

# Findings

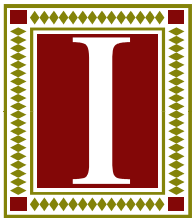


Dedicated to the  
Preservation of the Family.

## Gambling Addiction

### *High Stakes, High Costs and Real Victims*

By Stephen Daniels



Imagine what it would be like to get up every morning and head down to the local gas station, not to fill up the tank with gas but to feed hundreds of dollars into a video poker machine.

According to *The Charlotte Observer*, that's how one man from Gaffney, South Carolina, spent his days for years—allegedly losing \$2,000 each sitting on some occasions while playing the fast-paced game. When he ran out of money, he'd go to the ATM machine or write checks for more cash just to keep playing. The man claimed in court that he lost \$70,000 playing video poker from 1991 to 1993. He lost so much money, including his retirement and savings, that in 1995 his wife filed suit against the owner of the store, the machine owner and the video poker distributor, although the case was thrown out of court on a technicality.<sup>1</sup>

Stories like this one have become alarmingly common these days. Newspapers are filled with often tragic accounts of people who lose it all for the thrill of just one more bet. They are known as compulsive gamblers, and they lie, cheat, steal, write bad checks, skip work—whatever it takes to feed their growing desire to gamble. Some also abuse their wives and neglect their children. Most end up financially ruined, owing thousands of dollars to credit card companies and banks. Others embezzle funds from their co-workers, friends or employers. In desperation, drained of money and of hope, many commit suicide. Some even turn to murder. The majority of gambling addicts often do not realize they have a serious problem until it is too late.

Beyond the glitz and glamor of the casino floors, the flashing lights of video poker machines, and the thrill that comes

from purchasing a lottery ticket, lies the darker reality faced by many who gamble. Gambling addiction is destructive not only to the gamblers themselves but also to those who love them.

With this in mind, it is helpful to examine what the effects of gambling addiction are and how the problem has been measured. Until recently, research into gambling addiction and its effects has been sparse. Now, thanks to more recent efforts to synthesize and analyze gambling addiction data, a clearer picture is emerging.

In order to achieve an understanding of the far-reaching effects of this addiction and why policy makers should consider limiting the further expansion of gambling, it is important to examine the prevalence of gambling activities, the forms of compulsive gambling, and the social costs of gambling addiction on the family and society.

### **Prevalence of Gambling Behavior**

Two national surveys of gambling behavior among Americans have been conducted over the last several decades—the first in 1976 and the second in 1998. Comparisons of the data from these studies reveals the nature of gambling in our nation.

The most recent survey reveals that gambling activity among Americans has significantly increased nationwide over the last 25 years. In the years since 1976, the number of people who have never gambled dropped from one out of every three adults to one out of every seven. The number of adults who have played a lottery in the last year doubled to one adult in two. Likewise, the percentage of adults who have gambled in a casino in the past year has doubled to 29 percent.<sup>2</sup> A 1997 Harvard meta-analysis looked at 120 gambling studies in order to more precisely determine the prevalence of gambling in the United States and Canada. According to that study, the lifetime

prevalence of gambling—or the percentage of the population that has engaged in some form of gambling during their lifetime—is 81 percent.<sup>3</sup>

Along with the increased social acceptance of gambling over the past several years has come an increase in the forms of gambling made available to those who choose to wager. In addition to lotteries and casinos, many states offer pari-mutuel forms of gambling, such as horse and dog racing; others offer convenience forms of gambling such as slot machines, video poker machines, video keno and more. Of the many gambling methods available today, lotteries and casinos are the most often played.<sup>4</sup>

Just as the prevalence of gambling has dramatically increased, so has the amount of money spent by those who participate. Revenues from legal wagering increased by 1,600 percent since 1976.<sup>5</sup> According to the most recent numbers, the gross gambling revenue (GGR) for 1999 totalled \$54.4 billion.<sup>6</sup>

### **Gambling Addiction Defined**

There is little debate about the prevalence of gambling addiction. Gambling itself has been around for centuries, as have the side effects that accompany it. However, it has not been until the last few decades that gambling problems have received significant attention from the medical and psychological communities.

