

## **CHAPTER 8. FUTURE RESEARCH RECOMMENDATIONS**

In 1996 Congress created the National Gambling Impact Study Commission (NGISC) and directed it to conduct a thorough study of the attitudes, events, and trends shaping the social and economic impacts of legal gambling in America. It quickly became apparent to the Commission that very little objective research existed on the current state of gambling in our nation. The Commission decided to commit nearly half of its \$5 million budget to a research agenda that would help policymakers and the public better understand the dramatic growth of the gambling industry over the last two decades.

The primary research program of the NGISC is embodied in the National Academy of Science's National Research Council and the University of Chicago affiliate, the National Opinion Research Center reports on gambling behavior, problem and pathological gambling, and related issues such as the availability and efficacy of treatment for gambling disorders. Useful data on state lotteries was developed by Philip Cook and Charles Clotfelter of Duke University. Other valuable information was obtained in answers from all 37 state lottery regulators and about 150 casino operators. Much helpful testimony on economic and social outcomes was given at our six regional site hearings, frequently describing research conducted in individual states that was of peer review quality. The data and analyses the Commission's research generated has added to the meager knowledge base on legal gambling.

Yet what is very clear is that there is still a dearth of impartial, objective research that the public and policymakers at federal, tribal, state, and corporate levels need to shape public policies on the impacts of legal gambling.

The gambling industry continues to undergo dynamic change. Many of our private sector gambling corporations have become international, national, or regional in their marketing strategy, customer base and in other

essential respects. These private sector operations plus state-run lotteries are generating more than \$50 billion in revenue this year. The parameters that used to define different forms of gambling are blurring. Betting from home is becoming more common. Betting over the Internet may soon become universal. Understanding the ever-evolving economic forms of legal gambling is important.

There are undeniably many millions of problem and pathological gamblers causing severe harm to themselves, their families and many others. Understanding the reasons that gambling disorders are multiplying is crucial to the health and stability of these families, their communities and many businesses.

Without a clearer understanding of the issues involved in this complex subject, all of us are less able to make sound judgements about future impacts of the gambling industry. Consider, for example, that more than \$88 million in the aggregate was spent on a 1998 referendum in California that would liberally expand Native American tribal casinos in that state. With no objective body of knowledge available, 30-second television spots defined the campaign dialogue. The public, Congress, and tribal and state leaders, need access to impartial data on which informed judgments can be based.

In past years, Congress initiated research on other disorders in effective and visionary ways. The nation knows far more about drug and alcohol abuse because Congress strongly supported research, undertaken primarily by national institutes that provided indispensable data.

Where it makes sense, those models should now be followed to understand the benefits and costs of legal gambling, including the causes and effects of gambling disorders.

As you will read in several of the recommendations below, the Commission is proposing that gambling components, where appropriate, be added to existing federal research in the substance abuse and other mental health fields. Adopting that strategy will, at less cost, greatly

accelerate the collection and analyses of data needed to design sensible solutions.

Taking the 15 federal and 4 state research recommendations in their totality, the Commission is trying to gauge the positive and negative outcomes of governmental (tribal and state) and private sector legal gambling. In virtually every past instance, what proponents and opponents offered as research was usually advocacy and not objective data produced by impartial sources. That must be remedied.

The research recommendations to Congress and to the states will produce knowledge that policymakers need to answer thousands of questions they will be asked in the first decade of the new millennium.

## **RECOMMENDATIONS**

8.1 The Commission recommends that Congress encourage the appropriate institutes within the National Institutes of Health (NIH) to convene a multi-disciplinary advisory panel that will help to establish a broad framework for research on problem and pathological gambling issues within its range of expertise.

8.2 The Commission recommends that Congress direct the Substance Abuse and Mental Health Services Administration (SAMHSA), or other appropriate agency, to add gambling components to the National Household Survey on Drug Abuse. To understand the expanding dimensions of problem and pathological gambling nationwide, gambling prevalence studies need to be of sufficient volume and with annual updates to record changes brought about by expanding legalization, greater accessibility, technological advances and increasingly sophisticated games. This survey would examine not only the general population, but also sizable subgroups such as youth, women, the elderly and minority gamblers, if no other more appropriate longitudinal studies focusing on each of these groups are available.

In any event, no data gathering pursuant to these recommendations should violate any person's

right to medical privacy in seeking treatment for problem or pathological gambling.

