



# TROUBLED GAMBLERS

What We Know,  
and Where We  
Should Go

by William N. Thompson, Ph.D.

Critics of the gaming industry concentrate their attention on inappropriate player behaviors, offering multiple studies on the same subject repeatedly. Periodically we should take a look at our knowledge about gaming behaviors and troubled gamblers—their prevalence, costs they impose on others, treatment prospects, and policy choices regarding their gaming activity to determine where research truly reflects reality. Studying the gaming industry for over thirty years, this article reflects my assessment from the vantage point of 2012.

## HOW EXTENSIVE IS TROUBLED GAMBLING?

This is one area where more studies are not needed. New studies only reconfirm what old studies have told us—and there have been a hundred or more prevalence studies that are consistent with one another. Whatever term is used—pathological, compulsive, addicted, troubled—we find that one to two percent of the adult population have current severe gambling addictions. Moreover, one to three per-

cent have less severe addictions that could develop into serious problems.

It is well established that the prevalence rates found tend to increase when people live close to gaming facilities. The major study (by the National Gambling Impact Study Commission) found a doubling of rates for populations within fifty miles of a casino. These rates mean that gaming addictions are not as prevalent as are addictions to other substances such as alcohol, and that non-addicts outnumber those with problems by a thirty to one ratio or more. However, a low rate of one percent still translates into over two million Americans with severe gambling troubles. All people concerned with gaming policy, including proponents and prohibitionists, should accept the consensus range of prevalence of troubled gamblers and deal with it without denial or exaggeration. Research funds that are available should go to studying other aspects of gaming.

(Source: William N. Thompson and Bo Bernhard, "Problem Gambling," in William N. Thompson, ed., *The International Encyclopedia of Gambling*, Santa Barbara, Denver and London: ABC-Clio, 2010, pp. 174-176).

## THE SOCIETAL COSTS OF TROUBLED GAMBLERS

There have been many studies of the social costs generated by troubled gambling. Several studies have been developed using interviews of troubled players, for instance members of Gamblers Anonymous groups. Others have interviewed persons in other treatment locations. This writer has been involved in making several of the studies—ones in Wisconsin, Connecticut, South Carolina, and Southern Nevada, as well as working on one developed for the National Gambling Impact Study Commission. Other studies were made by researchers in Louisiana, South Dakota, and Florida. The respondents were asked about their debts, criminal activity, welfare services, job histories—missing work, suicide thoughts and attempts, and treatment experience. Costs were attached to many of the responses, and the costs were annualized. The findings in the studies converged, yielding a conclusion that one seriously Troubled Gambler imposes costs of about \$10,000 on other (non-family) people each year. While some of the costs are transfer costs, others resulted in dead-weight losses to the entire economy. The dead-weight losses constituted about one-third of the total losses. The losses of less serious troubled gamblers amounted to about 45 percent of those of the serious troubled gamblers. Many intangible values were not considered such as the costs of attempted suicides and costs of actual suicides which were not identified. The studies revealed that about 20 percent of the troubled gamblers attempted suicides, over five times the number of attempts by non-gamblers.

The proponents of gambling neglect these studies, and when they cannot simply deny them, they assert that the troubled gamblers have other addictions, and the other addictions account for the costs found. Many of the troubled gamblers did indeed have other addictions. In the Southern Nevada study 22 percent were alcoholics, while 9 percent were addicted to drugs. Others were addicted to shopping and food. The Southern Nevada study was the only study that sought to find the effects of the comorbidities. Two addictions had significant impacts on the costs that troubled gamblers imposed on others. It was found that alcoholism increased cost impacts a substantial amount. However, drug addicted troubled gamblers had much lower cost profiles. It can be suggested that alcohol goes with casino gambling, while drug use is not tolerated in casinos. Moreover drug use carries a major price tag that the gambler cannot use for gambling, while alcohol use is not as expensive and inside casinos may even be free for players.

The social costs of gambling can be projected upwards for the total population. In doing so Earl Grinols suggested

that troubled gambling imposes costs from about \$30 billion to \$50 billion on the American population each year. While proponents of gambling suggest that the benefits of gambling outweigh these negative costs, they do not have the studies to show the dollar value of casino jobs for the economy, many of which jobs may not be “created” jobs but rather “shifted” jobs from other parts of the economy. Also suggestions that investments of capital funds to build casinos are economic benefits could be faulty as they may only temporarily help an economy, because in the long run these investments must be repaid out of casino revenues. Surprisingly, Professor Grinols is the only economist who has sought to put a dollar value on the convenience of having a casino near a community. As many people do desire to gamble, he finds that nationwide that such a value is \$34 for each American adult—or about \$6.8 billion for the nation. As the proponents of gaming criticize the nature of cost studies, it behooves them to put forth new and better studies of the dollar benefits that come from casinos, and in doing so consider the substitution effects of moving money from one sector of the economy into the gaming sector.

(Sources: Earl Grinols, *Gambling in America*, Cambridge: Cambridge University press, 2004, pp. 114, 131-174; William N. Thompson and Bo Bernhard, “Problem Gambling,” in William N. Thompson, ed., *The International Encyclopedia of Gambling*, Santa Barbara, Denver and London: ABC-CLIO, 2010, pp. 176-181.) William N. Thompson and R. Keith Schwer, “Compulsive Gamblers and Alcohol,” *Casino Lawyer*, v. 3, no. 3, Summer 2007, pp. 16-18.)

