Chairman Stewart
Ohio House of Representatives
Finance Committee
June 3, 2025

Chairman Stewart and Distinguished Members of the Committee -

We appreciate the opportunity to share The Campaign for Fairer Gambling's concerns for **House Bill 298**, The Campaign aims to advance a politically bipartisan and scientifically evidence-based practice to enhance consumer protections across the gambling sector. We strive to raise awareness of gambling related harm ultimately by doing all that we can to prevent and reduce it. According to the National Council on Problem Gambling there are an estimated **9 million Americans** that are struggling with problem gambling nationwide, with the annual social costs of problem gambling totaling $14 billion. Of that, there are an estimated **254,739** adults in Ohio (or **2.2%** of the population) that are struggling. And gambling related harm isn't just a personal problem. In fact, research[1] highlights that for every one individual that is struggling, that person will negatively impact **six other individuals**, generally non-gamblers. That means there are approximately **1,528,374** individuals in Ohio being impacted by gambling addiction right now. This doesn't even account for the additional **1,806,490**[2] adult residents who can be categorized as problem gamblers, at moderate-risk, or low-risk. Perhaps because so much of our work has centered around driving attention and awareness to individuals who serve in the armed forces, one of the most alarming statistics is that **18.7%**[3] of Ohio's veterans are at-risk or problem gamblers. Additionally, according to the same 2022 study conducted by Ohio for Responsible Gambling, 59.8 percent of African Americans in Lucas County who gamble can be classified as "At-Risk/Problem Gamblers."

From January 1, 2024, to present day the National Problem Gambling Helpline received an astonishing **164,696** calls, texts, and chats from Ohioans. Research, The Total Consumption Model, highlights that anytime you introduce a new form of gambling within a jurisdiction, you will increase the number of problems. As will certainly happen with the introduction of I-Gambling.

Problem gambling is an important public health issue. Any expansion of gambling deserves proper debate and discussion, as the impacts will be felt by the entire State. We're not just simply speaking about the opportunities and costs financially either. We're talking about real lives that will be lost at the hands of expansion. An individual experiencing problem gambling is **15x**[4]

[1] Belinda C. Goodwin & Matthew Browne & Matthew Rockloff & Judy Rose, 2017. "**A typical problem gambler affects six others**," International Gambling Studies, Taylor & Francis Journals, vol. 17(2), pages 276-289, May.

[2] 2022-Ohio-Gambling-Survey-Highlights_10182023.pdf

[3] 2022-Ohio-Gambling-Survey-Highlights_10182023.pdf

[4] Gambling

more likely to die by suicide than members of the general population. Families, communities, and the state suffer when its people are suffering. Gambling addiction isn't just about financial decimation either. It also means increased rates of divorce, intimate partner violence, and a heavier reliance on social service programs. The miniscule 1 percent that the state proposes to contribute to addressing gambling-related harm is woefully inadequate if this bill passes.

Headlines continue to run rampant across the nation, almost weekly now, highlighting the ever-increasing number of calls for help, policymakers begging for more funds to address gambling related harm (Michigan and New York most notably) or highlighting predatory and worrisome practices being deployed by industry operators. These facts are troubling indeed. Policymakers must seriously consider the consequences of legalization and the impending social costs and harm that follow suit.

A recent NERA study examining the New Jersey I-Gambling market (often regarded as the 'gold standard' for gambling) found that while I-gambling taxes contributed nearly $385 million to the state, this was significantly dampened by the astounding $350 million in social costs the state also incurs from I-gambling related harm. Those social costs are mainly driven by 6% of the population (survey conducted by Rutgers University) that has been found to be struggling with a gambling disorder. This is **three times** the national average. These social costs are emerging in the form of welfare payments, homelessness, and criminal justice.

International jurisdictions that have had I-gambling for awhile are becoming ever more aggressive in their pursuits to limit these products. The UK has announced a stake limit of £2 for individuals under the age of 25 and £5 for everyone else. And they're not alone. Norway also has stake limits that equate to $4. Juxtapose that to New Jersey, where you can go and play an online slot at $75,000 max bet per spin. Is that something you'd want the people of Ohio to be able to do?

Another important consideration, where is all this revenue coming from? A survey unveiled by the State of Connecticut, one of the few jurisdictions in the U.S. with I-Gambling, highlighted the terrifying fact that **70% of gambling revenue is being derived from 7% of the population. 1.8% of these individuals have a gambling problem and 4.9% being considered at-risk.** The current business model for I-Gambling, appears to have the majority of revenues coming from the vulnerable few. A recent Wall Street Journal highlights this well.

The intent of this legislation should be made with eyes wide open and not due to pressure from budgetary shortcomings or special interests. The proof that the illegal market is captured and offset by legalization is simply not there. The answer to addressing the illegal market is enforcement, not expansion. In fact, legalization will simply just expand the total market for I-Gambling. The catastrophic harm for some that will result from this legalization will not only be gravely felt by that individual; it will trickle into your homes, communities, and ultimately be felt by the entire state.

I appreciate your consideration and I'd be happy to answer all the questions that you may have.

Respectfully,

Brianne Doura-Schawohl

Allowing Online Gambling Puts a Casino in the Pocket of Every Ohioan
Lawmakers Must Reject Online Gambling That Will Compromise Ohio's Economy, Communities & Families

The Ohio state legislature is quickly advancing legislation that would turn every smartphone into a pocket casino with 24 hours a day, 7 days a week, 365 days a year access to gamble. It's a bad bet, and a surefire recipe to increase gambling related harm. As Dr. Lia Nower, director of Rutgers Center for Gambling Studies, recently said, "The ones with the highest rates of problem gambling are lying in bed at night on their iPad while their partner's asleep."

Yet some lawmakers are refusing to heed the mounting evidence of the dangers posed by iGambling, lured by the siren song of a supposedly big payoff in the form of a new revenue stream. Senate Bill 197 and House Bill 298 would legalize online gambling statewide even though it threatens to dismantle Ohio's economy, jeopardizes public health and puts vulnerable people at risk.

According to a 2022 study, the prevalence of problem gambling in Ohio is 2.8%, which is an estimated **254,729** individuals. And gambling related harm isn't just a personal problem. In fact, research highlights that for every one individual that is struggling, that person will negatively impact six other individuals, generally non-gamblers.

That means there are approximately **1,528,374** individuals in Ohio being impacted by gambling addiction right now. This doesn't even account for the additional **1,806,490** adult residents who can be categorized as problem gamblers at moderate-risk or low-risk. Perhaps because so much of my work has centered around driving attention and awareness to individuals who serve us, one of the most alarming statistics is that **18.7%** of Ohio's veterans are at-risk or problem gamblers.

An individual experiencing problem gambling is 15 times more likely to die by suicide than members of the general population. Families, communities, and the state suffer when its people are suffering. Gambling addiction isn't just about financial decimation either. It also means increased rates of divorce, intimate partner violence and a heavier reliance on social service programs. The miniscule 1 percent that the state proposes to contribute to addressing gambling-related harm is woefully inadequate if these bills pass.

Since the proliferation of online sports betting in 2023, Ohio has already reported an increased need for services to address the growing rates of problem gambling and mental health needs. Helpline calls increased in the state at an astounding 55% in the first year and research indicates that this will only be exacerbated by expanded gambling.

In states like Michigan, Pennsylvania, Delaware, and New Jersey, where online casino gambling is legal, gambling addiction is surging. In New Jersey, which legalized online gambling in 2013, roughly 6% of the population is actively struggling with gambling addiction. One study suggests it could be costing the state upwards of $350 million annually in social costs. Other states with online gambling continue to receive more and more calls coming into their problem gambling helplines and ever-growing reliance on treatment systems. This only leads to needing more revenue to fund these services.

The stakes simply couldn't be any higher, with online gambling carrying an addiction rate eight times higher among young people than the general population, according to NIH. Another researcher suggested that iGambling could be 10x more addictive than other betting products.

An online gambling addiction doesn't just empty bank accounts and lead to more bankruptcies—it leads to family instability, strains mental health, and causes long-term harm. Unlike traditional gambling, online gambling technology is designed to be highly addictive and accessible to keep users gambling, clicking, and losing.

Ohioans should be deeply concerned and alarmed by what's at stake. In exchange for digital gambling convenience and 'modernization', we risk sacrificing dependable jobs, critical state revenue, and bring harm into your homes. Every smartphone will become a pocket casino if SB 197 and HB 298 pass—and that's a gamble Ohio cannot afford to take.

Governor DeWine, the Gaming Commission, and the Ohio Department of Mental Health and Addiction Services have prioritized doing everything they can to place mental health and the prevention of gambling addiction at the forefront of their initiatives. Let's not undermine that progress with legislation that prioritizes out-of-state profits over Ohio families and mental health.

Lawmakers should reject SB 197 and HB 298 before it's too late.

# # #

Brianne Doura-Schawohl is an international problem gambling advocate and expert. She is the founder and CEO of Doura-Schawohl Consulting LLC, a boutique global government relations firm that specializes in problem and responsible gambling policy. Doura-Schawohl's practice spans a wide range of work with executive and legislative branch officials and private sector stakeholders at the international, federal, state, and local levels of government. She is a proud mother and military spouse. She resides with her family just outside of the Nation's Capital, in Northern Virginia.

NERA
ECONOMIC CONSULTING

Economic Assessment of iGambling in New Jersey

Prepared for the Campaign for Fairer Gambling

9 November 2023

Project Team

Soren Christian
Duncan Broadie

Contents

Executive Summary

Introduction and Conclusion

In 2018, the Supreme Court of the United States ruled that the existing federal ban on sports betting was unconstitutional.[1] While other forms of non-sports online gambling ("iGambling")[2] had been legal in New Jersey since 2013, the 2018 Supreme Court decision effectively immediately legalized sports betting in that state.

In New Jersey, monthly gross gambling yield (GGY) for non-sports iGambling have grown from below $20 million in 2016 to $160 million in 2023, while sports betting contributes another c. $80 million per month, of which over 90% is online.

In 2019, not long after the launch of online betting in New Jersey, the industry association representing online gaming and betting in the United States, commissioned a report from Meister Economic Consulting and Victor-Strategies assessing the economic impact of online gaming in New Jersey (the "Meister Report").[3] The Meister Report concludes that, from 2013 to 2018, iGambling in New Jersey has generated $2.0 billion in output (value of sales), 6,552 jobs, $401 million in wages to employees, and $259 million in tax revenue to state and local governments.

We have been commissioned by the Campaign for Fairer Gambling to appraise those estimates and to provide an alternate view of them in 2023. Based on our analysis of a series of questions provided by the Campaign for Fairer Gambling, we find that the iGambling industry has been detrimental to the New Jersey economy, for several reasons:

- iGambling is a very high margin, low-cost activity for gambling operators, and few people are employed specifically in providing iGambling services. By contrast, a larger proportion of money spent in land-based gambling goes towards employment and hence cycles back into the economy when those employees spend their wages. Other alternative recreation industries are much more labor-intensive than gambling, and so if money is spent in these discretionary industries, it creates more value in terms of jobs created and wages paid out. The margins earned on iGambling may compensate the costs of developing iGambling platforms, but primarily contribute to the overall profitability of gambling operator, which is not necessarily a New Jersey-based institution.

- On the other hand, iGambling provides greater tax revenue than alternative forms of recreation. This is principally because the State of New Jersey applies various taxes that apply specifically to online casinos. These are larger than sales taxes that would apply to alternative discretionary businesses. New Jersey-based iGambling is restricted to those physically present in the state, so, unlike Atlantic City, which attracts out-of-state tourists, the iGambling sector in New Jersey primarily diverts money that would have been spent in other sectors in New Jersey (and some which may have been spent in those same sectors in

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[1] *Murphy v. National Collegiate Athletic Association*

[2] Unless otherwise specified, "iGambling" refers to online casino gambling and online sports betting collectively.

[3] Meister Economic Consulting and Victor-Strategies (October 2019), Economic Impact of New Jersey Online Gaming: Further Lessons Learned

nearby out-of-state urban areas like New York and Philadelphia). We do not capture reductions in personal federal income taxes paid because of the lower rates of employment in iGambling.

▪ Gambling, including iGambling, has negative social effects beyond the economic effects we measure. We find that there could be an additional fiscal cost of $350 million in New Jersey driven by problem gambling. This includes the costs of healthcare, welfare, homelessness, and criminal justice. These fiscal costs approximately offset the increased tax revenue collected from casinos.

▪ The rapid growth in iGambling has been supported by advertising expenditure far greater than in other sectors. This indicates both the importance of advertising to reach new gamblers as well as the extent to which revenues earned by casinos is directed towards ad buys rather than other avenues which may provide more social value. In other words, gambling operators view each new customer or dollar spent as sufficiently high margin (from their perspective) that they are willing to spend considerable sums to acquire them.

▪ The economic analysis summarized above assumes that the money spent in gambling is diverted from other discretionary recreational activities, i.e. that gambling is just one entertainment option of several, including watching sports/theater, dining out, etc. In reality, some gamblers may spend money that they would have otherwise saved or used on necessities, or may take out credit to do so. In this case, the direct negative effects of iGambling on the economy would be lower, since that money would not have been spent were it not for the gambling activity. However, there are many larger indirect effects that result from gamblers spending money they cannot easily spare, such as increased lending rates for all borrowers and higher social costs associated with problem gambling.

In conclusion, while there may be some benefits to the State in terms of tax revenue relative to alternative industries, the value of iGambling to the State of New Jersey appears to be lower than the alternatives, whether that is land-based gambling or non-gambling related activities. Our work is based on a high level partial-equilibrium view of the sector, and we are limited in our ability to fully understand what the New Jersey economy would look like today in a counterfactual world with little or no iGambling.

We provide more detail on our analysis below.

Current Trends

Land-based casinos have existed in Atlantic City since 1978. While there have been various openings and closures over the years, the total number was 13 or 14 from 1990 to 2014, at which point five closed following years of declining sales due to the global financial crisis and growth in casinos in neighboring states. There have been nine in operation since 2016.

In 2013, the New Jersey government legalized iGambling, though sports betting was still illegal according to federal law. Each land-based casino is allowed to host five different online casinos on its license, though these are often separate companies sharing a single license.

In 2014, New Jersey legalized sports betting, in direct conflict with federal law which banned it in all but a few states. A series of court cases culminated in 2018, when the Supreme Court ruled that the federal law was unconstitutional. This ruling immediately effected the New Jersey law, and cleared the way for other states to pass their own similar laws legalizing sports betting.

The New Jersey Division of Gaming Enforcement (DGE) provides a range of monthly and quarterly statistics on each of the casinos. In Figure 1, we show the breakdown in Gross Gambling Yield (GGY) from land-based casinos, online gaming, and sports betting (which is itself primarily online).

Figure 1: Annual GGY by Gambling Channel
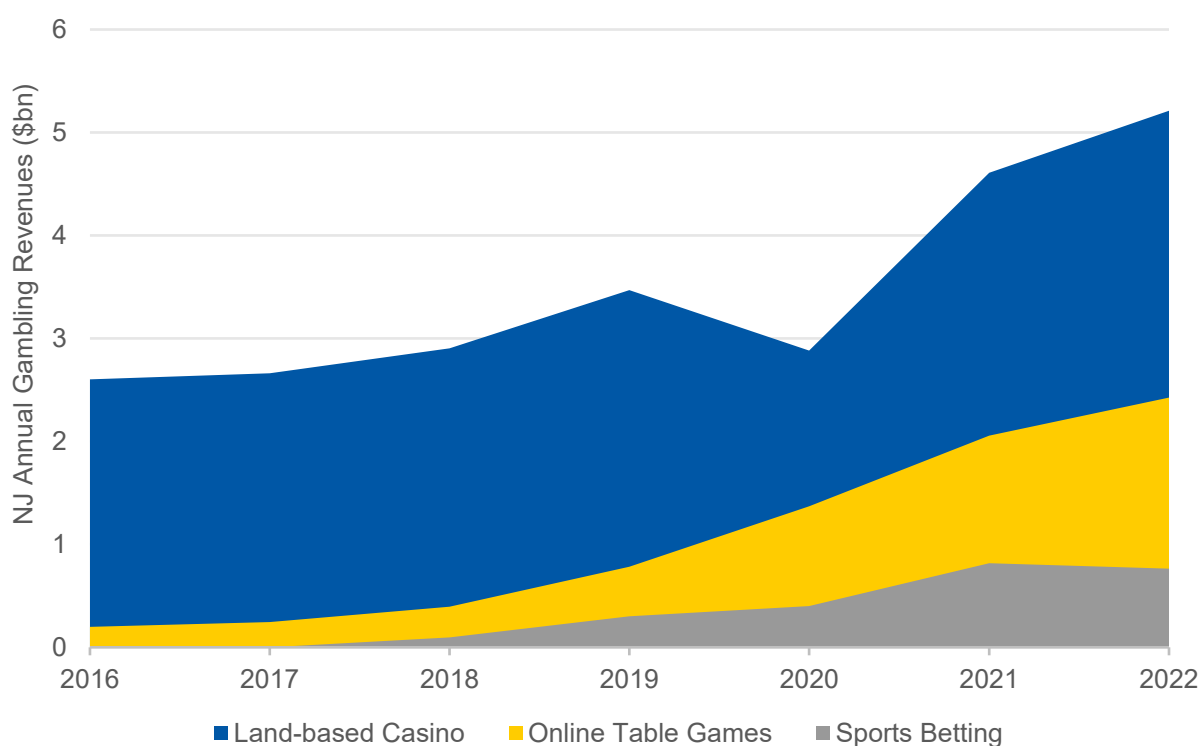
As the figure shows, total GGY in New Jersey has grown with the introduction of online casino gambling and sports betting, and these two channels now account for roughly as much GGY as land-based casinos. Land-based casinos faced a clear downturn during the Covid pandemic in 2020, from which they partially returned to pre-2020 growth trends by mid-2021. This suggests that the continued growth in iGambling and betting may have partially cannibalized revenues from land-based casinos, but it is not possible from the data to fully separate this from the lingering effects of the pandemic.

Modelling the Value of Gambling to the New Jersey Economy

To measure the net effect of iGambling on the New Jersey economy, we construct a model which accounts for the dynamics of what happens to each incremental dollar spent and how that

diverts from other discretionary spending categories. In particular, we compare the effects of iGambling to the effects of land-based gambling as an alternative, and to the effects of spending money on a set of unrelated, discretionary activities: retail, food and beverage services, and entertainment, scaled in proportion to their size as industries.

We construct the model such that a dollar spent gambling online or at a land-based casino would otherwise be spent on these alternate forms of recreation. This is based on our assumption that customers decide on a balance of spending and saving money, and that some of the money they spend will be spent on recreation. There are forms of spending that are fixed and out of the control of customers, such as rent payments. Therefore, if customers choose to gamble, then they reduce forms of spending like other forms of recreation.

We use state-level statistics about the flow of money in different industries, and how $1 of revenue is split between (a) profits, (b) expenses, and (c) labor. We show these splits in Table 1 below.

Table 1: Expenditures of Casinos and Other Recreational Firms from $1 in Revenue

	Wages	Nonwage expenses	Profit
Online Casino	4.2¢	47¢	48¢
Land-based Casino	12¢	33¢	55¢
Alternate Recreation	38.5¢	43.5¢	18¢

Our model assumes that, depending on which category money is spent, a certain proportion of it is paid out in wages, of which those employees spend 20% on discretionary expenditure, in line with the national average "marginal propensity to consume".

The money that they spend goes to new firms, and we likewise assume that their incremental wage money goes to discretionary categories. In turn, these businesses pass on the money they receive as profit, nonwage expenses, and wages, so the cycle repeats. We find that when customers spend money on non-gambling recreation, a greater portion of their spending goes to wages than it would if they spent their money gambling online. Below we show the overall economic outcomes of each type of spending, as well as the net effect of spending in iGambling rather than in alternate recreation activities.

Table 2: Cumulative Economic Effects of Spending $1 on Different Types of Recreation (¢ per $)

	New Spending Generated	Employees receive as wages
iGambling	0.9	4.5
Land-Based Gambling	2.5	12.6
Non-Gambling Alternative	8.3	41.7
iGambling (net of non-gambling alternative)	-7.4	37.2

Non-gambling industries are more labor intensive than gambling industries, so when customers' money goes to non-gambling industries, more of it is paid out in wages, which then gets spent again in the economy. By contrast, casinos hire fewer employees than other kinds of businesses, especially for online businesses. As a result, iGambling does not yield the types of positive knock-on economic outcomes that other discretionary industries do.

New Jersey customers spent $2.4 billion gambling online in 2022. We estimate the economic effects of that spending, as well as the effects had the money been spend in land-based casinos or on alternate recreation. We display our results in Table 3 below.

Table 3: Cumulative Economic Effects of $2.4 Billion in iGambling ($ million)

	New Spending Generated	Employees receive as wages
iGambling	$22	$110
Land-Based Gambling	$61	$310
Non-Gambling Alternative	$200	$1,000
iGambling (net of non-gambling alternative)	-$180	-$900

We estimate that the total $2.4 billion of iGambling in 2022 decreased New Jersey's economic activity by about $180 million and decreased the total amount of money that employees received in wages by about $900 million.

For the purposes of our modelling, we assume that all of that money would have been spent in New Jersey in the absence of a gambling sector. This ignores two effects. First, many land-based gamblers travel to Atlantic City from out of state, and would have stayed in their home state without the Atlantic City casinos. Second, while very few *online* gamblers are likely to have travelled to New Jersey specifically to gamble, many of them live in the greater New York or Philadelphia metropolitan areas, and may have thus spent money out of state on other

recreation activities. Thus, gambling policy in New Jersey has some economic impact on other states' economies as well, though we do not explicitly quantify it.

Tax Revenues

New Jersey casinos contribute to state and federal tax revenues, and our analysis shows that the rising popularity of iGambling has made online casinos a source of government revenue comparable to land-based casinos. Excluding the period of the pandemic, online casinos received greater revenues than land-based casinos for the first time in 2022, while facing lower costs. As a result, online casinos now contribute more in direct tax revenue than land-based casinos.

First, we examine the amount of tax revenue that comes from gamblers themselves. Players are required to report net gambling winnings (net of losses) as income and pay 24% tax on those winnings. In practice, there are very few players who have net winnings at the end of the year, and so this is a negligible tax revenue stream.

We estimate the amount of tax revenue that New Jersey gambling generates, primarily through corporate income taxes and a set of levies that apply specifically to gambling entities in New Jersey. We find the following:

- **Federal Corporate Income Tax:** Casinos (land-based and online) pay Federal Corporate Income Tax of 21% of taxable income, which is itself roughly 22% of profits, based on IRS industry data from 2013. In the absence of iGambling, we assume that revenue would be diverted to alternate recreation businesses, who would ultimately pay FCIT on the resulting profits. However, since gambling is a high-margin industry, we find that $1 in expenditure in iGambling would yield roughly twice as much FCIT as if it were spent in alternate recreation businesses.

- **General State Taxes:** Casinos pay a 9% state business tax to New Jersey. We also assume that employees of casinos (or any other business) pay 3% personal state income tax on their wages, and 6.6% sales tax on any spending in recreational activities. We feed these revenues through our model as described above to identify the general state tax contribution from iGambling net of the tax contribution of alternative recreation businesses. We find that alternative industries contribute around 40% more to general state taxes than iGambling, primarily driven by sales tax, as well as personal income taxes.

- **Atlantic City Taxes:** New Jersey levies a number of taxes and fees specifically on Atlantic City casinos and businesses, in order to encourage economic growth there. Across the various levies, iGambling entities pay 17-18% of their GGY. Alternate recreation businesses would not pay any of this, so this results in close to $390 million in additional taxes from iGambling in 2022.

In Table 4 below, we consolidate the three channels above to estimate the total *net* tax contribution from online casinos in New Jersey.

Table 4: Total Net Tax Contribution of Online Casinos in New Jersey

	2016	2017	2018	2019	2020	2021	2022
FCIT	3	3	5	10	18	28	32
General State Taxes	-3	-4	-7	-13	-24	-35	-42
Atlantic City Taxes	34	43	60	120	222	343	394
Total	**34**	**42**	**59**	**117**	**216**	**335**	**385**

As the table shows, iGambling makes a positive contribution to tax revenues in New Jersey, but this is driven entirely by the levies which apply specifically to gambling entities. However, as we show below, these additional tax revenues are largely offset by the fiscal costs of problem gambling. We also do not capture the reduction in personal federal income taxes paid compared to alternative recreation industries due to the lower labor intensity of the gambling sector.

Comparison to Meister Report

We compare our modelling to the results in the Meister report in Table 5 below, noting two caveats: (i) we have extrapolated Meister's 2019 estimates by growth in GGY since then; and (ii) Meister only presents tax findings for state taxes, so we exclude FCIT from this comparison.

Table 5: Comparison of Modelling Results

	Meister Extrapolation				NERA Modelled Results			
	Output	Jobs	Wages	State Taxes	Output	Jobs	Wages	State Taxes
	$m	#	$m	$m	$m	#	$m	$m
2019	1,399	4,590	281	182	-58	-5,084	-291	107
2020	2,448	8,035	492	318	-102	-8,900	-509	198
2021	3,675	12,059	738	477	-153	-13,358	-764	307
2022	4,338	14,237	871	563	-180	-15,771	-902	353

Our modelling shows that iGambling has been a negative contributor to the New Jersey economy in terms of economic output, jobs, and wages. This is because iGambling is a low labor, high margin business, and so is generally extracts rather than contributes value to the New Jersey economy. The Meister report does not take into consideration any other destination of the money that is currently being spent on iGambling.

Our figures are broadly aligned in terms of tax contribution, because the state imposes several taxes which are specific to the gambling industry. The Meister Report again fails to capture the general state tax contribution of other alternative recreation businesses, but these are smaller than the gambling-specific taxes.

Social Costs of Gambling

While the focus of this paper is on the *economic* effects of iGambling in New Jersey, we note the link between gambling and negative social effects. Rather than researching these effects independently, we summarise the findings of the National Institute for Economic and Social Research (NIESR) in the UK and apply them to New Jersey. NIESR finds that gambling, particularly gambling addiction, drive social costs in welfare payments, homelessness, and criminal justice. We apply NIESR's rates and estimate that New Jersey's $5.2 billion GGY could cause $740 million in social costs, of which $350 million may be associated with iGambling.

Advertising Expenditure

iGambling in New Jersey has grown rapidly, either drawing in new players or encouraging existing players to gamble more. The iGambling industry requires marketing expenditure to achieve this.

We find that the gambling industry spends more of its revenues on marketing than other industries do, in both the US and UK.

We find that the iGambling industry spends more than 14% of its revenue on marketing in the US,[4] while all other sectors spend less than 4% on the same. In the UK, the iGambling industry spends over 20% of its revenue on marketing, while other sectors spend 12% or less. Marketing helps to keep the nonwage expenditures of iGambling (47%) above those of land-based casinos (33%) or alternate recreation (43%). With less spending on wages, the iGambling industry creates less economic activity.

This suggests that heavy advertising is a standard part of iGambling operators' business plans, because each new customer is highly profitable from the perspective of the operator, especially if they develop a habit of gambling and hence losing more money over the long term.

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[4] For data reasons, we look at the whole of the US, not just New Jersey.

1.   Introduction

In 2018, the Supreme Court of the United States ruled that the existing federal ban on sports betting was unconstitutional.[5] While that federal ban, the Professional and Amateur Sports Protection Act of 1992 (PASPA), carved out a few state-specific exceptions (Nevada, Delaware, Oregon, and Montana), sports betting was illegal across the remainder of country.

In the case of *Murphy v. National Collegiate Athletic Association*, the Supreme Court considered a New Jersey state law passed in 2014 legalizing sports betting which put it in direct conflict with PASPA. The Supreme Court found that PASPA was unconstitutional[6] decision struck down that ban and thus left it as a matter for each state to determine whether or not to allow sports betting. Its decision immediately legalized sports betting in New Jersey, and it is now legal in 34 states plus the District of Columbia.[7]

Alongside the legalization of sports betting, online gambling ("iGambling")[8] has grown as more activities are conducted online in general. In New Jersey, monthly gross gambling yield (GGY) for non-sports iGambling have grown from below $20 million in 2016 to $160 million in 2023, while sports betting contributes another c. $80 million per month, of which over 90% is online, as reported by the New Jersey Division of Gaming Enforcement (DGE).[9]

In 2019, not long after the launch of online betting in New Jersey, the iDevelopment and Economic Association (iDEA), the industry association representing online gaming and betting in the United States, commissioned a report from Meister Economic Consulting and Victor-Strategies assessing the economic impact of online gaming in New Jersey ("The Meister Report).[10] The Meister Report concludes that, from 2013 to 2018, iGambling in New Jersey has generated $2.0 billion in output (value of sales), 6,552 jobs, $401 million in wages to employees, and $259 million in tax revenue to state and local governments.

We have been commissioned by the Campaign for Fairer Gambling to provide an alternate assessment of the state of the iGambling industry, principally in New Jersey but also across the United States more generally. This report proceeds as follows:

- In Section 2, we present summary figures characterizing the growth of gambling and iGambling in particular in New Jersey, closely following and updating the summary data presented in the Meister Report;

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[5] *Murphy v. National Collegiate Athletic Association*

[6] Specifically the Court found that PASPA violated the 10th Amendment of the US Constitution, which limits the primacy of federal over state powers to those specifically enumerated in the Constitution. Because nothing in Constitution prohibits gambling, it is left by implication to states to regulate.

[7] https://www.cbssports.com/general/news/u-s-sports-betting-heres-where-all-50-states-currently-stand-on-legalizing-online-sports-gambling-sites/

[8] Unless otherwise specified, "iGambling" refers to online casino gambling and online sports betting collectively.

[9] New Jersey Division of Gaming Enforcement

[10]   Meister Economic Consulting and Victor-Strategies (October 2019), Economic Impact of New Jersey Online Gaming: Further Lessons Learned

- In Section 3, we develop an alternate assessment on the contribution of gambling to the New Jersey economy;

- In Section 4, we set out the contribution of the gambling sector to state and federal tax revenues, and discuss how tax policy can influence the behavior of casinos and gamblers alike;

- In Section 5, we briefly summarize external research on the wider social costs of problem gambling;

- In Section 6, we discuss the role of marketing in the growth of iGambling;

- In Section 7, we conclude.

2. Background and Current Trends

### 2.1. History of Gambling in New Jersey

Gambling has a long history in New Jersey, centered around the land-based casinos of Atlantic City, which New Jersey voters approved in a 1976 referendum in an effort to revitalize the Atlantic City economy. The first casino, Resorts International, opened in 1978, and was followed by several others in the next three years. In the ensuing years, various casinos have opened and closed, but the total number sat between 13 and 14 between 1990 and 2014.

Total casino revenues grew steadily from the beginning of the casino period until 2006. Starting in 2007, casino gambling faced an extended downturn, driven primarily by: (a) the global financial crisis; and (b) the expansion in casino gambling in other East Coast states, principally Pennsylvania and Maryland.

Eventually, driven by these broader factors, four Atlantic City casinos closed in 2014 and a fifth in 2016. There have been nine operating casinos since then, showing gradual revenue growth interrupted by the Covid pandemic. We show the long-term trends in casino revenues and count in Figure 2.1 and Figure 2.2 below.

Figure 2.1: Atlantic City Casino Revenues
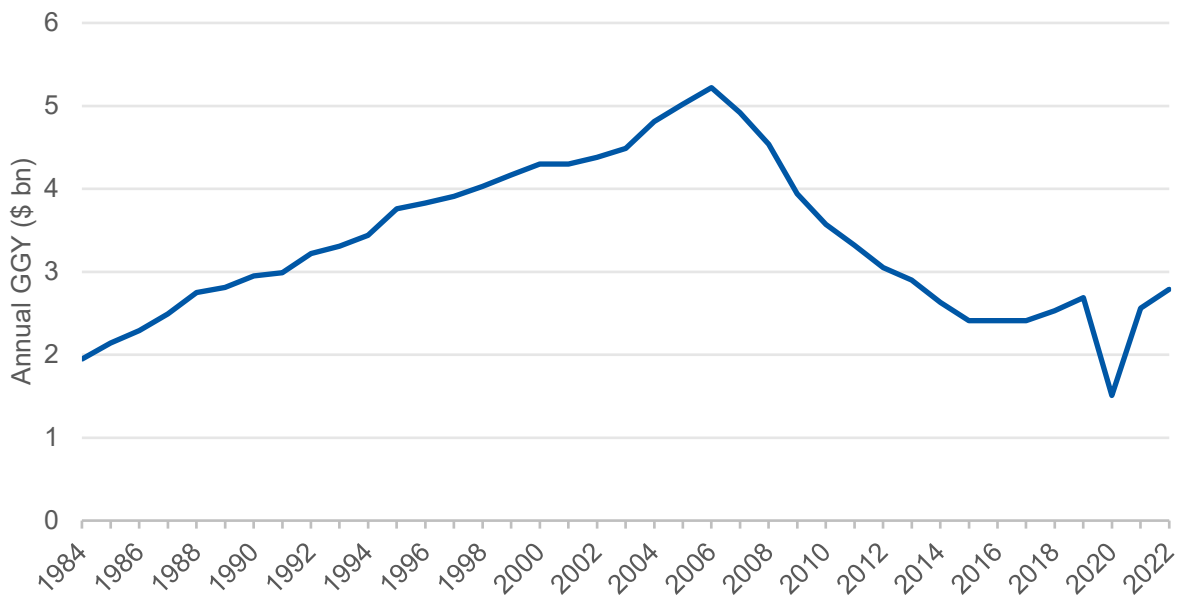
Figure 2.2: Atlantic City Casinos by Year
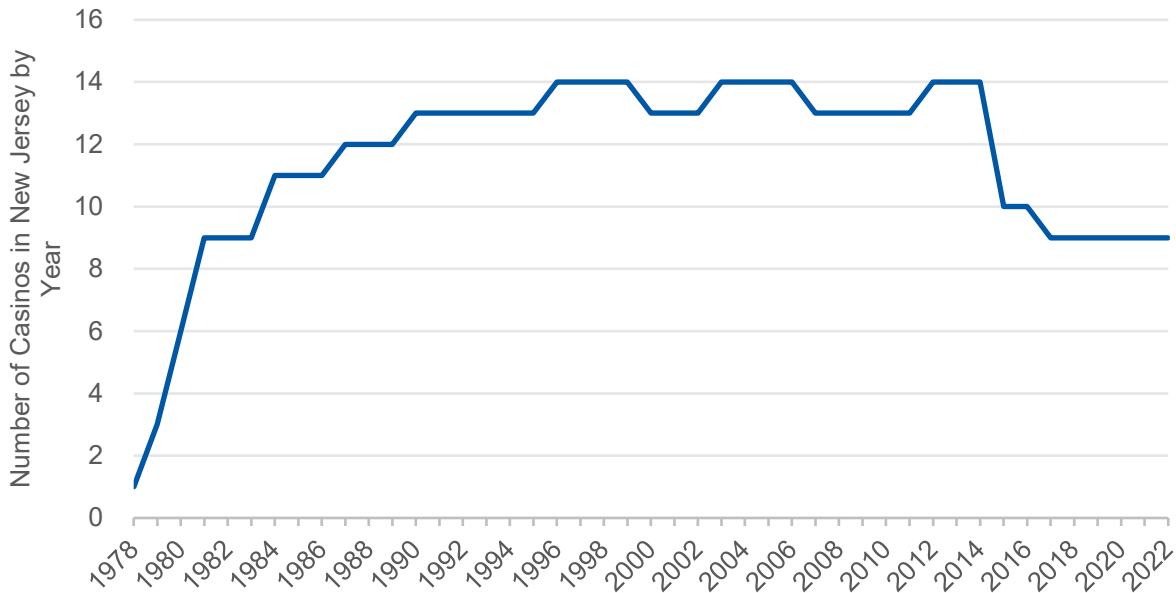
Presently around three quarters of casino revenue comes from slot machines and one quarter from table games (e.g. blackjack or roulette). Less than 1% comes from poker, and only three of the nine casinos have poker rooms at all.[11]

In 2013, the New Jersey state government passed legislation that allowed iGambling (though not yet sports betting) to be offered in the state, subject to the fact that iGambling sites would have to be licensed through a land-based casino. Each licensed casino can host up to five websites, each with potential multiple unique URLs (e.g. distinguishing between table games and sports betting).

PASPA prevented sports gambling, online or land-based, but this was overturned by the Supreme Court in 2018, immediately effecting New Jersey's 2014 state law legalizing sports betting. Since then, online casinos have been able to offer a range of table games and sports betting services. As with land-based casinos, online casinos primarily offer table games such as blackjack and roulette, and slots – peer to peer poker accounts for a minimal share of revenues.

2.2.   Available Data

For the purposes of this paper, we rely extensively on monthly and quarterly reports provided by casinos to DGE, and published on their website. This includes:

- Monthly revenue reports from each land-based casino and each associated iGambling operation, separately reported. Most land-based casinos do have associated iGambling operations, and no iGambling operation can exist without a land-based casino to operate and

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[11]   NJ Division of Gaming Enforcement

manage it. This data includes a detailed breakdown of revenues by casino and by source, including by individual game in some reports.

▪ DGE provides quarterly data for each land-based casino. As opposed to the monthly reports, which exclusively report revenues, the quarterly reports contain data on casino *expenditures*, including detailed breakdowns of all the wages that the casinos paid. However, the quarterly reports generally combine the records of land-based casinos and their associated iGambling operations, which means that some assumptions are required to allocate these expenditures between land-based and online gaming operations.

2.3.　　**Current Trends**

In Figure 2.3 below, we show the monthly gross gambling revenue, or GGR (the amount of revenue retained by the casino after prizes are paid out), dating to the beginning of 2016 when DGE starts reporting data online. We present totals for:

▪ Land-based casinos, which of course date back to 1979. Monthly revenues for land-based casinos have consistently sat around $200-300 million, with a summer spike as tourists flock to Atlantic City. Casinos closed for three months during the first Covid lockdowns in 2020, and took the remainder of the year to return to their normal patterns.

▪ Online table games (e.g. blackjack) grew gradually to the beginning of Covid, and then experienced a step change increase in sales and growth that did not deteriorate as the economy re-opened. Monthly revenues now sit around $150 million.

