting the prevalence of stress in athletics. Moreover, studies have suggested that college athletes who experience high levels of stress are more likely to practice bad health habits and to experience psychological problems (Pritchard & Wilson, 2005). Legalizing college sports betting has the potential to place additional environmental stressors on student athletes. Research suggests that, generally, student-athletes have a higher rate of gambling related problems compared to non-athletes (Nowak, 2018). Legalized betting on college sporting events may exacerbate this problem. In addition, NCAA studies noted that anywhere from 1 in 83 (1.2%) to 1 in 42 (2.4%) student-athletes were approached to fix and or throw sporting events (Tucker, 2019). Pressure by friends, roommates, teaching assistants, and others to fix a match or provide inside information has the potential to provide another source of stress for student athletes.

Integrity of amateur competition

College athletes are disproportionately the perpetrators of American match-fixing schemes and using Hill's qualitative indicator for predicting Match-Corruption this is expected to continue (Hill et al., 2020). According to Hill's research, the "NCAA Tier-1 sports are most at risk from corruption by players. The factors of corruption between NCAA Tier-1 Football and NBA Basketball is a factor of almost one-thousand times higher than the other leagues mentioned (p. 8)." Harris & Holder (2021) detailed several observable trends that may indicate why college athletes appear more susceptible; (1) college athletes are unpaid, frequently in need of money, and therefore susceptible to economic inducements to alter their performance; (2) college athletes are like other students and must attend classes and interact with non-athletes frequently. This may make athletes more vulnerable to match-fixers' advances. In contrast to many professional athletes, who are often isolated from the general public; (3) as most students who play college sports will never play professionally, a match-fixer may be able to induce a college athlete to fix a game as the gains may be viewed as greater than the risk; and (4) a number of athletes who historically engaged in point-shaving schemes were indebted to bookmakers themselves, and were incentivized to not come forward for fear that they may lose the ability to ever play their sport again and risk losing their scholarships. The president and CEO of the NCAA Division I Athletic Directors Association, Tom McMillen, declared: "I'll give you something that I'll put 100% odds on. If gambling on colleges is in 20 or 30 states, there is probably a 100% chance of a point shaving scandal at some school" (Berkowitz & Brady, 2018).

Further, the NCAA (2017) concluded from their investigation into student-athlete gambling behaviors that "there are contest fairness concerns around sports wagering technological enhancements". The report explained; "We continue to have concerns that wagering enhancements such as live in-game betting could present increased opportunities to profit from "spot fixing" a contest (just a single mid-game event or portion of a contest needing to be fixed for a bet to pay off) as has been uncovered recently in a number of international sports leagues. Spot fixing is generally seen as easier to undertake and harder to detect than manipulating a final contest outcome . . . An additional technological concern is the proliferation of websites that offer betting lines on NCAA sports . . ." (p.3).

Exacerbation of social inequality

Gambling expenditure tends to increase with income, but people with lower incomes spend relatively larger proportion of their total budget on gambling (Roukka & Salonen, 2020). Even when revenues from legalized college sports betting are used for a common good, profits are disproportionately borne by marginalized and disadvantaged population sectors and magnifies social and health disparities (Sharman & Butler, 2019). In a paper titled, “Black Youths Lost, White Fortunes Found: Sports Betting and the Commodification and Criminalization of Black Collegiate Athletes”, the authors point out there are disproportionate numbers of Black student athletes, many from disadvantaged backgrounds, within college football and basketball leagues; given the current exploitation of college athletes where college sports is big business yet player are not compensated, some athletes will make a rational choice to participate in under-the-table fixing of games and when they are found out they will be prosecuted and outcast by society (Vandall & Lanier, 2021). Recent legislation in Oregon proposed revenue from legalized college sports betting be used to fund opportunity scholarships, presumably to address some of the social inequality in our society. Paradoxically, if the legislation passed, the net impact could have led to a worsening of social inequality by furthering economic disparity between different groups and contributing to disproportionately high rates of African American involvement in the criminal justice system.