## TREATMENT FOR TROUBLED GAMBLERS

The biggest gap in our knowledge of troubled gambling involves treatment. Perhaps this is a result of the fact that the causes of this addiction are not well established. Causes may be psychological, social, biological, or chemical, or indeed a combination of these factors. Different troubled gamblers may come to their addiction from different causal sets, or even a combination of causes. Treatments accordingly could come from many different directions. What works, and how well it works is an illusive matter, and certainly these questions concerning what works demand much more research.

Most treatment involves counseling, either in individual sessions or in a group setting such as provided by Gamblers Anonymous groups. The counseling may involve outpatient sessions or sessions within a hospital type setting. Counseling sessions are helpful in getting troubled gamblers to recognize facets of gaming activity and its dynamics. They can be helped to learn mechanisms to slow down their play or to avoid it altogether, at least for a time.

Drugs are used to help the troubled gambler. For the

most part drugs are used to help with feelings of depression that are often a major symptom of troubled gamblers. Measurements of the success of such treatment are difficult as therapists may confuse the symptom of depression for the general syndrome of troubled gaming. New drugs are being tested all the time, but as of yet no “magic pill” has been found to “cure” troubled gambling activity.

While abstinence certainly is an absolute control to troubled gambling behavior, the debate over whether a troubled gambler can ever safely participate in gambling again has not been resolved. John Rosecrance’s research discussed in his book *Gambling Without Guilt* advanced the proposition that troubled gamblers were simply behaving improperly when they played. Accordingly they could undergo behavior modification and learn how to gamble in responsible ways. Also research attention is limited on the proposition that troubled gamblers can experience changes in behaviors without therapy, and that these changes can lead to a cessation of gambling or can lead toward responsible gambling practices on their part.

Some theories of the causes for troubled gambling explain it as a response to life’s difficult situations—family dynamics, job situations and stress, and so on. As these situations themselves may change, so it might be expected that the improper gambling activity they spawned could change. It may also be that one can outgrow a gambling problem. For young troubled gamblers, maturity may possibly be associated with a cessation of problems. Future study should examine these possible dynamics.

(Sources: John Rosecrance, *Gambling Without Guilt*, Pacific Grove, CA: Brooks-Cole, 1988; William N. Thompson and Bo Bernhard, “Problem Gambling,” in William N. Thompson, ed., *The International Encyclopedia of Gambling*, Santa Barbara, Denver and London: ABC-Clío, 2010, pp. 181-183.)

## **POLICIES FOR HAVING CASINOS DEAL WITH TROUBLED GAMBLING**

Many venues in the United States permit gamblers to exclude themselves from casino facilities. However, just about every American casino lacks facilities and procedures for determining the identities of players at their entrance doors. It is not definitively known how effective self-exclusion policies are. While they may indeed discourage troubled gamblers from engaging in play, they also introduce a major difficulty—assigning responsibility to the licensee when the excluded player enters a casino, engages in play, and loses money. Where does the fault lie, with the troubled gambler or the casino?

Casinos have been very reluctant to effectuate bans without the player’s approval—bans based perhaps on observations of player activity. Yet many other countries do have mandatory exclusion policies, such as plans in

Switzerland and Korea. The plans probably would not work in the United States as here we have multiple casinos and basically unrestricted entrance points.

A third way of limiting access has been suggested in another article of mine. The casino observes players, and if a player is deemed to be a troubled gambler, the player is placed upon an “unwelcome list.” The list is used by all casinos in a venue. The person on the list could still come to a casino and play; however, the person would be refused any service where his or her identity is required. The player could not be in player clubs nor receive major comps, and he or she could not have player credit or cash checks. The player could not make major cash transactions. If he wins large prizes (e.g. over \$1200 on a slot machine) that required reports to the I.R.S., he would be denied the prize. Of course, he would be informed ahead of time regarding these policies.

Other policy directions have included adjusting machines to play more slowly, limiting betting amounts, and having warning signs, brochures, and posting 800-help line numbers. Very little research information has demonstrated the overall effectiveness of any of these policies, although their institution seems to make both the gaming industry and its opponents feel good. More studies of such policies are needed.

(Sources: William N. Thompson, Ichiro Tanioka, and Y. E. Yang, “Two Koreas: Walker Hill and Kangwon Land,” *Gaming Law Review*, v. 9, no. 2, April 2005, pp. 144-152; William N. Thompson, “Public Integrity in Casino Gambling: The Swiss Social Concept,” *Public Integrity*, v. 9, no. 4, Fall 2007, pp. 377-388; William N. Thompson, “Handling Corporate Responsibility: A Third Way,” *Gaming Law Review and Economics*, v. 14, 2010, pp. 121-139; William N. Thompson Robert Stochkard, and Peter J. Kulick, “Exclusionary Policies and Casino Gaming Facilities,” *John Marshall Law Review*, v. 40, no. 1, Summer 2007, pp. 1221-1257.)

## **SUMMARY**

We do know a lot about troubled gambling. However, there are a lot of things we do not know. We should proceed with gambling operations knowing what we know and being aware of what we do not know. In the area of our research we should seek out the gaps in our knowledge and seek to fill them, rather than repeating research exercises that have found suitable answers already. ♣



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