▪ Sports betting (nearly all of which is online) has grown gradually since it was legalized in 2018, aside from a dip in the first lockdowns when very televised few sports games took place globally. Monthly GGR now sits between $50 and $100 million, with some variability around the particular sporting events taking place each month.
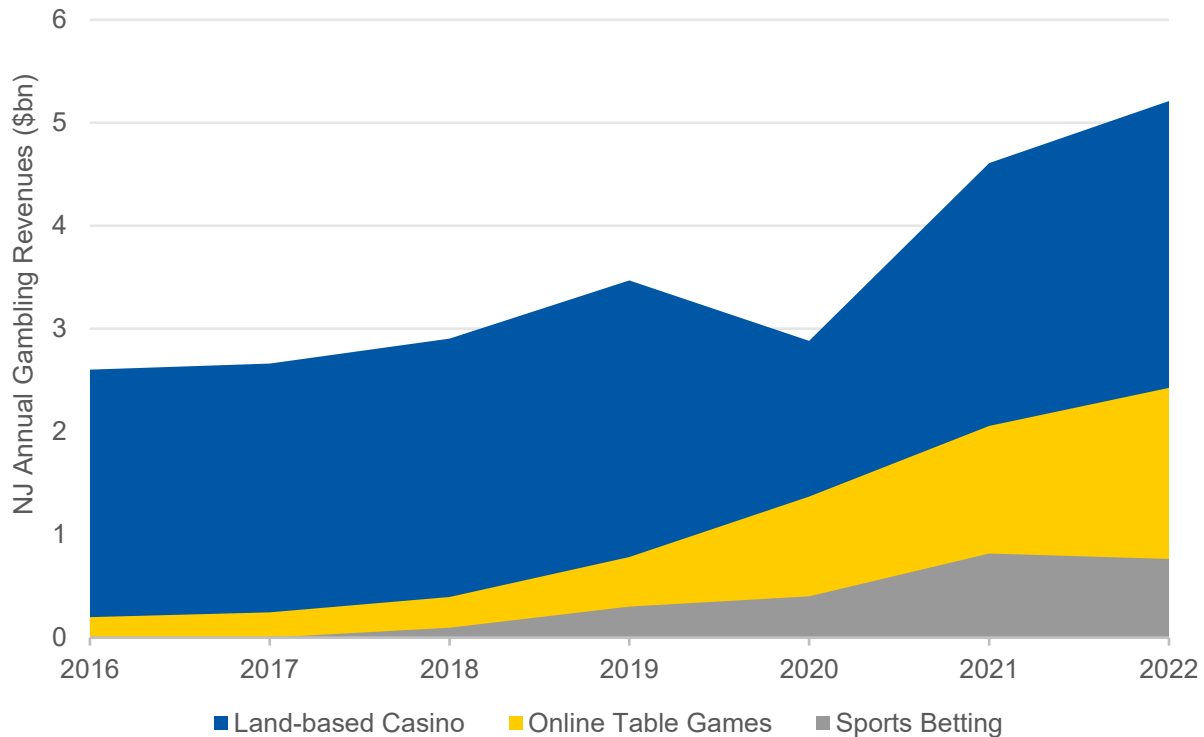
Figure 2.3: Monthly GGR by Source
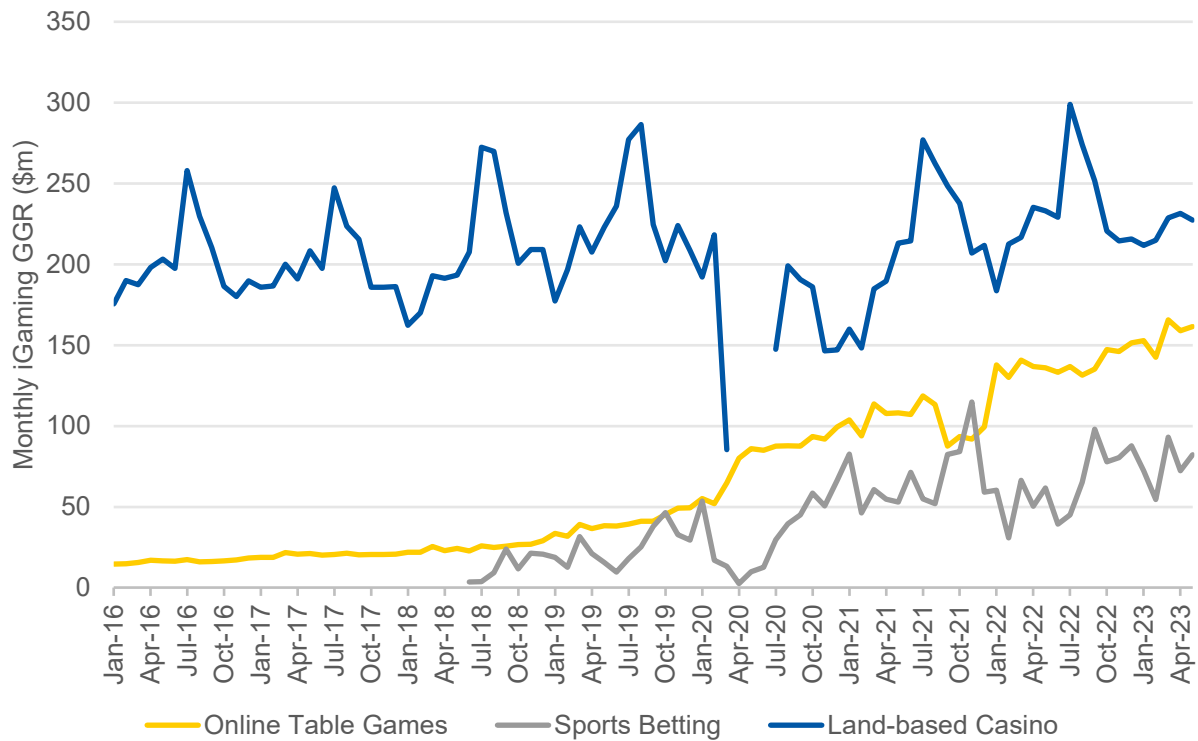
Source: DGE

As the Figure shows, total gambling revenues have grown over the years as iGambling (including sports betting) has grown. In other words, land-based gambling has not been cannibalized by iGambling activity. In 2023, iGambling (including sports betting) now exceeds land-based gambling in terms of revenues in New Jersey.

Figure 2.4 below combines the above data into annual totals. As the figure shows, annual total GGR in 2022 exceeded $5 billion, driven by growth in online gaming and sports betting. The initial months of 2023 show this trend continuing to grow.

In the period 2016 – May 2023, over 90% of sports betting was online, by revenue. Throughout this report we assume that all sports betting is online.

Figure 2.4: Annual GGR by Source

iGambling grew in the period 2020-2022, some of which may have cannibalized from land-based gambling. IGambling revenues passed $100 million monthly for the first time in January 2020, and by December 2022 they were almost $240 million per month. However, land-based gambling revenues grew in the same period from $190 million to $215 million.

As we show in Figure 2.5, land-based revenue grew at a lower rate after the main Covid shutdowns before. Over the entire 2016-May 2023 period, but excluding April 2020 to May 2021, Casino GGR grew at about $5.1 million per year, but in the pre-Covid (2016-March 2020) period Casino GGR grew faster, at about $7.7 million per year. The failure to return to the trend could be the result of some casino gamblers migrating to online betting and not returning to the casinos post-Covid, or potential new gamblers deciding to play online rather than in person. Note that we focus exclusively on the post-2016 period, after the 2014-2016 closures of five Atlantic City casinos and a resulting return to growth.

Figure 2.5: Growth Rates of Land-based Gambling Revenues in New Jersey
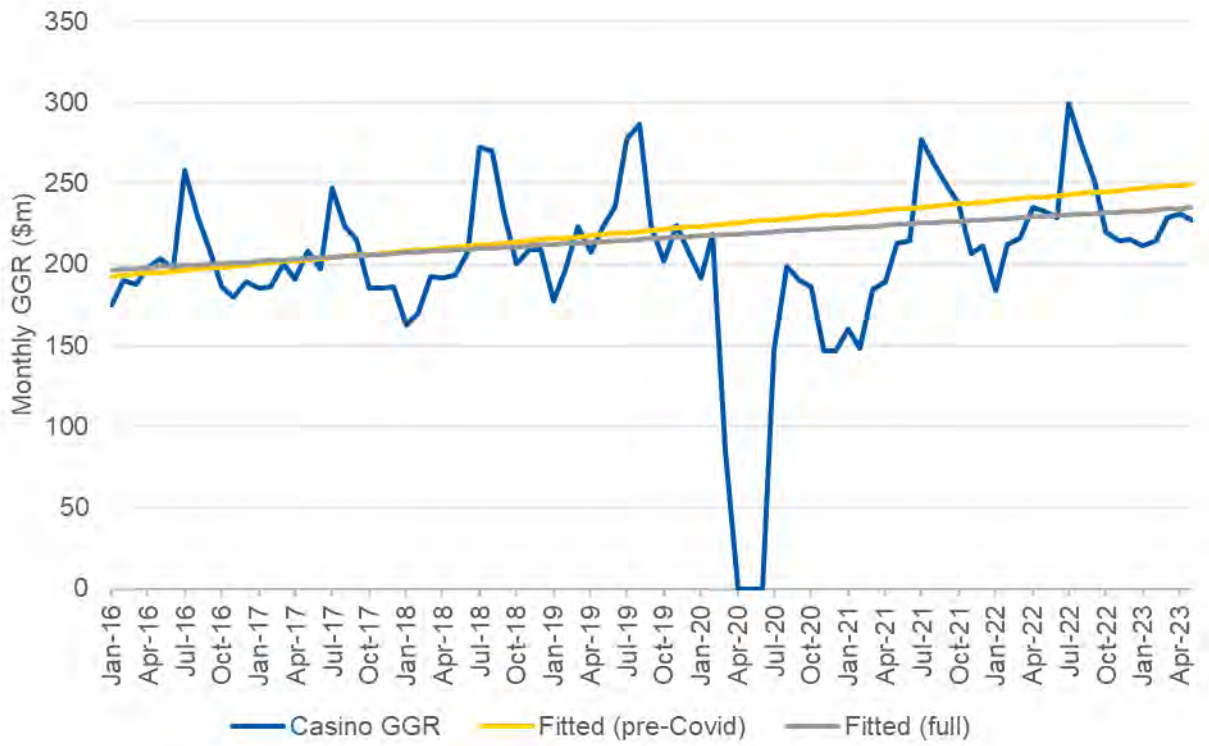
However, given the short amount of time in the post-Covid period, it is impossible to say with certainty what would have happened to land-based gambling in the Covid aftermath if iGambling were not an option. In particular, it may take several years for people to re-establish their old travel patterns, whether that is to Atlantic City or New York City.

In Figure 2.6 below, we show the relative breakdown of land-based casino table games, measured by total casino drop (i.e. the amount staked) and by GGR. As the figure shows, blackjack is the single most important source of casino revenue.

Figure 2.6: Casino Table Game Revenue Source
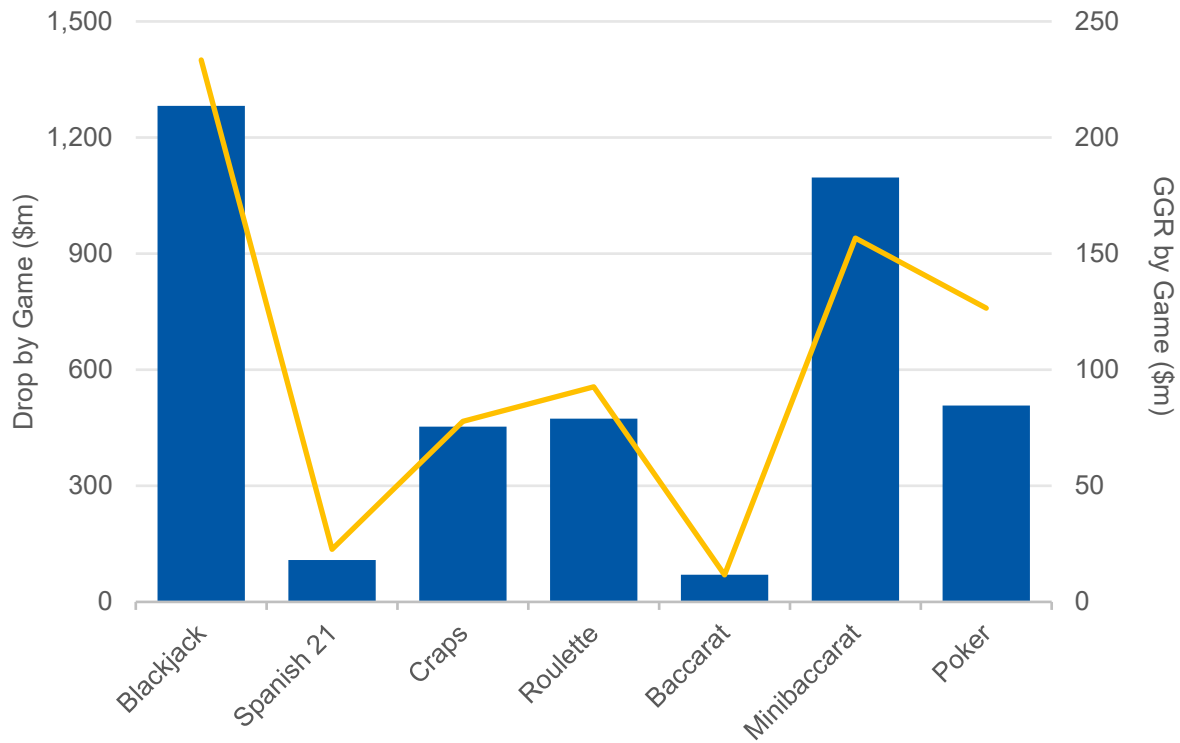
Source: DGE

The DGE data does not break down online revenues by game, but a scan of their websites generally shows that blackjack, slots and roulette are the most prominently advertised. We show screenshots of the homepages of the gambling websites of DraftKings, Borgata and Harrah's below, which show the prominence of these games among others.

Figure 2.7: Selected iGambling Websites
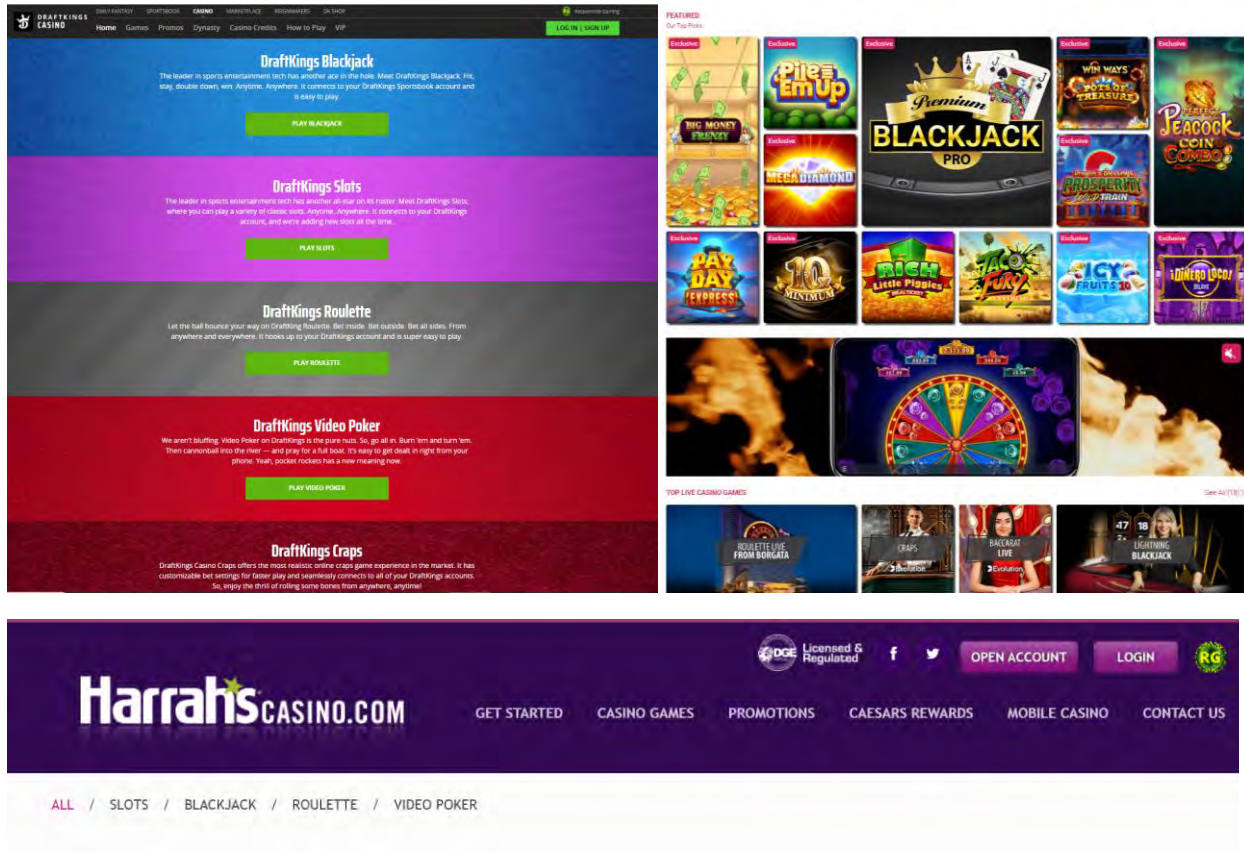
3. Modelling the Value of Gambling to the New Jersey Economy

We show in Chapter 2 that iGambling has grown exponentially since 2016 in terms of the revenue earned by casinos operating in New Jersey. Much of this has taken place since 2019, when the Meister report was released.

Online gaming revenues surpassed land-based gaming revenues for the first time since the 2020-2021 pandemic in January of 2022. In March 2023, monthly online gaming revenues exceeded a quarter billion dollars for the first time. This was more than double the $117 million in July 2020 fewer than three years earlier.

However, the Meister report's estimated values on the economic value produced by the gambling industry reflect a very limited view of the role of gambling in New Jersey, for two reasons:

▪ iGambling is low-cost relative to land-based gambling, meaning that the incremental revenues to the industry are primarily profit. For example, most employees will be focused on (a) setting up the iGambling systems, including payments; and (b) advertising. As more players participate, there is not much of an increase in the amount of employment and wages paid out.

▪ Money that is spent gambling is primarily discretionary. We show above that it is not being diverted from casino gambling, suggesting that it is instead being diverted from other discretionary activities, such as entertainment. These other activities may contribute more to the economy, and so the value that iGambling creates at least partially cannibalizes from those other industries.

We build a simplified model which accounts for these effects.

This chapter proceeds as follows:

▪ In Section 3.1, we provide a brief overview of how our model works, and introduce the key ideas that drive the model;

▪ In Section 3.2, we discuss the sources of our data and how we derive key inputs;

▪ In Section 3.3, we present the model structure in detail;

▪ In Section 3.4, we present estimates for the effects of gambling on the economy; and

▪ In Section 3.5, we discuss the effects and what they mean for New Jersey's economy.

3.1. Model Overview

To measure the net effect of iGambling on the New Jersey economy, we construct a model which accounts for the dynamics of what happens to each incremental dollar spent and how that diverts from other discretionary spending avenues. In particular, we compare the effects of iGambling to the effects of land-based gambling as an alternative, and we compare iGambling to the effects of spending money on a set of unrelated, discretionary activities: retail, food and beverage services, and entertainment, scaled in proportion to their size as industries.

We construct the model such that a dollar spent gambling online or at a land-based casino would otherwise be spent on alternate forms of recreation. This is based on our assumption that customers decide on a balance of spending and saving money, and that some of the money they spend will be spent on recreation. There are forms of spending that are fixed and out of the control of customers, such as rent payments. Therefore, if customers choose to gamble, then they must reduce forms of spending like other forms of recreation.

Alternatively, gamblers may be spending their savings rather than available and disposable income, and would instead save their money if gambling was not an option. We do not model this possibility, but note the following:

- If gamblers are gambling money they should be saving, there are likely to be wider social costs of gambling that we do not capture;

- If gamblers save less than they would in the absence of gambling, there will be less money saved in the banking system, raising interest rates and making borrowing and spending more expensive for other participants in the economy.

Thus, our assumption that all gambling money is disposable does not obviously bias our findings in one direction or the other.

Drawing on state-level statistics about the different industries, including gambling, we model how customers' expenditure is split between (a) profits, (b) expenses, and (c) labor, and how much economic activity is created through each of these outcomes.

We find that when customers spend money on non-gambling recreation, they cause more economic activity and a greater amount of total wages to be paid to employees than to they do gambling, especially compared to gambling online. This is because these industries are more labor intensive, so when customers' money goes to these other industries, more of it is paid out in wages, which then gets spent again in the economy. By contrast, casinos hire fewer employees than other kinds of businesses, especially for online businesses. As a result, iGambling does not yield the types of knock-on economic outcomes that other discretionary industries do.

3.2. Data Description

3.2.1. Data selection

We construct our model with the assumption that all money that a gambler does not spend gambling is spent elsewhere instead, specifically on (a) retail goods, (b) restaurants and dining, and (c) entertainment. We make this assumption because gambling is "discretionary" spending, meaning that it generally occurs after the gambler has met their costs of living and chooses to spend their remaining money for recreation, and these are the other major categories of discretionary spending.

We also assume that employees of casinos and other businesses spend any additional money they make on retail goods, restaurants, and entertainment. This is because employed people can

generally meet their living expenses, and any new inflow of money (for example, when a new gambler decides to gamble at their casino) can be spent on their own discretionary activities.

Gambling is itself a category of recreational spending, and we likewise examine the gambling sector across the United States to determine what happens when consumers spend their money gambling, in contrast to what happens when consumers spend their money on retail goods, restaurants, and entertainment.

The economic analysis in this section assumes that the money spent in gambling is diverted from other discretionary recreational activities, i.e. that gambling is just one entertainment option of several, including watching sports/theater, dining out, etc. In reality, some gamblers may spend money that they would have otherwise saved or used on necessities, or may take out credit to do so. In this case, the direct negative effects of iGambling on the economy would be lower, since that money would not have been spent were it not for the gambling activity. However, there are many larger indirect effects that result from gamblers spending money they cannot easily spare, such as increased lending rates for all borrowers and higher social costs associated with problem gambling.

3.2.2. Industry size

First, we must consider the overall size and economic contribution of each industry.

There are two broad ways of measuring economic output of an industry.

- Gross value added (GVA), which measures the amount of money that each sector makes after it pays for all the goods it uses. We use this as an input to identify the amount in each industry that is paid out in wages to employees and accrued as profit to business owners. The New Jersey Department of Labor and Workforce Development publishes data on the GVA of each industry, most recently for 2020 data.[12]

- Gross output (GO), which measures that amount of revenue that each sector collects before it pays any of its expenses, and is thus higher than GVA by the value of any intermediate expenditure. We use GO data in comparison with GVA data to identify the value of all expenses that are not employee wages. The New Jersey government does not report GO data, but the US Bureau of Economic Analysis (BEA) does report both GVA and GO by industry, so we can assume these ratios are applicable in New Jersey as well.[13]

We present the relevant measures of industry size below.

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[12] NJ Department of Labor and Workforce Development, GDP Statistics:
https://www.nj.gov/labor/labormarketinformation/industry-economy/gdp/

[13] US Bureau of Economic Analysis. Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, First Quarter 2023. (June 29, 2023). https://www.bea.gov/sites/default/files/2023-06/gdp1q23_3rd.pdf

Table 3.1: Comparator Industry Size ($m)

	Gambling	Retail	Dining	Entertainment
Industry name (NJ)	Amusement, gambling, and recreation industries	Retail Trade	Food services and drinking places	Performing arts, spectator sports, museums, and related activities
Industry name (US)	Arts, entertainment, and recreation	Retail Trade	Accommodation and food services	Arts, entertainment, and recreation
GVA (NJ)	$3,100	$37,000	$11,000	$3,400
GVA (US)	$270,000	$1,500,000	$790,000	$270,000
GO (US)	$420,000	$2,800,000	$1,500,000	$420,000
GVA/GO ratio (US)	64%	54%	53%	64%

3.2.3.   Employment and compensation by sector

We rely on employment data for each industry, as published on a state-level basis by the United States Bureau of Labor Statistics (BLS).[14] BLS reports the number of employees and the average wage for each industry, which we then multiply to identify total employee compensation. We display these in Table 3.2 below.

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[14] US Bureau of Labor Statistics. May 2022 State Occupational Employment and Wage Estimates. (April 25, 2013).
https://www.bls.gov/oes/current/oes_nj.htm

Table 3.2: Employment and Employee Compensation in Discretionary Sectors, New Jersey

		Included categories	Number of Jobs	Average Wage	Total Employee Compensation ($m)
Gambling	Terrestrial Gambling	▪ Gambling Managers ▪ Surveillance officers ▪ Supervisors ▪ Dealers ▪ Book writers, runners ▪ Cage workers	6,100	$55,000	$334
	iGambling	▪ Gambling Managers ▪ Surveillance officers ▪ Book writers, runners	680	$69,000	47
Retail		All of "Sales and related occupations" except for: ▪ Insurance sales agents ▪ Securities and financial services agents ▪ Sales representatives for wholesale and manufacturing ▪ Real estate brokers and agents	300,000	$50,000	$15,000
Dining		All of "Food Preparation and Serving Related Occupations" as well as the minor category of "Food Service Managers."	280,000	$38,000	$11,000
Entertainment		All of "Arts, Design, Entertainment, Sports, and Media Occupations"	50,000	$81,000	$4,000

3.2.4. Breakdown of spending by firms

We estimate how firms spend or save the money they receive. We divide this spending and saving into three categories: firms spend a certain percent on wages, firms spend a certain percent on expenses that are not wages (nonwage expenses), and firms save a certain percent. These three categories make up 100% of a firm's revenue.

We first estimate this breakdown of spending and saving for land-based casinos. We examine DGE data on annual revenues earned and expenditures made by New Jersey casinos in the final quarter of each year.[15] These casinos record and report the total amount of money they spend to operate their casino floor. The casinos also report the total wages they spend.

We consider the total wages the casinos spend to run the casino floor, as well as the wages they spend on marketing and accounting costs. We subtract this set of wages from the total expenses to find nonwage expenses. Finally, the difference between casino revenue and casino cost gives profit. We draw this data from the annual expense and employment reports the land-based casinos made to DGE in the final quarter of each year from 2015-2022.

Table 3.3: Breakdown of Spending in Land-based Casinos

	Wages	Nonwage expenses	Profit
$m	1.7	5.0	8.2
Total Revenue ($m)	14.9	14.9	14.9
Share of total (%)	12	33	55

Source: NERA analysis on DGE calculations

Second, we estimate the breakdown of saving and spending for online casinos. Only three DGE records include the employment records of online casinos in New Jersey. Resorts Digital reported their wage spend in 2016 and Golden Nugget Online Gaming did the same in 2020 and 2021. These three casinos included revenue and total expenses in these respective years.

We focus on these three reporting casinos to estimate the average amount of revenue that online casinos spend on wage. We find the wages and revenues of Resorts in 2016 and Golden Nugget in 2020-2021. Since we have two reports from Golden Nugget and only one from Resorts, we use an average of the two values from Golden Nugget in our calculations.

Finally, we divide the wages of these three casinos by the total revenues they earned to find a wage rate of 4.2%. This rate of wage spend is very low and indicates that online casinos hire few employees compared to land-based casinos and firms that alternate recreation. We step through these calculations in Table 3.4 below.

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[15] DGE. Quarterly Financial Reports. (2023). https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/financial-and-statistical-information/quarterly-financial-reports/

Table 3.4: Calculation of Wage Rate from Wage-Reporting Online Casinos

	Wages ($m)	Revenue ($m)	Wage rate (%)
Resorts Digital (2016)	0.89	20	
Golden Nugget (2020)	2.2	58	
Golden Nugget (2021)	3.3	76	
Total	**3.6**	**87**	**4.2**

Source: NERA analysis on DGE data

Most quarterly reports do not include online-specific wages, so we assume that the 4.2% wage rate from these two casinos applies to the whole industry. With this assumption, we estimate the total wages that each online casino pays. The total expenses less the estimated wages give nonwage expenses, and the rest of revenue is profit.

Table 3.5: Breakdown of Spending in Online Casinos

	Wages	Nonwage expenses	Profit
$m	30	350	360
Total Revenue ($m)	740	740	740
Share of total (%)	4.2	47	48

Source: NERA analysis

Finally, we estimate the breakdown for firms in alternate recreation. BEA publishes the GO and GVA of each sector across the US. We take GO to represent revenue, while GVA represents the part of that revenue that is free to be paid to employees or collected as profit.

The US Department of Labor reports on New Jersey employment and wage spending in each sector, in dollar amounts, allowing us to separate out wage costs from profits.

We step through the calculations in Table 3.6 below.

Table 3.6: Calculation of wages, other expenses, and profits of recreation firms

	Retail	Dining	Entertainment	Total
Sector Gross Output ($b)	64	22	5.2	91
GVA ($b)	37	11	3.4	52
Nonwage expenses ($b) (GO-GVA) ($b)	27	11	1.9	40
Wages ($b)	21	11	2.8	35
Profit (GVA-Wages)	15	0.65	0.55	16

Source: NERA analysis on data from BEA, Department of Labor.

Table 3.7: Breakdown of spending and saving by firms that offer recreation

	Wages	Nonwage expenses	Profit
$b	35	40	16
Total revenue ($b)	91	91	91
Share of total (%)	38.5	43.5	18

Firms that offer alternate recreation pass more than one-third of their revenues on to their employees. This means that employees have more money to spend, with resulting effects on the economy.

3.2.5.   Modelling the impacts of a $1 expenditure

We construct the model to find what happens when a customer spends $1 in an online casino, in a land-based casino, or at a firm that offers alternate recreation. In all cases, the firm receives this dollar and saves a part of it as profit and spends a part of it on nonwage expenses. Our model focuses on the part that goes to employees in the form of wages.

We assume that employees in the United States will spend 20% of each new dollar of income they receive, on average.[16] This rate is called the Marginal Propensity to Consume (MPC). This rate gives the amount of new wage revenue that customers will pass on to other firms and their employees, and they save the remaining 80%.

We apply our assumption that employees spend new wages on recreation. Thus, when employees spend 20% of their wages, we say that the 20% goes to firms that will pass it on in the exact same way shown in Table 3.7 above. These recreation firms pay their own employees who spend the money themselves, and the cycle repeats with smaller and smaller amounts of money each round.

3.3.   Constructing the Model

We construct a model that demonstrates what happens every time a New Jersey resident decides to spend $1 gambling online. We apply DGE's financial reports of New Jersey online casinos to find how online casinos spend their revenue. We apply BEA and New Jersey state data regarding other recreation industries to determine how other recreation industries spend theirs.

We express the data of how firms spend their revenues as the number of cents per dollar that customers spend. The MPC of 20% gives the number of cents that employees of casinos and other firms choose to pass on to new firms. Finally, we assume that when employees receive new wages, they spend these recreationally, and so we apply the data from the recreational industries to determine how all non-casino firms spend their income.

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[16] Christopher Carroll et al. The distribution of wealth and the marginal propensity to consume. *Quantitative Economics*. P. 27. (2017). https://onlinelibrary.wiley.com/doi/epdf/10.3982/QE694?src=getftr

In the model, larger arrows represent larger amounts of spending. We represent spending that is very low (< 5¢ per dollar) with a dashed arrow. Blue arrows represent spending that causes and triggers additional spending. This spending occurs in a chain reaction that gets gradually weaker over time. The overall economic result of spending $1 on gambling is the total amount of spending in the chain.

Figure 3.1: Economic Effect of a $1 Expenditure in iGambling
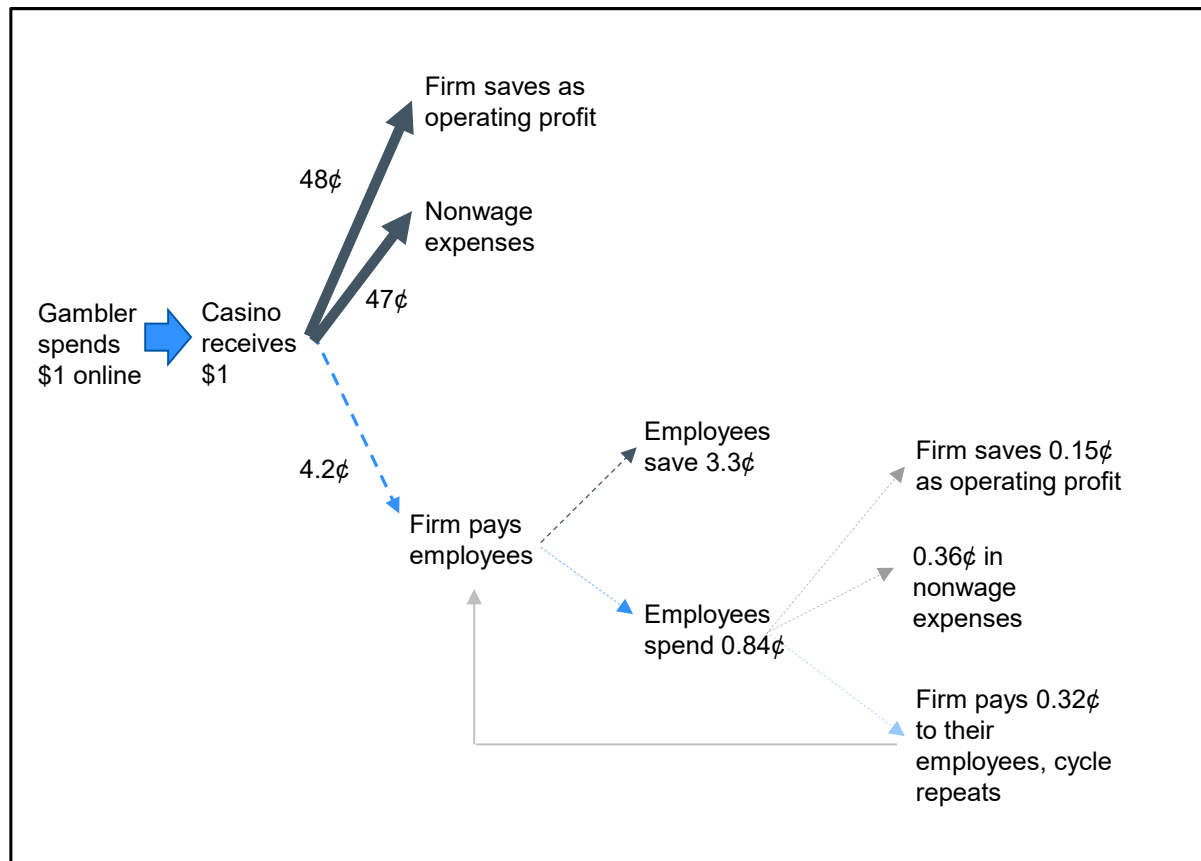


As Figure 3.1 shows, very little of the money that customers spend gambling online goes to the employees of online casinos. This means that there that there is little money for online casino employees to spend to new businesses, and less for these businesses to pay their own employees. Ultimately, this means that the $1 spent at the casino causes little economic activity.

We construct a similar model that demonstrates what happens when a New Jersey resident likewise decides to spend $1 gambling, this time in a standard land-based casino.

Figure 3.2: Economic Effect of a $1 in Land-based Gambling
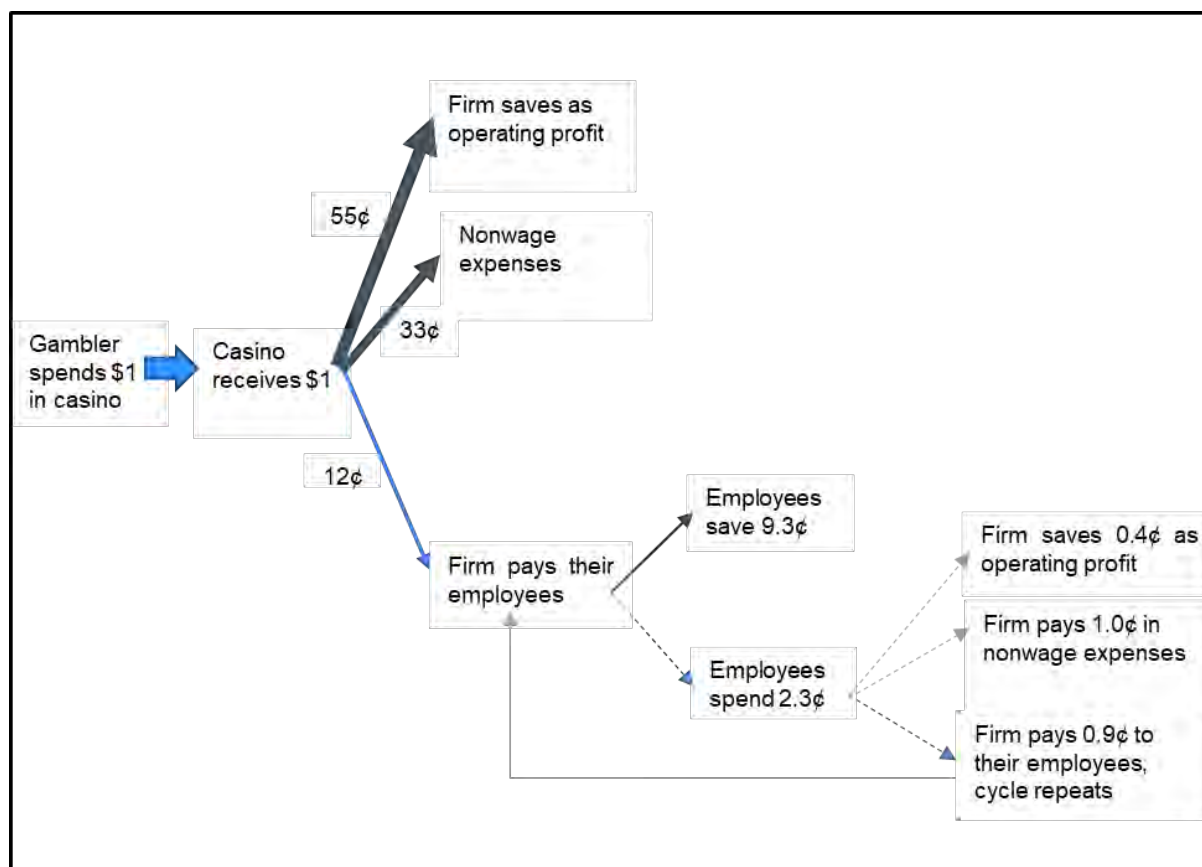
As Figure 3.2 shows, significantly more of the customer's dollar goes to the employees of a land-based casino than it does to the employees of an online casino. These employees then generate significantly more economic activity than the employees of an online casino would, by spending this income at new firms. There is a cycle of wage spending and spending those wages at firms, and more activity is created at each step when the initial customer gambles at a land-based casino.

Finally, we construct a model that demonstrates what happens when a New Jersey resident does not gamble, but instead spends their money on recreation. In other words, the initial $1 goes immediately into the alternative discretionary categories, rather than simply a small fraction based on the wages paid to gambling employees.