8.3 The Commission recommends that Congress direct all federal agencies conducting or supporting longitudinal research panels to consider the feasibility of adding a gambling component to such surveys and, where appropriate, entertain applications to add such components that are determined to be of high scientific merit through scientific peer review. In addition to addressing gambling behavior, these components should include questions about treatment-seeking behavior, in order to begin to address the issue of the unmet need for treatment, which is currently unknown.

8.4 The Commission recommends that Congress encourage the National Institutes of Health (NIH) to issue a revision of the special research program announcement for research applications on pathological gambling to foster research designed to identify the age of initiation of gambling, influence of family and correlates with other youth high-risk behavior such as tobacco, alcohol and other drug use, early sexual activity and criminal activity evaluated separately for illegal and legal forms of gambling.

8.5 The Commission recommends that Congress direct the appropriate institutes of NIH to invite, where appropriate, applications for supplemental funds to add legal and illegal gambling components of high scientific merit to appropriate and relevant existing surveys, and to issue a revision of the special program announcement for research applications on pathological gambling to include the following areas:

- Effects on family members, such as divorce, spousal and/or child abuse, severe financial instability and suicide.
- Analysis of public awareness education and prevention programs offered at federal, tribal, state or corporate levels.

- Analysis of the development of gambling difficulties associated with electronic gambling devices (EGD's) and the risk factors that accompany this evolution for customers most likely drawn to this form of gambling.
- Effects on the workplace such as economic losses arising from unemployment, loss of productivity and workplace accidents.
- A study that would establish reliable instruments to measure non-monetary costs associated with legal gambling including, without limitation, divorce, domestic violence, child abuse and chronic neglect, suicide, and the secondary effects of bankruptcy and gambling-related crimes, and other outcomes of a similar character.

8.6 The Commission recommends that Congress direct the appropriate institutes of NIH to invite, where appropriate, applications for supplemental funds to issue a revision of the special program announcement for research applications to commence a study of American adult problem gamblers below the pathological gambler threshold (APA DSM-IV). The gambling behavior of those in this large group of 11 million adults and juveniles reveal warning signs that require thorough analysis. The gamblers in this group could go either way, that is, toward diminishing risk or toward pathological status.

8.7 The Commission recommends that Congress direct the Substance Abuse and Mental Health Services Administration (SAMHSA) or other appropriate agency to add specific gambling questions to its annual surveys of mental health providers, which are conducted by the Center for Mental Health Services. The survey should map the availability of both privately and publicly funded treatment services for gamblers. This should include a count of treatment slots for gambling; how many, in a given period, are in treatment for gambling problems alone, or for multiple disorders that include problem gambling;

a demographic profile of those receiving treatment, an assessment of the level of the gambling disorder, and a description of the services they are receiving. It would identify barriers to treatment, such as a lack of insurance coverage, exclusion of treatment for pathological gambling from HMO and other private insurance policies, stigmatization, or the lack of availability of treatment (including a lack of qualified treatment providers).

8.8 SAMHSA or another appropriate agency should initiate treatment outcome studies conducted by scientists in the treatment research field. Such studies should include formal treatment, self-help groups (Gamblers Anonymous) and natural recovery processes. These studies should encompass the general treatment population and should specifically include youth, women, the elderly and minority gamblers.

8.9 The Commission recommends Congress request the National Science Foundation to establish a multidisciplinary research program that will estimate the benefits and costs of illegal and separately each form of legal gambling allowed under federal, tribal and/or state law, particularly lottery, casino, pari-mutuel and convenience gambling. Further, the research program should include estimates of the costs and benefits of legal and illegal Internet gambling, assuming Congress prohibits this form of gambling with certain exemptions. Such a program, at a minimum, should address the following factors:

- Benefits associated with different kinds of legal and illegal gambling including increased income, creation of net new jobs and businesses, improvement in average wages and benefits, increased tax revenues, enhanced tourism and rising property values, and reductions in unemployment, if any.
- Costs associated with different kinds of legal and illegal gambling, including problem and pathological gambling,

increased crime, suicide, debts and bankruptcies, displacement of native inhabitants, traffic congestion, demand for more public infrastructure, demand for more public services from the courts (criminal, bankruptcy, divorce) and from schools, police and fire departments.

