



## Does Predatory Gambling Increase Addiction or Do Addiction Rates Decrease as Citizens “Adapt” to Its Availability?

Our answer is in three parts: 1) “Playing to Extinction” 2) “Research People Versus Treatment People” and 3) “Examples of Continuing Increases in Gambling Addiction.”

**Conclusion:** The only thing people are adapting to is losing more money than ever before.

### 1) “Playing to Extinction”

According to the research findings of Natasha Schull, associate professor in MIT’s Program in Science, Technology, and Society, the machines are designed to get every user “to play to extinction” – until all their money is gone – by using technology described as a “high-tech version of loaded dice.” Schull writes in her *Washington Post* [op-ed](#):

*“... its (the gambling business) efforts to make slot machines so effective at extracting money from people yields a product that, for all intents and purposes, approaches every player as a potential addict -- in other words, someone who won't stop playing until his or her means are depleted.”*

Slot machine producers have designed these machines to take every last dollar from the user, and by doing so, they have created a machine that many people simply cannot stop using.

Here are two examples of key people in the gambling business revealing the mindset behind the “playing to extinction” approach:

- Marc Falcone, an analyst with Deutsche Bank who closely follows the slot-machine industry, said there's a simple rule when it comes to the success of a slot machine: "What's most important to the casinos is yielding the highest revenue per square foot on their floor."  
-Excerpted from *The Hartford Courant*, 5/11/04
- International Game Technology’s director of responsible gambling Connie Jones: "Our game designers don't even think about addiction -- they think about beating Bally's and other competitors. They're creative folks who want machines to create the most revenue."  
- Excerpted from *The Pittsburgh Post-Gazette*, September 06, 2009

Casino-funded researchers have never denied that slot machines are designed to get the user to lose every last dollar. Nor have they ever denied that casinos like Harrah’s collect 90% of their gambling profits from 10% of its users.

The business of casinos is based upon an endless quest to find new citizens to replace the ones the casinos have already “played to extinction.” Only when the casino’s gambling profits start to “flatten out” (to use [the phrase of one social adaptation theorist](#)) will the rate of addiction also flatten out.

To prevent a flattening of their profits, casinos use state-of-the art marketing like offering “free slots play” to get people in front of the machines – regardless whether they are a new or an experienced slots user. Then casinos like Harrah's use their Pavlovian strategy of incentivizing patrons to use "player's club" cards so they can track how much and how long the player gambles - the faster and more intense the play, the sweeter the reward. "All you want to learn about a guy is his gaming habits," said Robert Shook, author of *Jackpot*, a book about Harrah’s success. The idea, he said, is to turn a casual player into a frequent player." (*Hartford Courant*, 5/11/04)

One of the casino operators best methods to turn a casual player into a “frequent” player is to identify people with a compulsion to chase their losses. It’s a top predictor of compulsive gambling, and it is the reason why casinos aggressively market to gamblers who take money out of casino ATMs. These gamblers are the ones most likely to lose control of their spending. They lost the money they arrived with at the casino and then needed to withdraw more of their savings to chase the money they lost earlier. Predatory gambling-funded researchers have left the “social adaptation” of this constituency out of their research. The casinos want to be able to claim they don’t know who these lucrative, out-of-control people are so they “outsource” the casino ATM operations to another vendor, the biggest of which is [Global Cash Access](#), and then simply buy back the list of names of people who make withdrawals so they can target them with relentless marketing. Penn National [was recently fined \\$800,000](#) in Illinois for marketing to problem gamblers who had voluntarily banned themselves from entering a casino– a self-exclusion list. The casino defended its action saying it bought the list of names from the casino ATM firm that and the casino’s marketing department did not to check the list against the names of people enrolled in the Self-Exclusion Program.

Perhaps the ultimate test of the “social adaptation” theory lies in the numbers that matter most to casino operators: the casinos own profit numbers. In 1997, there were about 197,000 slot machines in Nevada that won roughly \$4.8 billion from gamblers. By 2007, the number of slot machines increased just 2.5 percent to 202,000, but the amount they won from gamblers jumped 72.9 percent to about \$8.3 billion, according to Nevada Gaming Control Board statistics. (*Las Vegas Review-Journal*, Mar. 17, 2008) People lost 73% more money on virtually the same amount of machines. The only thing people are adapting to is losing more money than ever before.

## 2) “Research People Versus Treatment People”

After talking with dozens of treatment people across the country and reading about the work of dozens more, there is a massive difference between what casino-funded researchers are reporting versus what the people on the treatment side are reporting.

*Hartford Courant* reporter Rick Green summarizes this reality in the first-rate series he wrote on slot machines beginning May 9, 2004:

Experts say more people are reporting problems from gambling, although the number diagnosed as suffering from pathological gambling, a recognized impulse control disorder, has remained steady over the last 25 years. Some researchers have questioned this, however, because more stringent criteria are used now to assess whether a gambler has a problem than in the 1970s.

**"Although it appears that the prevalence hasn't changed, that actually has more to do with how problem gambling has been measured both in the past and more recently,"** said Rachel Volberg, a research scientist in Northampton regarded as the leading expert on how widespread problem and pathological gambling is.

"You don't have the focus in the right place when you look at the general population," Volberg said. Rather, she said, some subgroups, such as older women and people who live near casinos, show increasing rates of problem gambling.