Figure 3.3: Economic Effect of a $1 Expenditure in Alternate Recreation
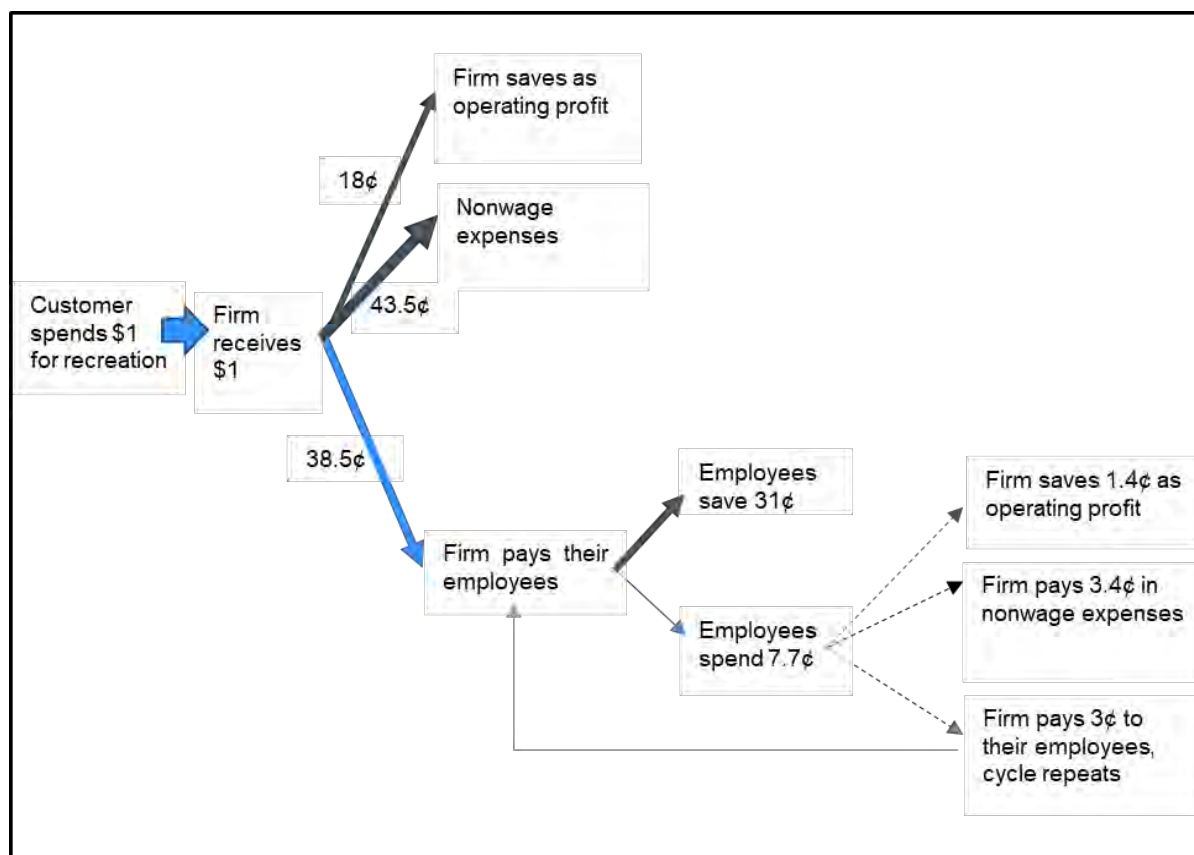
As Figure 3.3 shows, forms of recreation other than gambling pass on more than a third of the customer's dollar to their employees. This results in employee spending and firms' wages spending that are elevated compared to both online and land-based gambling. significantly more of the customer's dollar goes to the employees of a land-based casino than it does to the employees of an online casino. These employees then generate significantly more economic activity than the employees of an online casino would, by spending this income at new firms. There is a cycle of wage spending and spending those wages at firms, and more activity is created at each step when the initial customer gambles at a land-based casino.

For a straightforward comparison, the first few rounds of spending in each model are shown in Table 3.8 below.

Table 3.8: Illustration of Model Dynamics

	Customer spends	Casino (or alt firm) pays employees	Employees spend to new firms	New firms pay their employees	These employees spend to new firms	These firms pay their employees
iGambling	$1	4¢	0.8¢	0.3¢	0.06¢	0.02¢
Land-based gambling	$1	12¢	2.3¢	0.9¢	0.2¢	0.07¢
Non-gambling alternative	$1	39¢	7.7¢	3¢	0.6¢	0.02¢

After iterating the above calculations until the effects decay away, we find the overall economic effect of gambling by adding all the spending that results from spending each dollar. In Table 3.9 below, we capture:

- Total customer expenditure, including the initial $1 spend plus the spend by employees who have earned more money as a result of the initial spend; and

- Total wages earned, including the employees in the initial industry, plus those who work in discretionary industries further down in the cycle.

- We do not count the nonwage expenses of casinos and other firms as spending, because they are overhead costs and are not immediately related to a customer's choice to gamble or not.

Table 3.9: Spend and Wage Impacts of $1 Spend

Effects	$1 in iGambling	$1 in Land Casino	$1 in Other Industry
Total customer spend	$1.01	$1.03	$1.08
Total wages earned	$0.05	$0.13	$0.42

3.4.   Results

The model mechanics above works on the basis of a $1 spend in gambling or alternative industries. To measure the full economic impact of gambling on New Jersey, we apply the model to the total amount of revenue that iGambling and land-based gambling received, from 2016 to 2022.

Below, we present the new spending generated by iGambling, as well as the new spending that would have been generated by equal spending on other recreation.

Figure 3.4: Total Economic Activity Created by iGambling
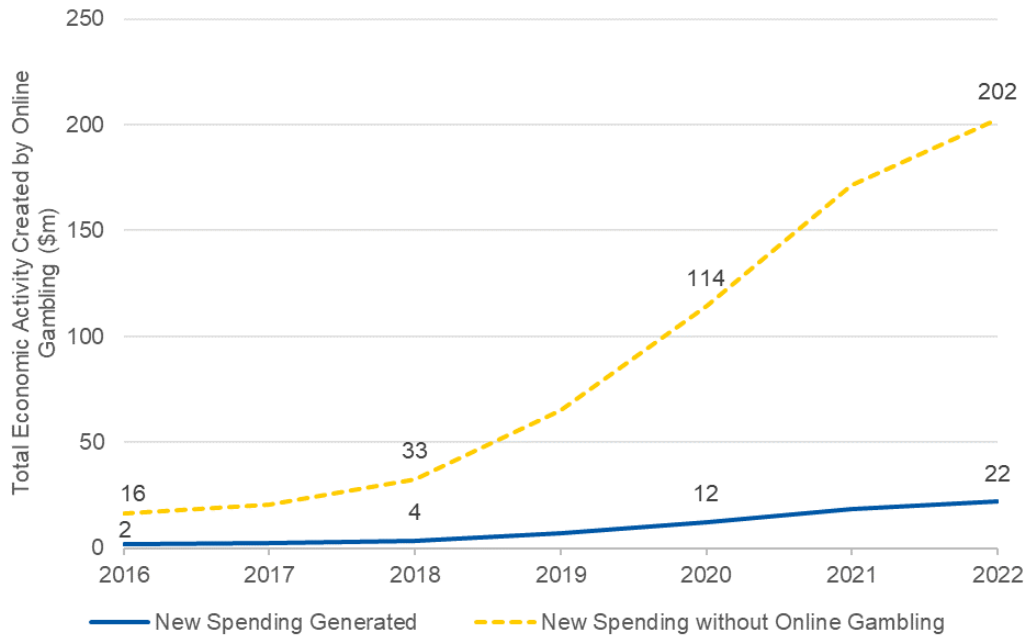
Next, we display the total wages generated by iGambling and the indirect spending that results, as well as the wages that would have been generated by equal spending on other recreation.

Figure 3.5: Total Wages Created by iGambling
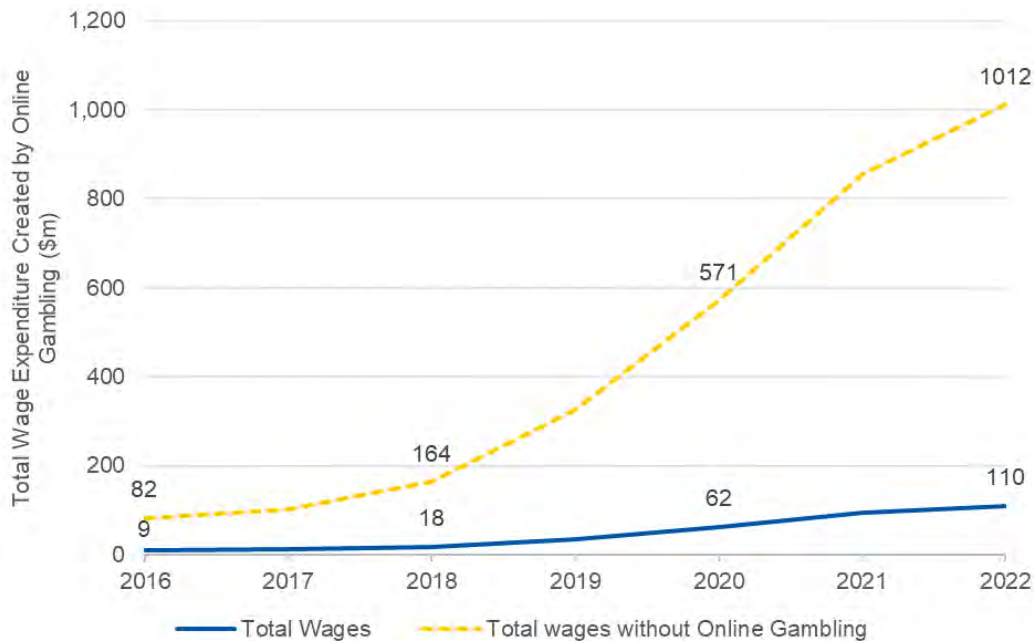
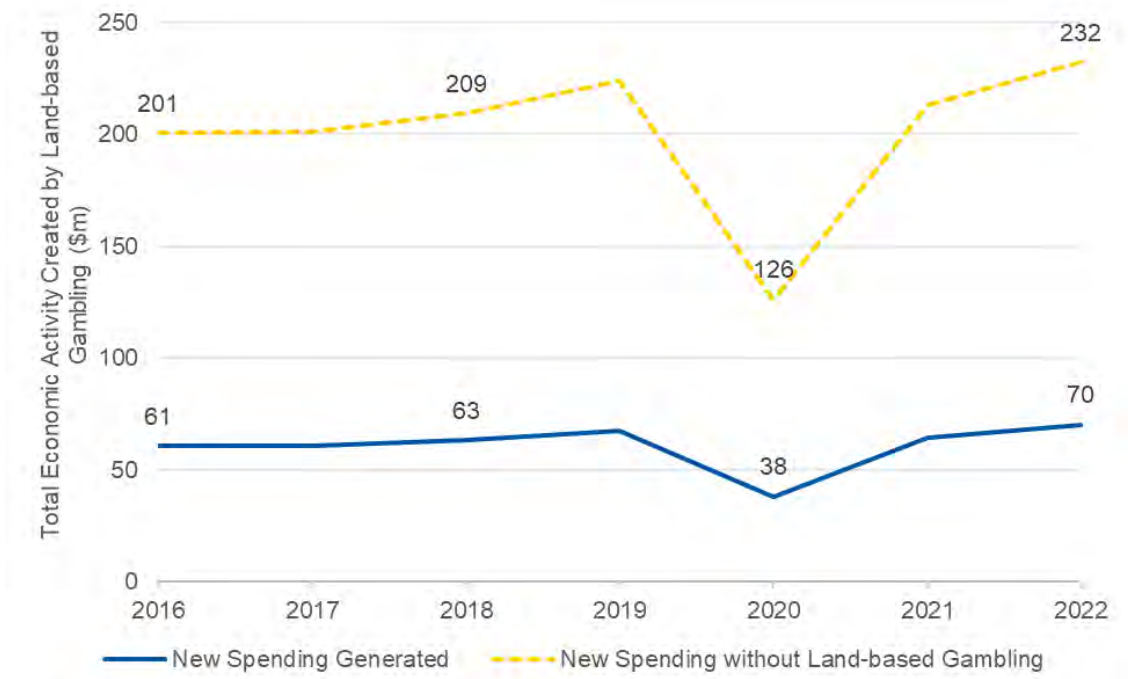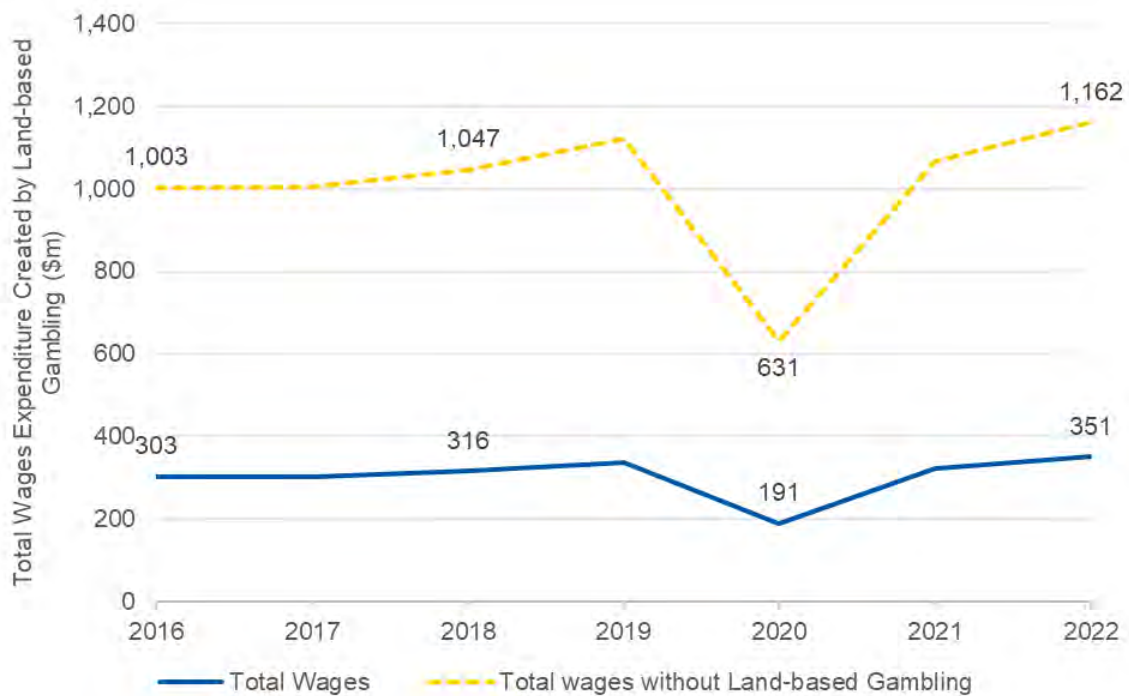Finally, we present corresponding results for land-based gambling.

Figure 3.6: Total Economic Activity Created by Land-based Gambling

Figure 3.7: Total Wages Created by Land-based Gambling

3.5.   Conclusions

3.5.1.   iGambling

In spite of the large and growing revenues spent in iGambling since 2016, it may have been detrimental to New Jersey's economy, to the extent that this money took away from other, more labor-intensive discretionary industries. In contrast to retail, restaurants, and entertainment, iGambling spends an insignificant portion of its revenue (>5%) on employees. For that reason, when consumers spend their money gambling online instead of on other forms of recreation, we estimate that they cause little new spending, at 0.9 cents per dollar. This stands in contrast to the 8.3 cents of new spending we estimate that consumers generate when they spend their money on alternate recreation.

The rise of iGambling since 2016 has diverted significant amounts of consumer spending away from alternate forms of recreation in New Jersey. In 2022, New Jersey consumers spent $2.4 billion gambling online. Alternate forms of recreation may have created $202 million in new spending from this revenue, but we find that iGambling only created $22 million in new spending, almost a tenfold fall.

IGambling has similarly decreased the total wages that consumers' recreational spending would generate. We estimate that iGambling creates 4.4 cents of total wages per dollar of spending, in contrast to 42 cents for alternate recreation. In 2022, we estimate that iGambling created $110 million in total wages, but this could have created approximately one billion dollars if consumers had spent their money in alternate forms of recreation.

While we do not take into account other induced and indirect expenditures relating to iGambling, it is primarily a solitary activity without much associated activity outside of the gambling itself. In short, we conclude that iGambling takes away money that may have been spent in other segments of the economy.

3.5.2.   Meister Report Comparison

In contrast to these results, Meister estimates that iGambling in New Jersey in the period 2013-2018 caused almost $2 billion in economic activity and generated almost $260 million in tax revenue. Meister further estimates that iGambling in the state created over 6,500 jobs and $400 million in wages. When considering the growth in the industry since 2019 when it was released, these rates would imply almost $12 billion in economic output and over $1.5 billion in tax revenues in the period 2019-2022. In this period iGambling would have created almost 39,000 jobs with almost $2.4 billion in wages.

Table 3.10: Economic Effects of iGambling, Meister vs NERA

	Meister Extrapolation				NERA Modelled Results			
	Output	Jobs	Wages	State Taxes	Output	Jobs	Wages	State Taxes
	$m	#	$m	$m	$m	#	$m	$m
2019	1,399	4,590	281	182	-58	-5,084	-291	107
2020	2,448	8,035	492	318	-102	-8,900	-509	198
2021	3,675	12,059	738	477	-153	-13,358	-764	307
2022	4,338	14,237	871	563	-180	-15,771	-902	353

We find that iGambling has negative effects on total economic activity and total wages. We consider the amount of each in the presence of iGambling and then we subtract the amount there would be if its revenues went to alternate recreation. Alternate recreation is better at creating output and wages than iGambling, so we find negative values. We convert the amount of wage spend into an estimated number of jobs by dividing total wages by the average wage across the sectors of gambling, retail, dining, and entertainment in New Jersey.

As we demonstrate in Chapter 4, even taxation is consistently less than Meister estimates. We estimate taxes as the difference in state revenue with and without iGambling. We therefore conclude that iGambling has net negative effects for New Jersey's economy.

3.5.3. Land-based gambling

At first glance, land-based gambling may have imposed significant costs on New Jersey's economy. Based on our modelling of the $2.8 billion in spending in casinos in 2022:

- This expenditure may have created $70 million in new expenditure beyond the initial gambling expenditure, but it could have created $232 million in new expenditure if spent in alternate forms of recreation.

- This expenditure may have generated around $351 million in new wages, it but could have created $1.2 billion if consumers had spent their money in alternate forms of recreation.

On the other hand, and in contrast to iGambling, the land-based casino industry is a long-established part of the New Jersey economy, and there are many associated hospitality business in Atlantic City (including in what we call "alternate recreation" categories) that depend on the existence of the gambling industry there. Furthermore, many people travel from out of state to Atlantic City, and so much of that money would not otherwise be spent in New Jersey at all.

Thus, we cannot conclude based on the scope of this analysis that the land-based casino industry is detrimental to the New Jersey economy.

For the purposes of our modelling, we assume that all of that money would have been spent in New Jersey in the absence of a gambling sector. This ignores two effects. First, many land-based gamblers travel to Atlantic City from out of state, and would have stayed in their home state without the Atlantic City casinos. Second, while very few *online* gamblers are likely to

have travelled to New Jersey specifically to gamble, many of them live in the greater New York or Philadelphia metropolitan areas, and may have thus spent money out of state on other recreation activities. Thus, gambling policy in New Jersey has some economic impact on other states' economies as well, though we do not explicitly quantify it.

4.   Tax Revenues

New Jersey casinos contribute to state and federal tax revenues, and our analysis shows that the rising popularity of iGambling has made online casinos a source of government revenue comparable to land-based casinos. Excluding the period of the pandemic, online casinos received greater revenues than land-based casinos for the first time in 2022, while facing lower costs.[17] As a result, online casinos now contribute more in direct tax revenue than land-based casinos.

In this chapter, we estimate the amount of tax revenue that New Jersey gambling generates. We examine taxes paid by gamblers who win money at casinos, as well as taxes paid by land-based and online casinos themselves. The first set of taxes are personal income taxes and are supposed to be filed by gamblers themselves.[18] The second set of taxes are corporate and business taxes that apply to casinos. We focus on the taxes that apply specifically to casino revenue so that we can find the effect of New Jersey gambling in particular.[19]

We find that taxation of winners results in little revenue from either land-based gambling or iGambling because gamblers' losses generally offset their winnings over the course of the entire tax year. We also find that iGambling increases that amount of overall tax revenue from New Jersey casinos, though this is at least partially offset by the tax contribution that could come from other industries if gamblers spent in those alternate industries instead.

4.1.   Taxation of winners

For any given gambling session, players have the potential to win or lose. While the odds are tilted in favor of the house, there will always be a distribution with some winners and some losers. The IRS considers gambling *winnings* to be personal income and thus fully taxable. Gambling losses can be used to offset the winnings in terms of personal income tax liability, but only to the level of winnings actually earned.[20] Thus, through the redistribution of money from losers to winners, gambling theoretically represents an additional revenue stream to tax authorities, without directly creating economic value.

US citizens who win money in New Jersey casinos are responsible for two taxes on their winnings. They owe a 24% federal tax rate on their winnings and an additional 3% state tax.[21] Both of these rates apply specifically to gambling winnings, rather than other kinds of income. By law, the IRS requires gamblers pay taxes on any money they win on net, either online or in

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[17] New Jersey Division of Gaming Enforcement. Monthly Press Releases and Statistical Summaries. (2023). Monthly Press Releases and Statistical Summaries - New Jersey Office of Attorney General (njoag.gov)

[18] Internal Revenue Service. Topic No. 419, Gambling Income and Losses. (April 4, 2021). https://www.irs.gov/taxtopics/tc419

[19] Property taxes and any other tax or government fee would apply regardless of gambling activity or revenue.

[20] Internal Revenue Service. Topic No. 419, Gambling Income and Losses. (April 4, 2021). https://www.irs.gov/taxtopics/tc419

[21] Internal Revenue Service. Instructions for Forms W-2G and 5754. (2020). https://www.irs.gov/pub/irs-prior/iw2g--2020.pdf

land-based casinos. [22]   However, the IRS largely depends on winners to actually report and pay tax on their winnings.

The amount of tax revenue from gambling winners may be very low, because only net winnings over the course of the entire year are taxed. Any gambler who gets lucky in a session or a number of sessions is likely to lose what they win over the course of all their gambling activity the same tax year. There are few net winnings and therefore little tax revenue from winners.

The IRS takes certain measures to collect taxes from winners in land-based casinos, but these are unlikely to result in winners actually paying. The IRS requires both online and land-based casinos to report winnings that gamblers receive when the winnings are above a given dollar amount. For example, the threshold to report winnings for a session of sports betting is $600, for a session at the slot machines is $1,200, and for a session of poker is $5,000.[23] These thresholds are high enough that they are unlikely to bind many players.

Land-based casinos have little record-keeping or enforcement of winners' tax obligations beyond IRS mandates. Land-based casinos may never prompt players to pay taxes on their winnings nor provide players a tally of the taxes owed, resulting in under-collection.

The IRS does not require land-based casinos to report the winnings that gamblers earn at table games at all.[24] In contrast, online casinos report players' winnings from iGambling through Form 1099 when those winnings exceed $600 over an entire year (net of losses).[25]

It is not clear whether gambler's winnings should be taxed at all. Players have already paid income tax on the savings that they use to wager. Gambling has the effect of simply reshuffling these savings among players. There has been no productive economic activity, nor has any possession or business gained value to help offset the burden of the tax. Thus, there is no strong economic rationale why gambling winnings should be taxed when nothing new has been created and nothing of value has been sold to someone who did not have it before. In contrast, taxes that apply on the GGY (like various gambling levies we discuss subsequently) can be seen as a tax on the sale of gambling services to all players.

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[22] Internal Revenue Service (4 April 2021), Topic No. 419, Gambling Income and Losses. https://www.irs.gov/taxtopics/tc419

[23] Internal Revenue Service (2018), Tax-Exempt Organizations and Gaming, p.18. https://www.irs.gov/pub/irs-pdf/p3079.pdf

  Kiplinger Professional Finance (9 February 2023), Taxes on Gambling Winnings and Losses: 8 tips to Remember. https://www.kiplinger.com/taxes/603033/tax-tips-for-gambling-winnings-and-losses

[24] Internal Revenue Service (2018), Tax-Exempt Organizations and Gaming, p.18. https://www.irs.gov/pub/irs-pdf/p3079.pdf

  TurboTax (3 March 2023), Gambling Winnings Tax (How Much You Will Pay for Winning?). https://blog.turbotax.intuit.com/income-and-investments/how-are-gambling-winnings-taxed-8891/

[25] Internal Revenue Service. Gaming Withholding and Reporting Threshold – Forms Needed. https://www.irs.gov/pub/irs-tege/gaming_withholding_reporting_threshold.pdf

  TurboTax. Everything You Need to Know About Filing Taxes on Winnings. https://turbotax.intuit.com/tax-tips/general/everything-you-need-to-know-about-filing-taxes-on-winnings/L7ifGWjkX

4.2.   Taxation of casinos

We review all of the taxes that casinos pay on their revenues in New Jersey in order to assess and compare the contributions of land-based and online casinos. These taxes are on casino income, rather than taxes on money that players have won.

First, we compare the amount of federal taxes paid by land-based casinos with the amount paid by online casinos in New Jersey, then we analyze state taxation of land-based and online casinos.

Casinos face obligations like property taxes, but these do not differ based on the amount of gambling that occurs, nor does tax revenue increase when new players decide to gamble, so we do not include such taxes in our evaluation.

Casinos in the state of New Jersey owe three categories of taxes on their earnings, discussed in turn below:

▪   Federal Corporate Income Tax (FCIT), which applies based on taxable revenues of all businesses and is paid to the federal government;

▪   New Jersey Corporation Business Tax, which is equivalent to the FCIT but on a state level; and

▪   Gambling-specific state taxes that apply to casinos in Atlantic City.

We find that online casinos contribute a large and growing share of the tax revenue from New Jersey casinos in all three of these tax categories. Land-based and online casinos face the same tax rates with respect to the FCIT and the Corporation Business Tax, but online casinos have received a growing amount of revenues and profits in recent years, and thus have paid an increasing amount of money in that period. New Jersey sets the casino-specific taxes in Atlantic City at higher rates for online casinos than it does for land-based casinos, and as a result online casinos pay more in these taxes than do land-based casinos.

We assume that if gamblers were not spending their money in land-based or online casinos, they would spend that money on alternate forms of recreation, and this assumption means that without gambling there would be new and different tax revenues.   Gambling creates tax revenues, but it also draws customer's money away from other businesses that might pay more taxes or might pay less. Ultimately, we consider the net effect of gambling on tax revenues, and we estimate the amount of tax revenue that is created or lost overall when customers gamble.

4.2.1.   Federal taxes

FCIT is a flat 21%.[26] We draw on IRS data from the year 2013 to find that deductions and credits result in 22% of profits being taxed in the US gambling industry.[27] Approximately the same 22% portion of profits are taxed in alternate forms of recreation, specifically retail, dining,

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[26] Internal Revenue Service (January 2022), Publication 542. https://www.irs.gov/publications/p542

[27] Internal Revenue Service (19 October 2022), SOI Tax Stats – Returns of Active Corporations. https://www.irs.gov/statistics/soi-tax-stats-returns-of-active-corporations-table-1

and entertainment. We assume that the same rates hold in New Jersey, giving effective tax rates of 4.6% on casinos and 4.7% on alternate forms of recreation in the state.

We apply these effective FCIT rates to estimate the federal government's annual tax revenue from land-based gambling in New Jersey. There are two sources of this revenue: (a) 4.6% of the online casino profits; and (b) 4.7% of the profit that recreational firms make indirectly as a result of land-based gambling (since we assume that employees of these casinos spend any additional money in discretionary categories, as estimated in the model in Chapter 3). We display estimated FCIT revenue in Figure 4.1 below.

Figure 4.1: FCIT Revenue as a Result of Land-based Gambling
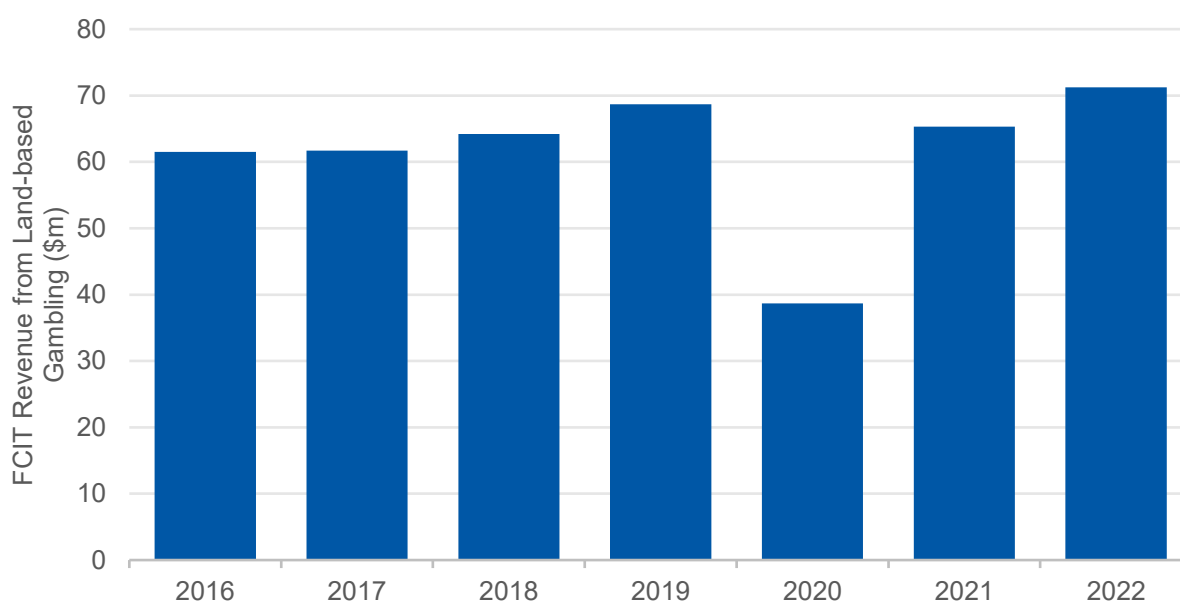
We apply the same method to find revenues from iGambling, as shown in Figure 4.2 below.

Figure 4.2: FCIT Revenue as a Result of iGambling
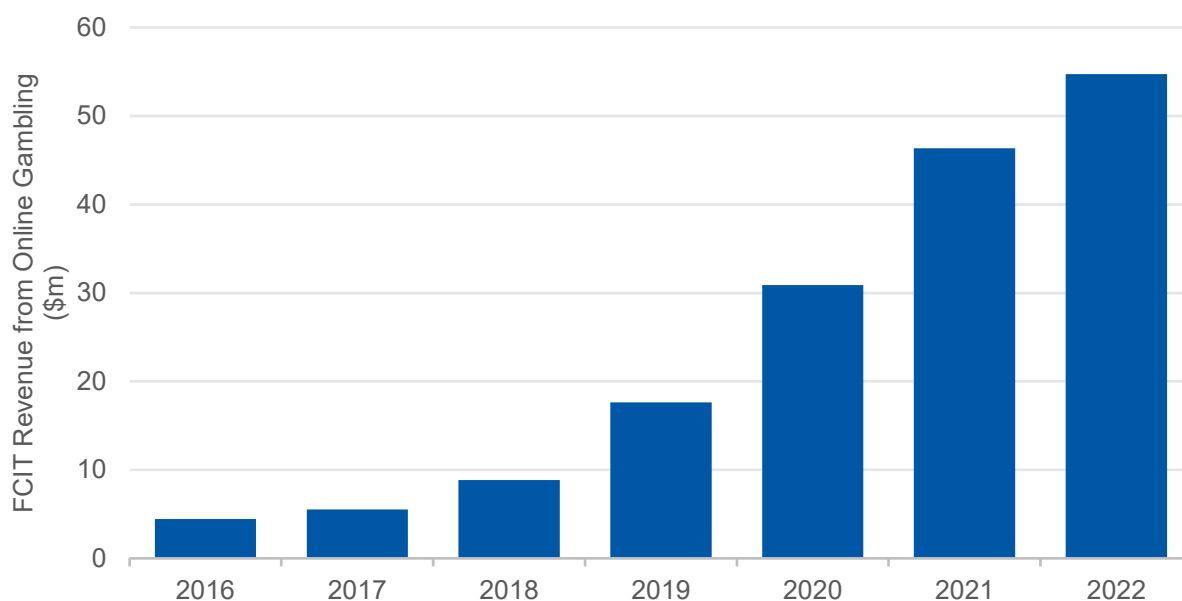
In Figure 4.3 below, we estimate the amount of FCIT revenue that the government would receive there was no iGambling in the state of New Jersey. As we do in the model in Chapter 3, we assume that if customers did not spend money gambling online they would spend that money on alternate recreation instead.

Figure 4.3: Estimated FCIT Revenue if iGambling Revenues Went to Alternate Recreation
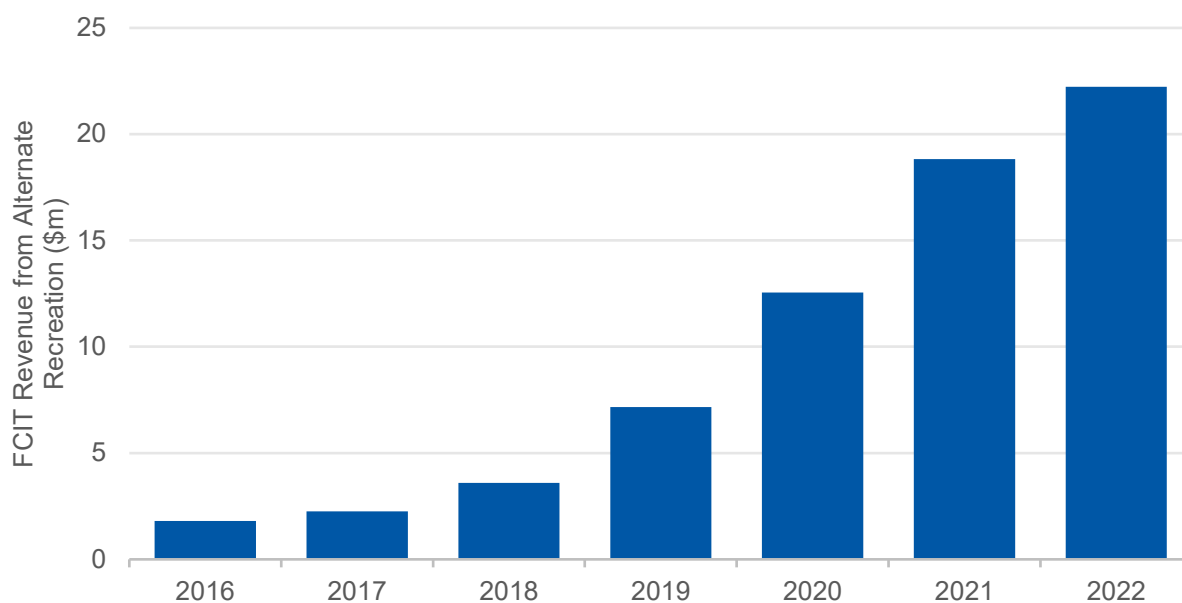
Finally, we find the difference between FCIT revenues from iGambling and the revenues that the government would collect if there was no iGambling. We do so in order to find the net effect of iGambling on FCIT revenues. We display the results in Figure 4.4 below.
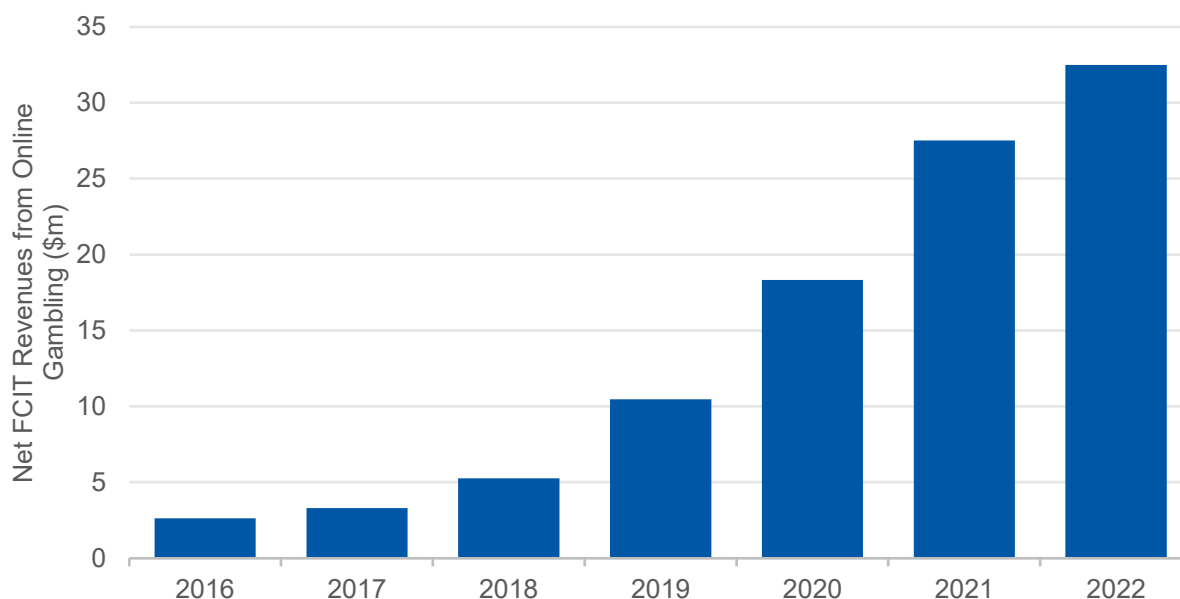
Figure 4.4: Net FCIT Revenue from iGambling in New Jersey

iGambling has contributed an increasing portion of the FCIT revenues that result from New Jersey gambling. iGambling has a positive effect on the amount of FCIT revenue the government collects annually, and this effect has increased as iGambling becomes more popular. iGambling increases FCIT revenues because online casinos collect a greater portion of revenue in profit than do firms that offer alternate recreation. Therefore, there is more profit and more tax owed.

4.2.2. State taxes

We estimate the effects of land-based gambling and iGambling on New Jersey's tax revenues. First, we examine state taxes that apply to businesses and firms generally in the state. We evaluate the Corporation Business Tax, which takes a flat 9% of corporate profits.[28] We assess the state's Sales Tax, which takes about 6.6% of business revenues.[29] We calculate the state's income tax, which takes about 3% of a typical New Jersey employee's wages on average.[30]

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[28] "Significant" is any profit over $100,000 per year. Source: New Jersey Division of Taxation (24 February 2020), Rates and Accounting Periods.

[29] New Division of Taxation (28 June 2023), Sales and Use Tax.

[30] AARP (23 February 2023), New Jersey Tax Guide: What You'll Pay in 2023.

Second, we examine Atlantic City taxes and fees. This is a set of taxes that New Jersey imposes specifically on casinos and other businesses in Atlantic City to support the city and various charitable causes.[31]

### 4.2.2.1. General state taxes by type of gambling

First, we find how much revenue land-based gambling causes New Jersey to receive through the Corporation Business Tax, sales tax and personal income tax. We consider all the money people spend gambling in New Jersey and the taxes that result.

- We find the amount of revenue from the Corporation Business Tax by calculating total profits that businesses made as a result of land-based gambling. This profit includes the profits of the land-based casinos, as well as the profits that other firms receive when employees of those land-based casinos spend money recreationally, and when the employees of those recreational firms spend money themselves. We apply the flat 9% rate to these profits.

- We find the amount of state revenue from sales tax by calculating 6.6% of the total revenues that firms made as a result of land-based gambling. Here we only consider the recreation firms that serve the employees, because only these firms sell goods as their primary means of income and thus pay sales tax on their revenue. As above, we rely on the model to estimate the revenues of these firms.

- We find the amount of New Jersey's revenue from the state's personal income tax by applying a reasonable average rate of 3% to the total wages that land-based gambling creates in the state. The wages are from casino employees and the employees of recreational firms supported by their spend.

We display the result of these calculations in Figure 4.5 below.

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[31] Division of Gaming Enforcement (26 May 2023), Summary of Gaming and Atlantic City Taxes and Fees.