U.S. STATE LEGISLATION ON COLLEGIATE SPORT BETTING & HARM MITIGATION MEASURES

Oregon is not alone in pursuing regulations permitting collegiate sport betting; however, Oregon is the only U.S. state that currently offers legal sports betting while placing full restrictions on collegiate sports betting through the state-run lottery (AGA, 2021). Among several of the states that passed legislation legalizing college sports betting, measures have been set in place to mitigate potential harms created by the legislation. Interestingly, these measures vary from state to state and address differing concerns (see Table 1.)

Table 1. Collegiate sport betting restrictions among states with legal NCAA sports betting

Betting Restrictions	States	Harm Mitigation
In-state/district collegiate teams	Delaware, Washington D.C., Illinois, New Hampshire, New Jersey, New York, Rhode Island	Individuals residing in these states are prohibited from placing bets on the outcome of collegiate games or player performances for teams originating in the respective state
Player prop bets	Indiana, Pennsylvania, Tennessee, Illinois, New York	Individuals residing in these states may place bets on variables related to collegiate game outcomes, but are prohibited from placing bets on individual player performances

Mobile wagering	Illinois	Individuals residing in Illinois may not place bets on mobile applications for in-state college teams but are allowed to use mobile forms of wagering for other college games.
In-game betting	Illinois	Illinois legislation allows college sports betting however, betting on in-game action prohibited.
Institutional restrictions	Purdue University, Villanova University, St. Joseph's University	The policy bans faculty, staff and students across the university system from gambling on sporting events involving any in-institution teams, coaches or student-athletes. Similarly, faculty, staff and students may not knowingly disclose nonpublic information regarding its athletic teams or student-athletes for the purpose of influencing wagering activities.

Adapted from AGA (2021)

ADVERTISING POLICIES FOR HARM MITIGATION

With jurisdictions where online sports gambling has been available for several years, researchers have described gambling advertisements as “unremittent and help structure an environment in which gambling is increasingly normalized” (Banks & Waters, 2021). In a meta-analysis review of research on the effects of gambling advertising, the study author’s concluded; “The past two decades of research suggests that the gambling industries investment in advertising is effective. The more people are exposed to gambling advertising, the more likely they are to become gamblers and problem gamblers. In the absence of effective government regulation, gambling advertising is likely to increase and be more influential, and lead to greater societal harm.” (p.13) (Bouguettaya et.al., 2020). Furthermore, research has found increased regulation of gambling advertising has been associated with lower problem gambling rates (Planzer et al., 2014).

Internationally and domestically, regulators and industry groups have issued advertisement policies to mitigate harm related to the increase in gambling accessibility. In the U.K., for example, following political pressure over the excessive amount of betting advertising on TV, the Remote Gambling Association (RGA) voluntarily put a stop to advertising during live sports broadcasts (Conway, 2018). In Australia, restrictions have been placed on the promotion of live odds during broadcast of sports events and limitations have been imposed on discussing live odds during commentary (Ad Standards, n.d.).

In the U.S., some states have placed bans on gambling company sponsorship of teams and players including a ban on gambling company logo placement on team uniforms, paraphernalia, and merchandize. Both New Jersey and Pennsylvania implemented comprehensive bans on athletes receiving any compensation from the gambling industry.

Researchers into the impacts of gambling advertisement have called for addition actions including create new social media–specific regulations, revise regulation on content appealing to children, use technology to block users under 18 years from seeing online gambling ads, require ad labeling of gambling tweets, and deploy better enforcement (Rossi et.al., 2021). Others have called for an outright ban on gambling adverting following their review of potential harms combined with government’s responsibility to protect public health (Svensson, 2019).