It becomes even more evident why casino-funded researchers and many in the treatment field have such divergent views on the addictive nature of slot machines after investigating how casino-funded researchers define "exposure" and attempt to make his case for the social adaptation theory.

**The most critical question about exposure appears to be one which casino-funded researchers never even investigate: what is the rate of problem gambling behavior among people who use slot machines, especially among those who use them once or more per month? Does the addiction rate "flatten out" for people who actually use a slot machine rather than who only live in a region where slot machines are present?**

It's one thing to live in a region where casinos are available but it is another thing to be physically exposed to playing a slot machine. Through their use of the most predatory marketing practices in America, casinos do everything possible to get as many people as they can to use a slot machine as often as they can. The casinos know that in order to maximize their profits, people need to play slot machines more frequently, for longer periods, at faster speeds and at higher intensity. The results of this drive for profits are evident in a prominent Canadian government study that found nearly 1 out of 2 people who use electronic gambling machines once a month or more show problem gambling behavior.<sup>[1]</sup>

Here is what some of the treatment people from across America are saying (some of whom have been saying it for a long while) about slot machines:

- "Given the right circumstances, almost anyone can get hooked on slots." Dr. Robert Breen, Director, Gambling Treatment Program, Rhode Island Hospital. See 6:15 minute mark of this 2008 video [http://www.youtube.com/watch?v=jNL3FzU\\_gIU](http://www.youtube.com/watch?v=jNL3FzU_gIU)
- "Slot machines produce a trancelike state," said Wiley Harwell, executive director of the Oklahoma Association for Problem and Compulsive Gambling. "People lose track of time and space. Logic and reason shut down. The back of the brain lights up They're literally not cognizant that they are spending more than they should." *Tulsa World*, 1/31/10
- *Excerpt taken from The Hartford Courant, May 9, 2004:* Christopher Armentano, director of problem gambling services for the state Department of Mental Health and Addiction Services, says it is obvious more people now have gambling problems, but nobody is counting them. "One indication is the number of clients we see has risen so dramatically. Another indication is the number of women we see," Armentano said. "Virtually all of them are addicted to slot machines."
- *Excerpt taken from The Hartford Courant, May 9, 2004:* Armentano said the new fast-paced machines are "absolutely" producing more problem and pathological gamblers.

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<sup>[1]</sup>Nova Scotia Gambling Prevalence Study, Office of Health Promotion, June 2004. Page XI

- "It is the addiction delivery device," said Dr. Henry Lesieur, a leading gambling addictions specialist in Rhode Island who treats slot machine addicts. - *Hartford Courant*, 5/10/04
- *Excerpt taken from The Oregonian, September 1, 2004:* Seven in 10 of those seeking treatment played video poker, the report found. Video poker is available at about 2,000 outlets. Jeffrey Marotta, a clinical psychologist who manages problem gambling services for the Oregon Department of Human Services, said what he finds most striking is "how many we see who don't have any other mental health or addiction problem. They kind of cruise through life and then they hit a sudden loss -- a loved one or a job. From there, it's amazing how rapidly this problem takes hold. They lose control and, as many of them put it, they lose themselves." - <http://www.oregonlive.com/news/oregonian/>

### 3 ) "Examples of Continuing Increases in Gambling Addiction"

Below are several examples of continuing increases in gambling addiction after the introduction of casinos:

- Illinois: Wayne Burdick, director of the Outreach Foundation which provides counseling for problem gamblers, estimates that in the mid 1990s, the Chicago area had about 19 meetings in groups of about a dozen people. Today, the region has more than 70 weekly meetings with about 25 people at each one. That would amount to an increase from about 228 people attending meetings to 1,750." *The Daily Herald (IL)*, 7/21/08: <http://www.dailyherald.com/story/?id=221600>
- Wisconsin: In 2008, helpline calls were a record 12,946, an increase of 38 percent over 2007. And during the first three months of 2009, calls are slightly up from the 2008's record pace. - *Gannett Wisconsin Media*, May 18, 2009 <http://www.greenbaypressgazette.com/article/20090518/GPG0101/905180535/1207/GPG01/Slumping+economy+fuels+gambling+concerns>
- Oklahoma: The state gambling helpline received 912 calls about problem gambling in the fiscal year that ended June 30, up from 677 in 2008, according to the Web site for the Oklahoma Association on Problem and Compulsive Gambling. - *Tulsa World*, 1/31/10
- Connecticut: Connecticut's Problem Gambling Services division has experienced a more than six-fold increase in its caseload from 2001 to 2008. "[Gambling in Connecticut: Analyzing the Economic and Social Impacts](#)" State of Connecticut, Division of Special Revenue, June 2009. Pg. 264
- Connecticut: Increase in Connecticut Council on Problem Gambling Hotline calls. "[Gambling in Connecticut: Analyzing the Economic and Social Impacts](#)" State of Connecticut, Division of Special Revenue, June 2009. Figure 156, Pg 257
- Michigan: The number of compulsive gamblers who have voluntarily placed themselves on a list that permanently bans them from Detroit casinos **has more than tripled since 2001** to 821 people. In 2001, the last time the state studied the issue, it found that 4.5 percent of Michigan adults — **and 11.4 percent of Detroit adults** — are compulsive gamblers. - *Detroit News*, October 14, 2004