Figure 4.5: Breakdown of Tax Revenue Driven by Land-based Gambling
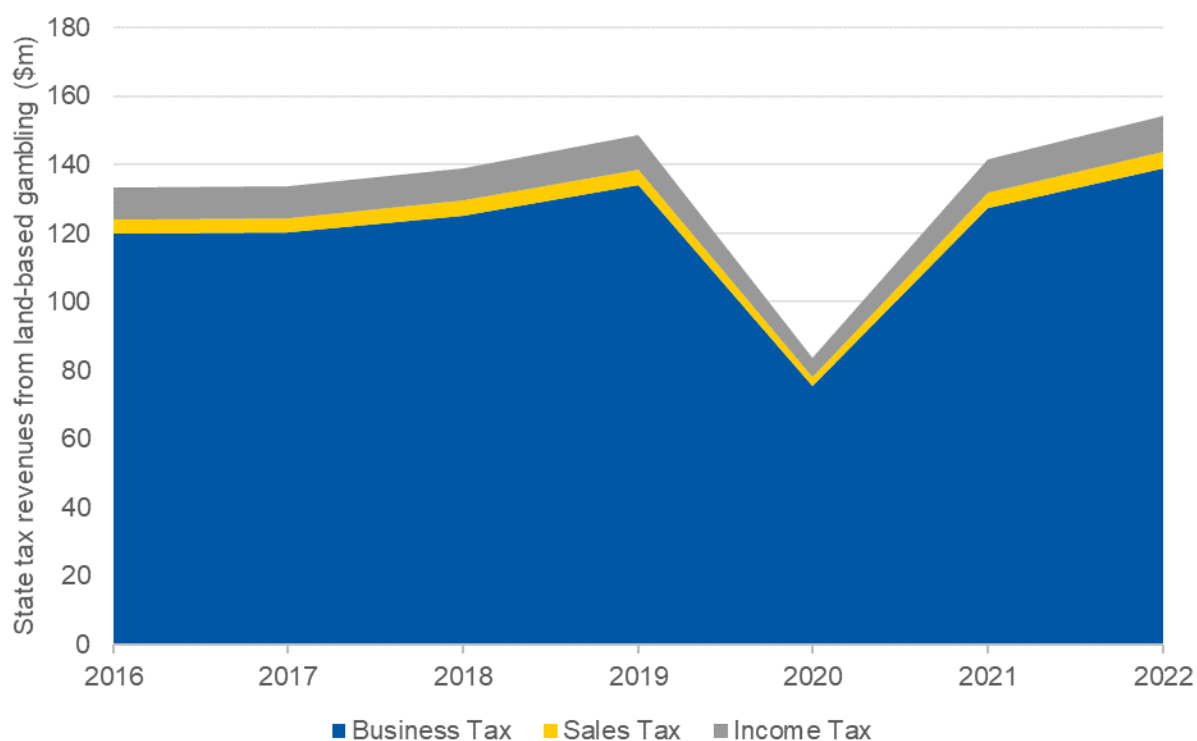
The business tax dominates because it applies to the casinos that receive the gambling revenue in the first place. Sales tax applies only to recreational firms that receive some portion of the resulting employee spending. Income tax applies only to the portion of casino revenue and alternate firm revenue that employees end up receiving.

We apply the same methods to estimate New Jersey revenues from iGambling.

Figure 4.6: Breakdown of Tax Revenue Driven by iGambling
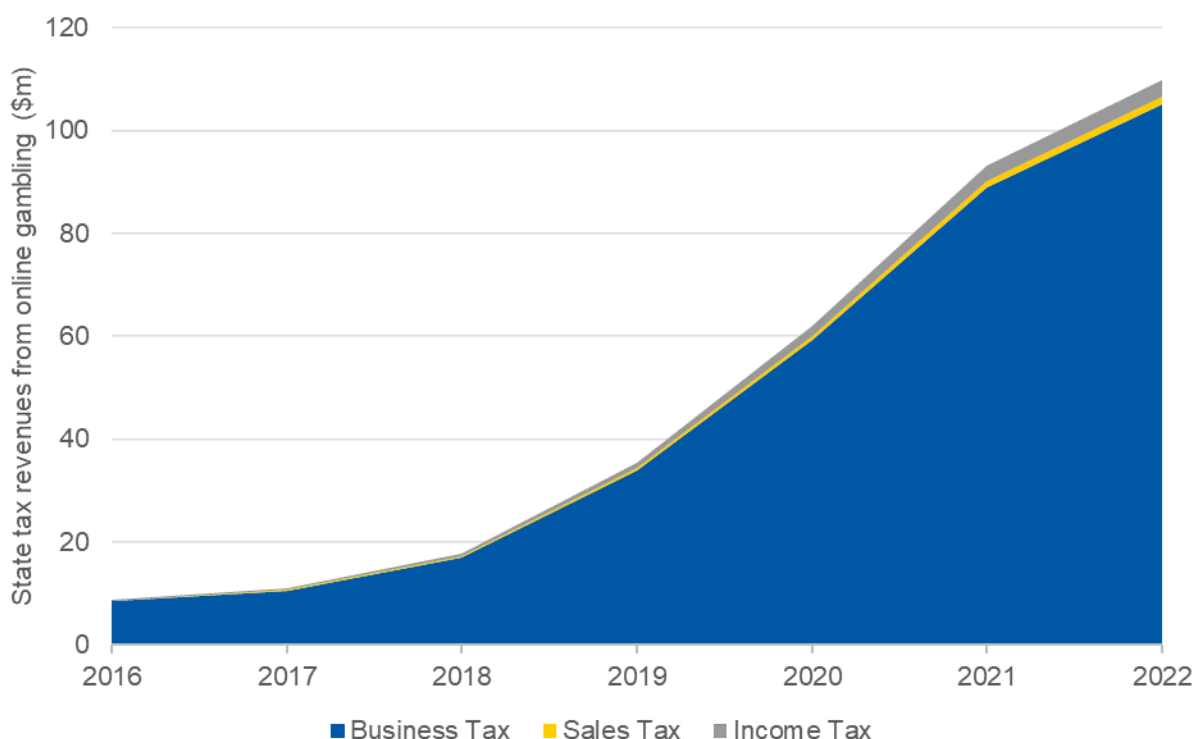
The business tax dominates again, and it does so to a greater extent regarding iGambling than land-based gambling because online casinos pass less of their revenues on to employees and, by extension, other firms.

Finally, we find the tax revenue that online firms generate, net of what the state may receive in the absence of iGambling. We apply the model and make the assumption that online gamblers would divert all of their gambling expenditures to other forms of recreation instead. When customers spend their money to different firms, New Jersey collects different levels of each tax.

- When customers spend their money on alternate recreation instead of iGambling, sales tax now applies. The state collects 6.6% of the amount spent.

- Firms that provide alternate recreation, like retailers, restaurants, and entertainment venues, spend part of their revenue on employees. These employees pay about 3% state income tax on their income. The employees also spend their income to new firms in turn, providing more wages that also provide the 3% rate. This cycle continues.

- Firms that provide alternate recreation pay 9% of their profits in the state business tax, just like casinos do. When firms pay their employees and those employees spend money on new firms, these firms also pay part of their profit in business tax. This cycle also continues.

Below we display our estimates of tax revenue in the absence of iGambling.

Figure 4.7: Breakdown of Tax Revenue from Alternate Recreation Sources
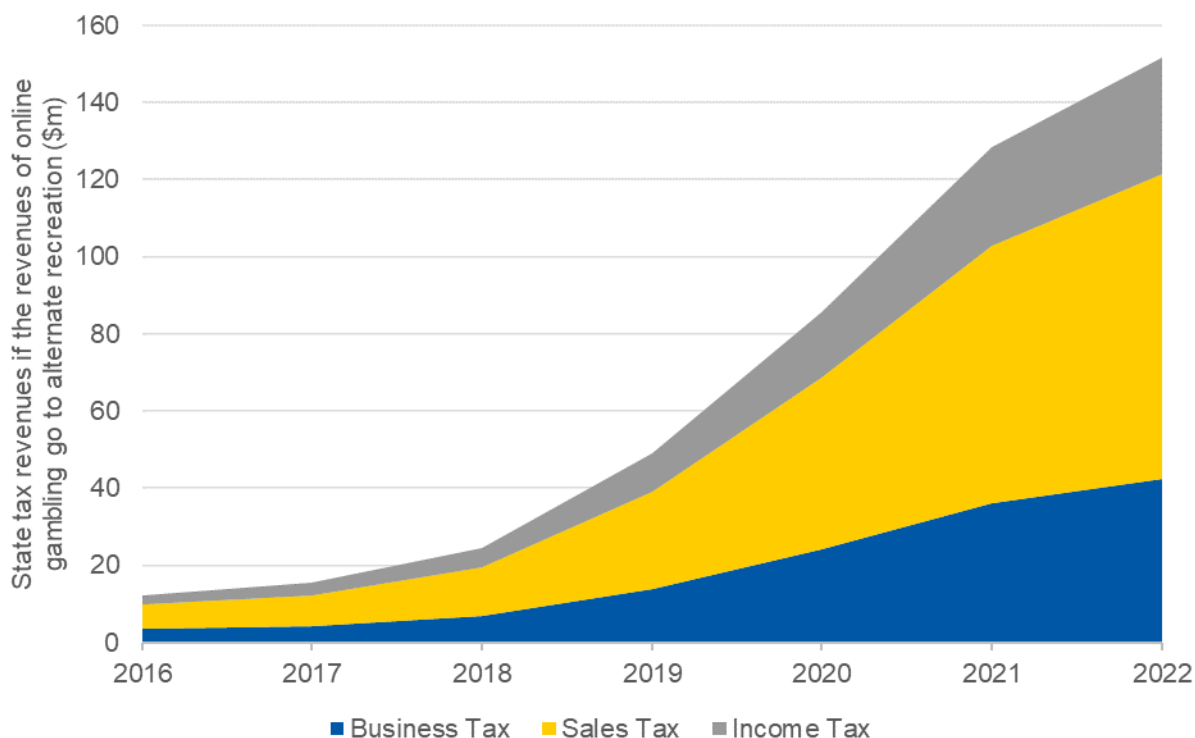
We then subtract the tax contribution of these alternate recreation sources from the tax contribution of iGambling to show the *net* tax effect of iGambling in New Jersey.

Table 4.1: Net Tax Revenue from iGambling

State Taxes	2016	2017	2018	2019	2020	2021	2022
Business Tax	5	6	10	20	35	53	63
Sales Tax	-6	-8	-13	-25	-44	-65	-77
Income Tax	-2	-3	-4	-9	-15	-23	-27
Total	**-3**	**-4**	**-7**	**-13**	**-24**	**-35**	**-42**

We find the following across the three types of taxes:

▪ **Business tax:** iGambling has a positive net result because online casinos have higher profit margins than alternate forms of recreation. This means that they have more taxable income and pay higher taxes.

- **Sales tax:** iGambling has a net negative effect, because casinos do not pay sales tax, while alternate forms of recreation that sell goods and services do. However, there are special taxes that apply to gambling revenue.

- **Income tax:** iGambling has a net negative effect, because firms that provide alternate recreation hire more people than online casinos, so without iGambling more money goes to employees and the employees pay a greater amount of tax.

In total, therefore, we find that iGambling *reduces* general state tax revenues by around $40 million in 2022.

4.2.2.2. Atlantic City taxes

New Jersey levies a number of taxes and fees specifically on Atlantic City casinos and businesses.[32] The state earmarks Atlantic City taxes for specific causes and purposes regarding the state of New Jersey, Atlantic City in particular, and the gambling industry.

New Jersey levies these taxes on casino revenues, or on measures that reflect revenues, such as the number of people booking hotel rooms at land-based casinos.

In Table 4.2 below, we show the breakdown of state revenue across all Atlantic City taxes.

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[32] Division of Gaming Enforcement. Summary of Gaming and Atlantic City Taxes and Fees. (26 May 2023). https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/financial-and-statistical-information/summary-of-gaming-and-atlantic-city-taxes-and-fees/

Table 4.2: Breakdown of Gambling Specific Taxes

| Tax	Description	Revenue in 2022 ($m)	Revenue Since 2000 ($m)
8% Gross Revenue Tax	8% tax on Casino Gross Revenue, earmarked for the Casino Revenue Fund. The CRF exists to relieve taxes and utility fees upon elderly and disabled New Jersey residents.	179	6,110
15% Internet Gross Revenue Tax	15% tax on Internet Gross Revenue, for CRF.	249	826
8.5% Retail Sports Tax	For on-site sports betting.	4	22
13 % Internet Sports Tax	For online sports betting.	94	275
CRDA Obligations	1.25% of Casino Gross Revenue, and 2.5% of Internet Gross Revenue. This goes to the Casino Reinvestment Development Authority (CRDA) to benefit Atlantic City and other parts of New Jersey.	76	1,145
1.25% Additional Tax	1.25% of Sports Wagering Gross Revenue (on-site and online) from casino licensees, earmarked for the CRDA to market and promote Atlantic City.	3.7	12
1.25% Economic Development Tax ("EDT")	1.25% of Sports Wagering Gross Revenue (on-site and online) from racetrack licensees, for the economic development of the county in which the betting facility is located.	5.9	18
Progressive Slot Tax	8% revenue tax on the slot machine companies that run these machines within the casinos, earmarked for the CRF.	1.9	63
Net Income Tax	7.5% tax on net income levied briefly on casino net income during 2004-2006.	-	68
Luxury Tax	Certain retail items, such as alcoholic drinks, hotel room rentals, and similar bear a luxury tax rate in the range of 3-13%.	43	660
Parking and Hotel Fees	There is a $3 fee to park at a casino, of which 50 cents is earmarked for the CRF and $2.50 is earmarked for the CRDA. There are $1-2 per night fees on casino hotel rooms for the same or similar causes.	37	840
Various claims on dormant assets	The state collects a portion of unclaimed vouchers, wagering tickets, and dormant accounts, not dependent on casino income.	4.1	23
Total		703	10,179

Across all of the Atlantic City taxes above, we estimate that New Jersey collected $703 million in revenue in 2022, against $5.2 billion in total online and land-based casino revenue.[33] This gives an overall Atlantic City tax rate of 13.5% on casino revenue in 2022.

To find annual Atlantic City tax revenues from iGambling, we add up the following:

▪ Taxes which apply *exclusively* to iGambling, namely the 15% Internet Gross Revenue Tax and the 13% Internet Sports Tax. These are reported directly by the DGE.

▪ CRDA obligations, which are 1.25% of land-based gambling revenues and 2.5% of online revenues. We calculate this based on revenue data.

▪ 1.25% Additional Tax and the 1.25% EDT, which apply exclusively to sports betting revenues, from licensed casinos and licensed racetracks respectively. As explained in Section 2.3, we assume that all sports betting is online and that all sports betting revenues and associated taxes come from online casinos.

We display all Atlantic City tax revenues from iGambling below.

Figure 4.8: Atlantic City Tax Revenues from iGambling Operators
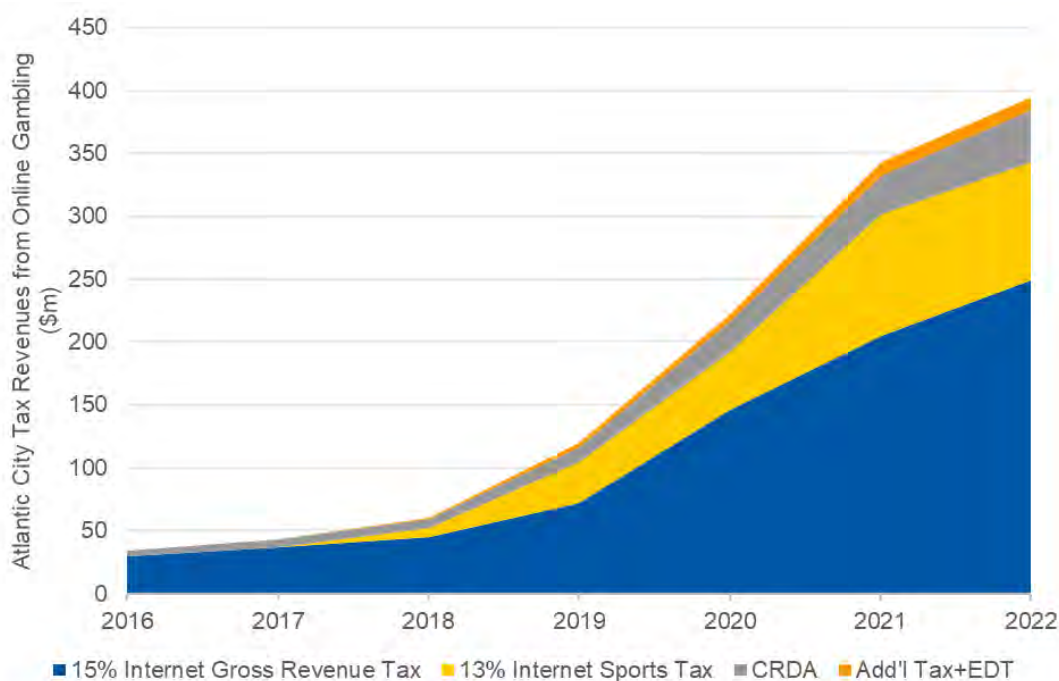
The 15% Internet Gross Revenue Tax makes up the majority of the revenue. Revenue has increased since 2016, due to increases in online casino gambling and sports betting. There is no visible decline associated with the 2020 pandemic, because online casino gambling was

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[33] We draw New Jersey casino revenues from multiple sources in the DGE data

unaffected and sports betting was only briefly impacted in the first couple of months when sporting competitions themselves were suspended.

We now consider Atlantic City taxes on land-based gambling. These are the sum of the Atlantic City Taxes that only apply to land-based casinos and the portion of CRDA obligations that land-based casinos pay at their 1.25% rate. We show our findings and results below.

Figure 4.9: Atlantic City Tax Revenues from Land-based Gambling
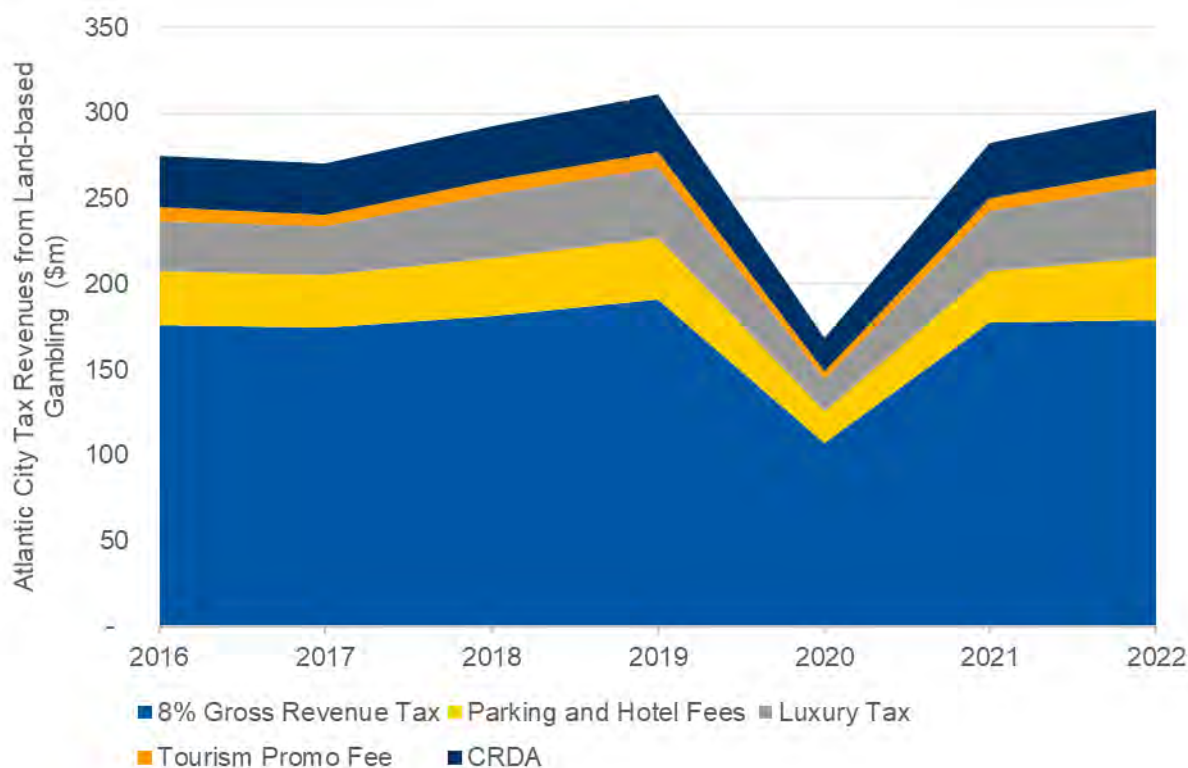
The 8% Gross Revenue Tax makes up the majority of revenue. The effects of the 2020 pandemic are also clear. The two figures above show that online casinos now provide more taxes as a result of the Atlantic City taxes than land-based casinos.

4.2.2.3.   Overall view of state taxes

We display our estimates of all of New Jersey's state taxes from iGambling in Table 4.3 below.

Table 4.3: New Jersey Net Tax Revenue from iGambling

	2016	2017	2018	2019	2020	2021	2022
General State Taxes	-3	-4	-7	-13	-24	-35	-42
Atlantic City Taxes	34	43	60	120	220	340	390
Total	31	39	54	110	200	310	350

Source: DGE

Our estimates above of total state tax revenue from iGambling only provide an upper bound on New Jersey's collection of such taxes. This is because some iGambling in New Jersey is operated by businesses that are incorporated outside of the United States. Depending on where the various functions of these multi-national groups are performed between in-state and international components (e.g., IT and corporate functions may be performed abroad requiring a portion of the profits being allocated elsewhere), then some corporate taxes could be paid to the government in the country where they are headquartered (or indeed in other jurisdictions where functions are performed). In practice, it is not possible from public data to determine exactly how that money is allocated.

Table 4.4: Operators of iGambling Websites Outside the US

Authorized Sites	Skins	Corporation Based Outside US	Country
Bally's	www.nj.ballycasino.com www.pointsbet.com www.virgincasino.com	PointsBet	Australia
Borgata	www.borgatacasino.com www.borgatapoker.com www.nj.partycasino.com www.nj.partypoker.com casino.nj.betmgm.com poker.nj.betmgm.com casino.wheeloffortunecasino.com www.stardustcasino.com	FanDuel (with Boyd Gaming)	UK
Caesar's Interactive Entertainment (Affiliate of Boardwalk Regency)	caesarspalaceonline.com/nj/ www.wsop.com www.wynnbet.com us.888.com us.888poker.com us.888casino.com	888 Holdings 888 Holdings 888 Holdings	UK UK UK
Caesar's Interactive Entertainment (Affiliate of Harrah's)	harrahscasino.com		
Caesar's Interactive Entertainment (Affiliate of Tropicana)	caesars.com/sport-and-casino/nj tropicanacasino.com		
Golden Nugget Hotel Casino & Marina	nj.betway.com casino.fanduel.com www.goldennuggetcasino.com nj.betrivers.com nj-casino.goldennuggetcasino.com	Betway FanDuel	UK, Malta UK
Hard Rock Hotel and Casino	www.hardrockcasino.com www.nj.bet365.com nj.unibet.com	Bet365 Unibet	UK Malta
Ocean Resort Casino	https://casino-nj.tipico.us/ www.oceanonlinecasino.com nj.parxcasino.com nj.playstar.com	Tipico	Malta
Resorts Casino Hotel Atlantic City	www.resortscasino.com barstoolsportsbook.com www.draftkings.com www.mohegansuncasino.com www.pokerstarsnj.com	Flutter	Ireland

The total state taxes on land-based casinos are the sum of the general state taxes and the Atlantic City taxes that apply to land-based gambling. These are revenues are absolute values, and we do

not consider them in contrast to the tax revenues that would result if land-based gamblers spent their money elsewhere. We simply sum all taxes that result from land-based gambling. We show our findings and results in Figure 4.10 below.

Figure 4.10: Breakdown of New Jersey Tax Revenue from Land-based Gambling
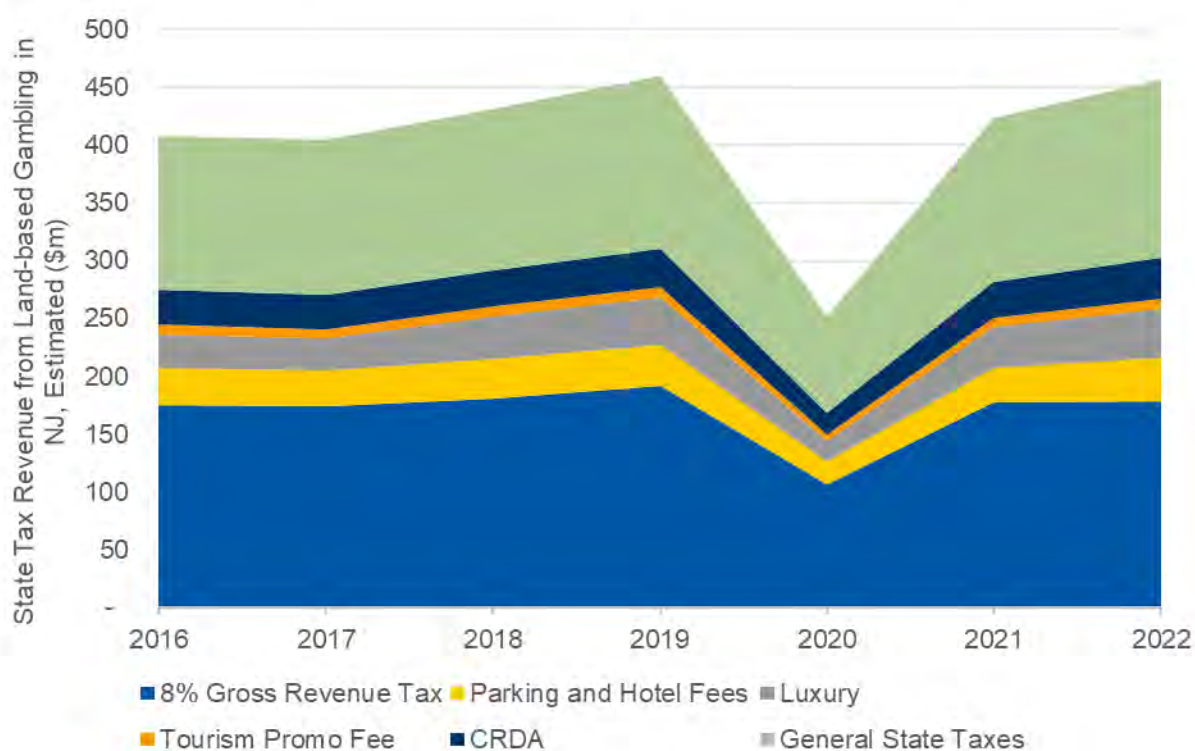
4.3.   Conclusions

In conclusion, and as shown in Table 4.5, we find that gambling in New Jersey, and in particular iGambling, makes a positive contribution to tax revenues relative to the alternative uses of that money.

Table 4.5: Total Net Tax Contribution of Online Casinos in New Jersey

	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
FCIT	3	3	5	10	18	28	32
General State Taxes	-3	-4	-7	-13	-24	-35	-42
Atlantic City Taxes	34	43	60	120	222	343	394
Total	**34**	**42**	**59**	**117**	**216**	**335**	**385**

This is for at least three reasons:

- New Jersey levies several specific taxes on the gambling industry, some that apply only to iGambling. These same taxes are not applicable to other industries, and are larger than other taxes that are applicable to those industries (e.g. sales tax).

- Gambling is a high margin business, due to the relatively low staff and other variable costs. Thus, legal businesses operating in New Jersey may contribute more in corporate income taxes than businesses operating in lower margin industries.

- Federal and state taxes on gambling winnings only apply to net winnings over the course of the tax year, so taxable winnings are likely to be very low. As a result, tax revenues from winners are likely to be very low as well. iGambling is more effective than land-based gambling at prompting winners to pay the amount owed, but even winners will experience diminished winnings given the cumulative effect of losses over the year.

However, as we show in the next chapter, these additional tax revenues are largely offset by the fiscal costs of problem gambling. We also do not capture the reduction in personal federal income taxes paid compared to alternative recreation industries due to the lower labor intensity of the gambling sector.

5. Social Costs of Gambling

There is a known link between gambling and negative social effects, particularly when gamblers maintain a gambling habit or even feel a compulsion to gamble. Online and land-based gamblers can develop into "problem gamblers" with an addiction to the practice, and this can lead to many issues that affect gamblers, their families, and society as a whole.

While the focus of this paper is on the *economic* effects of gambling in the United States, and iGambling in New Jersey in particular, the research on the social harm of gambling is more developed in the United Kingdom, where online betting and gambling has been a significant market for a longer time. We briefly summarize some of this research and apply it to New Jersey, while noting that we have not done our own independent research on it.

In a 2023 study, the National Institute for Economic and Social Research (NIESR) estimates that 0.7% of the adult population of the United Kingdom consists of "problem gamblers", each with an average annual fiscal cost of £3,700.[34] This is principally driven by healthcare costs, but also includes welfare payments, homelessness, and criminal justice. NIESR finds that this figure is likely to be an underestimate because other people affected by the behavior of problem gamblers are not counted as creating fiscal costs.

This results in a total social cost of gambling in the UK of £1.4 billion per year, compared to annual GGY of £9.9 billion.[35] Applying this same ratio to the $5.2 billion in annual GGY in New Jersey suggests that there could be $740 million in social costs associated with gambling, of which $350 million may be associated with iGambling in particular.

However, this estimate is strictly top-down and not vetted. In particular, gambling may have a different role in the life of the typical British gambler than a typical New Jersey gambler. Furthermore, many of the fiscal costs that NIESR references are specific to how British society addresses these social harms: e.g. the healthcare cost associated with a problem gambler will not be the same between the UK and New Jersey, even if the patients are otherwise identical.

Nonetheless, we conclude that the economic costs of iGambling is likely greater than just the modeled decline in jobs, wages, and economic activity. If these values are equivalent between the UK and New Jersey, then the fiscal social cost of problem gambling in New Jersey is roughly equal to the added tax contribution from the industry.

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[34] Arnab Bhattacharjee et al. (14 April 2023), The Fiscal Costs and Benefits of Problem Gambling: Towards Better Estimates. National Institute for Economic and Social Research. https://www.niesr.ac.uk/wp-content/uploads/2023/04/The-Fiscal-Costs-and-Benefits-of-Problem-Gambling-1.pdf?ver=Cwp1CgBj9RWGiq3pMAba

[35] UK Gambling Commission Industry Statistics, excluding lotteries.

6. Advertising Expenditure

In Chapter 3 we model the direct economic effects of the gambling sector in New Jersey, focusing particularly on the impacts of each *incremental* dollar spent in gambling rather than the fixed overheads. In this chapter, by contrast, we focus on the largest category of overhead expenditure: marketing. For data reasons, we also focus this chapter on the whole of the United States rather than simply New Jersey.

As we show in Chapter 2, iGambling in New Jersey has grown rapidly while land-based gambling has broadly continued to follow established growth trends. In states that do not have land-based gambling, iGambling is fully incremental. In other words, iGambling in the US is mostly new gambling activity, which comes with its own challenges in terms of gambling harm.

As iGambling continues to grow nationally, it must be drawing in new players, or encouraging existing players to gamble more. This is driven by the level of marketing expenditure. As we show in this chapter, marketing expenditure in the gambling sector has grown rapidly in recent years, and uses a much larger proportion of total revenues than in other sectors. This is true in both the United States and the United Kingdom, which we include for comparison purposes, given its much longer history and societal acceptance of legalized sports betting.

Online casinos in the UK spend more heavily on advertising than other UK businesses, as well. This suggests that heavy advertising is a standard part of online casinos' business plans, even once the industry has reached maturity as it has in the UK.

6.1. Marketing of iGambling in the United States

iGambling in the United States increased from a GGY of $1.8 billion in 2018 to $14.6 billion in 2022, which both motivates online casinos and sportsbooks to advertise and provides them the funds to do so.[36] In this section, we demonstrate the link between the rise of iGambling and the marketing of gambling.

The data on casinos' advertising expenditures does not distinguish between the marketing of land-based gambling and the marketing of iGambling. Instead, we compare the amount of marketing spend from two gambling companies from 2018 to 2022. We choose Caesars Entertainment to represent gambling companies that engage in iGambling and anticipate iGambling and associated opportunities to increase. We choose MGM Resorts to represent a gambling company that is primarily land-based.

Caesars Entertainment is a US gambling and hospitality company, and in 2022 it collected over five percent of its revenue from its iGambling and sports betting outlets, collectively called Caesars Digital.[37] New Jersey authorizes Caesars to offer online gaming through three different

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[36] Statista (August 2023), Online gambling. url: https://www.statista.com/outlook/dmo/eservices/online-gambling/north-america#revenue

[37] Caesars Entertainment (2023), Financials & Filings. url: https://investor.caesars.com/financial-information

casinos, and no other company has more than one such authorization.[38] In this example, Caesars Entertainment is reflective of the US gambling industry as a whole, which engages increasingly in iGambling.

In Figure 6.1 below, we display the annual *online* GGY across all companies operating in the United States, and compare it with Caesars' marketing expenditure as a percentage of its revenue.[39] As the figure shows, Caesars roughly tripled its marketing budget in the last five years, as it seeks to grow its online footprint.

Figure 6.1: Marketing of Caesars Entertainment During the Rise of iGambling
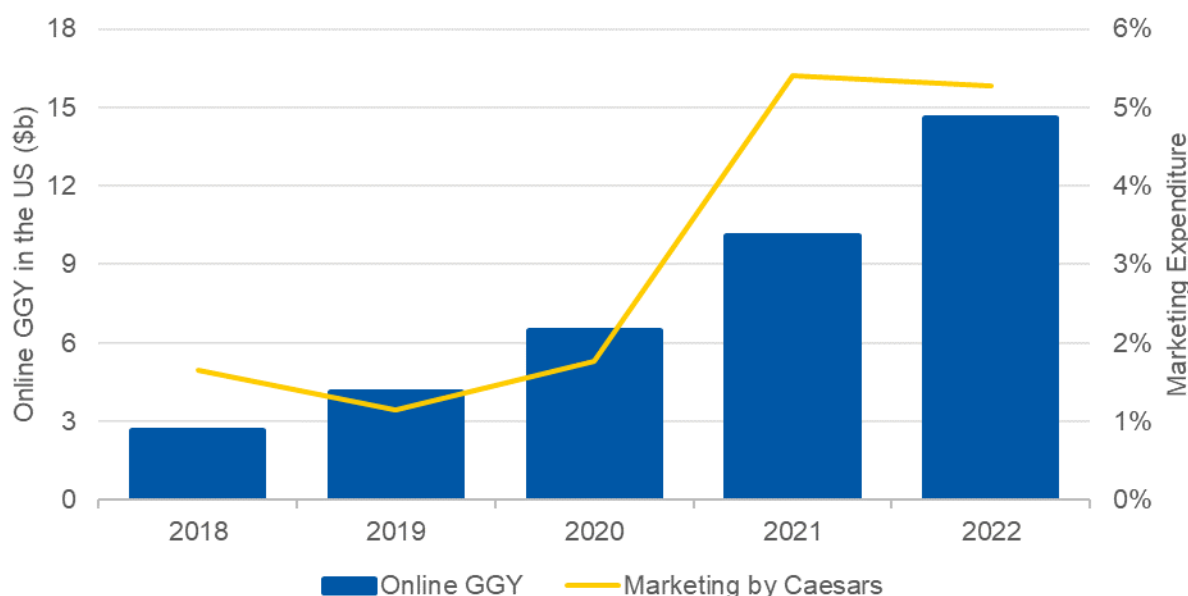
Source: NERA analysis on data from Statista

We next consider MGM Resorts International, which we use to represent the land-based gambling industry.[40] MGM Resorts only counts income from its land-based casinos, hotels, and associated land-based holdings as revenue. It does not solely own any iGambling outlet.

In Figure 6.2 below, we present a similar comparison, but for total *land-based* GGY (across the whole industry in the US) and for MGM's advertising budget. We find that MGM's marketing

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[38] DGE (2023), Internet Gaming Sites, url: https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/internet-gaming-sites/#caesars

The three casinos are the now-closed Boardwalk Regency Corporation, Harrah's, and Tropicana.

[39] Statista (12 April 2023), Advertising expense of Caesars Entertainment worldwide from 2018 to 2022 https://www.statista.com/statistics/689159/advertising-expense-of-caesars-entertainment-worldwide/

[40] We exclude MGM's holdings in China, in order to keep the scope of our research within the US.

spend (as a portion of revenue) fell overall during this period.[41] Land-based gambling in the US increased but not as quickly as iGambling revenue did in the same period.[42]

Figure 6.2: Marketing of MGM Resorts as Land-based Gambling Grew More Slowly
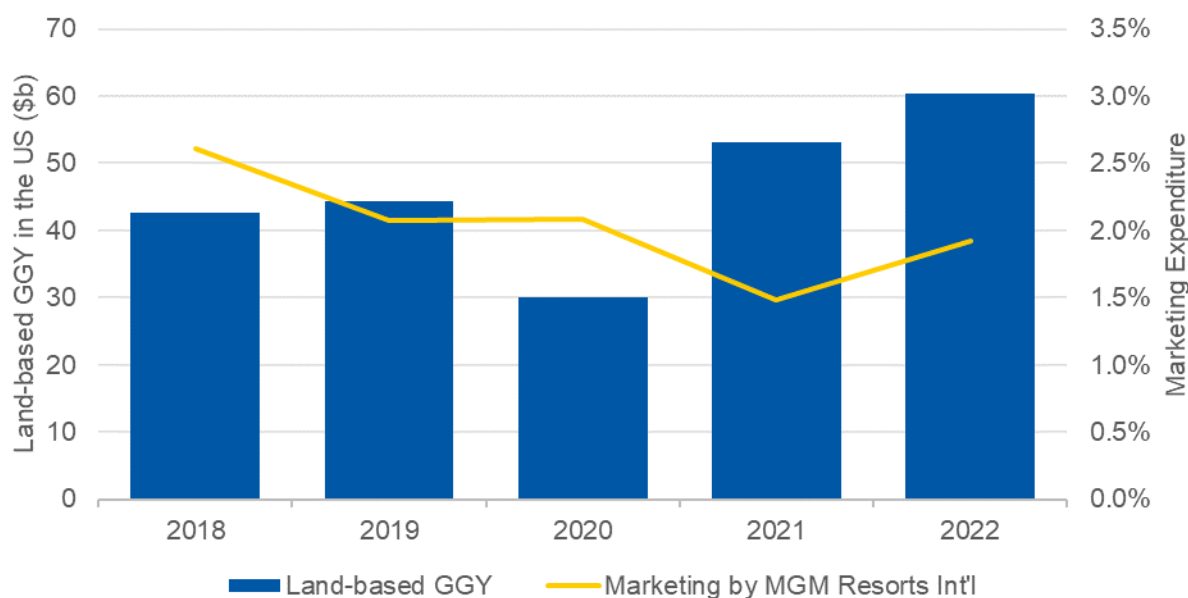
Source: NERA analysis on data from Statista and the American Gaming Association

Without an expectation of growth to the extent that iGambling has grown, MGM Resorts decreased its investment in marketing rather than increasing it.

The above analysis demonstrates that iGambling motivates and funds the marketing of iGambling, largely because it is a very high-margin activity for a casino to offer, and any additional growth in the customer base will help to pay off any fixed costs.

This finding is consistent with the fact that that iGambling operators in the US spend more of their revenue on marketing than other industries do, which we discuss below.

iGambling operators in the United States spend a significant portion of their revenues on advertising. Gambling companies in the US in 2022 spent $1.8 billion on advertising, against

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[41] (1) Statista (4 April 2023), MGM Resorts International advertising expense worldwide from 2018 to 2022. url: https://www.statista.com/statistics/688991/mgm-resorts-advertising-expense/ (2) MGM Resorts International, (27 February 2020), 2019 Annual Report, p. 35. url: https://s22.q4cdn.com/513010314/files/doc_financials/annual/2019/2019-MGM-Annual-Report.pdf (3) MGM Resorts International, (24 February 2023), 2022 Annual Report, p. 36. url: https://s22.q4cdn.com/513010314/files/doc_financials/2022/ar/2022-Annual-Report.pdf

[42] American Gaming Association, (20 May 2021), State of the states 2021. url: https://www.americangaming.org/resources/state-of-the-states-2021/

$7.5 billion in sports betting revenue and $5.0 billion in casino iGambling revenue.[43] This is up from $1.0 billion in 2021. This corresponds to 14% of total iGambling revenues being spent on marketing across the United States.