SUMMARY & RECOMMENDATIONS

With the growing legalization and social acceptance of sports betting combined with the popularity of college sporting events, legislation and other policy acts proposing the legalization of college sports betting is expected to continue. Supporters of legalizing college sports betting will argue the merits of added revenues and the opportunity to give people the ability to legally participate in college sports wagering without the added burden of traveling out of state, or to a casino, or betting in unregulated black markets. However, the legalization of college sports betting also presents tremendous risk. The question of whether the benefits outweigh the risks is open to debate. If political winds favored legalization, it is imperative that the enabling legislation lay the groundwork for proper implementation designed around consumer protection and in support of public health, much in the same way Oregon approached the legalization of recreational marijuana use though regulation, research, and attention to detail. Based on our review of the evidence and harm mitigation policies elsewhere, we offer the following recommendations for policy and practice:

Policy

1. **Regulatory control.** The regulation of sports betting is a complicated topic that needs deliberate consideration and study. Before embarking into sports betting or expanding existing sports betting operations, it is critical to first determine if the regulatory body over sports betting is up to the task and fits the state’s needs. The costs associated with sports betting gone wrong could be meaningful for states that fail to properly implement safeguards and a system to police the operators to ensure regulations are being fully implemented. A state such as Oregon, that uses a single-operator lottery model needs to consider the risks, shortfalls, and challenges associated with the lottery model of regulation, consider alternative models, and engage all three levels of government—state, tribal, and federal—in discussing and evaluating the most appropriate regulatory system, processes, and policies to govern sports betting.
2. **Designated funding for problem gambling services.** A portion of the revenues should be set aside to reduce harms related to the legalization of college sports wagering, to fund

prevention, treatment, and research. For example, when Tennessee authorized sport betting in 2019, five percent of the sports betting handle was designated to go programs for problem gambling treatment service (Tenn. Code § 4-51-319). In Oregon, legislation provides 1% of Lottery revenues are directed towards problem gambling services, however, the resulting funds are insufficient to meet needs. For example, in SFY2021, problem gambling services did not have a budget sufficient enough to support a research program resulting in \$0 invested in this area of critical need.

3. **Advertising restrictions.** If collegiate betting become a legal form of gambling in Oregon, legislation should include advertising restrictions including a ban on gambling commercials during live sports broadcasts; A ban on gambling company sponsorship of teams and players including a ban on gambling company logo placement on team uniforms, paraphernalia, and merchandize; Restrictions on the promotion of live odds during broadcast of sports events and imposing limitations on discussing live odds during commentary; and, in accordance with the American Gaming Association (n.d.), sports wagering should not be marketed on college or university campuses, including campus news assets. Further, a regulatory framework needs to include social media–specific regulations including requiring ad labeling of gambling tweets, regulation on content appealing to children, use of technology to block users under 18 years from seeing web-based gambling ads, and enforcement provisions with adequate resources.
4. **Consumer protection.** Sports betting regulation and policy must require operators to minimally follow the most up to date NCPG Internet Responsible Gaming Standards and continually develop responsible gambling practices and tools to improve consumer protection. Further, an external audit of responsible gambling practices is recommended to take place on a regular basis to assess the operator’s fidelity to their responsible gambling plan and provide improvement recommendations.

Practice

5. **Education.** If collegiate betting become a legal form of gambling in Oregon, athletic departments should strongly consider ongoing education for student athletes and department staff on gambling rules. Further, universities and colleges should strongly consider extending education to campus communities, paying special attention to problem gambling warning signs.
6. **Problem gambling prevention.** Notably, male students, athletes, sports fans, and students attending colleges and universities with a greater level of sports interest are more likely to wager on collegiate sports (Nelson et al., 2013). Additionally, college students are more likely to engage in problem gambling behaviors if their family and peers are encouraging of gambling behaviors (Wang et al., 2021). Problem gambling prevention should be funded with sports betting revenues and prevention professionals should be enlisted to address problem gambling and take risk factors into account when designing prevention efforts.