In response to growing research into gambling disorders, the American Psychological Association (APA) has developed a list of 10 criteria that can be used when diagnosing someone with a gambling problem (See table on page 3). The APA classifies compulsive gambling as an impulse control disorder and lists the 10 criteria in their Diagnostic and Statistical Manual of Mental Disorders (DSM-IV). Someone is a pathological gambler if they conform to five or more of the criteria

developed by the APA. A problem gambler is one who exhibits several, but less than five of the DSM criteria.<sup>7</sup>

Despite clinical methods of determining the condition of a compulsive gambler, there is still debate about what causes compulsive gambling to occur. However, several behavioral patterns have been determined that may make an individual more likely to be a problem or pathological gambler. The presence of other behavioral problems such as substance abuse or personality disorders may contribute to a gambling problem. People whose parents were pathological gamblers are more likely to develop a gambling problem. Also, the earlier in life a person gambles, the more likely they are to become a pathological gambler.<sup>8</sup>

Aside from these environmental factors, there is also evidence that the availability of gambling greatly increases the likelihood of gambling disorders. For example, one study found that the number of problem and pathological gamblers doubled within a 50 mile radius of a gambling facility.<sup>9</sup> Likewise, the number of problem and pathological gamblers increased in seven out of nine communities where a casino was present.<sup>10</sup>

Estimates vary on the number of problem and pathological gamblers that exist in the United States. The Harvard meta-analysis estimated that in 1997, there were a total of 7.5 million “past year” adult problem and pathological gamblers.<sup>11</sup> This is equivalent to the entire population of the state of North Carolina.<sup>12</sup> Of those, 2.2 million were pathological and the remaining 5.3 million were problem gamblers.<sup>13</sup> As a percentage, approximately 1.6 percent of adults are lifetime pathological gamblers, and another 3.85 percent are lifetime problem gamblers. This means that 5.45 percent of the adult population already has a serious gambling problem.<sup>14</sup> In addition, this study estimated the number of “past year” adolescent problem and pathological gamblers to be 7.9 million. This equals a total of over 15 million Americans who are problem or pathological gamblers.<sup>15</sup> Of course this survey includes states that do not have widespread legalized gambling such as lotteries, video poker or other gambling avenues that are easily accessible to citizens. As a result, the percentage of problem and pathological gamblers in mature gambling states are often higher than that reflected by a national average.

Problem and pathological gambling stretches across all demographic lines. People from all walks of life and in all socioeconomic spheres can become

compulsive gamblers. However, the data does seem to indicate that certain portions of the population may be more likely to have problems. Men are generally more likely to have some form of problem gambling than women. African Americans have higher rates of gambling problems than other ethnic groups. Compulsive gamblers are more likely to have been on welfare, declared bankruptcy or have been arrested. Conversely, fewer people are likely to have gambling problems if they are over the age of 65, have a household income over \$100,000, or are a college graduate.<sup>16</sup>

Despite differences on methods of diagnosis and the number of problem and pathological gamblers, researchers and medical experts are harmonious in recognizing gambling addiction as a significant problem warranting close attention and further research.

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## **The lifetime divorce rate for problem and pathological gamblers measure at 39.5 and 53.5 percent respectively, compared to nongamblers who measure at 18.2 percent.**

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### **Costs**

Throughout any discussion on gambling addiction, there remains one facet that overshadows all the others—it is destructive to the gamblers and to those around them. Because compulsive gambling is an unavoidable consequence of the existence of gambling, it is important for citizens and policymakers to understand the real costs involved in this addiction and to determine whether gambling expansion is in the best interest of the state.

The unfortunate reality is that when gambling opportunities are present, a portion of those who participate are at risk of developing a gambling disorder that will have astounding social and economic costs. Sadly, their problems do not stop within themselves. Gambling addicts can reek havoc on their families, friends and co-workers. Researchers are unanimous in their conclusions that gambling addiction can result in numerous social ills, such as divorce, crime, unemployment, child abuse and neglect, domestic violence, suicide and even murder.

According to Dr. John Eades, a certified addiction therapist who has assisted people with addiction for over 20 years, gambling addiction is unlike any other addiction.

“Gambling addiction is the worst addiction I’ve ever seen,” he says “because the addiction process occurs more quickly than any other addictive agent. It does more damage than any other addiction.” Dr. Eades is keenly aware of the dangers of gambling because in the mid 1990s he became a compulsive gambler despite years of helping others with their addictions. Now a recovered addict, he points out that “no matter how much knowledge you have, anyone can become addicted.”<sup>17</sup>

When compulsive gamblers end up losing sizeable amounts of money, they often turn to crime to pay their debts or feed their addiction. News sources consistently report on criminal activity that is prompted by gamblers looking for easy money. Such was the case for one Raleigh man who was sentenced in November, 2000, to 10 years in prison after he stole almost \$500,000 from two separate employers to feed his gambling addiction.<sup>18</sup> Among both pathological and problem gamblers, about a third have been detained or arrested by police (compared to about one in 20 of nongamblers). About 21 percent of pathological gamblers and 10 percent of problem gamblers have been incarcerated.<sup>19</sup>