Although the data on advertising expenditure does not distinguish between advertising for online versus land-based gambling, we understand that this is primarily directed towards the newly legalized sports betting industry, which primarily takes place online.[44]

iGambling operators spend a far greater portion of their revenues on marketing than other sectors of the US economy do. Using data from Statista, BEA, and industry reports, we construct a comparison of the percent of annual gross output in an industry that is spent on marketing. We present this in Figure 6.3 below.

Figure 6.3: Marketing Intensity by Industry, United States
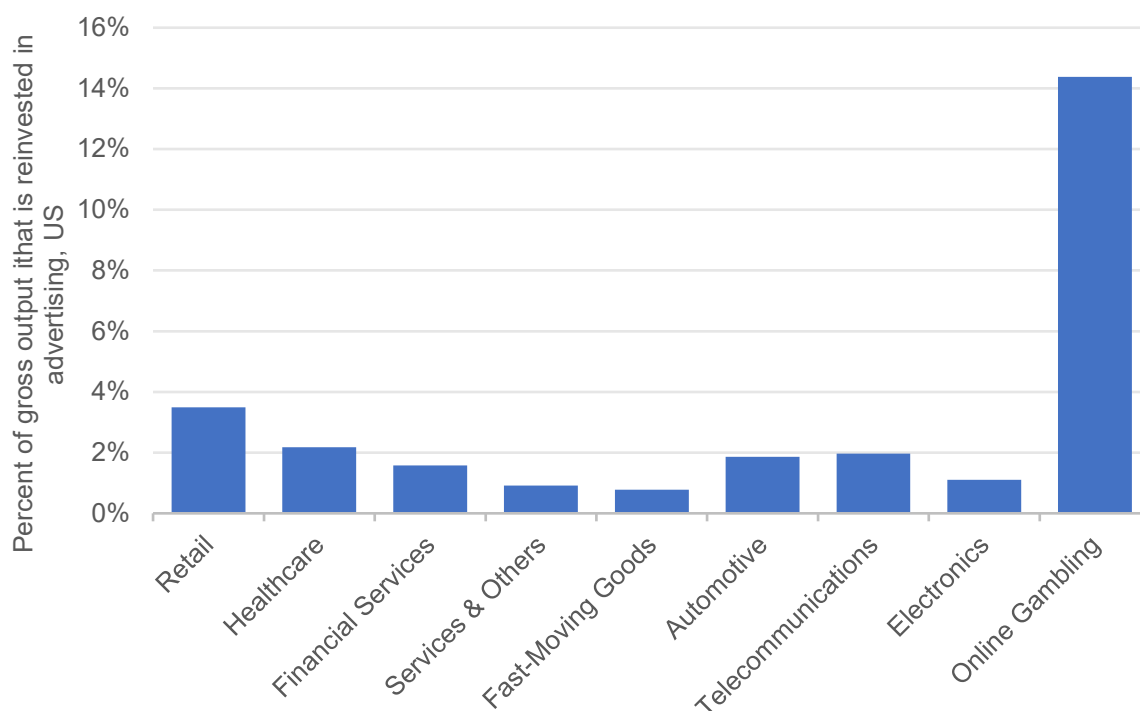
Source: Statista, BEA, Industry Reports

As the figure shows, iGambling operators, particularly sports betting providers, spend far more on marketing than any other sector. Marketing is therefore a major expense for iGambling

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[43] (1) Statista (6 January 2023), Online gambling advertising spending in the United States from 2021 to 2023. url: https://www.statista.com/statistics/1350628/online-gambling-ad-spend-usa/ (2) Statista (15 February 2023). Commercial gross gaming revenue (GGR) of the gambling industry in the United States in 2022, by segment url: https://www.statista.com/statistics/1333004/gross-gaming-revenue-distribution-us/

[44] See for example: NPR (18 June 2022), Sports betting ads are everywhere. Some worry gamblers will pay a steep price. url: https://www.npr.org/2022/06/18/1104952410/sports-betting-ads-sports-gambling

providers, which helps to elevate the nonwage expenses of online outlets (47% of revenue) above those of land-based casinos (33%) or alternate recreation (43%).

This conclusion can be brought into our findings from Chapter 3, in which we conclude that money spent on iGambling does not contribute as much to the economy as that same money spent elsewhere. More specifically, a large proportion of that expenditure goes to fund advertising spots on internet, television, billboards, etc, which itself feeds higher rates of gambling, leading to higher rates of harmful gambling behavior.

6.2.   Marketing of iGambling in the United Kingdom

iGambling operators in the United Kingdom spend a significant portion of their revenues on advertising. In 2021, outlets across the UK spent over £1.5 billion on advertising, against £6.4 billion in iGambling yields.[45] This corresponds to 23% of total iGambling revenues being spent on marketing across the UK.

iGambling in the UK has been rapidly increasing for years and was also relatively unaffected by the pandemic in 2020, as presented in Figure 6.4 below.

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[45] (1) Torrance, J., John, B., Greville, J. et al. Emergent gambling advertising; a rapid review of marketing content, delivery and structural features. BMC Public Health 21, 718 (2021). https://doi.org/10.1186/s12889-021-10805-w
(2) United Kingdom Parliament, House of Lords. Gambling advertising, debated on Tuesday 1 March 2022. Hansard (1 March 2022). https://hansard.parliament.uk/Lords/2022-03-01/debates/6DD9F37C-0912-4B58-8DF8-FEFA60730097/GamblingAdvertising
(3) UK Gambling Commission. Industry Statistics – November 2022. (February 15, 2023). https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022#notes

Figure 6.4: GGY, Remote vs Non-remote
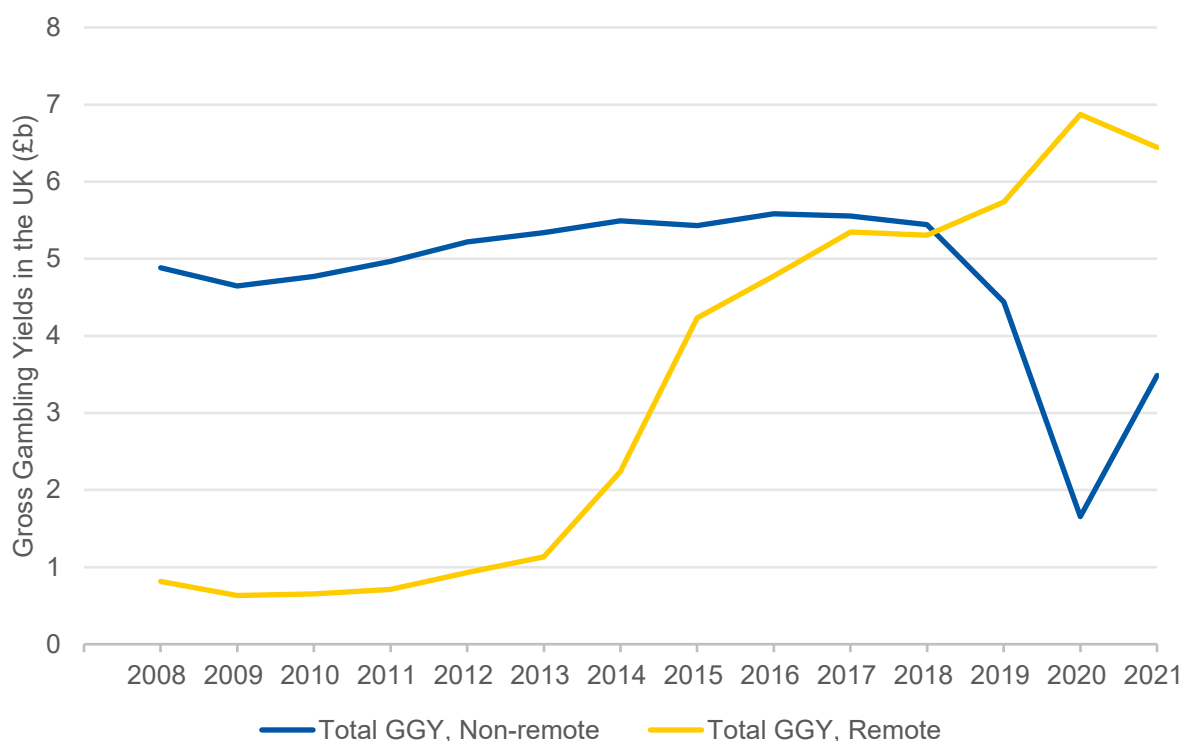
Source: UK Gambling Commission

iGambling operators spend a significantly greater portion of their revenues on marketing than other sectors of the UK economy do. We found the amount of digital advertising that these other sectors purchase, as a percentage of their revenue. By contrast, we only found the amount of overall advertising that the gambling industry purchase. However, over 80% of gambling advertising in the UK takes place online, so we are willing to compare these numbers directly.[46]

We take the gross outputs (revenues) and digital marketing expenditures of other sectors from the market research firm Insider Intelligence, the UK Office of National Statistics, other UK government sources, and Statista. We apply these to find the digital marketing spend as a portion of revenue for each sector, displayed in Figure 6.5 below.

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[46] UK Gambling Commission. The Responsible Gambling Strategy Board's advice on the National Strategy to Reduce Gambling Harms 2019-2022. (February 1, 2019). https://www.gamblingcommission.gov.uk/manual/the-responsible-gambling-strategy-boards-advice-on-the-national-strategy-to/gambling-marketing-and-advertising

Figure 6.5: Marketing Intensity by Industry, United Kingdom
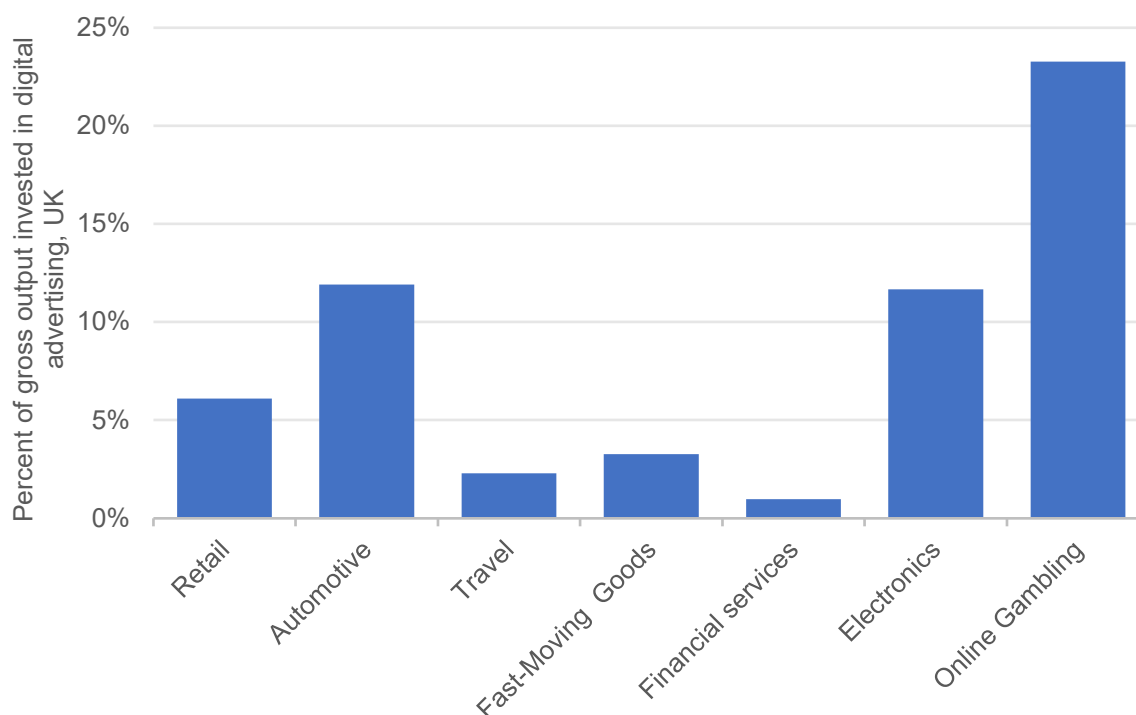
Source: Office of National Statistics, Insider Intelligence, Statista

As in the United States, iGambling operators in the UK spend significantly more on marketing than any other sector, although all sectors, including gambling, spend more on marketing than their equivalents in the United States do. This data can provide an indication of what marketing of sports betting in the US could look like as the industry matures to the level that it is in the UK.

7.   Conclusion

While land-based gambling has been legal in New Jersey, specifically Atlantic City, for over 40 years, iGambling is a much newer feature of the New Jersey economy, and around the United States. In spite of its recency, it now accounts for as much gambling revenue as its land-based counterpart, making this a particularly appropriate time to consider its contribution to New Jersey.

On balance, we find that the iGambling industry has been detrimental to the New Jersey economy, for several reasons:

- iGambling is a very high margin, low-cost activity for gambling operators, and few people are employed specifically in providing iGambling services. Those that are employed are generally overhead, such as providing the IT infrastructure, and so additional gambling activity likely does not increase salaries by much.

- By contrast, a larger proportion of money spent in land-based gambling goes towards employment and hence cycles back into the economy when those employees spend their wages. Furthermore, land-based casinos support many other hospitality and tourism business in Atlantic City, often bringing in money from out-of-state, increasing the benefit retained by New Jersey.

- Other alternative recreation industries are much more labor-intensive than gambling, and so if money is spent in these discretionary industries, it creates more value in terms of jobs created and wages paid out.

- On the other hand, iGambling provides greater tax revenue than alternative forms of recreation. This is principally because the State of New Jersey applies various taxes that apply specifically to online casinos. These are larger than sales taxes that would apply to alternative discretionary businesses. We do not capture lower personal federal income taxes, however, that results from the lower labor intensity of the iGambling sector.

- Gambling, including iGambling, has negative social effects beyond the economic effects we measure. Based on rates of problem gambling measured in the UK, we find that there could be an additional fiscal cost of $350 million in New Jersey driven by problem gambling. This includes the costs of healthcare, welfare, homelessness, and criminal justice. These are similar in scale to the additional tax revenue paid by the sector.

- The rapid growth in iGambling has been supported by advertising expenditure far greater than in other sectors. This indicates both the importance of advertising to reach new gamblers as well as the extent to which revenues earned by casinos is directed towards ad buys rather than other avenues which may provide more social value.

In conclusion, while there are some benefits to the State in terms of tax revenue relative to alternative industries, the value of iGambling to the State of New Jersey appears to be lower than the alternatives, whether that is land-based gambling or non-gambling related activities.

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A Response to iDEA's Review of NERA's New Jersey iGambling Study

Prepared for the Campaign for Fairer Gambling

4 February 2025

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Introduction

In March 2024, iDEA[1] published "A Comprehensive Analysis of NERA's Study on New Jersey's iGaming Economic Impact" to respond to our report, "Economic Assessment of iGambling in New Jersey." Meister Economic Consulting and Victor-Strategies ("Meister") conducted this review for iDEA, attempting to refute our model of the economic effects of gambling in New Jersey. Meister focuses on our key finding that land-based and online casinos employ fewer workers than businesses that offer other kinds of recreation, so when consumers choose to gamble rather than spending money elsewhere, less revenue goes to employees and is re-spent in the economy. Meister argues that legal iGambling is drawing revenue that would otherwise go to illegal gambling, so our report "vastly underestimates" the economic benefits of legal iGambling in New Jersey.

We also respond to a paper from the National Bureau of Economic Research (NBER), "Gambling Away Stability: Sports Betting's Impact on Vulnerable Households." This study finds that iGambling comes from consumers' borrowed money and the personal savings of households that are often financially constrained, in contrast to our assumption that it is diverted from alternate recreation. The negative effects of gambling in this study (e.g. rising household debt and the risk of default) are worse than simply losing revenue for alternate recreation. Our report finds effects between Meister's estimates and the NBER analysis and represents a reasonable middle estimate.

Meister's Cannibalization Claims do not Invalidate our Model

Meister's main objection to our report is the simplifying assumption in our model, which is that all spending on iGambling is diverted from alternate recreation (i.e. discretionary spending):[2] "NERA assumes that *none* of the existing illegal online gambling is channeled to licensed iGaming sites within New Jersey, one of the key achievements of legalized online gaming."[3] Meister asserts that "iGaming will channel some amount of illegal gambling to licensed online providers."[4] Meister provides only indirect evidence to support this idea because "it is much more difficult to gain a clear picture of" illegal gambling and many firms do not comply with any regulations or reporting requirements.[5] Meister offers no estimate for potential cannibalization from illegal to legal iGambling.

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[1] iDEA is the iDevelopment and Economic Association, an industry association of the iGambling space which seeks to "expand online interactive entertainment business in the United States through advocacy and education". Source: ideagrowth.org/about

[2] The categories of alternate recreation are retail, food and beverage services, and entertainment. Alternate recreation does not include land-based casinos or other gambling.

[3] "A Comprehensive Analysis of NERA's Study on New Jersey's iGaming Economic Impact" p. iv. Italics theirs.

[4] iDEA, (March 2024). p. 4. Italics theirs.

[5] iDEA, (March 2024). p.11.

Meister provides survey evidence from players of online slot machines and table games that "roughly half of gamblers... play (at least some of the time) illegally"[6] but this survey shows that more than half of the players gamble only at legal venues and only 18% of respondents indicate any crossover, i.e. gambling at both legal and illegal establishments. This shows that legal and illegal gamblers are largely separate customer groups.

Meister cites statistics from the American Gaming Association[7] that the percentage of online sports bets that are legal had risen from 44% in 2019 to 77% in 2023. Meister suggests that "when a legal option becomes available, people tend to switch away from illegal venues to legal ones."[8] However, the amount legally bet on sports increased from $1.9 billion in 2019 to $121 billion in 2023, rising by a factor of 64.[9] Assuming that legal and illegal bets are for similar amounts on average, these figures imply that the amount wagered illegally on sports increased from $2.4 billion to $36 billion, rising by a factor of 15. Meister's own statistics suggest that the legalization of sports betting and the subsequent flourishing of legal sports betting led to more illegal online sports betting, rather than cannibalizing it.

The evidence Meister presents next further supports the idea that legalizing sports betting has caused illegal online sports betting to flourish. Meister provides evidence of 1.7 million illegal attempts to place bets from within Mississippi to legal Tennessee and Louisiana sportsbooks in the 2023 football season.[10] They note a similar pattern in Georgia. However, out-of-state, illegal bets in the legal sportsbooks of neighboring states only occur because legal sports betting opportunities exist. Legal sportsbooks (e.g. in Tennessee, Louisiana) attract new business even from residents out of state, who evidently do not bet through illegal operations in their own states.

Meister cites statistics that:

> *Nearly 40% of sports bettors were wagering before its legalization in [New Jersey], including with friends (40%), co-workers (29%), family members (25%), non-New Jersey websites (23%), or bookies (22%). Furthermore, almost 50% of the survey respondents indicated their wagering increased after legalization.[11]*

This means that over 60% of sports bettors post-legalization are new to the activity, with the rate of wagering increasing even among those already doing so illegally. Survey respondents who had placed bets illegally through non-New Jersey websites would likely begin betting legally in-state, merely shifting from one regulated online operation to another. This reduces lawbreaking, but the focus of our report is macroeconomic effects rather than compliance with state law.

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6   iDEA, (March 2024). p.11.

7   American Gaming Association (2023), "Assessing Shifts in the Sports Betting Market 5 Years Post-PASPA," Washington, D.C. (http://www.americangaming.org/wp-content/uploads/2023/05/AGA_PASPA_LSBResearch.pdf).

8   iDEA, (March 2024). p.11.

9   Legal Sports Report. "US Sports Betting Revenue & Handle. (27 January 2025). https://www.legalsportsreport.com/sports-betting/revenue/

10   iDEA, (March 2024). p.12.

11   iDEA, (March 2024). p.13.

Meister argues that:

> These findings from Analysis Group (2024), Innovation Group (2022), the American Gaming Association (2023), GeoComply (2023, 2024), and Rutgers (2023) strongly undermine NERA's assumption that all iGaming revenue is substituted away from existing brick-and-mortar casinos and other entertainment industries. In fact, once iGaming was introduced in New Jersey, some portion of its revenue almost certainly came from illegal gambling channels.[12]

Not all illegal gambling channels are created equal. People who place bets with friends, family, and coworkers offline are likely to continue to do so. New Jersey bettors who would bet illegally on legal websites out-of-state divert money to New Jersey which is a detriment to those states as much as it is a benefit to New Jersey. Therefore only the proportion of betting that was placed with illegal bookies will create a tax benefit for state governments. Finally, alternate recreation is far more effective at creating knock-on economic benefits than iGambling, so legalization and the resulting shift away from other discretionary spending is more important from an economic perspective than any shift from illegal to legal gambling.

Addressing the Strawman of Cannibalization from Land-based Casinos

Meister objects to the idea that online gambling operations are cannibalizing land-based casinos, asserting that Meister's research "strongly undermine[s] NERA's assumption that all iGaming revenue is substituted away from existing brick-and-mortar casinos and other entertainment industries."[13] Regarding the idea that "iGaming [is] directly substituting away from brick-and-mortar casinos" Meister asserts that "NERA provides no evidence... and in fact research shows has not been the case."[14]

Meister's objections are irrelevant to our report. In constructing the model, we assumed that in the absence of iGambling consumers would spend their gambling money in other discretionary categories instead, represented by the retail, dining, and entertainment industries only, and not from brick-and-mortar casinos.

The iGambling company DraftKings affirms that "our business is particularly sensitive to reductions from time to time in discretionary consumer spending"[15] and expressed concern that unfavorable "economic conditions may reduce our users' disposable income or result in fewer individuals engaging in entertainment and leisure, such as sports betting [and] online gaming." This suggests that consumers gamble from a pool of disposable income. Our assumption that all gambling losses have been redirected from other entertainment industries reflects the limited discretionary income of many gamblers. The gambling company Flutter (which has digital and terrestrial interests) takes a similar

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[12]   iDEA, (March 2024). p.13.

[13]   iDEA, (March 2024). p.13.

[14]   iDEA, (March 2024). p.14.

[15]   DraftKings (2023), SEC Form 10-K, p.15.

view, reporting that "betting and gaming faces competition from other entertainment and leisure activities."[16]

We did compare the economic effects of land-based casinos with iGambling in New Jersey, although iGambling is the main topic as reflected in the title of our report. We estimated the total economic activity and wages from land-based gambling in New Jersey, in contrast to the activity and wages that would have resulted if New Jersey customers had spent this income on non-gambling alternatives. Our analysis of land-based gambling was parallel to our analysis of iGambling, with similar methodologies. In our report we never assumed that iGambling cannibalized land-based casinos or explored the possibility.

The Social Effects of iGambling

Meister says "NERA dedicates a single page of its report" to the social effects of iGambling. We do discuss the social effects only briefly, affirming on that page that "the focus of this paper is on the *economic* effects of gambling."[17]

Meister objects at length to our round estimate that "there could be $740 million in social costs associated with gambling, of which $350 million may be associated with iGambling in particular." However, the objective of this section is strictly top-down, and serves instead as an indication that "the economic costs of iGambling is likely greater than just the modeled decline in jobs, wages, and economic activity" rather than a bottom-up quantification.[18]

Using this top-down approach, we estimated the effects of problem gambling and how this translates into real losses, which have to be set against potential benefits. After the Supreme Court struck down the national ban on sports betting in 2018, "calls to the National Council on Problem Gambling helplines grew by 150%, from 32,666 in 2019 to 83,660 in 2023"[19] despite some level of illegal sports betting having already existed. We provided our round estimate to highlight that the tax benefits of legal iGambling must be set against losses and hardship. Indeed, Meister "agree[s] that problem gambling is associated with certain social harms and negative impacts."[20]

The Costs of Bad Debt

For the purposes of our modeling, we assumed that all spending was discretionary. In making this assumption, we acknowledged that spending could have been diverted from savings or other

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[16]   Flutter Entertainment (2023), SEC Form 10-K, p. 24.

[17]   NERA (2023), p.46. Italics in original.

[18]   NERA (2023), p.46.

[19]   Taylor et al. "Online Gambling Policy Effects on Tax Revenue and Irresponsible Gambling." (18 June 2024).

[20]   iDEA, (March 2024). p.19.

necessities, rather than from discretionary spending, and that this would have worse negative outcomes.

The NBER paper, "Gambling Away Stability: Sports Betting's Impact on Vulnerable Households" focuses instead on the evidence and consequences of gamblers spending non-discretionary money.[21] The NBER says that "following legalization, sports betting spreads quickly... increasing over time. This increase does not displace other gambling or consumption but significantly reduces savings."[22] According to the NBER, not all gamblers are spending their own disposable income, but instead run up credit card balances and more frequently overdraw their bank accounts.[23] This finding implies worse economic effects than when gambling comes from discretionary money.

As the NBER finds, some consumers fund gambling with borrowed money. In these cases, household debt with no clear means of repaying it imposes costs to individuals and families. Social costs include the worsening of poverty, as the NBER finds that "access to online sports betting... exacerbates financial difficulties faced by constrained households."[24] Outside of the world of gambling specifically, International Monetary Fund economists published a study in 2018 finding that access to credit might backfire, as "[borrowing] may eventually come back to hurt households when they face a rising debt service once interest rates start rising and the credit boom ends."[25]

Economists find that household debt creates wider economic problems as well, as recent studies suggest that higher total household debt is associated with lower GDP growth, higher unemployment, and a greater risk of future banking crises.[26] The household sector as a whole becomes more sensitive to changes interest rates and to income shocks like those caused by unemployment. Household debt therefore makes the economy more sensitive to income, house prices, and interest rates.[27]

Academics have also found that household debt imposes the economic risk of default. Formal bankruptcy may be as common as 1.5% of all households.[28] The risk of nonpayment contributes to personal loans that carry real interest rates of 8% annually, with average credit card rates around 12%, which are well above the risk-free rate. A single percentage point increase in the household debt-to-GDP ratio can lower long run growth by 0.1 percentage point. Negative long-run effects on consumption intensify when the ratio exceeds 60%, with effects on GDP growth intensifying over 80%.[29]

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[21] Baker et al. "Gambling Away Stability: Sports Betting's Impact on Vulnerable Households." (November 2024).

[22] NBER (2024), Abstract.

[23] NBER (2024), p.2.

[24] NBER (2024), p.2-3.

[25] Alter, Feng & Valckx. "Understanding the Macro-Financial Effects of Household Debt: A Global Perspective." (2018). p.4.

[26] Alter, Feng & Valckx (2018), p.4.

[27] Guy Debelle, "Macroeconomic implications of rising household debt." BIS Working Papers. (June 2004). pp.1, 21.

[28] Exler, Florian and Tertilt, Michèle. "Consumer Debt and Default: A Macro Perspective." (February 2020). p.1.

[29] Lombardi et al. "The real effects of household debt in the short and long run." (January 2017). Abstract.

Household debt is currently 64% of US GDP,[30] so the United States is in range for consumption to be negatively affected. As the NBER shows, iGambling tends to increase the level of household debt and therefore increases these negative outcomes.

Conclusion

Even drawing on Meister's own evidence, it is clear that most new legal iGambling activity in New Jersey is not actually diverted from illegal iGambling. Instead, as the NBER finds, much of it comes from reduced savings and increased credit card debt, which comes with a wide range of household and wider economic costs, which we had not quantified in our report. Our assumption that it diverts from alternate discretionary avenues represents a reasonable assumption and possibly an underestimate of the economic costs of iGambling.

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[30]   CEIC Data, "United States Household Debt: % of GDP." https://www.ceicdata.com/en/indicator/united-states/household-debt--of-nominal-gdp.

NERA

ABOUT OUR WORK

This work is the most recent in a series of works we have written on behalf of the Campaign for Fairer Gambling, funded by Derek Webb, a gambling reform advocate and philanthropist. Recent works commissioned by the Campaign for Fairer Gambling include:

- Economic Assessment of Online Gambling in Great Britain, 18 July 2024
- Economic Assessment of iGambling in New Jersey, 9 November 2023

We stand by the validity of our work for the Campaign for Fairer Gambling.

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GEMINI RESEARCH

Impacts of
Legalized Gambling
in Connecticut

January 2024

Prepared for the Connecticut Department of Mental Health and Addiction Services (DMHAS)

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INTRODUCTION

Connecticut has been expanding the availability of legalized gambling for over 80 years. This began with the legalized introduction of bingo in 1939 followed by the legalization and/or provision of: bazaars and raffles in 1955; parimutuel betting[1] (on or off track) on horse racing in 1971; a state lottery in 1971 (the fourth U.S. state to do so); parimutuel betting on dog racing and jai alai in 1972; instant/scratch tickets in 1975; sealed/pull-tab tickets in 1987; tribal casinos in 1992 and 1996; Keno in 2016; and online and land-based sports betting, online casinos, and online purchase of lottery tickets in 2021.[2]

In order to understand the impacts of this expansion, the State of Connecticut created legislation requiring periodic reviews of the impacts. Thus, a review was conducted in 1997 (WEFA Group, 1997), and again in 2009 (Spectrum Gaming, 2009). The present 2023 study is the third review in this series. The specific legislative mandate of the present study as specified in Connecticut Public Act No. 22-118 was to: *" … conduct a study concerning the effect of legalized gambling on the citizens of this state including, but not limited to, an examination of the types of gambling activity engaged in by the public and the desirability of expanding, maintaining or reducing the amount of legalized gambling permitted in this state … The study shall take into consideration the findings on the effects of legalized gambling from the most recent study completed pursuant to this subsection, and shall use such findings to inform the current study. In conducting each study, the commissioner, or a contractor chosen by the commissioner to conduct [the] study … shall (1) consider data from other states to inform recommendations on best practices and proposed regulatory changes, (2) review available data to assess the problem gaming resources available in the state, and 3) consult with stakeholders to inform the study analysis, including, but not limited to, elected and appointed government officials, nongovernmental and charitable organizations, municipal officials, businesses and entities engaged in legalized gambling activities in the state."*

On October 21, 2022 the Connecticut Department of Mental Health and Addiction Services (DMHAS) issued a Request for Proposals (RFP) for this study (RFP #DMHAS-SWS-Gambling Impact Study-2023). After evaluating the competitive bids, in January 2023 DMHAS awarded a contract to a team led by Gemini Research, Inc., based in Northampton, Massachusetts. The 12 members of this multidisciplinary team include faculty and/or staff from the University of Massachusetts (Amherst) School of Public Health and Health Sciences; the Donahue Institute; the Department of Hospitality and Tourism Management in the Isenberg School of Management; and the University of Lethbridge, in Alberta, Canada.

The Gemini Research team subsequently carried out this investigation between January and August 2023 with the results contained in the present report.

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[1] Parimutuel betting is a betting system in which the winning payout for a particular outcome (e.g., certain horse coming in first place) is not fixed but rather varies as a function of how much money is bet on that outcome relative to other outcomes. In general, the size of the winning payout decreases as a function of the amount of money that is bet on that outcome. The purpose of this system is to help ensure the gambling provider 'breaks even' regardless of what outcome occurs. (In parimutuel systems the gambling provider makes a profit by taking out a fixed percentage of the overall amount of money wagered).

[2] Online sales of lottery tickets had not yet commenced as of the writing of this report.

There are six sections to this report:

1. The **Executive Summary**, which provides a comprehensive overview of our findings and recommendations.

2. A section on the **History and Current Availability of Legalized Gambling in Connecticut**.

3. A section on the **Methodology for the Current Study**, that includes a description of our theoretical framework, principles for conducting socioeconomic impact analyses of gambling, and our data sources.

4. The **Social and Health Impacts** section, which is subdivided into Attitudinal impacts; impacts on Gambling Behavior; impacts on Problem Gambling and Related Indices; impacts on Crime; and impacts on Other Social Indices.

5. The **Economic and Fiscal Impacts** section, which is comprised of two main sections. The first is the Direct Economic impacts of each of the main types of legalized gambling in Connecticut. The second section uses these direct impacts to project the overall Indirect Economic and Fiscal Impacts on the Connecticut economy.

6. A **Review of Connecticut Problem Gambling Prevention and Treatment Services** which includes an evaluation of the adequacy of these services as well as recommendations for further improvement.

EXECUTIVE SUMMARY

The present study was undertaken using a 'state-of-the art' theoretical framework along with a mixed methods research strategy that utilized both primary and secondary data collection/analysis as well as quantitative and qualitative research methods. Gambling is just one of many economic forces contributing to the dynamic social and economic landscape of Connecticut, making disentangling gambling's unique contribution difficult. The use of multiple methods aids in this task, as it allows for triangulation of findings. The specific data sources utilized in the present study were:

(1) Interviews with 47 key informant stakeholders having direct first-hand knowledge about specific social and/or economic gambling impacts they have observed;
(2) A representative population survey of 5,259 Connecticut adults (18+) supplemented by a separate online panel survey of 2,847 Connecticut adults (18+);
(3) A collection of secondary data pertaining to a wide range of social and economic indices, with annual variations in these indices being examined relative to variations in larger geographic regions (e.g., state, country) as well as changes in Connecticut gross gambling revenue;
(4) Historical Connecticut population studies of gambling as well as prior economic and socioeconomic analyses so as to contextualize the present results;
(5) Data from gambling operators and the Connecticut government regarding gambling revenue as a function of type of gambling and operator; employment numbers for each type; and revenue spent on wages, supplies, and allocated to the commercial operator and different sectors of government and society;
(6) Economic modelling using Regional Economic Models, Incorporated (REMI) to estimate the additional indirect economic impacts on the Connecticut economy from the identified direct economic impacts;
(7) AirSage cell phone location analysis to establish the portion of Connecticut casino revenue deriving from out-of-state residents; the Connecticut-county origin of Connecticut casino revenue; and the amount of casino revenue leaving the state due to Connecticut patronage of out-of-state casinos.

A separate but related investigation was a review of Connecticut problem gambling prevention and treatment services. Some of the information pertinent to this issue was collected in the course of the above data collection activities. However, additional data was collected pertaining to prevention, responsible gambling/harm minimization, and treatment services in Connecticut, as well as documentation of their historical timelines, locations, magnitude, utilization, and known effectiveness.

Social and Health Impacts

Attitudes
- Gambling is 'not at all' or 'not very important' as a recreational activity for the vast majority of people (93.5%), although 1.8% indicate it is actually a 'very important' recreational activity.
- Many more people believe that the harm of gambling outweighs the benefits (67.2% vs 8.6%).
- The majority of people (63.4%) do not believe that gambling is morally wrong.
- The majority of people (69.1%) believe that some types of gambling should be legal and some types should be illegal.
- The majority of people (67.8%) consider the current availability of gambling to be fine, whereas 26.2% believe it is too widely available and 5.9% believe it is not available enough.

- The majority of people (70.8%) believe the responsibility for minimizing gambling-related harm is shared between the gambler and the provider.
- The majority of people (68.7%) have no opinion about the integrity and fairness of how gambling is provided in Connecticut, with another 21.3% being satisfied and 9.9% being dissatisfied.
- The majority of people (62.6%) have no opinion about the adequacy of Connecticut government and gambling provider efforts to minimize the harm associated with gambling, with another 20.0% being satisfied and 17.3% being dissatisfied.
- There is a wide range of things that people identify as the single most positive impact of legalized gambling in Connecticut, with employment (21.6%) and increased government revenue (20.1%) being the most commonly endorsed options.
- The majority of people (69.2%) identify increased gambling addiction as the single most negative impact of legalized gambling in Connecticut.

Gambling Behavior
The past year prevalence of the different types of gambling in Connecticut in 2023 is as follows:
- 69.2% Any past year gambling
- 51.6% Weekly lotteries (Powerball, Mega Millions, Lotto)
- 35.4% Scratch tickets and Fast Play
- 26.5% Charity tickets
- 22.8% Daily lotteries (Play3, Play4, Cash5, Lucky for Life)
- 18.5% Land-based casinos (88.1% in CT, 13.2% MA, 5.3% NV, 4.0% NY, 3.5% NJ, 2.6% RI, 6.3% Other)
- 13.8% Social Gambling
- 13.0% Financial speculation (48.9% cryptocurrency; 28.8% day trading; 23.9% penny stocks)
- 10.7% Any type of online gambling
- 10.2% Sports betting (76% football, 46.9% basketball, 23.4% baseball, 16.2% horse racing, 15.9% fantasy sports)
- 7.2% Online casinos
- 6.1% Bingo
- 4.5% Keno

Among past-year gamblers, the average number of different types of gambling participated in was 2.8, with the median amount spent being $413 (average of $4,047 and mode of $60).

Compared to 2008:
- Largely Unchanged: Overall past year gambling, lottery play, and scratch ticket play.
- Decreased: Horse race betting (7.4% to 1.7%), bingo (9.0% to 6.1%), and land-based casinos (35.6% to 18.5%).
- Increased: Online gambling (2.0% to 10.7%) and sports betting (8.4% to 10.2%).

Problem Gambling and Related Indices
Gambling categories in 2023 with the Problem and Pathological Gambling Measure (PPGM):
- 30.7% Non-Gamblers
- 62.6% Recreational Gamblers
- 4.9% At-Risk Gamblers
- 1.8% Problem Gamblers (equivalent to roughly 50,000 adults and 150,000 people totally impacted when including spouses and children)

A direct comparison with the same instrument used in 2008 (NODS) found no change in problem gambling rates (1.4% in both time periods), although a small increase to 1.7% in 2023 occurs when controlling for methodological differences in survey administration between the two time periods. Larger increases might have been anticipated considering the recent 2021 legalization of sports betting and online gambling. However, participation levels for these new types of gambling are comparatively low and land-based casino gambling has decreased by 50% since 2008.

Connecticut rates of problem gambling are mid-range compared to other states, and low compared to earlier time periods in the state (3.2% in 1991 and 2.9% in 1996).

Elevated rates of gambling-related harm are seen in: males; people under 65; Blacks, Asians, Hispanics, and 'Other' Race/Ethnicities; and people with lower educational attainment. However, *elevated risk* does not directly correspond to the *relative prevalence* in the population due to different groups comprising larger or smaller proportions of the general population. Thus, the majority of people with gambling problems in Connecticut are: male, ages 18 – 34, Whites, and non-immigrants.

Compared to recreational gamblers, people with gambling problems are more likely to gamble to 'escape or relieve stress,' 'to compete or for the challenge,' because it 'makes me feel good about myself,' and to 'win money.' The majority of people with gambling problems do not report there being a particular type of gambling causing more harm. For those who do report a problematic type, the specific type identified largely parallels participation rates.

The most commonly reported harms associated with problem gambling are: mental health problems (67.2%), financial problems (51.6%), relationship problems (30.0%), work/school problems (19.9%), engaging in illegal behavior (16.7%), and physical health problems (10.0%). The most commonly reported discrete impacts are: 14.0% domestic violence, 13.5% bankruptcy, 11.4% receiving public financial assistance, 8.5% child welfare involvement, 7.3% separation/divorce, 5.6% being arrested, 4.0% losing job or quitting school, and 1.4% attempting suicide.

Certain indices that are reliably associated with gambling problems were also examined. Bankruptcy rates in Connecticut and New London County were found to have declined in the past 10 years. Family violence, divorce rates, and child abuse rates have also been steadily declining in Connecticut. While there has been an increased rate of suicide in Connecticut since 2008, this closely parallels the national trend.

Crime
Crime caused by problem gambling is fairly uncommon (reported by 16.7% of people with gambling problems), and it is very uncommon for this type of crime to result in being arrested (5.6%), convicted (5.5%), or incarcerated (0.13%).

Violent crime rates in Connecticut, New London County, Ledyard, and Montville have all substantially decreased since the 1990s and the decreases in each of these regions have closely paralleled each other.