-
7. **Research.** Concerns raised, and arguments for, the increasing of access to collegiate sports betting are valid, however, much more empirical research is needed to better understand the risk/benefit ratio of legalizing college sports betting and determine what harm mitigation efforts are most effective for which groups. To ensure student athlete wellness, we recommend directing funds toward research on the outcomes of policy decisions. Frey (1984) surveyed college coaches and athletic directors finding perceptions that the legalization of sports betting would negatively impact college sports. As a starting point for new research on college sports betting in Oregon, researchers might consider expanding upon this study and surveying college sport stakeholders regarding their perceptions of college sport betting to elevate perspectives of some of those most directly impacted by this decision.

REFERENCES

- Abbott, M. (2017, June 26-28). The epidemiology and impact of gambling disorder and other gambling-related harm [Discussion paper]. *World Health Organization Forum on Alcohol, Drugs and Addictive Behaviours*. <https://www.who.int/docs/default-source/substance-use/the-epidemiology-and-impact-of-gambling-disorder-and-other-gambling-relate-harm.pdf>
- Ad Standards. (n.d.). *Gambling advertising*. Retrieved on March 12, 2022 from <https://adstandards.com.au/issues/gambling-advertising>
- Allami, Y., Hodgins, D. C., Young, M., Brunelle, N., Currie, S., Dufour, M., Flores-Pajot, M. C., & Nadeau, L. (2021). A meta-analysis of problem gambling risk factors in the gender adult population. *Addiction*, 116(11), 2968-2977.
- American Gaming Association. (2021, March 14). 47 million Americans to wager on March Madness as legal sports betting booms. [Press release]. <https://www.americangaming.org/new/47-million-americans-to-wager-on-march-madness-as-legal-sports-betting-booms/>
- American Gaming Association. (n.d.). *Responsible marketing code for sports wagering*. <https://www.americangaming.org/wp-content/uploads/2020/09/AGA-Responsible-SB-Marketing-Code.pdf>
- American Gaming Association. (2020). Testimony of William C. Miller, Jr. President and CEO American Gaming Association (AGA): Before the Senate Judiciary Committee: "Protecting the integrity of college athletics". <https://www.americangaming.org/wp-content/uploads/2020/07/Bill-Miller-Written-Testimony.pdf>
- Banks, J., & Waters, J. (2021). The Gambling Act 2005 and the (de) regulation of commercial gambling in Britain: A state-corporate harm. *Sociological Research Online*.
- Bouguettaya, A., Lynott, D., Carter, A., Zerhouni, O., Meyer, S., Ladegaard, I., ... & O'Brien, K. S. (2020). The relationship between gambling advertising and gambling attitudes, intentions and behaviours: a critical and meta-analytic review. *Current Opinion in Behavioral Sciences*, 31, 89-101.