Loss of employment is another negative impact of gambling addiction. About one-third to one-fourth of Gamblers Anonymous members reported losing their jobs as a result of their problem. According to one study, the average problem gambler misses an average of seven work hours a month and costs their employers \$1,300 a year in lost labor costs.<sup>20</sup>

Obviously, financial loss is most often linked to irresponsible gambling activity and the financial costs associated with problem and pathological gambling can be staggering. When compared to nongamblers, indebtedness per person is 120 percent greater among pathological gamblers. Pathological gamblers owe \$1.20 for every dollar of income compared to nongamblers who owe \$0.60.<sup>21</sup> The true economic impact can be illustrated by the total costs of problem and pathological gambling to society. Such costs include job loss, welfare benefits, arrests, corrections, divorce and so on that are paid by the government, employers, health insurance companies and the gambler’s family. According to the National Opinion Research Center (NORC) study, the lifetime impact of problem and pathological gamblers is \$5,130 and \$10,550 respectively. NORC admits these figures are low because of the difficulties involved in calculating additional losses such as theft,

embezzlement, suicide, child abuse, etc. Therefore, these figures should be taken as minimum calculations. Nevertheless, these conservative figures add up to an astounding cost to society of \$5 billion per year or \$40 billion per lifetime in the United States.<sup>22</sup>

Some gamblers pay the ultimate price for their addictions by taking their own lives. As many as 20 percent of gamblers seeking help will attempt suicide.<sup>23</sup> A survey of 400 Gamblers Anonymous members revealed the startling fact that two-thirds had considered committing suicide, 47 percent had a definite plan to take their own life and 77 percent stated that they wanted to die.<sup>24</sup> A gambling addiction proved to be too much for Rhode Island man who hung himself in a wooded area as he drove home from a casino in September, 2000. This father was described as a “squeaky clean” family man who was never into any trouble. Interestingly, this was the third successful suicide related to the Foxwoods Resort Casino over the past few years. Several others patrons have attempted suicide but were unsuccessful.<sup>25</sup>

Gambling addiction has also driven some to commit murder. One such incident occurred in Delaware when a woman bludgeoned her husband to death on Thanksgiving Day after he discovered her going through his desk looking for money. After killing him, the woman fled to a casino in Atlantic City, New Jersey.<sup>26</sup>

Problem and pathological gambling can be incredibly destructive to the gambler’s life, but their behavior extends beyond themselves to those with whom they come into close contact. Those closest to the gambler, usually the immediate family, are effected the most. A survey of the spouses of compulsive gamblers conducted by Gam-Anon, a family component of Gamblers Anonymous, discovered that most of them exhibited emotional and behavioral problems and had resorted to drinking, smoking, and overeating.<sup>27</sup> Another study found that spouses exhibited physical and emotional problems such as headaches, stomach problems, dizziness, anger, depression and isolation. Children of gambling addicts also showed negative effects and were more likely to drink, smoke and use drugs.<sup>28</sup>

Such strain on families creates an inevitable rise in divorces. Among Gamblers Anonymous members, 26 to 30 percent link their divorce or separation to their addiction. Likewise, the lifetime divorce rate for problem and pathological gamblers measure at 39.5 and 53.5 percent

respectively, compared to nongamblers who measure at 18.2 percent.<sup>29</sup>

Research has also revealed an increased rate of abuse and neglect within the families of compulsive gamblers. Between one quarter and one half of spouses and at least one in 10 children have been the victims of abuse.<sup>30</sup> Child neglect is often illustrated by the increasing reports of gamblers who leave children in the car while they go inside to gamble. In South Carolina, police discovered four children sitting in a hot van while their mother played video poker.<sup>31</sup> Similar incidents have been reported across the country.<sup>32</sup>

Though the above numbers are revealing, the true extent of the emotional and physical costs to the people around a compulsive gambler are hard to measure. Sometimes referred to as “intangible” costs, they remain a very expensive part of a gamblers addiction story.<sup>33</sup>

### Adolescent Gambling

One of the most disturbing things about gambling addiction is its popularity among youth and adolescents. A Harvard gambling study addressed the issue by stating that “youthful age appears to be an important risk factor for developing gambling-related problems. One explanation for this finding is that, compared to adults, youth have had more exposure to gambling during an age when vulnerability is high and risk-taking behavior is a norm; consequently, these young people have higher rates of disordered gambling than their more mature and less vulnerable counterparts.”<sup>34</sup> According to their study, an estimated 7.9 million adolescents have a gambling disorder.<sup>35</sup>

Attempts to determine the percentage of adolescents who have gambled in their lifetime have yielded varied results. The National Research Council’s (NRC) survey of 21 different studies put the median range at 85 percent. In determining the percentage of adolescents who have gambled in the past year, the NRC measured a 73 percent median of six studies.<sup>36</sup> These results indicate that most adolescents have gambled and many of them recently.