Property crime in Connecticut, New London County, Ledyard, and Montville has also trended downward since the 1990s. However, the decreases have been more modest in Ledyard and Montville, which is consistent with research literature which has shown that facilities with large numbers of visitors in

general, including stadiums or shopping malls as well as casinos, have associations with property crime (Barthe & Stitt, 2009; Walker, 2010).[3]

Driving under the influence (DUI) arrests were stable across Connecticut from 2000 to 2010 and have declined since that time. However, key informant interviews indicate that driving under the influence of alcohol is still a relatively common occurrence after leaving the casinos.

The number of reports of illegal gambling is very low in Connecticut (never more than 60 in a year, and typically less than 10), which supports the contention that it has largely been displaced by legal forms. That said, key informant interviews and the population surveys show that it still exists to some degree. The most common types of illegal gambling in the population surveys were out-of-state online sports betting (1.5% of the population); out-of-state online casinos (1.3%); underground sportsbooks or bookies (0.8%); and illegal/underground casinos (0.1%).

Other Social Indices
- Census data and key informant interviews indicate a localized population increase in the town of Montville that is plausibly related to the introduction of the casinos.
- Key informants report a housing shortage in the casino host and surrounding communities.
- Traffic undoubtedly increased in the areas proximate to the new casinos. However, there is no compelling evidence that this has been associated with a marked increase in crashes or DUI injuries in the casino communities.

Economic and Fiscal Impacts

Direct Economic Impacts: Casinos
Gross gambling revenue (GGR) at the casinos rose from zero in 1992 to a peak of approximately $2.2 billion in 2007. Revenue has been steadily declining since 2007, with a marked drop during the pandemic, but with a slight recovery post-pandemic. Current casino GGR is estimated to be $1.1 billion, half of the 2007 levels. This decline is even more dramatic when taking inflation into account, as $2.2 billion in 2007 is worth $3.2 billion in 2023. Despite the decline, casino GGR is still considerably higher than any other type of gambling revenue in Connecticut (double the Lottery GGR).

Cell phone location data suggest that approximately 50.5% of the revenue at the Connecticut casinos currently comes from CT residents, 19.9% from MA residents, 12.9% from NY residents, 8.8% from RI residents, and 7.8% from people from other states/jurisdictions. These proportions are very similar to proportions estimated in 2015 using license plate surveys but differ from the proportions estimated in 1999 (at that time 37% of CT casino revenue was estimated to derive from CT residents). If the 2015 data is accurate, it indicates that the New England casino expansion since 2015 (e.g., the three new MA casinos) has had a relatively minor impact on Connecticut casino revenue. In terms of county, 36.2% of current revenue from CT residents is estimated to come from residents of New London County, which is significantly higher than any other county, especially in light of the fact that New London County only accounts for 7.5% of the CT population. A total of 8.1% of CT casino gamblers patronized casinos in other states, with MA being the primary destination (67.7%), followed by RI (19.0%), and NY (13.2%). MGM Springfield in MA is the only casino with significant patronage from CT (38.3%). Subtracting

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[3] See Page 36 for an explanation of the ability to draw causal attribution from the correlation matrix for property crime in CT presented in Table 29, as well as the other associations included in this report.

monetary outflow from monetary inflow, the estimated net casino revenue gain for Connecticut is approximately $340 million per year.

The two casinos are estimated to currently employ approximately 13,900 people, down from a peak of over 26,000 between 2003 and 2008. Average casino wages have kept pace with inflation and are estimated to be roughly $43,470 in 2021.

The primary recipients of slot and table game revenue from the two Connecticut casinos are the Mashantucket Pequot Tribe and the Mohegan Tribe. The next major beneficiary is the State of Connecticut, which receives 25% of gross slot revenue from the two casinos into its General Fund, which amounted to just over $215 million in 2022. A portion of this is then allocated to municipalities ($51.4 million in recent years).

Direct Economic Impacts: Lottery

The Connecticut Lottery's GGR from traditional lottery products was $552 million in fiscal 2022, with 44.2% coming from instant/scratch tickets, 32.7% from daily lotteries, 12.2% from weekly lotteries, 8.9% from Keno, and 2.0% from Fast Play. From this $552 million, a total of $84 million was paid to the approximately 2,800 lottery vendors in commissions. Lottery GGR has steadily increased almost every year since 1979, with these increases more than doubling the rate of inflation during this time period.

The main Lottery employment comes from the 2,800 retail lottery vendors, as the Lottery itself has only averaged 158 employees since 2019.

Most lottery revenue is deposited in Connecticut's General Fund utilized to fund state operations and programs. This revenue contribution was just over $402 million in FY22, around two-thirds of total current gambling revenue to the state.

Direct Economic Impacts: Sports Betting and Online Casino Gambling

Total sports betting GGR has been $178 million from October 2021 to June 2023, which projects to roughly $102 million over a 12-month period.

Total online casino revenue has been $416 million for these 21 months, which represents an average of $238 million over a 12-month period.

The comparatively lower GGR compared to land-based casinos and the Lottery is due to their lower participation rates, leakage to illegal betting shops and out-of-state online sites, and lower profit margins.

Employment impacts within Connecticut are unknown but are anticipated to be fairly modest due to the comparatively small number of people typically employed to provide sports betting services.

The small amount of Connecticut Lottery revenue currently received from sports betting is deposited in Connecticut's General Fund. The majority of the tribal sports betting and online casino revenue is kept by the tribes. However, the state taxes online sports betting at 13.75% of GGR and online casino gambling at 18% of GGR (which will increase to 20% in FY27). Thus, online casino gambling payment from the tribes to the Connecticut General Fund has been $75 million from October 2021 - June 2023 and sports betting payments to the General Fund have been roughly $24 million.

Direct Economic Impacts: Parimutuels and Off-Track Betting

Parimutuel betting on horse racing, dog racing and jai alai have a long history in Connecticut but have been in decline since the mid-1990s with live jai alai ending in 2001 and live greyhound racing ending in 2006 (live horse racing ended in the 1960s). Off-track betting on live events in other states and countries has continued, however. Total combined parimutuel and off-track betting GGR peaked in 1987 at $111.4 million and has declined to only $27 million in 2022.

The actual number of people in Connecticut currently employed from OTB is unknown but will be relatively small due to the small number of OTB venues and the relatively small OTB revenue relative to other types of gambling.

Historically, the main beneficiary of parimutuel and off-track betting was the racetrack and/or simulcast venue that hosted the event and which kept between 18.7% and 23.8% of the total amount wagered.

Direct Economic Impacts: Charitable Gambling

Charitable gambling GGR in the form of bingo, raffles, pull-tabs, and bazaars has been in decline since 1993, when GGR peaked at roughly $20 million, declining to only about $500,000 in 2022. Revenue is kept by the charitable organization for charitable activities. Employment impacts are very small.

Total Gambling Revenue

Casino and lottery revenue account for the vast majority of total Connecticut GGR. Overall GGR peaked in FY07 at approximately $2.6 billion and has declined substantially since that time. Coming out of the pandemic years, there has been some resurgence in GGR in FY22 to approximately $1.9 billion with the advent of sports betting and online casinos.

Transfers of GGR to the General Fund have also declined since 2007, but not as much. While overall casino revenue has declined sharply, it only contributes 25% of slot revenue to the General Fund, whereas lottery revenue has been steadily increasing over time and almost 100% of this is transferred to the General Fund.

The population surveys show that 75% of all reported gambling expenditure was accounted for by 5.1% of Connecticut gamblers (3.5% of CT adults). Relative to their proportion in the general population, the following demographic groups make a disproportionately high contribution to Connecticut gambling revenue: males, ages 35-49, non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity), and people with high school or lower educational attainment. The proportion of Connecticut gambling revenue from the 1.8% of people with gambling problems ranges from 12.4% for lottery products to 51.0% for sports betting, and is 21.5% for all legalized gambling.

Indirect Economic Impacts

The direct economic impacts of legalized gambling have significant indirect spin-off effects. In total, we estimate that the economic activity generated by the operation of legalized gambling supports approximately 22,832 jobs in Connecticut through the combination of direct and spinoff effects in the economy with 20,702 of these jobs estimated to be in the private sector. In addition, the industry supports an estimated $3.7 billion in gross state output, $2.3 billion of which is estimated to be value added (the portion of the output which is directly created by firms' capital goods and labor), as well as $1.6 billion in personal income. Nearly all this economic activity originated and is concentrated in New London County, the site of both of Connecticut's casinos. Employment is heavily concentrated in a

handful of industries, most notably the accommodation and amusement, gambling, and recreation sectors which comprise the casino industry.

Summary of Impacts and Recommendations

The above description provides a comprehensive profile of the current socioeconomic impacts of legalized gambling in Connecticut. Overall, legalized gambling has some significant positive impacts, with the following being the main ones:

(a) The primary benefit is that it has **increased overall economic activity and employment**, particularly in New London County. This, in turn, is attributable to the presence of the two large tribal casinos in that county which generate considerable economic activity as well as attracting new money into the state and retaining money that would have been spent at out-of-state casinos.

(b) It has important **recreational value** as evidenced by the fact that 69.2% of the population has engaged in it within the past 12 months.

(c) It has **decreased illegal gambling.** Although illegal gambling still exists to some extent, the level of illegal gambling in Connecticut is very low, especially relative to other jurisdictions.

However, legalized gambling in Connecticut also has significant negative impacts, with the following being the main ones:

(a) The primary negative impact is that 1.8% of the adult population are currently classified as **problem gamblers**, with mental health problems, financial problems (including bankruptcy), and relationship problems (including domestic violence) being the most common manifestations. That said, it is important to recognize that:

- The legal availability of gambling is only partly responsible for the current rate of problem gambling, as people with gambling problems existed to some extent prior to legal provision.
- Gambling is only partly responsible for the problems occurring within these individuals, as their associated mental health and substance use comorbidities are additional contributing factors.

(b) There is some evidence of a **slightly higher rate of property-related crime in the areas proximate to the casinos** compared to other parts of Connecticut.

(c) The introduction of any new large business is often associated with **increases in local traffic volume and the number of people to the area.** While these are normal occurrences, it does potentially put some strain on local housing and school resources.

In light of the impacts observed, one of the directives of the present study was to address the "*desirability of expanding, maintaining or reducing the amount of legalized gambling permitted in this state".* In this regard:

1. Further **expansion of the *types* of legalized gambling is not feasible**, as virtually every form of commercial gambling has now been legalized in Connecticut (with the exception of betting on entertainment and political events, which constitute a minor source of gross gambling revenue (GGR)). Similarly, reducing the number of different types of legalized gambling is also not advisable, as this would redirect the activity underground, with less net benefits to the state and its citizenry. Thus, the status quo is the only viable option.

2. **Expansion of existing types of gambling is possible.** As seen in the present study, the introduction and/or expansion of legalized gambling usually results in both positive (typically economic) and negative (typically social) impacts, and thus the decision to introduce or expand gambling needs to weigh the likely positive impacts against the negative impacts. In this regard:

a) Although there is minor casino leakage to other states, *building new casinos is not economically advisable* due to the large capital costs and the declining patronage of traditional casino gambling among Connecticut residents (and residents of many North American jurisdictions). Rather, diversification of non-gambling casino offerings in the existing facilities has more potential.

b) Online gambling, particularly online casino gambling, is the only type of gambling with significant future growth and revenue potential. In jurisdictions that have had online gambling for a much longer period of time (i.e., Europe) it constitutes a much larger portion of GGR than currently seen in North America. *Thus, there would be significantly greater economic benefits to the citizenry of Connecticut if online gambling was also offered by the Connecticut State Lottery* (in addition to their online sports betting offering). We recognize that this may not be possible because of the online casino exclusivity provided in the existing tribal compacts. We presume that online casino gambling was made exclusive to the tribes in part to mitigate any cannibalization of their land-based casino revenue. However, there is very little evidence that this occurs. Rather, online casino gambling tends to be complementary rather than competitive with land-based casinos (Marionneau & Nikkinen, 2017; Philander et al., 2015). Although increased gambling opportunities are associated with increased rates of gambling-related problems (particularly for increased online casino gambling if the state ever did offer it) it is also the case that problematic gambling tends to decline with extended exposure (LaPlante & Shaffer, 2007; Shaffer, LaBrie & LaPlante, 2004; Volberg & Williams, 2014; Williams, Leonard et al., 2021). It is notable that despite currently having a more extensive array of legalized gambling than other states, Connecticut's rate of problem gambling is mid-range and the current rate of problematic gambling is lower than in the 1990s.

Summary of Current Prevention and Treatment Services and Recommendations

A second mandate of the present study was to *"review available data to assess the problem gaming resources available in the state"* and to *"consider data from other states to inform recommendations on best practices and proposed regulatory changes."* In general, it can be said that problem gambling treatment and prevention in Connecticut has been quite proactive and provides a good model for the rest of the country. It is also the case that the **treatment resources currently available are more than adequate to meet the demand**. More specifically, the population surveys found that only 62.8% of people with gambling problems in Connecticut wanted help for their problems, with most preferring to control their gambling on their own. Furthermore, the large majority of people who did want help, successfully accessed that help (79.3%). Help was accessed from a wide variety of sources, with self-help materials, voluntary self-exclusion agreements, and support from family/friends being the most common sources.

That said, there are areas for further improvement:

1. **Additional outreach is warranted,** as a minority of people with gambling problems were deterred from seeking help because of stigma, not believing treatment would work, being unaware of where to get help, and perceived costs. It is also the case that 32.5% of people with gambling problems were unaware of the CT problem gambling helpline and 51.4% were unaware of the CT voluntary self-exclusion programs. These outreach efforts need to promote the fact that treatment works; that there are free publicly-funded types of treatment; that there is no shame in seeking help; and that there are locations where help is available. These efforts should be particularly targeted at:

- Groups with the largest number of people with gambling problems: Whites; males; ages 18-34; and non-immigrants; and
- Groups with below average treatment-seeking propensities: ages 65+, Blacks, Whites, people with middle or higher educational attainment, and non-immigrants.

2. Because of the strong preference for relying on one's own resources, **self-help materials should be pervasively available** online, at gambling venues, and at mental health and substance use treatment facilities.

3. Continue to **integrate problem gambling services with mental health, substance use and behavioral health programs.** Furthermore, establish a requirement that treatment providers seeing people with substance use and mental health issues screen for gambling problems. A simple two item screen about average monthly frequency of gambling and expenditure would suffice (e.g., Rockloff, 2012), and would be less stigmatizing than asking about problem gambling symptomatology.

4. **Merge the three separate self-exclusion lists** in Connecticut and align the self-exclusion periods across the three self-exclusion programs. Additionally, develop a strategy to create a regional self-exclusion program to allow people from all of the New England states to self-exclude from all of the venues and online gambling operators in the region.

5. In terms of the **Problem Gambling Helpline**, add a) a 'warm hand-off' functionality; b) regular follow-up with individual callers; and have c) improved data collection and a regular reporting schedule.

6. In terms of the criminal justice system, a) establish **gambling diversion programs** to work within the judicial system like those that deal with people experiencing substance use problems; and b) **increase education** and training for probation officers, bail commissioners, and law enforcement officers concerning how gambling is related to domestic violence and criminal offending.

7. **Monitor changes in problem gambling prevalence** by conducting annual online panel surveys and add a periodic validated module assessing gambling behavior and problems to the Brief Risk Factor Surveillance Survey (BRFSS) conducted jointly by the states and the U.S. Centers for Disease Control and Prevention.

Prevention efforts in Connecticut were also deemed to be sufficient. In terms of recommendations going forward:

1. Continue efforts to **publicly promote responsible gambling**. While existing efforts have been fairly successful, there are still many more people exposed to and aware of advertising promoting gambling relative to people aware of responsible gambling messaging.

2. Continue efforts to **increase prevention work with groups at higher risk** of developing gambling-related problems. These groups are: males, LGBTQ+, people younger than 65, people with lower educational attainment, and non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity). In this latter regard, there is value in increasing multicultural efforts through outreach and delivery of services in languages other than English as well as geared to other cultures.

3. Prevention work should **disseminate information pertaining to: risk factors for problem gambling; signs of problem gambling; countering gambling fallacies by clearly explaining how gambling works, the true odds, and the negative mathematical expectation**. (It is notable that gambling 'to win money' was a particularly important motivation among people with gambling problems in Connecticut). Prevention work should also endeavor to teach more adaptive coping skills, as gambling to 'escape or relieve stress' and 'to feel good about myself' were disproportionately common motivations among people deemed to be 'at-risk' and/or having existing gambling-related problems.

4. Endeavor to **reduce the industry's financial reliance on at-risk and problem gamblers** as the 70.6% of revenue from this 6.7% of the population is much too high which serves to increase the chronicity of problem gambling and the likelihood of 'at-risk' gamblers transitioning to problem gamblers. The most effective way of preventing future problem gambling is to mitigate the risk within this at-risk group. In this regard:

   a. Consider sending automated alerts to people with Reward Cards and/or playing online when their gambling behavior escalates.

   b. Consider changing the parameters of Reward Cards so that they reward responsible gambling (e.g., no points after a certain amount spent; extra points for taking a problem gambling screen, etc.), rather than rewarding people for total amount spent.

   c. Consider restricting hours of service (both online and in-person), recognizing that people with gambling problems and at-risk for gambling problems disproportionately access services between 3am and 9am.

   d. Consider restricting ATM access or withdrawal amounts, recognizing that ATMs in gambling venues are disproportionately utilized by people with gambling-related problems and people at-risk for gambling problems.

   e. Consider implementing mandatory pre-commitment of gambling limits, which has been shown to be much more effective than voluntary limits.

HISTORY AND CURRENT AVAILABILITY OF LEGALIZED GAMBLING IN CONNECTICUT

History

Note: **red font** denotes the first time a type of gambling is introduced.

Prior to 1900	• Gambling was an important part of the cultural traditions of North American Indigenous people for at least 1,000 years prior to European contact (Binde, 2005; Culin, 1907; Williams, Stevens, & Nixon, 2011). These **traditional Indigenous games** involved contests of physical skill, guessing games, and 'dice' games.[4] Engaging in gambling was believed to promote the gathering of supernatural spirits. Consequently, it was often part of ceremonies associated with ensuring a good harvest or hunt, producing rain, or marking the changing of the seasons. For similar reasons, gambling games were engaged in to help cure sickness, expel demons, aid in fertility, and to facilitate passage to the afterlife (Culin, 1907; Salter, 1974, 1980). These games were also an important aspect of inter-tribal interaction as they provided a forum for nonviolent competition as well as an opportunity for socializing and trade (Binde, 2005; Williams et al, 2011).
	• European colonization transformed the nature and types of gambling in North America. In contrast to the more spiritual/ceremonial/social purpose of traditional Indigenous gambling, Western forms of gambling have a recreational and commercial orientation. Gambling was common in colonial New England among European immigrants who brought their gambling traditions with them, with **horse racing, cockfighting, bullbaiting, card games, dice games, and raffles/lotteries** being particularly popular (Findlay, 1986; Schwartz, 2006). Legal lotteries helped finance both private and public ventures such as roads, colleges, libraries, and military ventures as an alternative to direct taxation (Rabushka, 2010; Schwartz, 2006).[5] Nevertheless, there have always been certain segments of society that opposed gambling and bans did periodically occur. One of those periods was the late 1890s, when a combination of religious denouncement and lottery scandals contributed to the eventual banning of virtually all forms of gambling in most of the United States, including Connecticut (Schwartz, 2006; Thompson, 2001).
1900 to 1960s	• **Illegal gambling was fairly common** along with inconsistent law enforcement. CT Newspaper reports and digital archives contain frequent stories of illegal gambling: ○ Betting on horse racing and sports (mostly baseball and football) via bookmakers and/or betting pools from 1900 to the 1970s. Horse and

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[4] *Contests of physical skill* involved things such as archery, spearing moving objects, foot races, wrestling, sliding sticks on snow/ice for distance, and several different types of ball games including lacrosse. G*uessing games* involved guessing which person, or container, or hand was concealing the hidden object (bone, stone, stick), or whether the person was holding an even or odd number of sticks, or which hand held the 'marked' object, or the relative position of the hidden objects. *Dice games* were played with several 2-sided dice made of shells, pits, bone, stone, or wood that were either tossed or contained in a bowl/basket that was struck with scores kept by means of counters that were exchanged (Williams, Stevens, & Nixon, 2011).

[5] In 1750 Connecticut used a lottery to raise money for a new building at Yale University at New Haven.

		harness racing was a very popular spectator sport (Riess, 2016) and CT had race tracks at Groton Driving Park (closed 1917), Charter Oak Park (closed 1931), Sage Park (closed late 1940s), and Crystal Lake/Her-Del Stables.
		o Card rooms/gaming houses from 1900 until the 1950s. Gambling was also prevalent in men's social clubs (and is/was legal as long as it was "incidental to a bona fide social relationship").
		o Slot machines, typically in cigar stores and saloons, particularly between 1900 and 1920 but continuing until the 1960s.
		o Bucket shops from 1900 until the 1929 stock market crash (made illegal in CT in 1908).
		o Punchboards from 1910 to 1940s (available at stores and bars).
		o Numbers/policy games particularly in the 1930s and 1940s and persisting until the legal lottery in 1972 (Jacoby, 1950). These games were disproportionately patronized in lower socioeconomic neighborhoods.
		o **Bingo** from 1929 until it was **legalized in 1939** (only legal operators being churches, fraternal organizations and similar non-profit agencies).
		o **Bazaars and raffles** (typically run by charities and churches) from 1900 until **legalized in 1955** (conditional on town or city approval and when conducted by churches, fraternal organizations and other non-profits).
		• See Jacoby (1950) for additional historical context.
1971		• **Parimutuel betting on horse racing legalized** (on or off track) to raise state revenue and curb illegal betting**.** (No live horse racetracks were in operation in CT in 1971).
		• A **state lottery was legalized** for the purposes of raising state revenue. CT was the fourth state to legalize a state lottery after New Hampshire (1964), New York (1967), and New Jersey (1969).
1972		• **Parimutuel betting on dog racing and jai alai legalized** (on or off track).
		• CT Lottery sold its first tickets for a **weekly draw game** (The Lottery) through 3,000 retail locations with a $5,000 maximum prize.
		• Non-profit organizations were permitted to operate casino games during 'Las Vegas Night' fundraisers (law repealed in 2013).
1975		• **Scratch/instant lottery tickets** (Instant Match) offered by the CT Lottery through its retailers with a $10,000 maximum prize.
1976		• **Off-track betting (OTB) operations opened at 11 state-run OTB parlors.**
		• **Live greyhound racing began** with the opening of Plainfield Greyhound Park.
		• **Jai alai frontons established** in Hartford and Bridgeport (and Milford in 1977).
		• CT Lottery *televised* a weekly lottery game (Double Play) with $200,000 top prize.
1977		• CT Lottery offered its **first daily lottery** (Daily Numbers) through its retailers with a $2,500 maximum prize.
1980		• CT Lottery offered Play4, a weekly lottery with a $25,000 maximum prize. Drawing later increased to twice a day.
1983		• CT Lottery offered a weekly lottery with a $1,000,000 maximum prize (Lotto). Later offered twice a week. Original weekly lottery game phased out by 1985.
1986		• **High-stakes bingo parlor** opened by Mashantucket Pequot Tribe on reservation land after a federal court ruled that tribal land is exempt from the state's $500 daily bingo limit. (The tribe had received federal recognition in 1983).
1987		• **Sealed/pull-tab tickets legalized** for nonprofit organizations.

1988	• Indian Gaming Regulatory Act passed by Congress, allowing any federally recognized Indian tribe to operate any gambling activity already authorized by the state after negotiating a compact with the state.
1992	• Mashantucket Pequot Tribe **opened Foxwoods Resort Casino** (table games only) on tribal land in Ledyard. This followed the tribe successfully suing the state in 1990 in federal court for failing to negotiate a tribal-state gaming compact given that CT allowed charities to periodically operate 'Las Vegas Nights'. The U.S. Secretary of the Interior imposed procedures governing tribal casino gambling in CT that included a moratorium on slot machines until the dispute between the state and the tribe about their legality was resolved. Foxwoods was the world's largest casino at the time. • CT Lottery offered a weekly lottery with a $100,000 maximum prize (Cash Lotto). Later becomes a daily lottery game (Cash5).
1993	• **Foxwoods adds slot machines** after the State of CT agreed to allow the Mashantucket Pequots to operate slot machines in exchange for 25% of gross slot machine revenue. • State of CT privatized OTB.
1994	• Mohegan Tribe gained federal recognition and negotiated a similar gaming compact whereby they provide 25% of gross slot machine revenue to the state.
1995	• CT Lottery joined a **multi-state lottery game** (Powerball) with a minimum jackpot of $5,000,000.
1996	• The Mohegan Tribe **opened the Mohegan Sun Casino** on tribal land in Montville. Mohegan Sun also becomes one of the world's largest casinos.
2001	• Jai alai ends in CT with the closure of the Milford fronton. (Bridgeport and Hartford's frontons closed in 1995).
2006	• Live greyhound racing ends in CT with the closure of Shoreline Star Greyhound Park (Plainfield Greyhound Park closed in 2005).
2009	• CT Lottery offers another multi-state lottery game (Lucky4Life).
2010	• CT Lottery joins the multi-state lottery game Mega Millions. • CT Lottery provides vending machines for scratch/instant lottery tickets.
2015	• CT passes an act allowing the Mashantucket Pequot and Mohegan tribes to potentially establish additional casinos in the state on non-tribal land conditional on municipal and state approval.
2016	• CT Lottery begins offering **Keno** with drawings every 4 minutes.
2019	• CT Lottery vending machines now provide all CT Lottery games.
2020	• CT Lottery provides Fast Play games.
2021	• **Online and land-based sports betting, online casinos, and online sale of lottery tickets legalized.** Sports betting is provided by the two tribal casinos and the CT Lottery. Foxwoods provides a sportsbook at their casino and online in partnership with DraftKings online sportsbook and Mohegan Sun provides a sportsbook at their casino and online in partnership with FanDuel Online Sportsbook. The Lottery provides sports betting at land-based off-track betting sites, sports bars/restaurants and online at www.PlaySugarHouse.com. • Online casino gambling is provided by the tribal casinos: www.MoheganSunCasino.com and www.FoxPlay.com.

Current Availability

Connecticut prohibits all types of gambling unless there is legislation that specifically allows it. (Informal social gambling between individuals is legal as long as it is "incidental to a bona fide social relationship.") The Department of Consumer Protection (DCP) Gaming Division regulates all legal gambling with the exception of charitable gambling, where individual municipalities are responsible for issuing permits and general oversight. Federal, state and local law enforcement authorities are responsible for enforcing the laws.

Charitable Gambling

'Charitable gambling' refers to the provision of bingo, a raffle, a bazaar, or sealed tickets/pull-tabs by any of the following qualified entities:
- Educational and/or charitable organizations
- Civic, service, or social clubs
- Fraternal or fraternal benefit societies
- Church or religious organizations
- Veteran organization/associations
- Volunteer fire companies
- Political party or town committee of the municipality in which the activity is to be held

There are currently 18 bingo halls in Connecticut with many of them located in churches or legion halls. The maximum bingo prize cannot exceed $250 in value. There are three classes of annual bingo permits, with Class A permitting between 15-40 games one day a week, Class B permitting 15-40 games per day for a maximum of 10 consecutive days, and Class C permitting 15-40 games one day a month.

There are six classes of raffle permits that vary depending on the duration of the raffle (1-15 months) and the maximum value of the prizes ($100-$100,000). With some exceptions, prizes must be merchandise rather than cash.

A permit for a bazaar entitles the operator to conduct an event for a period of no more than 10 consecutive days where various games of chance can be offered (e.g., knock-a-block games, 50/50 draws, teacup raffles, etc.). With some exceptions, prizes must be merchandise rather than cash and there is no limit to the maximum value of the prizes.

Sealed tickets/pull-tabs must be purchased from DCP approved retail vendors. At least 45% of the resale value of the tickets must be provided as prizes. Each ticket typically costs between $0.50 to $2 with the maximum prize usually being no more than $500. Sealed tickets can be provided in conjunction with a bazaar permit, certain bingo permits, or on their own.

Municipalities are responsible for the permitting, oversight and enforcement of charitable games in their community.

The legal age to purchase sealed tickets in Connecticut is 18 but there is no age restriction for bingo, raffles, and bazaars.

Lottery

The Connecticut Lottery currently offers the following lottery products through its 2,800 retailers and 200 vending machines. (Online sales are not currently available but will be in the near future).
- Three weekly lotteries:
  - Lotto! (2 draws/week; $1 tickets; $1,000,000 minimum jackpot)
  - Mega Millions (multi-state; 2 draws/week; $2 tickets; $20,000,000 minimum jackpot)
  - Powerball (multi-state; 3 draws/week; $2 tickets; $20,000,000 minimum jackpot)
- Four daily lotteries:
  - Play3 (2 draws/day; $.50 to $5 per wager; $2,500 maximum prize)
  - Play4 (2 draws/day; $.50 to $5 per wager; $2,500 maximum prize)
  - Cash5 (1 draw/day; $1 to $1.50 per wager; $100,000 maximum prize)
  - Lucky for Life (multi-state; 1 draw/day; $2 per wager; maximum prize of $365,000 per year for life)
- Keno (draws every 4 minutes throughout the day; $1 to $20 to play; $1,000,000 maximum prize)
- Scratch/instant lottery tickets ($1 to $30 per ticket; maximum prize ranging from $100 to $1,000,000)
- Fast Play, which is both an instant lottery as well as a progressive jackpot lottery

The Connecticut Lottery also offers both land-based sports betting at off-track betting sites, sports bars/restaurants, as well as online. In October 2021 the Lottery initiated a partnership with Rush Street to offer www.PlaySugarHouse.com. However, in August 2023 it was announced that Rush Street will be leaving the Connecticut market and the Lottery will find a replacement.

The legal age to purchase or participate in traditional lottery games in Connecticut is 18. Non-CT residents are eligible to participate and collect prizes. Sports betting is restricted to ages 21 and older.

Casinos

Connecticut has two tribal casinos:

Opened in 1992, Foxwoods Resort Casino is owned and operated by the Mashantucket Pequot Tribal Nation on approximately 207 acres of tribal land in Ledyard, in New London County. It is one of the largest casinos in the world as well as the United States. A 2020 property fact sheet reported having 340,000 square feet of gaming floor space containing approximately 3,400 slot machines, 300 table games, and a high stakes bingo parlor. In 2021 a sportsbook run in partnership with DraftKings was added to the gaming floor. Foxwoods also provides online sports betting in partnership with DraftKings online sportsbook as well as online casino gambling at www.FoxPlay.com. Foxwoods is a destination resort with associated hotels (2,230 rooms), convention space, entertainment venues for concerts and events, spas, shops, restaurants, bars, indoor kart racing, etc.

On September 8, 2023, Foxwoods added a new casino to its complex, the 'Pequot Woodlands Casino'. The 50,000 square-foot casino, which replaced the area occupied by the former Grand Pequot Ballroom, has 430 slot machines, 24 table games, a high-limit slot room, and bars.

Foxwoods Resort Casino (stock photo)

Opened in 1996, Mohegan Sun is owned and operated by the Mohegan Tribe on 240 acres of their tribal lands in Uncasville, a village in southeastern Montville, in New London County. Mohegan Sun is also one of the largest casinos in the world as well as the United States. In its September 2022 Form 10-K SEC filing it reports having 310,000 square feet of gaming floor space containing 3,650 slot machines, 250 table games,[6] and a sportsbook that is operated in partnership with FanDuel. Mohegan Sun provides online sports betting in partnership with FanDuel Online Sportsbook as well as online casino gambling at www.MoheganSunCasino.com. Mohegan Sun is also a destination resort with associated hotels (1,562 hotel rooms), convention space, entertainment venues for concerts and events, and approximately 83 food and beverage retail outlets (spas, shops, restaurants, bars, pools, etc.).

Mohegan Sun Casino (stock photo)

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[6] However, their website reports having "nearly 4,000 slot machines and more than 300 table games."

Both casinos are located in New London County as shown in Figure 1.

Figure 1. Location of the Connecticut casinos within New London County
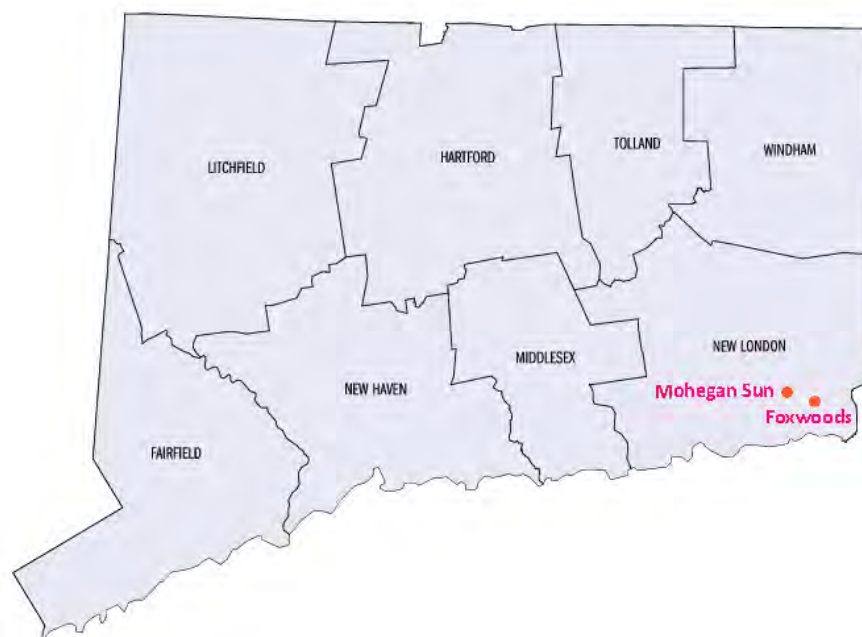
The legal age for casino gambling in Connecticut is 21. The legal age for high stakes bingo at Foxwoods is 18 (Mohegan Sun does not offer high stakes bingo).

Sports Betting

Horse and Dog Racing

There is currently no live horse racing or dog racing in Connecticut (live dog racing ended in 2006 and live horse racing in the 1960s).

However, there are currently 13 parimutuel off-track betting parlors/racebooks throughout the state where Connecticut residents can bet on live simulcast thoroughbred races, harness racing, and greyhound racing occurring in other states and countries.
- 11 of these facilities are owned and operated by Sportech:
    - Nine are Winners venues (in Bradley/Windsor Locks, Hartford, Manchester, Milford, New Britain, Norwalk, New Haven, Stamford, and Waterbury)
    - Two are Bobby V Restaurant and Sports Bars (in Bradley/Windsor Locks and Stamford)
- One is at Mohegan Sun (the racebook is a separate area within the FanDuel Sportsbook)
- One is at Foxwoods Resort Casino (the racebook is a small area within the DraftKings Sportsbook)

The legal age for betting on horse and dog racing in Connecticut is 18.

Other Sports

Full-fledged land-based sportsbooks for betting on other types of sports (e.g., professional sports, esports, fantasy sports, etc.) are available at:

- Mohegan Sun (FanDuel Sportsbook)
- Foxwoods Resort Casino (DraftKings Sportsbook)
- Arooga's Grille House & Sports Bar (in Shelton) (in conjunction with the CT Lottery)

The CT Lottery has added self-service sports betting kiosks to almost all of the off-track betting parlors:

- Eight at Winners venues (in Bradley/Windsor Locks, Hartford, Manchester, Milford, New Britain, New Haven, Stamford, and Waterbury)
- Two at Bobby V Restaurant and Sports Bars (in Bradley/Windsor Locks and Stamford)

The CT Lottery recently announced a partnership with the Capital Region Development Authority (CDRA) to open a new, 5,000 square foot sportsbook at the XL Center in Hartford in mid-September 2023. The CDRA will operate the restaurant and bar and the Lottery will operate the sportsbook.

Online sports betting is also available via the Connecticut Lottery (www.PlaySugarHouse.com), Mohegan Sun (FanDuel Online Sportsbook), and Foxwoods (DraftKings online sportsbook).

Sports betting is available for a comprehensive range of major sporting events being played around the world. U.S. college sports betting is also allowed, except for wagers on Connecticut-based college teams.

The legal age for betting on sports (other than horse or dog racing) in Connecticut is 21. *Online* sports betting within Connecticut is restricted to people who are physically within the state borders when the bet is made.

Online Gambling

As mentioned, online sports betting is available via the Connecticut Lottery (www.PlaySugarHouse.com), Mohegan Sun (FanDuel Online Sportsbook), and Foxwoods (DraftKings online sportsbook).

Online *casino gambling* is available through the tribal casinos: www.MoheganSunCasino.com and www.FoxPlay.com. Mohegan Sun and Foxwoods have contracted with Evolution, an online casino gaming studio, to produce live gambling table games. The legislation permitting legal online casinos also permitted online bingo, which is available at www.FoxPlay.com. Online instant games (analogous to scratch/instant tickets) are also available at www.MoheganSunCasino.com.

The online purchase of traditional lottery tickets will occur in the near future.

The legal age for online casino and sports betting in Connecticut is 21. Online casino and sports betting is restricted to residents of Connecticut. Furthermore, Connecticut residents cannot legally gamble online outside of the state, as online gambling must be conducted with companies having a valid state online gambling license.

METHODOLOGY FOR THE CURRENT STUDY

Theoretical Framework

The theoretical approach used to study the effects of gambling is a fundamentally important determinant of the results obtained, as well as the validity of these results. This issue has been the focus of conferences (Wynne & Shaffer, 2003); special issues of the *Journal of Gambling Studies* (June 2003) and *Managerial and Decision Economics* (June 2004); books (Grinols, 2004; Hsu, 2014; Walker, 2007, 2013; Williams & Siegal, 2013); comprehensive reviews (Williams, Rehm, & Stevens, 2011; Walker & Sobel, 2016); and many individual articles and reports.

Despite all this work there remain several contentious issues, with one of the main ones being how to capture and quantify the social impacts (Collins & Lapsley, 2003; Eadington, 2003; Walker, 2003, 2008a, 2008b; Williams, Rehm & Stevens, 2011). Some studies have ignored social impacts, choosing to only measure the economic benefits that are easily quantifiable (e.g., gambling revenue, tax revenue, employment numbers). Examples include the American Gaming Association's (2018) study of U.S. gambling and the Canadian Gaming Association's analysis of the impacts of gambling in Canada (HLT Advisory, 2017). However, this creates an unbalanced analysis in that the positive economic impacts are not evaluated in the context of the negative social impacts. More comprehensive socioeconomic impact studies have cast a wider net and have included economic impacts as well as important social impacts such as problem gambling and crime (e.g., SEIGMA, 2018; Summit Economics & Williams, 2019; Williams, Belanger & Arthur, 2011).

An additional problematic issue concerns how to compare the social impacts with the financial/ economic ones so that an overall determination of the positive or negative nature of gambling can be made. Some studies have done this by estimating the monetary value of the social impacts so that they can be combined with the monetary/economic impacts in other areas. This is the cost-benefit analysis (CBA) approach to gambling best illustrated by the work of the economist Earl Grinols (2004).

However, while determining the financial costs and benefits of some social impacts is reasonably straightforward (e.g., costs of treating people with gambling problems, the costs of prosecuting and incarcerating gambling-related crime), estimating costs and benefits for many other social impacts is not. This includes things such as the costs of suicides, divorces, loss of social capital, the psychological trauma of being having gambling problems, as well as the leisure benefits of recreational gambling. Some studies have tried to establish an approximate financial estimate for these more intangible impacts by including indirect costs (e.g., in addition to funeral costs of a gambling-related suicide, the estimated costs of lost future productivity). Other studies have tried to establish the financial value of social impacts by asking people "how much would you pay not to be a problem gambler"; and/or quantifying the leisure benefit of gambling by calculating 'consumer surplus' (i.e., the difference between what people say they would be willing to pay for gambling versus what they actually pay). Unfortunately, the figures obtained from all of these approaches depend on a large and somewhat arbitrary set of assumptions, and thus are fairly unreliable, producing widely different estimates. It also remains unclear how to create a monetary value for some variables (e.g., loss of social capital).