-
- Benson, G. N. U., Munayi, S., & Wanjira, J. (2021). Investigating the effects of online sports betting on the perceived social wellbeing of student athletes. *International Journal of Business Ecosystem & Strategy*, 3(2), 62-72.
- Steve Berkowitz & Erik Brady, Legalized Sports Betting Will Wreak Havoc on College Athletics. Or Not., *USA TODAY* (May 31, 2018, 4:28 PM), <https://www.usatoday.com/story/sports/college/2018/05/31/sports-bettingcollege-athletics-world-concerned-supreme-court-ruling/645367002/>
- Conway, R. (2018, December 6). Gambling firms agree 'whistle-to-whistle' television sport advertising ban. *BBC Sport*. <https://www.bbc.com/sport/46453954>
- Frey, J. (1984). Gambling and college sports: Views of coaches and athletic directors. *Sociology of Sport Journal*, 1, 36-45.
- Harris, B., & Holden, J. T. (2021). Reshaping College Athlete Sports Betting Education. *Brigham Young University Law Review*, Forthcoming.
- Hill, D., Rasmussen, C., Vittorio, M., & Myers, D. (2020). Red-flagging the leagues: the US Sports most in danger from match-fixing. *Sport in Society*, 23(11), 1774-1792.
- Ifrah, J., Lyke, H., Williams, J., Walsh, D., & Stern, S. (2020, October 27). *A whole new ballgame: Implications of legalized sports betting for college athletics* [Webinar]. LEAD1 Association. <https://lead1association.com/a-whole-new-ballgame-implications-of-legalized-sports-betting-for-college-athletics/>
- Marotta, J., Yamagata, G., Irrgang, M., & Reohr, P. (2021). *COVID-19 Impact Survey of Adult Oregonians Gambling, Gaming, Alcohol, and Cannabis Use*. Salem, OR: Oregon Health Authority.
- Maykuth, A. (2014, September 14). What are the odds? Colleges fear sports betting with lead to cheating. *The Philadelphia Inquirer*. <https://www.inquirer.com/philly/business/college-sports-betting-ncaa-laws-pennsylvania-new-jersey-20180914.html>
- National Collegiate Athletic Association. (2017). *Trends in NCAA student-athlete gambling behaviors and attitudes: Executive summary November 2017*. Indianapolis, IN: Author. Retrieved from: <http://www.ncaa.org/about/resources/research/trends-ncaa-student-athlete-gambling-behaviors-and-attitudes>
- Nelson, T. F., LaBrie, R. A., LaPlante, D. A., Stanton, M., Shaffer, H. J., & Wechsler, H. (2013). Sports betting and other gambling in athletes, fans, and other college students. *Epidemiology*, 78(4), 271-283.
- Nowak Jr, D. E. (2018). Gambling disorder in the college student-athlete population: An overview. *Journal of Gambling Issues*, 39.
- Planzer, S., Gray, H. M., & Shaffer, H. J. (2014). Associations between national gambling policies and disordered gambling prevalence rates within Europe. *International Journal of Law and Psychiatry*, 37, 217–229. <https://doi.org/10.1016/j.ijlp.2013.11.002>
- Pritchard, M. & Wilson, G. (2005). Comparing sources of stress in college student athletes and non-athletes. *Athletic Insight. The Online Journal of Sports Psychology*, 5(1), 1-8.
-

-
- Rossi, R., Nairn, A., Smith, J., & Inskip, C. (2021). "Get a£ 10 Free Bet Every Week!"—Gambling Advertising on Twitter: Volume, Content, Followers, Engagement, and Regulatory Compliance. *Journal of Public Policy & Marketing*, 40(4), 487-504.
- Roukka, T. & Salonen, A. H. (2020). The winners and the losers: Tax incidence of gambling in Finland. *Journal of Gambling Studies*, 36, 1183-1204.
- Seal, E., Cardak, B. A., Nicholson, M., Donaldson, A., O'Halloran, P., Randle, E., Staley, K. (2022). The gambling behaviour and attitudes to sports betting of sports fans. *Journal of Gambling Studies*, <https://doi.org/10.1007/s10899-021-10101-7>
- Sharman, S., & Butler, K. (2019). Psychosocial risk factors in disordered gambling: A descriptive systematic overview of vulnerable populations. *Addictive Behaviors*, 99, 106071.
- Svensson, L. (2019). *Banning Gambling Advertising in Sweden: An Argument in Favor of Coercive Paternalistic Action*.
- Tucker, R.(2019, June 1). Every sport you love could be fixed. *New York Post*.
<https://nypost.com/2019/06/01/every-sport-you-love-could-be-fixed/>
- Vandall, F. J. & Lanier, T. (2021). Black youths lost, white fortunes found: Sports betting and the commodification and criminalization of black collegiate athletes. *University of Illinois Law Review*, 5, 1821-1844.
- Wang, X., Won, D., & Jeon, H. S. (2021). Predictors of sports gambling among college students: The role of the theory of planned behavior and problem gambling severity. *International Journal of Environmental Research and Public Health*, 18, 1803.
- Wood, R., & Williams, R. (2011). A comparative profile of the Internet gambler: Demographic characteristics, game play patterns, and problem gambling status. *New Media & Society*, 13,1123-1141