- The study should include benefits derived or costs incurred not only in “host” communities or states in which gambling facilities are located, but also in so-called feeder communities or states in which a significant number of the gamblers live and work who patronize facilities in the host communities.

8.10 The Commission recommends that Congress direct the National Institute of Justice (NIJ) or other appropriate agency to research what effect legal and illegal gambling has on property and/or violent crime rates. Such research should also examine whether gambling-related criminal activity is increased in neighboring jurisdictions where the arrest/gambler lives and/or works, but does not gamble.

8.11 The Commission recommends that Congress direct NIJ, the Bureau of Justice Statistics (BJS), or other appropriate agencies to add gambling components to ongoing studies of federal prison inmates, parolees, and probationers who manifest disorders that frequently coexist with pathological gambling.

8.12 The Commission recommends that Congress direct NIJ or other appropriate agency to investigate and study the extent of adolescent participation in illegal gambling and all forms of legal gambling separately. Further, that the NIJ focus on sports betting in the nation, work cooperatively with school authorities at high school and college levels and recommend what effective steps should be taken by federal, state, and school authorities to avoid the corruption of collegiate and amateur sports and reverse steady increases in adolescent gambling.

8.13 The Commission recommends that Congress direct the Department of Labor or other appropriate agency to research job quality in the gambling industry, as measured by income levels, health insurance coverage and affordability, pension benefits, job security and other similar indicators. The research should include a comparison between gambling jobs in a variety of communities and regions of the country. It should also compare job quality and availability in the gambling industry versus other comparable industries within those labor markets. Finally, it should also compare job quality at casinos with distinguishing characteristics, such as those that derive a significant part of their revenues from non-gambling components like hotels, food and beverage service, and shopping and entertainment (often referred to as destination resorts) versus those dependent almost wholly on gambling revenues.

8.14 The Commission recommends that if Congress acts to prohibit Internet gambling that it also require NIJ or other appropriate agency, 12 months after the effective date of the enabling statute, to measure its effectiveness for a period of 1 year. An estimate should be made of how much illegal Internet betting continues, despite the statutory prohibition. The factors contributing to successful evasion of the prohibition should be described in detail. Recommendations to Congress as to methods of closing the channels used to evade the prohibition should be made.

8.15 The Commission recommends that Congress direct the appropriate institutes within NIH to invite, where appropriate, applications for supplemental funds to issue a revision of the special program announcement for research applications to commence a study of prevalence of problem and pathological gambling among gambling industry employees in all forms of legal gambling, including, without limitation, pari-mutuel, lottery, casino and, where feasible, convenience-stop employees.

8.16 The Commission recommends that the appropriate institutes conduct research to determine if an analysis of available gambling patron data derived from banks and other credit agencies can assist in the identification of problem and pathological gamblers.

8.17 The Commission respectfully recommends to state and tribal governments that they should authorize and fund every 2 years an objective study of the prevalence of problem and pathological gamblers among their state's residents by a nonpartisan research firm, whose work meets peer review standards. Specific focus on major sub-populations including youth, women, elderly and minority group gamblers should also be included. An estimate of prevalence among patrons at gambling facilities or outlets in each form of gambling should also be included.

8.18 The Commission recommends to state and tribal governments that they should authorize and fund research programs for those who are, or are likely to become, problem or pathological gamblers in their resident population.

8.19 The Commission recommends to state and tribal governments that they should require, as a condition of the granting of a license to operate a gambling facility, or to sell goods or services in a gambling facility, full cooperation in any research undertaken by the state needed to fulfill the legislative intent of the federal and state statutory policy.

8.20 The Commission recommends that state and tribal governments consider authorizing research to collect and analyze data that would assess the following gambling-related effects on customers and their families resident in their jurisdictions:

- The extent to which gambling-related debt is a contributing factor to personal bankruptcies.
- The extent to which gambling problems contribute to divorce, domestic violence, and child abuse and neglect.

- The extent to which gambling problems contribute to incidents of suicide (or suicidal behaviors).
- The number, types, and average monetary values of gambling-related crimes perpetrated for the primary purpose of gaining funds to continue gambling or to pay gambling debts.
- The extent to which practices of some gambling facilities to provide free alcohol to customers while gambling, the placement of cash advance credit machines close to the gambling area, and the offer of similar inducements are likely to be significant factors in magnifying or exacerbating a gambling disorder.