Aside from these practical issues, an argument can be made from a theoretical standpoint that it is inappropriate to apply an arbitrary monetary amount to something that is clearly nonmonetary in its value or consequences to the participant. Furthermore, doing so simply reinforces the erroneous notion that money is the most appropriate and important metric upon which to judge the impact and/or the overall value of gambling.

This latter issue is not restricted to gambling. Widespread dissatisfaction with reliance on financial measures such as gross domestic product (GDP)[7] or cost-benefit analysis to measure societal progress or impacts on overall societal well-being has existed for many years (e.g., Atkinson, 2000; Daly & Cobb, 1989; Dasgupta & Mäler, 2000; Fioramonti, Coscieme & Mortensen, 2019; Giannetti et al., 2015; Tinbergen & Hueting, 1992). This situation has led directly to the development of several alternative measures to assess progress/impacts in a more comprehensive fashion. These measures include the United Nations Human Development Index, the Index of Sustainable Economic Welfare, the Green National Product and the Genuine Progress Indicator (GPI). Most of these measures recognize economic productivity (e.g., GDP) as an important aspect to be considered, but they do not make it the central basis upon which a judgement about progress or societal well-being is made.

Unfortunately, while these approaches are more theoretically satisfying, they have practical problems of their own. First, although they all have similar goals, their specifics are markedly different from each other. This illustrates the fact that determining which indicators contribute to societal well-being is a highly value-laden task for which there is not widespread agreement. Second, most of these approaches have the same problem as cost-benefit analysis in that they aspire to combine impacts into a single index, usually just by adding up the number of beneficial indicators against the detrimental ones. This is problematic because it makes all impacts equivalent in value and/or requires a subjective judgement about the relative value/weight of one impact against the others.

The reality is that *there is no reliable way of combining social impacts with monetary impacts to produce a single valid summative measure. Instead, assessing the overall positive or negative nature of an enterprise that has wide ranging social and economic impacts (such as gambling) will always be a subjective judgement about the relative importance of the observed social impacts compared to the observed economic impacts.*

However, this reality does not preclude conducting meaningful socioeconomic analyses of gambling. Rather, there are many basic **principles for conducting socioeconomic impact studies** that can *ensure that the obtained results are comprehensive, balanced, and scientifically rigorous*. The purpose of the next section of this report is to outline these principles. These principles ensure there is a meaningful accounting of the social impacts of gambling as well as: (a) enshrine basic principles of economic gain/value in the evaluation (Walker 2003, 2008a, 2008c; Walker & Barnett, 1999), and (b) outline scientifically rigorous strategies to ensure that things such as attributional fractions[8] and the causal direction of impacts can be better established.

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[7] GDP is the dollar value of all goods and services produced in a jurisdiction over a one-year time period (primarily measured by the aggregate volume of monetary transactions/sales that occur). This measure has been critiqued because although it provides a rough measure of the magnitude of economic activity, it does not measure whether this economic activity is sustainable, efficient, or conducive to societal well-being.

[8] In the present context 'attributable fraction' concerns how to appropriately proportion costs attributable to gambling, when many people with gambling problems have comorbid disorders (e.g., substance use problems, mental health problems) that contribute to the negative consequences they experience such as suicide, divorce, and crime (Australia Productivity Commission, 1999; Walker, 2008c).

Principles for Conducting Socioeconomic Impact Analyses of Gambling

Much of the following is adapted from Williams, Rehm & Stevens (2011).

Measure 'Impacts' rather than 'Costs and Benefits'

While many gambling impacts are clearly negative (e.g., increased problem gambling) or positive (e.g., employment gains), the positive or negative nature of several other changes is less clear and somewhat subjective (e.g., changed societal pattern of leisure pursuits, cannibalization of competing industries, increase in tax revenue). 'Impact' is a better term than 'costs and benefits' as it conveys the fact that a change has occurred without having to necessarily characterize it as positive or negative. Use of this term also avoids confusion with the cost-benefit analysis (CBA) approach's use of the terms 'cost' and 'benefit'.

Avoid Applying Arbitrary Monetary Values to Impacts that are clearly Non-Monetary in Nature.

As mentioned, it is a mistake not to capture social impacts that do not have significant monetary consequences. However, it is also a mistake to try to capture them within a cost-benefit economic framework by applying an arbitrary monetary value to them. CBA fails to recognize that the true nature of the impact is largely non-monetary/economic in nature. Thus, in most cases, social impacts *are best quantified and reported simply by means of percentage change in the variable and/or the actual number of people impacted (e.g., % change in rate of problem gambling, % change in crime, change in pattern of leisure behavior, etc.).*

Create a Profile of the Economic and Social Impacts Rather than Trying to Combine them into a Singular Aggregate Value.

The advantage of a common metric (e.g., money) is that it potentially allows for the combination of all impacts into an overall aggregate value. However, this approach is problematic because of: (a) difficulties applying monetary values to many social impacts, (b) the need to construe everything as either a cost or benefit, and (c) the inappropriateness of using money as a way of characterizing the nature and magnitude of some social impacts (e.g., suicide). In most cases the best way of treating these impacts is to simply list them and to create a profile of impacts. For most social impacts, reporting the percentage change in the variable and/or the percentage of people impacted is most descriptive. This can also be done for the economic impacts. However, for many of the economic impacts a monetary value can be used to quantify the magnitude of the effect within each impact area. There can also be value in aggregating the monetary amounts within and/or across economic impact areas.

Apply Basic Economic Principles to Evaluate the Positive or Negative Nature of the Economic Impacts

One of the critiques of some socioeconomic approaches to gambling is that they fail to adequately consider important economic principles in judging the overall impacts (Walker 2003, 2008a, 2008c; Walker & Barnett, 1999). For example, several 'costs' of gambling in the Anieski & Braatan (2008) SEIG framework (e.g., theft, unemployment, costs of treating people with gambling problems) are unlikely to result in any real reduction in the economic wealth within a society/jurisdiction (i.e., these are simply transfers of wealth within society) (Eadington, 2003; Walker, 2003, 2008a; Walker & Barnett, 1999). There is no doubt that theft and treatment for people with gambling problems are important negative impacts that need to be identified and documented. However, the point is that these types of impacts have relatively little influence on the overall economic vitality/wealth of a jurisdiction.

Rather, for something to have a meaningful economic/monetary impact one of the following needs to occur:

- *The economic activity causes either an influx of money/assets from outside the jurisdiction or a loss of money/assets to an outside jurisdiction.* For gambling, an influx occurs when the primary patronage base is from outside the jurisdiction, or capital investments are made in the community by outside agencies (e.g., casino developer, private businesses, government).

- *The economic activity increases or decreases the value of existing assets.* This impact generally does not apply to gambling, or to entertainment industries more generally, as gambling primarily involves a transfer of wealth rather than a creation of wealth.[9] However, it can occur when the introduction of a new gambling venue either increases or decreases the real estate market value of neighboring property. It can also occur in the manufacturing of gambling equipment (e.g., electronic gambling machines) that can be sold for an amount worth more than the sum of the parts.

- *The economic activity produces increased or decreased utilization of existing money.* Money that sits dormant has very little economic utility to the broader economy. It has much greater utility if it is spent on gambling, this gambling revenue is then spent on employee wages, and these wages are then used to buy local goods and services. In general, money has increased economic value as a function of the number of people that use the money and the speed of the cash flow from one person to the next (Walker, 1999, 2007). Increased utilization of existing money is more likely to occur if gambling patronage comes from individuals who are not financing their gambling by reducing their spending on other activities or going into debt to finance their gambling (i.e., the income class of the patronage potentially speaks to this). Evidence of increased utilization of existing money is seen if the increased revenues and employment in the gambling industry (and supporting/complementary industries) occurs without there being offsetting declines in the revenues and employment in other industries. There is good evidence that adding a new and interesting service/good to the economy (e.g., gambling) can at least temporarily create increased monetary flow without negative impacts on other businesses (Walker & Jackson, 1998; 2007).

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[9] Wealth creation is more typical of manufacturing industries. For example, a car manufacturing industry creates wealth by making things that are worth more than the sum of their constituent parts. Most entertainment industries, in contrast, simply redirect monetary flow from one sector of the economy to another.

- *The transfer of wealth and shifts in monetary flow related to the new economic activity strengthen or weaken sectors of the economy capable of producing an influx/outflow of wealth, increased/decreased value of existing assets, or increased/decreased utilization of money.* One of the potential concerns with gambling is that it may redirect money from wealth-producing sectors (i.e., private business) to sectors not known for wealth creation (i.e., government, charity).

- *Failure to implement the economic activity would have resulted in an influx/outflow of wealth, increased/decreased value of existing assets, or increased/decreased utilization of money.* Even if there is not a clear economic gain, an economic benefit still exists if the gambling activity prevented assets or money from leaving the jurisdiction, prevented a decrease in the value of existing assets, or prevented decreased utilization of existing money.

Identify How Much Money is Involved, Where it is Coming From, and Where it is Going

The principles listed up to this point have been focused primarily on resolving the central methodological issue of how to handle the social impacts of gambling. The following principles are focused on some of the practical issues involved in conducting socioeconomic analyses of gambling and ensuring optimal scientific rigor.

As mentioned, gambling is an economic activity characterized by a transfer of wealth. There are groups and sectors that are winners and there are groups and sectors that are losers, and *most of the impacts are seen in these groups/sectors*. Thus, the first step in a socioeconomic analysis of gambling is to document: (a) how much money is being transferred (a rough gauge of the magnitude of the potential impacts), (b) where the money is coming from, and (c) where the money is going. The demographic characteristics of the gamblers are particularly important, with the most important socioeconomic variables being age, gender, race/ethnicity, income, and problem gambling status. The geographic origin of the gamblers is also very important because it speaks to: (a) whether the revenue is an infusion of new wealth or just local money that has been redirected, and (b) the geographic range in which to expect (and therefore, measure) impacts.

Next, it is important to clearly document which groups/sectors are the primary recipients of gambling revenue (i.e., private operator, different levels of government, charity, local community) as well as the geographic location of each of these groups. It is also essential to document how these groups then disburse or spend the money to identify all the downstream beneficiaries. The geographic origin of the operating expenses to run the new type of gambling, as well as the origin of any equipment purchased are also relevant to a socioeconomic accounting.[10]

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[10] If gambling revenues are primarily collected at the state or federal level, rather than at the municipal level, and are redistributed statewide or federally, then there is a good chance that there will be a net outflow of money from the local municipality hosting the gambling venue. Some jurisdictions compensate for this by providing municipalities with a guaranteed fixed percentage of the profits, but this often does not fully compensate for the outflow.

Establish both the Micro and Macro Geographic Impacts

Most socioeconomic impact studies have only focused on the changes in the community that received the new form of gambling. However, for a full understanding of the impacts it is necessary to go beyond these boundaries, as financial inflow/benefits in one region usually come at the expense of financial outflow or loss of benefits in adjoining regions. Thus, one should aspire to assess both the micro (community specific) impacts and the macro (greater regional) impacts. As mentioned, the geographic origin of the patronage is a good indication of the regional scope of the impacts. Once the boundary of this larger region/jurisdiction is established, it is important to clearly identify the impacts within the community of interest as well as regionally.

Assess Impacts for Years before and for Years after the Introduction of New Gambling Venues/Opportunities

The length of time it takes for all the economic and social impacts of gambling to manifest themselves is quite variable. Some of the economic impacts (e.g., revenues, employment, etc.) tend to be immediate. On the other hand, it can take a few years for competing industries to fail or for increased utilization of infrastructure (e.g., roads, sewers, etc.) to result in the need for repairs. Some economic impacts will also reverse themselves in a resilient economy as industry repositions itself. Social impacts may take longer to appear than economic impacts. While some individuals experience rapid onset of gambling problems, others gamble safely for several years before problems develop (Committee on the Social and Economic Impact of Pathological Gambling, 1999). There is also good evidence that rates of gambling and problem gambling decline with extended exposure (LaPlante & Shaffer, 2007; Shaffer, LaBrie & LaPlante, 2004; Volberg & Williams, 2014; Williams, Leonard et al., 2021). It is also very important to realize that new gambling opportunities are always added to existing gambling opportunities (even if they are illegal). Thus, lag effects of these pre-existing opportunities can easily be mistaken for immediate impacts of the new forms. To isolate such effects, it is important to document prior gambling opportunities and socioeconomic effects for several years before as well as for several years after the introduction of a new form of gambling.

Comprehensively Assess all Potential Economic <u>and</u> Social Impacts

It is self-evident that all impacts of gambling must be included in an impact analysis. There are a multitude of different and equally legitimate ways of organizing and categorizing these impact areas. It is also difficult to clearly separate social from economic impacts, as virtually all 'social' impacts also have some economic consequences and most 'economic' impacts have some social consequences. Thus, the important thing is not the overall organization but ensuring that: (a) all of the potential impact areas are covered, and (b) economic/monetary impacts are given equal prominence to the social/nonmonetary impacts. **The following table is the organization of the impact areas employed in the present study.**

Table 1. Social and economic impact areas in the present study

SOCIAL and HEALTH IMPACTS (i.e., impacts that are primarily non-monetary)	
Attitudes	Perceived impacts of gambling, perceived availability, benefits vs. harms, morality of gambling
Gambling Behavior	Past Year Participation: frequency, expenditure, and location/modality for each type
Problem Gambling (PG) and Related Indices	Population Prevalence of Problem Gambling
	Treatment (number and percentage of problem gamblers wanting, requesting, and receiving treatment)
	Financial Problems (number and percentage of people reporting significant financial problems and/or bankruptcy because of gambling; personal bankruptcy rates)
	Mental Health Problems (number and percentage of people reporting mental stress due to gambling, including suicidal ideation and attempts; suicide rates)
	Relationship Problems (number and percentage of people reporting significant relationship problems, domestic violence, divorce/separation, and child neglect because of gambling; domestic violence rates; divorce rates; child maltreatment rates)
	Work/School Problems (number and percentage of people reporting work or school problems due to gambling, including losing their job or having to quit school; rates of receiving public financial assistance)
	Physical Health Problems (number and percentage of people reporting physical health problems due to gambling including receiving medical help)
Crime	Number and percentage of people reporting illegal behavior because of gambling; crime rates (violent, property, DUIs, illegal gambling)
Other Social Indices	Impacts on the overall population; real estate and housing; demographic make-up of the student body; traffic volume and accidents
ECONOMIC and FISCAL IMPACTS (i.e., impacts that are primarily monetary)	
Direct Economic Impacts	Gambling revenue, employment, wages, and spending for each type of legalized gambling
	Geographic (state and county) and demographic origin of gambling revenue
	Immediate distribution of gambling revenue as a function of sector (i.e., what percentage goes to the commercial provider, state, tribes, and municipalities)
	Known/documented distribution of this revenue within each sector (i.e., how much is spent on wages, etc.)
Indirect Economic Impacts	Employment levels (projected overall employment impacts; employment rates in different industry sectors; overall unemployment rates)
	Personal income levels (projected overall impacts on income; average wages; poverty rates)
	Total economic activity (projected overall economic output and new economic activity; overall number of business establishments; business bankruptcies; number of business establishments in different industry sectors)
	Government and fiscal (state and municipal revenue and expenditures)

Employ Methodologies that Facilitate Causal Attribution

It is often difficult to unambiguously attribute observed socioeconomic changes to the introduction of gambling as there are many other socioeconomic forces at work in society and in the economy that may be partially or fully responsible. The absence of change in a certain social or economic variable provides reasonable evidence there has been no impact on that variable at the specific geographic level measured. However, when there is a change in a variable in the expected direction that is temporally associated with the introduction of a new type of gambling often all that can be said is that the change is *consistent* with a potential impact.[11]

Socioeconomic impact studies need to use methodologies that strengthen this causal attribution. The likelihood that an observed change is actually attributable to gambling becomes stronger when: (a) many variables are assessed such that there is an ability to point to analogous changes in several variables theoretically related to gambling and the absence of change in variables not theoretically related to gambling, and (b) other sources of information pertaining to the same variable are collected and make more direct attributions (e.g., gamblers in population surveys directly attributing their separation or bankruptcy to the new type of gambling; key informants in the local community also making these direct attributions).

Speculate on What the Situation Would have been Without the Introduction of Gambling

Most studies compare economic and social indicators after the introduction of gambling to what these indicators were before the introduction of gambling. However, the justification for the introduction of a new form of gambling is often the desire to stem the outflow of gambling dollars to neighboring jurisdictions that already offer this new form of gambling. Thus, an even more relevant comparison than 'baseline' is what the likely economic and social situation would have been if gambling had not been introduced (i.e., the 'counterfactual situation'). The extent to which the introduction of local gambling opportunities has prevented losses to neighboring jurisdictions is very difficult to judge and highly speculative, but nonetheless merits consideration.

Recognize that Assessing the Overall Positive or Negative Nature of the Observed Impacts is a Qualitative Assessment that Often Involves Some Subjectivity

The assessment of whether the overall impacts of gambling are positive or negative (and the degree to which they are positive or negative) requires a joint qualitative assessment of the: (a) positive or negative profile of the social impacts, against the (b) positive or negative profile and economic value of the economic impacts. When these things are aligned, then this assessment is straightforward (i.e., mostly positive social impacts and positive economic value; mostly negative social impacts and negative economic value).

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[11] In a similar way, many of the adverse effects of problem gambling cannot be uniquely attributed to the introduction of a new gambling venue or type of gambling, as most people with gambling problems engage in a wide variety of gambling activities and also have comorbid conditions that contribute to their problems (e.g., substance use problems, mental health problems) (Australia Productivity Commission, 1999; Lorains, Cowlishaw & Thomas, 2011; Walker, 2008c).

However, the assessment is inherently subjective when these things are not in alignment (e.g., net economic gains but mostly negative social impacts). In this situation, the overall assessment will depend on the importance one assigns to the economic versus social impacts. In particular, for gambling the overall assessment often depends on whether one believes that the net economic value of the activity adequately offsets the negative social impacts.[12]

Report the Limitations and Parameters of these Results

The final principle is to recognize and report that the results obtained are very much a function of the context in which the study was conducted. More specifically:

- *Impacts are Dependent on the Magnitude of the Change in Gambling that has Occurred for the Population.* Adding a large casino to a small community without prior gambling opportunities will usually have a much larger impact than adding a new casino to a large city that already has existing casinos and/or other gambling opportunities.
- *Impacts are Somewhat Specific to the Type of Gambling Studied.* Different types of gambling have different profiles of impacts in terms of their potential for contributing to problem gambling (e.g., online gambling vs. lotteries), the number of jobs they produce (horse racing vs. slot machines), and their likelihood of cannibalization of other industries, etc. Hence, it is necessary to qualify results as being specific to the type of gambling studied.
- *Impacts are Somewhat Specific to the Jurisdiction Studied.* Jurisdictions differ widely in how gambling revenue is distributed, pre-existing availability of gambling, the strength of policy and educational initiatives to prevent problem gambling, baseline levels of poverty and unemployment, and the vulnerability of the population to addiction. Hence, it is important to recognize that the results will be somewhat dependent on the conditions that exist in the jurisdiction being studied.
- *Impacts are Somewhat Specific to the Time Period Studied.* The period during which impacts are studied is critical, as gambling availability and gambling policy can change rapidly within a jurisdiction. Furthermore, evidence shows that populations with extended exposure to gambling have lower rates of problems (due to adaptation) compared to places with more recent introduction of gambling (LaPlante & Shaffer, 2007; Shaffer et al. 2004; Volberg & Williams, 2014; Williams, Leonard et al., 2021).

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[12] Other areas of subjectivity also exist; for example, how some of the ambiguous impact categories are construed (e.g., is increased government revenue a positive or negative thing). Another example concerns whether the micro (community-level) impacts are considered more or less important than the macro (regional-level) impacts.

Data Sources for the Present Study

In line with the above principles, the present study employed a **mixed methods research strategy** that utilized both primary and secondary data collection/analysis as well as quantitative and qualitative research methods. Gambling is just one of many economic forces contributing to the dynamic social and economic landscape of Connecticut, making disentangling gambling's unique contribution difficult. The use of multiple methods aids in this task, as it allows for triangulation of findings. Each of these data sources is described below.

Key Informant Interviews

Purpose

Key informants are individuals with important first-hand knowledge about gambling by virtue of their employment and/or long years of experience. The information these individuals provide: (a) helps contextualize and provide insight to our quantitative findings, (b) potentially identifies impacts that are not addressed with our primary or secondary data collection, (c) potentially identifies other key informants that the Research Team may be unaware of.

Our key informant interviews provided information on the following indices: problem gambling and related indices; crime; other social indices; direct economic impacts; and indirect economic impacts.

Methodology

Key informants were divided into informants on Social issues and informants on Economic issues. We established a Key Informant Interview working group, consisting of one team responsible for the Social interviews and one team responsible for the Economic interviews. Each team drafted a list of categories of organizations that they wanted to interview. Once these lists were finalized, each team conducted an online search to identify the most appropriate individuals to contact within these categories. The initial lists were shared with representatives from DMHAS who reviewed and approved the lists and provided additional names and categories of people to contact. Each team also asked each interviewee for suggestions of other people they believed we should contact. Lists of questions specific to the Social and Economic domains were drafted by each team.

The final Social list of prospective interviewees consisted of 77 individuals grouped into 11 categories: (1) DMHAS; (2) Connecticut Council of Problem Gambling (CCPG); (3) Regional Behavioral Health Action Organizations (RBHAOs); (4) Problem gambling treatment providers (from Bettor Choice); (5) Disordered Gambling Integration Project (DiGIn); (6) Persons with problem gambling lived experiences; (7) Connecticut Department of Consumer Protection; (8) Other government officials; (9) Nongovernmental, nonprofit, charitable and community based organizations; (10) Researchers; and (11) Criminal justice.

The final Economic list of prospective interviewees consisted of 51 individuals grouped into four categories: (1) State government; (2) Regional organizations, including government and business

advocacy groups; (3) Local municipalities, including host casino communities; and (4) Gambling operators, including the Connecticut Lottery Corporation and the two Connecticut casinos.[13]

The teams followed somewhat different procedures to recruit interviewees: the Social team sent an informed consent letter and the proposed list of questions as attachments to the initial invitation email while the Economic team sent initial invitation emails with follow-up email requests and/or telephone calls.

The Social team was successful in interviewing 36 people, with at least one individual from each of the eleven categories. Sixteen people declined to participate and 23 people did not respond to either the initial email or subsequent attempts to schedule an interview. The 36 people interviewed concerning social impacts were:

Department of Mental Health and Addiction Services (DMHAS)
- Jeremy Wampler: Behavioral Health Clinical Supervisor of DMHAS Problem Gambling Services
- Fiorigio (Fred) Fetta: Behavioral Health Program Manager of Problem Gambling Services (PGS)
- Kelly Leppard: Certified Prevention Specialist and Primary Prevention Services Coordinator for Problem Gambling Services
- Haley Brown: Certified Prevention Specialist and Primary Prevention Services Coordinator for Problem Gambling Services, focusing on underserved and special populations
- Shelly Nolan: Director of DMHAS Women's Services/Problem Gambling Services
- Dr. Lori (Loreen) Rugle: Former Program Director for DMHAS Problem Gambling Services; currently Assistant Professor of Psychiatry, Program Director for the Maryland Center of Excellence on Problem Gambling (University of Maryland)
- Susan McLaughlin: Former Prevention Services Coordinator for DMHAS Problem Gambling Services; Former Coordinator of the Helpline and Youth Programs for the CCPG

Connecticut Council on Problem Gambling (CCPG)
- Diana Goode: Executive Director of the CCPG; Secretary of the National Council on Problem Gambling's Affiliates Committee
- Valerie Tebbetts: Helpline Coordinator for CCPG; former peer counselor with Bettor Choice; prior lived experience with problem gambling

Regional Behavioral Health Action Organizations (RBHAOs)
- Ingrid Gillespie: Liberation Programs, Director of Prevention; The Hub: Behavioral Health Action Organization for Southwestern CT (a division of the Regional Youth Adult Social Action Partnership (RYASAP), Coordinator for Problem Gambling, Facilitator for Gambling Awareness Team (DMHAS Region 1)
- Pam (Pamela A.) Mautte: Alliance for Prevention and Wellness (BHcare), Director (Region 2)
- Angela Rae Duhaime: Southeastern Regional Action Council (SERAC), Executive Director (Region 3)
- Wende Cooper: Amplify, Program Manager for Problem Gambling, Prevention Coordinator (Region 4)
- Kathy Hanley: Western CT Coalition, Behavioral Health Director (Region 5)

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[13] The key informant interview responses from the Mohegan Tribe regarding Mohegan Sun and the Mashantucket Pequot Tribal Nation regarding Foxwoods Resort Casino were submitted as written responses, both of which are included as Appendix I of this report.

Problem gambling treatment providers (Bettor Choice)
- Melodie Keen: Clinical Manager of Gambling Services (Clinical Director of Bettor Choice program) at Connecticut Renaissance (Region 1)
- Celaura Estrada: Supervisor for the Bettor Choice gambling treatment program at United Community & Family Services (UCSF) Healthcare (Region 3)
- Katie Kirch: Clinical Supervisor for the gambling treatment program at Wheeler Clinic / Bettor Choice Program (Region 4)
- Earle Sanford: Program Manager of PGS with MCCA (Midwestern Connecticut Council of Alcoholism) / Bettor Choice Program (Region 5)
- Scott Nelson: Outpatient Clinical Director with MCCA (Region 5)
- Elizabeth Genovese: ERM Counseling Services; Bettor Choice Counselor (LPC) with MCCA (Region 5)

Disordered Gambling Integration Project (DiGIn)
- Brian Morris: Clinical coordinator at the Center for Human Services (CHS) - part of the Recovery Network of Programs; previously Care Manager at CHS (Region 1)
- Lesbia (Leslie) Nieves: Director of Residential Programs & Services at the CT Department of Veteran Affairs (Region 4)
- Jamie Calvano: Director of Training and Compliance for the McCall Behavioral Health Network (Region 5)

Persons with problem gambling lived experience
- Stephen Matos: Peer Counselor/Recovery Support Specialist at MCCA (Midwestern Connecticut Council of Alcoholism); prior lived experience with problem gambling
- Brian Hatch: Creator and Host of "ALL IN: The Addicted Gambler's Podcast"; Peer Recovery Specialist; prior lived experience with problem gambling
- Rob Zuckerman: Problem Gambling Peer Counselor and Recovery Coach at Connecticut Renaissance; prior lived experience with problem gambling

Connecticut Department of Consumer Protection (DCP)
- Kristopher Gilman: Director, DCP Gaming
- Tammy Kreyer: Assistant Director for DCP Gaming, previously a Gaming Regulation Officer, DCP Gaming - Sports Wagering/iCasino/Fantasy Sports
- Joseph Peplau: License & Applications Supervisor, DCP Gaming - Casino Licensing
- Walter Wilkowski: Gaming Regulation Supervisor, DCP Gaming - Sports Wagering/iCasino/Fantasy Sports

Other government officials
- Orlando Velazco: Director of the CT DPH Office of Health Equity

Nongovernmental, nonprofit, charitable and community-based organizations
- Mui Mui Hin-McCormick: Asian American and Pacific Islander (AAPI) Ambassador Gambling Awareness Project (DMHAS PGS & Amplify) Consultant; Vice-Chair of the Asian Pacific American Coalition of Connecticut (APAC-CT)
- Bonnie (Weyland) Smith and Alyssa Gilbert: B. Weyland Smith Consulting LLC
- Kim (Kimberly) Brewer: Grants and Special Projects Unit at the Capitol Region Education Council

Researchers
- Dr. Marc Potenza: Yale School of Medicine Professor of Psychiatry, Director of Center of Excellence in Gambling Research

Criminal justice
- Lieutenant Lee Grabner: Detective Bureau Commander and Records Division at the New Milford Police Department

The Economic team was successful in interviewing 12 people with at least one individual in each of the major categories of interest. We sought and successfully interviewed representatives of host and impacted communities; state-level coalitions/conferences of municipal governments; tribal nations; the Connecticut Lottery Corporation; online and sports betting operators; regional councils of governments; housing advocacy groups; industry advocacy groups; and economic and community development organizations. In a few cases, individuals represented multiple categories. There were 27 individuals who did not respond to the initial email or subsequent attempts to schedule an interview. Nine individuals recommended more appropriate contacts that the research team followed up with. One individual provided data. One individual initially offered to provide a written response or interview, but then declined to participate as they were not able to provide a response within the study period. The 12 people interviewed concerning economic impacts were:

- Fred B. Allyn III (Mayor, Town of Ledyard CT)
- Kevin Brown (President, Norfolk Community Development Corporation)
- Charles Bunnell (Chief of Staff, Mohegan Tribe; coordinated by Cathy Soper, Director of Strategic Initiatives & Communications, Mohegan Tribe, Tribal Communications)
- M. Randall Collins Jr. (Advocacy Manager, Connecticut Conference of Municipalities)
- Christopher Davis (Responsible Gaming Manager, Government Relations, Connecticut Lottery Corporation)
- Jody A. Cummings, General Counsel, Mashantucket Pequot Tribal Nation
- Amanda Kennedy (Executive Director, Southeastern Connecticut Council of Governments & Southeastern Connecticut Housing Alliance)
- Ginny Kozlowski (Executive Director, Connecticut Lodging Association; Key Principal, South Central Connecticut Regional Economic Development Corporation; CEO, Economic Development Corporation of New Haven)
- Ronald K. McDaniel (Mayor, Town of Montville, Uncasville CT)
- Gregory Smith (President & CEO of Connecticut Lottery Corporation)
- Ted Taylor (President of Sportech Venues - online and sports gambling)
- Jessica Vonashek (Chief of Economic and Community Development, City of Norwalk)

The Economic team also **reviewed four written testimonies** submitted in relation to Connecticut Bill # 1213, January Session 2023, *An Act Concerning the Mashantucket Pequot and Mohegan Fund*. The written testimonies represent the official statements of:

- Rodney Butler, Tribal Chairman, Mashantucket Pequot Tribal Nation
- M. Randall Collins Jr., Advocacy Manager, The Connecticut Conference of Municipalities
- Betsy Gara, Executive Director, The Connecticut Council of Small Towns
- James Gessner, Chairman, The Mohegan Tribe

The Social interviews were completed via Zoom between late March and mid-April 2023 and the Economic interviews were conducted via Zoom between late March and May 2023.

Each of the interviews was reviewed with important quotes being transcribed into a written document. Each of those quotes was then coded by theme, with these themes being roughly aligned with the impact areas being examined in this study. All quotes having the same theme were then aggregated into the specific impact area.

Population Surveys

Purpose

Population surveys were conducted primarily to identify social impacts. These surveys capture: state-wide attitudes toward gambling; past year participation in each type of gambling; the demographic/geographic origin of Connecticut gambling revenue; past year participation in financial speculation (e.g., cryptocurrency); motivations for gambling; responsible gambling practices; prevention awareness; and data pertaining to problem gambling and related indices (i.e., prevalence rate; demographic, gambling and comorbidity profile; treatment seeking; bankruptcy; divorce; gambling-related crime; etc.).

However, these surveys also contain some information pertaining to economic issues. More specifically, they identify the extent to which Connecticut residents engage in casino gambling, sports betting, and online gambling *within-state* (allowing the revenue to be retained) versus out-of-state.

Methodology

Two population surveys were employed.

NORC Address-Based Sample (ABS). ABS is currently the gold standard for optimizing sample representativeness (Harter et al., 2016; Iannacchione, 2011; Olson et al., 2021). This approach involves sending a mailed solicitation to a random sample of addresses from the listing of Connecticut residential addresses provided by the U.S. Postal Service and asking people to complete a survey for a financial incentive.

NORC at the University of Chicago has extensive experience in ABS and was contracted to recruit a random sample of 4,000 CT adults, with a minimum of 500 respondents in certain groups: African Americans, Hispanics, ages 18-34, 35-49, 50-64, 65+, and people from New London County (where the two casinos are located).

The initial invitation letter (Appendix A) informed households that they had been selected to participate in the 'CONN-ACTS: Connecticut Assessment of Consumer PasTimes Study', which was described as "a very important statewide survey about health and recreational behaviors in Connecticut." The letter asked the adult (18+) in the household with the most recent birthday to complete our online survey. A $1 pre-incentive was included in the letter and recipients were told they would receive an additional $10 gift card upon completion of the survey. A reminder postcard was sent one week later. Three weeks after the initial letter was sent all households that had not responded were sent a final reminder letter. The invitation letters and online questionnaire were available in both English and Spanish.

The survey was conducted between March 24, 2023 - April 27, 2023 with a final obtained sample of 5,259 respondents after eliminating surveys that were incomplete. The overall response rate was 11.75% (AAPOR Response Rate 3). The sample was subsequently weighted to match the basic demographic census profile for Connecticut. The final weight for each case was calculated in four steps:
1. An initial base weight was calculated based on the probability of selection. This involved identifying the number of obtained cases in each census tract divided by the actual number of people in each of these tracts.

2. Next, an adjustment for known eligibility allocated the weight from cases with unknown eligibility to cases with known eligibility (i.e., completes, partials, non-residential, and non-deliverable). An adjustment factor was calculated for each county based on the sum of base weights of the obtained sample within the county and the sum of base weights for the sample with known eligibility. The base weights were multiplied by this adjustment factor.

3. An adjustment for non-response was then made at the state level using a similar method as the known eligibility response adjustment. The known-eligibility-adjusted weight of partial completes was allocated to the completes based on a flat adjustment. A county-level adjustment was not justified because there were not a sufficient number of partial completes in each county.

4. In the last step, the non-response-adjusted weights were raked to state level census profiles for: sex (Male, Female), age group (18-34, 35-54, 55-74, 75 and older), race (White and Non-White), ethnicity (Hispanic and Non-Hispanic), and education level (less than high school, high school degree or equivalent, Associate's degree or trade school or some college, Bachelor's degree or higher). Some imputation was required for missing demographic information, which was undertaken using multiple imputation with additive regression, bootstrapping, and predictive mean matching. An iterative process of raking and trimming was performed to ensure alignment with the demographic census profiles. Outlier weights were trimmed to the median weight plus six times the inter-quartile range. The final design effect was 1.8.

The primary purpose of the ABS survey was to obtain <u>accurate statewide prevalence rates</u> for the variables being assessed.

[Centiment](#) Online Panel Survey (OPS). The advantages of online panel surveys are that: (a) the validity of answers to 'sensitive questions' (e.g., gambling) tends to be higher in self-administered formats (Tourangeau & Smith, 1996; van der Heijden et al., 2000), (b) everyone has agreed and expects to be contacted (unlike telephone or ABS surveys), (c) the results can be obtained in a much shorter period of time, and (d) they are much less expensive (Olson et al., 2021).

The main limitation of online panels is that panelists are not randomly selected but rather self-enrolled. While online panel companies generally stratify their samples to be demographically representative of the population, significant behavioral biases typically remain that are not corrected by this stratification or by demographic weighting (e.g., Pickering & Blaszczynski, 2021; Lee, Back, et al., 2015). However, these behavioral biases are an advantage in studies such as the present one where these biases can be utilized to obtain a higher 'yield' of people with gambling problems (as heavy gambling involvement is one of these reliable behavioral biases). Thus, with an online panel sample of 3,000 CT adults, we anticipated recruiting ~300 people classified as problem gamblers representative of people with gambling problems in the general population (i.e., not just treatment-seeking problem gamblers).

An email was sent to all members of the Centiment panel who resided in Connecticut inviting them to participate in a new online survey in return for the usual monetary compensation. The email indicated that this survey was "on behalf of the State of Connecticut which wishes to obtain an updated profile of gambling and related behaviors in the state." This email and the survey were only available in English.

The survey was conducted between March 1 – 30, 2023, with a final obtained sample of 2,847 respondents after eliminating everyone without a Connecticut residence; everyone who did not complete 100% of the survey; and everyone who finished the survey in less than 5 minutes. A total of 329 people classified as problem gamblers were obtained. These individuals were combined with the 86

problem gamblers identified in the ABS for a combined problem gambling sample of 415. No data weighting was applied to the online panel survey or to this combined problem gambling sample.

The purpose of the OPS was to <u>understand the demographic and behavioral profile of people with gambling problems in CT (as the sample of problem gamblers just in the ABS survey was too small for this purpose).</u>

Questionnaire. The questionnaire in the ABS and OPS surveys (Appendix B) was virtually identical, except for the recruitment solicitation.
- **ABS survey:** Intrinsic interest in the survey topic is one of the main determinants of survey participation (Groves et al., 2004; Keusch, 2013). Thus, 'gambling surveys' routinely under-recruit non-gamblers and over-recruit heavy gamblers and people with gambling problems leading to inflated prevalence rates of the latter (Williams & Volberg, 2009). Because the purpose of the ABS survey was to obtain accurate prevalence rates, a generic description of the survey ('health and recreation') was utilized so as not to bias the sample.
- **OPS survey:** The purpose of the OPS survey was to over-recruit heavy gamblers and people with gambling problems. Thus, the Centiment email subject line identified the survey as a 'New Survey on Gambling' and the email solicitation specifically indicated that the survey was intended to provide a profile of gambling and related behaviors.

The survey had sections on Demographics; Comorbidities; Gambling Attitudes; Prevention Awareness; Past Year Gambling Participation; Speculation; Gambling History; Gambling Motivation; Gambling Context; Casino & Sports Gambling; Online Casino & Sports Gambling; and Gambling Problems. There were 128 total questions, however, people with no gambling involvement typically only received 53 questions, whereas heavily involved gamblers with associated problems typically received 100 – 120 questions. The majority of respondents received between 75-100 questions. The median time for completion of the OPS survey was 10 minutes and 16 seconds, with 95% of people completing within 29 minutes.

Problem gambling was assessed with the: (a) past year NORC DSM-IV Screen for Gambling Problems (NODS) (Gerstein et al., 1999) (Appendix C) for direct comparisons with the last statewide prevalence survey in 2008 where this instrument was also used; as well as the (b) Problem and Pathological Measure (PPGM) (Williams & Volberg, 2010, 2014) (Appendix D). The NODS is an operationalization of the 1994 DSM-IV criteria for pathological gambling and differs somewhat from the more recent 2013 DSM-5 criteria for disordered gambling. The NODS produces a total score of between 0 and 10, with individuals scoring in the 1-2 range conventionally identified as 'at-risk', and individuals scoring in the 3 or higher range conventionally identified as problem or pathological (5+) gamblers.

While the NODS was employed for comparison purposes, the PPGM was employed to provide a more accurate assessment of the level and nature of problem gambling in the state, as it is the best instrument in the population assessment of problem gambling due to its superior construct validity as well as better sensitivity, specificity, and overall classification accuracy (Christensen et al., 2019; Molander & Wennberg, 2022; Williams & Volberg, 2010, 2014). The PPGM has good internal consistency (Cronbach's alpha = 0.76-0.81) as well as one month test-retest reliability (r = 0.78) (Williams & Volberg, 2010, 2014).[14]

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[14] An updated version of the PPGM has just recently been published (Gooding, Williams, & Volberg, in press), but was not utilized in the present study.

The PPGM has a Harm scale consisting of seven items asking whether the person has experienced significant harm in the areas of finances, mental health, relationships, physical health, work/school, and illegal activity.[15] The PPGM also has an Impaired Control scale consisting of four items asking about difficulty controlling and/or limiting gambling and an Other Issues scale that includes three items asking about preoccupation, tolerance, and withdrawal.