The NRC conducted similar research on the percentage of adolescents who could be classified as problem and pathological gamblers. Their survey of several research studies revealed that “past year” adolescent pathological and problem gamblers range from 11.3 to 27.7 percent with a median of 20 percent. The range for “lifetime” adolescent pathological and problem gamblers was 7.7 to 34.9 percent, with a median of 11.2 percent. The NRC further points out that the proportion of adolescents

classified as pathological gamblers could be more than three times higher than the adults.<sup>37</sup>

These numbers are alarming, particularly when it is considered that under-age gambling is a risk factor leading to problem and pathological gambling later in life.

### Conclusion

A review of the data surrounding gambling addiction leads to one simple conclusion—gambling addicts pay a high price for their addiction. And this high price cannot be absent from any debate or examination of the gambling issue. The reality is that a one out of every 20 persons who participate in a gambling activity will become problem and pathological gamblers.

#### DSM-IV Criteria for Pathological Gamblers

- Is preoccupied with gambling (e.g., preoccupied with reliving past gambling experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble)
- Needs to gamble with increasing amounts of money in order to achieve the desired excitement
- Has repeated unsuccessful efforts to control, cut back, or stop gambling
- Is restless or irritable when attempting to cut down or stop gambling
- Gambles as a way of escaping from problems or of relieving a dysphoric mood (e.g., feelings of helplessness, guilt, anxiety, depression)
- After losing money gambling, often returns another day to get even (“chasing” one’s losses)
- Lies to family members, therapist, or others to conceal the extent of involvement with gambling
- Has committed illegal acts such as forgery, fraud, theft, or embezzlement to finance gambling
- Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling
- Relies on others to provide money to relieve a desperate financial situation caused by gambling

*Source: American Psychological Association Diagnostic and Statistical Manual of Mental Disorders (DSM-IV)*

If widespread gambling is initiated in North Carolina, 200,000 citizens are likely to become problem and pathological gamblers. In light of this, it is imperative for policymakers to carefully consider the ramifications of further legalized gambling. The costs associated with gambling addiction cannot simply be measured in wins and losses. Nor can they be measured by economics. Instead, the price of increased gambling must be measured in human terms. When compared to the proposed “benefits,” it is clear that no amount of so called “recreation” can balance or replace the broken lives and families that result.

Consider the words of Jihad Hassan Moukalled, a gambling addict, who perhaps best described the nature of gambling addiction when he wrote, “I think I was gripped by the hope of ‘one more shot.’ I did not know how else to escape what I got myself into. It is over. There is nothing more destructive to life than gambling. A drug addict destroys his life, a gambler destroys his life and the lives of those he cares about and care about him.” These were the words he penned in a suicide note just before he took his own life after murdering his pregnant wife and three children. Mr. Moukalled had lost \$250,000 at a casino in Las Vegas and had taken \$500,000 from his business to finance his addiction.<sup>38</sup>

The research is clear. If legalized gambling is introduced in this state many of its citizens *will* become problem and pathological gamblers. Therefore, it is imperative for policymakers and citizens alike to consider the following question—at what cost do we move ahead with gambling in North Carolina? Expanding the gambling opportunities in our state by enacting a state-run lottery or any other form of gambling will entice and induce many more to gamble than would otherwise do so condemning some and their families to a destructive life.

For a state such as North Carolina that does not have a lottery or widespread casino gambling, the appropriate action by state legislators would be to resist the approval of more gambling, thus avoiding the significant problems that come from gambling

addiction. State leaders should consider the words of the National Gambling Impact Study Commission who, after a two-year study into legalized gambling, stated the following in their final report to Congress in 1999: “the Commission is unanimous in its belief that the incidence of problem and pathological gambling is of sufficient severity to warrant immediate and enhanced attention on the part of public officials and others in the private and non-profit sectors. The Commission strongly urges those in positions of responsibility to move aggressively to reduce the occurrence of this malady in the general population and to alleviate the suffering of those afflicted.”<sup>39</sup>

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## Endnotes

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