



## **Testimony in Opposition to SB176 – A Bill Allowing Online Gambling and Commercialized Sports Gambling in Ohio**

June 9, 2021

Dear Chairman Schuring and Members of the Senate Select Committee on Gambling:

On behalf of the Ohio members of Stop Predatory Gambling, we are writing in strong opposition to SB176 that would allow online gambling and commercialized sports gambling in Ohio and urge the members to vote NO.

### **About Stop Predatory Gambling**

Stop Predatory Gambling believes people are worth more than money. A 501c3 non-profit based in Washington, DC, we are a national social reform network of individuals and partner groups with members of more than 1 million citizens. We do not accept any contributions from commercialized gambling interests.

There are several important and urgent reasons why SB176 is not in the public interest. Our testimony focuses on two of them:

- 1) If approved, SB176 would further extend the institutionalized racism of state-sanctioned gambling and how it has reconfigured Ohio's tax code to benefit whites at the expense of black and brown people.**

Over the past year almost every aspect of American life has been rightly scrutinized for its impact on black lives. State-sanctioned gambling, including its latest offering of online gambling and commercialized sports betting, has eluded the spotlight because most state governments, including Ohio's, are reaping billions of dollars from it.

While on paper, racial groups are not required to pay different sets of taxes, the tax dollars derived from citizen gambling losses to commercialized sports betting and other forms of state-sanctioned

gambling represent a form of systemic racial discrimination if not by intent, then certainly *by effect*.

The proliferation and continual expansion of government-sanctioned gambling cannot be fully understood unless seen through the lens of race. Government-sanctioned gambling began to intensify during the early 1970's when many whites blamed people of color, especially blacks and Latinos, for their own economic insecurities caused by real income stagnation and looming tax debts. It's since snowballed into an avalanche.

Commercialized gambling has now become the preferred method by legislators from both parties to fund state government services that everyone uses. The result has been a continual reconfiguration of state tax code to redistribute tax liability along racial lines in which black and brown tax dollars have steadily displaced white tax dollars. State-sanctioned gambling has blocked capital accumulation for people of color, it has hoarded resources for many whites, and reallocated minority capital through unfair distributions of tax burdens.<sup>1</sup>

Meanwhile, rationales for this mode of public finance places blame on minorities themselves for self-imposing these tax burdens. It's an example of racial oppression that extends Jim Crow practices into the 21<sup>st</sup> century. What makes it so pervasively insidious, however, is that it is accomplished in ways that are institutional, covert, and racial in almost every way but name.

Online gambling, commercialized sports betting and other forms of government-sanctioned gambling are a key contributor to the massive wealth disparity between whites and blacks. State governments like Ohio deliberately concentrate gambling locations in economically-distressed regions to entice more low-income citizens, often clustering outlets in neighborhoods with large numbers of minorities. They also aggressively target these communities with marketing campaigns shielded from truth-in-advertising regulations under the Federal Trade Commission.

The types of gambling that used to occur in African-American neighborhoods were local and private, and the money exchanged stayed in the community. Today, much of the tens of billions of dollars that state governments extract in Ohio and elsewhere comes from low-income and minority

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<sup>1</sup> Hendricks, Dr. Kasey. 2017. *State Looteries: Historical Continuity, Rearticulations of Racism, and American Taxation*. Pg. 105

communities and is redistributed to benefit residents of middle-class and upper-class communities which are disproportionately white.

**Here in Ohio, when you combine the financial losses that citizens suffered from the State Lottery, the regional casinos, and the video gambling machines, your constituents *are already losing \$3 billion a year of their personal wealth to state-sanctioned gambling.*<sup>2</sup> They are on course to lose more than \$15 billion over the next five years, a figure that will only worsen if the Legislature passes more gambling taxes in the form of online gambling and commercialized sports betting. A disproportionate amount of that \$15 billion will be lost by the state's black and brown citizens, further intensifying the outflow of personal wealth from these communities who are already the most targeted by gambling operators.**

**2) A second urgent and important reason to vote NO on SB176 is the Legislature has a responsibility to protect Ohio kids from the harmful advertising and marketing of commercialized gambling operators, just like kids are protected from tobacco advertising. SB176 has no provisions shielding kids from gambling advertising.**

Do you think that children in Ohio should be exposed to an onslaught of gambling advertising by big online gambling corporations?

Online sports gambling and massive gambling advertising campaigns are inextricably linked. Relentless gambling advertising on television, social media, radio, and streaming platforms is undeniably what lures people to betting. You can't permit internet sports gambling without a blizzard of gambling advertising invading the lives of Ohio residents, including young people.

According to a recent ESPN report, during a seven-month span from Sept. 1, 2020, to March 31, 2021, a stretch that saw the return of mainstream sports from the pandemic shutdown:

***“The top sports betting companies accounted for 10.61 billion TV ad impressions, according to ad measurement company iSpotTV.***

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<sup>2</sup> Ohio Casino Commission Annual Reports and Ohio Lottery Annual Reports

***“They're right below canned goods and soups,” Tyler Bobin, brand analyst for iSpotTV.com, told ESPN.***

***In the first quarter of 2021, [Nielsen reported](#) that the online gambling industry, primarily sports betting, spent \$154 million on local TV advertisements.”<sup>3</sup>***

How does this saturation of gambling ads affect children? Bombarding kids with gambling ads normalizes and desensitizes them to the dangers of commercialized gambling. It also makes them more likely to develop problems later in life. Young people grow up mistakenly thinking this is a harmless activity.

In regions where government officials have effectively encouraged sports and other internet gambling for more than a five-year period, like in the United Kingdom, gambling has become part of everyday life for children as they have suffered through a constant stream of gambling advertising.<sup>4</sup> Carolyn Harris, a British Labor MP, last November said a new report on the prevalence of gambling among young people showed that “Britain is suffering an epidemic of child gambling.” Earlier that year, Harris told *The Guardian*, “Those who are targeted today will be the problem gamblers of tomorrow. It's time they [gambling firms] realized the harm they're doing via this indoctrination.”

The Daily Mail in 2018 cited research that “more than half of 16-year-olds have gambling apps on their smartphones –two years before they are legally allowed to place bets.” It also cited a study showing that about half the teens surveyed said some television ads “made gambling look like a good way to make money.”

The UK experience is highly relevant to Ohio because many of the gambling operators lobbying in this state have partnered with gambling companies operating in the United Kingdom.

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<sup>3</sup> “3-year evolution of sports betting,” *ESPN*, May 14, 2021 [https://www.espn.com/chalk/story/\\_/id/31423119/3-year-evolution-american-sports-betting-taboo-revenue](https://www.espn.com/chalk/story/_/id/31423119/3-year-evolution-american-sports-betting-taboo-revenue)

<sup>4</sup> “Children more likely to become gamblers due to high volume of betting ads,” *The Guardian (UK)*, March 26, 2020 <https://www.theguardian.com/society/2020/mar/27/children-more-likely-to-become-gamblers-due-to-high-volume-of-betting-ads>

To prevent an epidemic of child gambling, Ohio state legislators should strongly oppose the current push by gambling companies and others to welcome online gambling and commercialized sports betting to this state. Kids are worth more than money.

I invite you or your staff to please contact me by email [les@stoppredatorygambling.org](mailto:les@stoppredatorygambling.org) or phone (202) 567-6996. Thank you for your work.

Sincerely,



Les Bernal, National Director  
Stop Predatory Gambling