The unique scoring system of the PPGM is part of the reason behind its better performance. Unlike most instruments which simply use a total score threshold to designate problem gambling status, the PPGM requires a particular pattern of item endorsement. Specifically, individuals must report experiencing both impaired control and harm deriving from that impaired control to receive a problem gambling designation. Individuals who meet these criteria and have a score of five or more are sub-designated as 'pathological gamblers,' indicating greater severity and associated chronicity. The PPGM also endeavors to limit false positives and false negatives. The former is accomplished by requiring individuals to gamble monthly or more often in the past year to receive a past-year problem gambling designation. The latter is accomplished by classifying individuals as having problem gambling if they report some problem gambling symptomatology and have a frequency and expenditure that is equivalent to individuals unambiguously identified as having problem gambling, and/or if other people have indicated the person has both impaired control and harm deriving from this impaired control.

The PPGM classifies people into one of four categories:
- **Non-Gamblers**, who have not engaged in any gambling in the past year;
- **Recreational Gamblers**, who show no signs of excessive gambling or problem gambling symptomatology;
- **At-Risk Gamblers**, who report some signs of problem gambling symptomatology and/or are gambling at very high levels similar to problem gamblers; and
- **Problem Gamblers**, who have impaired control over their gambling that is also associated with significant negative consequences for themselves or others.

Secondary Data

Purpose

Secondary data was used to: (a) triangulate findings from our primary data, and (b) to provide a historical context for impacts, as our primary data largely speaks to *current* impacts. Secondary data informs the following indices: problem gambling and related indices; crime; other social indices; and indirect economic impacts.

Methodology

The data necessary for these analyses was available online from various state and federal government agencies and included personal bankruptcy filings; suicides; domestic violence; protective/restraining orders; divorce rate; child abuse; public assistance; crime rates (property; violent; DUIs, illegal gambling); overall population; # English learners in school; vehicle crashes and DUI-related injuries; #

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[15] When a person endorses a harm additional branching questions ask about specific discrete harms within that general area (e.g., financial concerns → bankruptcy; mental stress → suicidal ideation; etc.).

business establishments; employment, and unemployment rates. When available, comparisons were made at a state level relative to other states; New London County relative to CT generally, and the specific casino towns of Ledyard and Montville compared to New London County and/or CT. To identify potential causal connections with gambling, the secondary data examined changes in these indices from the 1990s to the present time as these correlated with changes in aggregate gross gambling revenue over the same time period.

Historical Reports

Purpose

Prior studies were utilized to contextualize our present results.

Methodology

There have been two prior comprehensive socioeconomic impact studies in CT by the WEFA Group (1997) and Spectrum Gaming (2009). These studies documented the nature and magnitude of impacts at earlier time periods and provide important benchmarks to which findings in 2023 can be compared. However, there are also:

- 11 other more circumscribed social and/or economic impact studies of gambling in Connecticut, most of which have focused on casino impacts, and some of which are very recent (e.g., Mohegan Sun and Foxwoods economic impacts).[16] These studies: (a) serve to further triangulate some of our current analyses (e.g., integrating and aligning the recent casino economic impact studies with our own independent analyses of their impacts); and (b) provide additional context on the historical impacts of gambling.
- Five other population studies of the prevalence of gambling and problem gambling in Connecticut from 1977 to 2021. These studies provide a timeline of gambling and problem gambling rates that may speak to the impacts of the introduction of different types of gambling and serve as potential benchmarks against which our current rates will be compared.

Gambling Operators and Government Data

Purpose

There are several indices that constitute the Direct Economic Impacts of gambling and that must be collected. These are: amount of gambling revenue as a function of type of gambling and operator; employment numbers for each type of gambling; and the level of gambling revenue spent on wages, supplies, and allocated to the commercial operator as well as different sectors of government and society.

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[16] Most of the socioeconomic impact studies prior to 2012 are reported in Williams, Rehm & Stevens (2011).

Methodology

Much of the gambling revenue data was available online from the CT Department of Consumer Protection. Some of these revenue estimates were also based on information obtained from Security Exchange Commission (SEC) filings. Information was also requested and collected from major gambling operators concerning their employment numbers and spending on wages and supplies, as well as how much of the revenue is allocated to the commercial provider, versus tribes, state, and municipalities. When available, the distribution of this revenue across the commercial operator, tribes, state, and municipalities was identified. Collectively, this information informs the 'direct economic impacts' of legalized gambling.

Economic Modeling

Purpose

The direct economic impacts of gambling generate additional effects in the Connecticut economy due to the combination of business and consumer spending. Thus, economic modeling is needed to estimate these additional 'indirect economic impacts' to understand the overall economic impacts.

Methodology

These additional indirect impacts are estimated utilizing the PI$^+$ model from Regional Economic Models, Incorporated (REMI). Impacts are estimated for the state as a whole; for different counties within CT; and for different industry sectors corresponding to the 3-digit codes of the North American Industry Classification System (NAICS).

AirSage Cell Phone Location Analysis

Purpose

The population surveys identify the within-state geographic origin of Connecticut casino patrons, but do not establish the portion of casino revenue deriving from out-of-state patrons. Historically, Connecticut casinos were said to derive between 50% and 66% of their revenue from out-of-state residents,[17] which is a major economic benefit as it represents 'new money' to the state rather than money redirected from other sectors of the state economy. However, with the recent creation of many new casinos throughout New England the current percentage of out-of-state patronage is unclear. A secondary purpose of the AirSage analysis was to: (a) estimate the amount of casino revenue in neighboring states *that derives from Connecticut residents*, so as to calculate an overall net inflow of 'new money' versus outflow of Connecticut spending; and (b) to determine the county-specific origin of Connecticut casino revenue.

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[17] These estimates derive from the license plate surveys in the New England Casino Gaming Updates conducted from 1995-2015.

Methodology

We undertook this investigation using AirSage cell phone location data. This involved collecting the geographic origin (i.e., county, state, and country) for all cell phones detected at the two Connecticut casinos as well as the seven casinos within 70 miles of the state border for 14 consecutive days in January 2023 (Jan 16th to the 29th). This provides a fairly comprehensive picture of the casino's actual patronage, as 85%+ of U.S. adults currently carry a smartphone (Pew Research Center, 2021) which typically contains several apps that track their location (e.g., Google Maps) (and very few people turn off their cell phones and/or disable all the apps that provide tracking). The nine casinos selected for the present study are listed below, along with information pertaining to size and gambling opportunities provided by each casino.[18]

Table 2. Casinos included in the AirSage analysis

State	Facility	Date First Providing Slots &/or Table Games	Current Gaming Floor Sq. Footage	Current # Slots	Current # Live Table Games	Driving Distance (miles & driving minutes) from CT State Line
CT	Foxwoods Resort Casino	1992	340,000	3,400	300	0
CT	Mohegan Sun	1996	310,000	3,650	250	0
MA	Springfield MGM	2017	109,000	1,814	102	7 miles; 11 minutes
MA	Plainridge Park Casino	2015	50,000	1,250	0	38 miles; 47 minutes
MA	Encore Boston Harbor	2019	210,000	2,700	254	70 miles; 76 minutes
RI	Bally's Twin River Lincoln	1992	162,420	3,802	114	25 miles; 35 minutes
RI	Bally's Tiverton Casino	2018	33,840	1,000	32	43 miles; 50 minutes
NY	Empire City Casino at Yonkers	2006	290,000	5,000	0	12 miles; 22 minutes
NY	Resorts World New York	2011	330,000	6,500	1,300	39 miles; 70 minutes

The geographic origin of cell phones detected at these venues was used to estimate: (a) the percentage and amount of Connecticut casino revenue that comes from each state (as well as each Connecticut county), and (b) the percentage and amount of casino revenue that other states are receiving from Connecticut residents. This data informs the 'direct economic impacts.'

Note that all cell phones that were detected for 18 days or more during the month of January were excluded from the patron counts, as these were deemed to most likely be employees of the casino. However, this 18-day cut-off was subsequently determined to be insufficient to effectively exclude most part-time employees, who are estimated to constitute about 36% of all employees (and would represent thousands of individuals for the larger casinos). Thus, a 50% reduction in the counts was made in the 'home county' for all casinos, where the large majority of casino employees reside. The detailed rationale for this additional 'home county' adjustment is contained in Appendix F.

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[18] One venue within the 70-mile criteria that was excluded was Jake's 58 Hotel & Casino in New York State (65 miles from CT border; 1 hr 38 m driving time). It was excluded due to its comparatively small size (64,000 sq ft; 1,000 slots; no table games) and the additional cost of adding this venue to the analysis.

Review of CT Problem Gambling Prevention & Treatment

This is a related but separate investigation. It is related because some of the information pertinent to this issue was collected in the course of our Key Informant Interviews, Population Surveys, and Secondary Data collection. However, it is separate in that:

- There was additional collection of data pertaining to prevention, responsible gambling/harm minimization, and treatment services in CT, as well as documentation of their historical timelines, locations, magnitude, utilization, and known effectiveness; helpline calls; clients enrolled in Bettor Choice; etc.
- These efforts and results were then contrasted with best practices internationally in prevention, responsible gambling, and treatment.
- Details of the methodology used for this review are contained in the **CONNECTICUT PROBLEM GAMBLING PREVENTION & TREATMENT REVIEW** section.

SOCIAL AND HEALTH IMPACTS

This section of the report examines the social and health impacts of gambling in Connecticut in the areas of Attitudes, Gambling Behavior, Problem Gambling and Related Indices, Crime, and Other Social Indices (following the organization in Table 1). Most of this data pertains to impacts on the adult (18+) population of Connecticut. However, when available, data is also reported as a function of demographic subgroup, county, town, and over time.

Attitudes towards Gambling

The present section provides an overview of Connecticut adult (18+) attitudes towards gambling as derived from the NORC ABS data (*n* = 5,259; weighted). The first section profiles attitudes of the general population and the second section profiles attitudes as a function of demographic characteristics.

As shown in Figures 2 to 11, general population attitudes can be summarized as follows:
- Gambling is 'not at all' or 'not very important' as a recreational activity for the vast majority of people (93.5%), although 1.8% indicate it is actually a 'very important' recreational activity.
- Many more people believe that the harm of gambling outweighs the benefits (67.2% vs. 8.6%).
- The majority of people (63.4%) do not believe that gambling is morally wrong.
- The majority of people (69.1%) believe that some types of gambling should be legal and some types should be illegal.
- The majority of people (67.8%) consider the current availability of gambling to be fine, whereas 26.2% believe it is too widely available and 5.9% believe it is not available enough.
- The large majority of people (70.8%) believe the responsibility for minimizing gambling-related harm is shared between the gambler and the provider.
- The majority of people (68.7%) have no opinion about the integrity and fairness of how gambling is provided in CT, with another 21.3% being satisfied and 9.9% being dissatisfied.
- The majority of people (62.6%) have no opinion about the adequacy of CT government and gambling provider efforts to minimize the harm associated with gambling, with another 20.0% being satisfied and 17.3% being dissatisfied.
- There is a wide range of things that people identify as the single most positive impact of legalized gambling in CT, with employment (21.6%) and increased government revenue (20.1%) being the most commonly endorsed options.
- The large majority of people (69.2%) identify increased gambling addiction as the single most negative impact of legalized gambling in CT.

General Population Attitudes

Figure 2. How important is gambling to you as a recreational activity?
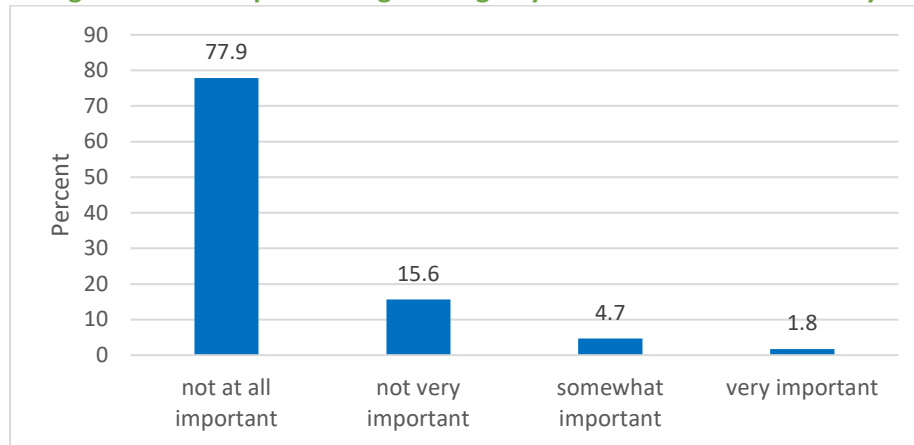
Figure 3. Which best describes your belief about the benefit or harm that gambling has for society?
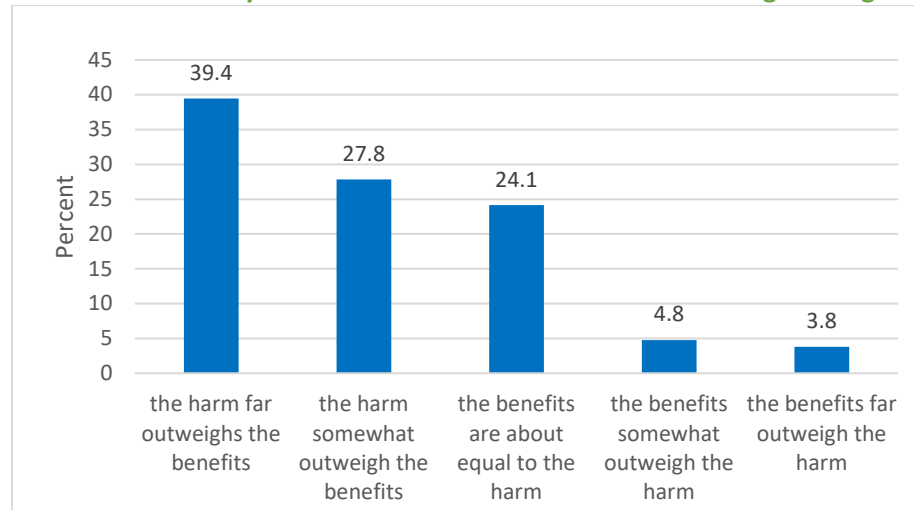
Figure 4. Do you believe that gambling is morally or ethically wrong?
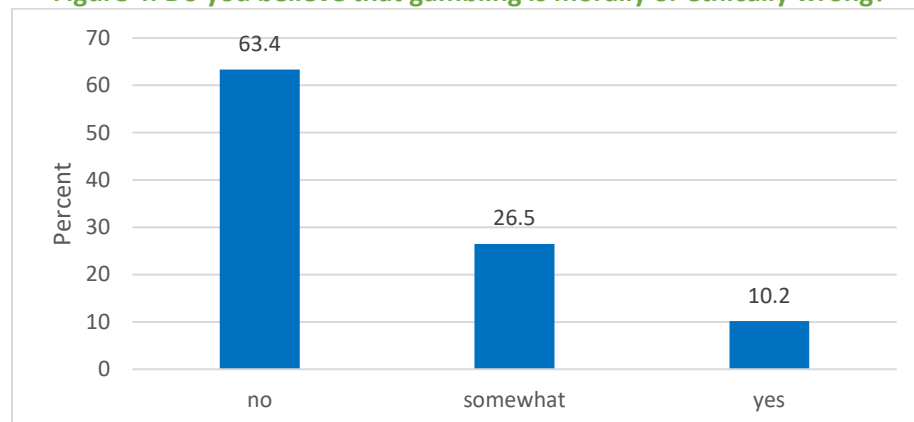
Figure 5. Which best describes your opinion about legalized gambling?

Bar chart with y-axis labeled "Percent" (0 to 80):
- all types of gambling should be legal: 21.7
- all types of gambling should be illegal: 9.2
- some types of gambling should be legal and some should be illegal: 69.1
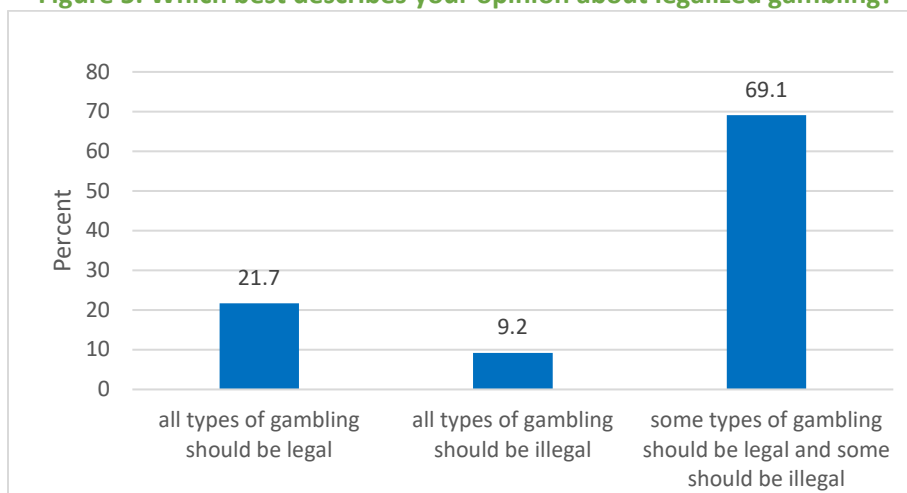
Figure 6. Which best describes your opinion about gambling opportunities in Connecticut?

Bar chart with y-axis labeled "Percent" (0 to 80):
- gambling is too widely available: 26.2
- the current availability of gambling is fine: 67.8
- gambling is not available enough: 5.9
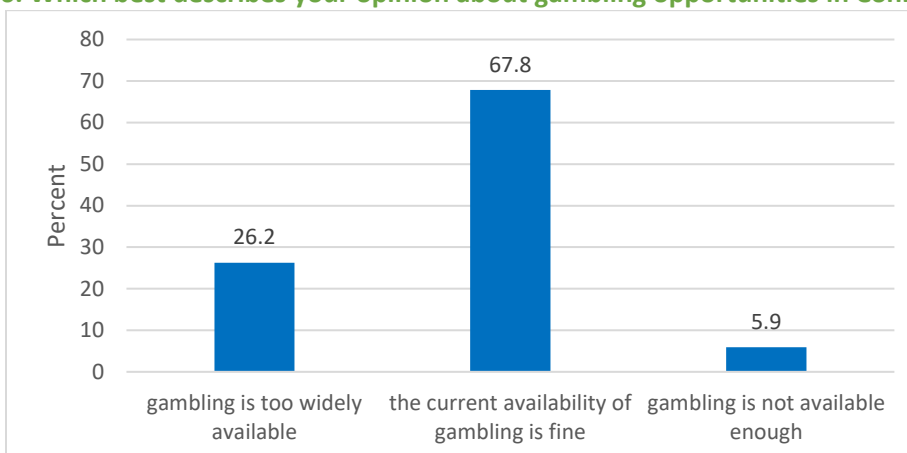
Figure 7. Who do you think has the responsibility for minimizing the harm associated with gambling?

Bar chart with y-axis labeled "Percent" (0 to 40):
- the gambler: 23.0
- the provider of gambling: 6.3
- it is a shared responsibility but the gambler has the primary responsibility: 38.1
- it is a shared responsibility but the provider has the primary responsibility: 10.5
- it is a shared responsibility with the provider and gambler having equal responsibility: 22.2
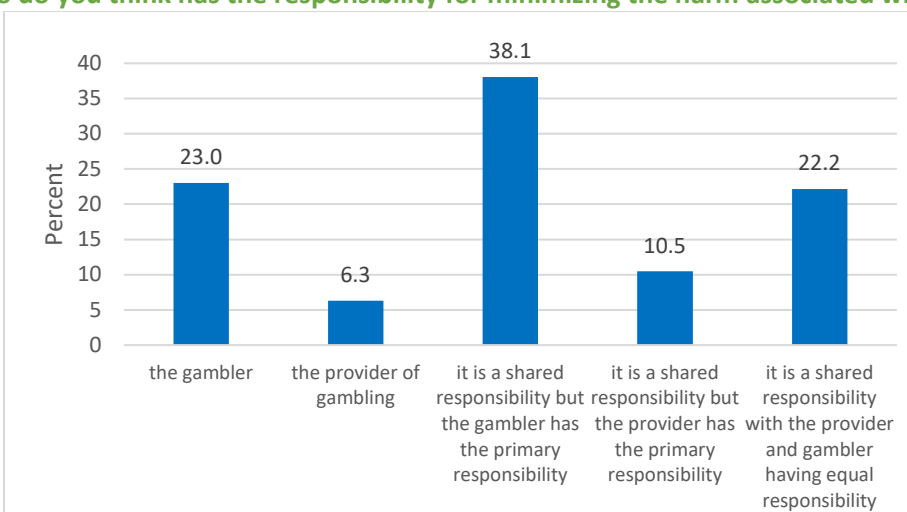
Figure 8. How satisfied are you with the integrity and fairness of how gambling is provided in CT?
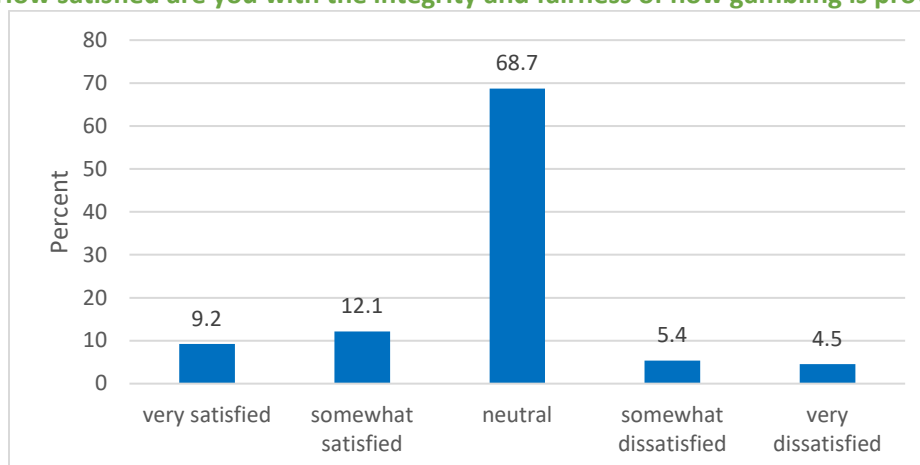
Figure 9. How satisfied are you with the CT government and gambling provider efforts to minimize the harm associated with gambling?
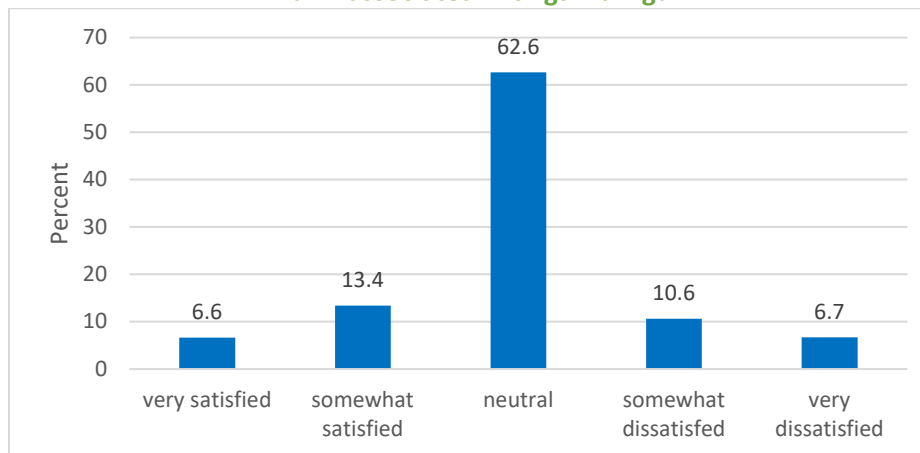
Figure 10. What do you believe has been the single most positive impact of legalized gambling for CT?
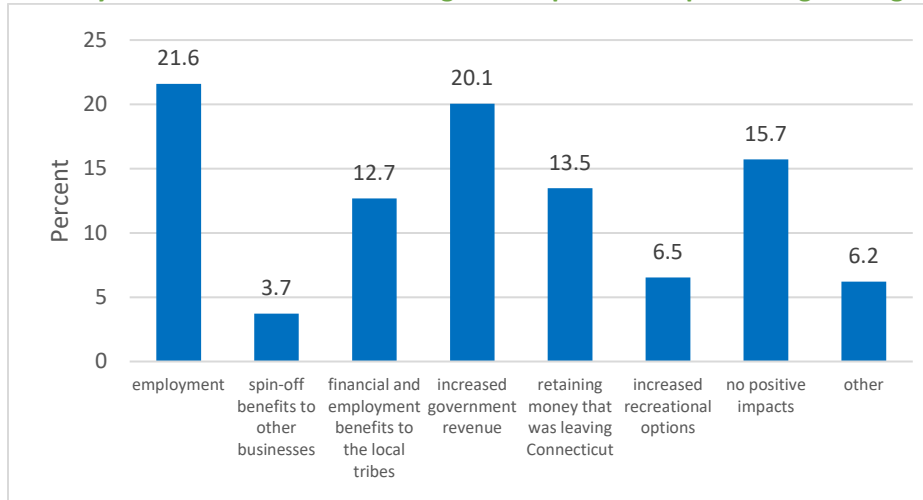
Figure 11. What do you believe has been the single most negative impact of legalized gambling for CT?
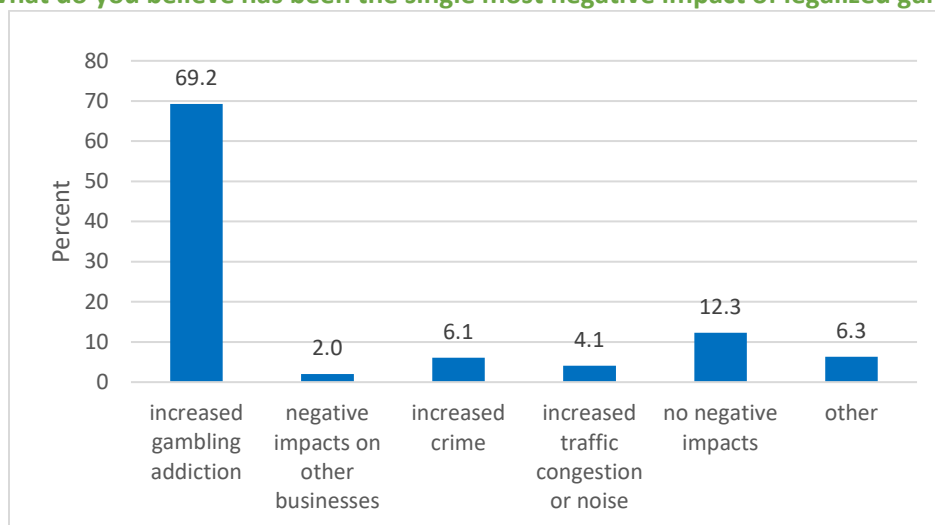
Demographic Specific Attitudes

The present section provides an overview of Connecticut adult (18+) attitudes towards gambling as a function of demographic group. The data is from the NORC ABS survey (n = 5,259; weighted[19]). A chi-square test determined that there were significant differences within each demographic category. A z-test of column proportions was then utilized (p < .05 with Bonferroni correction) to identify specific demographic differences within each response option. An asterisk denotes that a significant difference was found between that percentage and one or more other percentage(s) also with an asterisk. Note: for Race/Ethnicity the test of column proportions is for that ethnic group *versus all other groups combined.*

Demographic-specific attitudes are summarized below, with the detailed results contained in Tables 3 to 10. The following are the groups more likely to endorse certain attitudes relative to other groups:

'Gambling is an important recreational activity' more likely endorsed by:
- Males, younger people, non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity), people with lower educational attainment, people with lower household income, and immigrants.

'The harm of gambling far outweighs the benefits' more likely endorsed by:
- Females, ages 65+, 'other race/ethnicity,' and people with household incomes <$60K.

'Gambling is immoral' more likely endorsed by:
- Females, ages 18-34, Asians, people with lower educational attainment, people with lower household income, and immigrants.

'All types of gambling should be illegal' more likely endorsed by:
- Females, ages 18-34, non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity), people with high school of lower educational attainment, people with household incomes <$60,000, and immigrants.

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[19] In the present case the data was weighted to the sample size of 5,259, rather than the total CT adult population of 2,825,371,458 to facilitate statistical testing (i.e., with the population weights all comparisons would be significant because of the large subgroup sizes). Weighting to the sample involved dividing the population weight for each case by 543.6337 to produce a 'sample weight.' The total sample weights then added to 5,259.

'Gambling is too widely available' more likely endorsed by:
- Ages 65+ and people with lower household income.

'Responsibility for minimizing gambling harm lies with the provider' more likely endorsed by:
- Ages 18-49, Hispanics and people of 'other race/ethnicity,' people with lower household income, and immigrants.

'Dissatisfied with the integrity and fairness of how gambling is provided in CT' more likely endorsed by:
- Ages 18-34, 'other race/ethnicity', and people with lower educational attainment and lower household incomes.

'Dissatisfied with government and gambling provider efforts to minimize the harm of gambling in CT' more likely endorsed by:
- Males, ages 65+, 'other race/ethnicity,' people with lower household incomes, and non-immigrants.

Table 3. How important is gambling to you as a recreational activity (demographic specific)?

	Not at all important	Not very important	Somewhat important	Very important
Male	73.3%*	19.1%*	5.7%	1.8%
Female	82.1%*	12.5%*	3.8%	1.6%
Other Gender	85.9%	7.4%*	1.9%	4.8%
18-34	77.3%	14.4%	4.9%	3.4%*
35-49	74.9%	16.7%	6.4%*	2.0%
50-64	79.2%	14.9%	4.8%	1.1%
65+	79.8%	16.6%	3.0%*	0.5%*
White	79.0%*	15.7%	4.2%	1.0%*
Hispanic	69.5%*	17.7%	6.3%	6.4%*
Black	75.8%	17.9%	5.0%	1.2%
Asian	77.1%	13.0%	9.6%*	0.3%*
Other Race/Ethnicity	79.3%	10.0%	4.7%	6.0%
High School or Less	74.1%*	16.0%	6.1%*	3.8%*
Some College &/or Assoc Degree	78.2%	18.1%*	2.9%*	0.8%*
Bachelor's or Higher	81.2%*	13.6%*	4.7%*	0.5%*
HH Income <$60K	75.9%	15.4%	5.6%	3.1%*
HH Income $60K-$119.9K	77.9%	17.3%	3.7%	1.0%*
HH Income $120K+	80.2%	14.4%	4.8%	0.6%*
Immigrant	74.6%	15.2%	4.9%	5.2%*
Born in U.S.	78.4%	15.7%	4.7%	1.2%*

An asterisk denotes that a significant (*p* < .05) difference was found between that percentage and one or more other percentage(s) also with an asterisk.

Table 4. What is your belief about the benefit or harm gambling has for society (demographic specific)?

	Harm far outweighs benefits	Harm somewhat outweighs benefits	Benefits equal to the harm	Benefits somewhat outweigh harm	Benefits far outweigh harm
Male	36.9%*	29.7%*	24.1%	5.7%*	3.6%
Female	42.0%*	25.8%*	24.5%	4.0%*	3.9%
Other Gender	39.3%	32.0%	11.6%	0.0%*	17.1%
18-34	39.4%	24.5%*	26.8%*	4.5%	4.7%*
35-49	33.8%*	26.5%	28.9%*	4.5%	6.4%*
50-64	39.0%	27.9%	23.2%	6.1%	3.8%*
65+	44.5%*	32.2%*	18.2%*	4.3%	0.7%*
White	38.9%	29.7%*	25.1%*	4.4%	2.0%*
Hispanic	37.8%	20.5%*	23.6%	7.6%	10.5%*
Black	34.7%	27.0%	20.7%	8.3%	9.2%*
Asian	46.4%	27.8%	19.9%	3.1%	2.9%
Other Race/Ethnicity	46.8%	16.9%*	17.8%	4.3%	14.2%*
High School or Less	41.3%	21.6%*	25.1%	5.3%	6.7%*
Some College &/or Assoc Degree	39.8%	29.1%*	24.6%	4.0%	2.5%*
Bachelor's or Higher	37.7%	32.6%*	22.8%	4.8%	2.1%*
HH Income <$60K	42.2%*	24.6%*	22.0%*	5.0%	6.2%*
HH Income $60K-$119.9K	38.6%	28.0%*	27.1%*	4.0%	2.3%*
HH Income $120K+	35.0%*	33.4%*	24.3%	5.3%	2.0%*
Immigrant	42.4%	23.7%*	20.4%	5.6%	7.9%*
Born in U.S.	38.9%	28.6%*	24.7%	4.7%	3.1%*

Table 5. Do you believe that gambling is morally or ethically wrong? (demographic specific)?

	No	Somewhat	Yes
Male	67.2%*	24.7%	8.1%*
Female	59.7%*	28.2%	12.1%*
Other Gender	55.2%	33.2%	11.6%
18-34	54.8%*	31.1%	14.0%*
35-49	65.1%*	25.5%	9.5%
50-64	66.6%*	24.8%	8.6%*
65+	66.7%*	24.7%	8.5%*
White	70.6%*	21.6%*	7.7%*
Hispanic	38.4%*	47.0%*	14.7%*
Black	47.8%*	42.0%*	10.2%
Asian	38.8%*	32.9%	28.2%*
Other Race/Ethnicity	49.8%*	26.7%	23.6%*
High School or Less	53.4%*	33.5%*	13.1%*
Some College &/or Assoc Degree	66.3%*	25.4%*	8.3%*
Bachelor's or Higher	70.5%*	20.8%*	8.7%*
HH Income <$60K	52.6%*	33.2%*	14.2%*
HH Income $60K-$119.9K	68.7%*	24.1%*	7.2%*
HH Income $120K+	74.3%*	18.8%*	6.9%*
Immigrant	38.5%*	41.6%*	19.9%*
Born in U.S.	67.6%*	23.9%*	8.5%*

Table 6. What best describes your opinion about legalized gambling (demographic specific)?

	All types should be legal	All types should be illegal	Some types should be legal and some illegal
Male	27.9%*	7.6%*	64.5%*
Female	15.9%*	10.7%*	73.4%*
Other Gender	21.2%	8.3%	70.5%
18-34	20.6%	13.0%*	66.4%
35-49	26.2%*	7.2%*	66.7%
50-64	22.3%	7.9%*	69.8%
65+	18.7%*	8.6%	72.6%
White	23.7%*	6.3%*	70.0%
Hispanic	17.6%*	17.9%*	64.5%
Black	21.5%	14.7%	63.8%
Asian	12.2%*	17.2%*	70.6%
Other Race/Ethnicity	11.1%*	18.4%*	70.5%
High School or Less	22.0%	13.2%*	64.8%*
Some College &/or Assoc Degree	23.3%	6.8%*	69.9%
Bachelor's or Higher	20.5%	6.9%*	72.5%*
HH Income <$60K	19.5%*	13.4%*	67.1%
HH Income $60K-$119.9K	22.9%	6.3%*	70.8%
HH Income $120K+	24.8%*	5.3%*	69.9%
Immigrant	13.3%*	20.6%*	66.1%
Born in U.S.	23.2%*	7.2%*	69.7%

Table 7. What best describes your opinion about gambling opportunities in CT (demographic specific)?

	Gambling too widely available	Current availability is fine	Gambling not available enough
Male	25.4%	68.2%	6.5%*
Female	27.2%	67.3%	5.5%*
Other Gender	16.2%	83.8%	0.0%*
18-34	23.1%	65.9%	11.0%*
35-49	19.6%*	72.5%*	7.9%*
50-64	25.8%*	69.9%*	4.2%*
65+	35.7%*	63.4%*	0.9%*
White	26.6%	69.1%*	4.3%*
Hispanic	25.3%	60.6%*	14.1%*
Black	20.2%*	68.2%	11.6%
Asian	20.7%	73.0%	6.3%
Other Race/Ethnicity	30.9%	60.2%	8.9%
High School or Less	26.9%	64.0%*	9.1%*
Some College &/or Assoc Degree	25.6%	69.7%	4.6%*
Bachelor's or Higher	26.0%	70.0%*	4.0%*
HH Income <$60K	27.9%*	64.7%*	7.4%*
HH Income $60K-$119.9K	25.9%	70.1%	4.1%*
HH Income $120K+	22.7%*	71.3%*	6.1%
Immigrant	24.2%	66.6%	9.1%*
Born in U.S.	26.5%	68.1%	5.4%*

Table 8. Who do you think has the responsibility for minimizing the harm associated with gambling (demographic specific)?

	The gambler	Gambling provider	Shared responsibility with gambler primarily responsible	Shared responsibility with provider primarily responsible	Equal responsibility between gambler and provider
Male	23.6%	6.8%	36.1%	11.6%	21.8%
Female	22.6%	5.8%	40.0%	9.2%	22.5%
Other Gender	14.5%	8.9%	26.5%	24.9%	25.3%
18-34	19.1%*	9.2%*	33.3%*	15.7%*	22.7%
35-49	25.1%	7.5%*	36.7%	9.1%*	21.5%
50-64	26.5%*	3.9%*	39.6%	9.0%*	21.1%
65+	22.2%	4.6%*	42.0%*	8.1%*	23.1%
White	23.4%	5.6%*	40.1%*	10.2%	20.7%*
Hispanic	20.1%	9.6%*	31.7%*	11.4%	27.2%*
Black	22.1%	6.0%	36.8%	8.7%	26.4%
Asian	18.2%	4.3%	37.6%	16.0%*	23.9%
Other Race/Ethnicity	23.1%	13.3%	27.5%*	14.2%	22.0%
High School or Less	27.2%*	7.5%	32.6%*	9.3%*	23.4%
Some College &/or Assoc Degree	25.7%*	5.4%	40.1%*	8.0%*	20.7%
Bachelor's or Higher	17.7%*	5.6%	41.4%*	13.1%*	22.1%
HH Income <$60K	24.7%	7.6%	31.4%*	10.9%	25.4%*
HH Income $60K-$119.9K	22.1%	5.5%	44.4%*	9.3%	18.8%*
HH Income $120K+	20.9%	5.2%	41.4%*	11.6%	21.0%*
Immigrant	18.6%*	8.3%	33.0%*	13.5%	26.6%*
Born in U.S.	23.8%*	6.0%	38.8%*	10.0%	21.4%*

Table 9. How satisfied are you with the integrity and fairness of how gambling is provided in CT (demographic specific)?

	Very satisfied	Somewhat satisfied	Neutral	Somewhat dissatisfied	Very dissatisfied
Male	10.6%	14.7%*	64.9%*	6.0%	3.9%
Female	7.9%	9.7%*	72.3%*	4.9%	5.2%
Other Gender	8.4%	9.1%	72.5%	2.3%	7.6%
18-34	8.3%	11.8%	68.5%	5.1%	6.2%*
35-49	9.5%	11.9%	69.5%	5.1%	4.1%
50-64	11.3%	12.9%	66.1%	4.5%	5.3%*
65+	7.9%	12.3%	70.2%	6.8%	2.7%*
White	9.8%	12.6%	69.0%	5.2%	3.5%*
Hispanic	8.8%	10.5%	66.3%	7.3%	7.0%
Black	7.4%	9.8%	71.1%	5.4%	6.4%
Asian	6.5%	14.4%	70.8%	4.6%	3.7%
Other Race/Ethnicity	5.4%*	7.9%	65.5%	2.7%*	18.5%*
High School or Less	9.8%	11.2%	65.9%	6.8%	6.4%*
Some College &/or Assoc Degree	8.2%	12.3%	70.4%	5.4%	3.8%
Bachelor's or Higher	9.5%	12.8%	70.2%	4.2%	3.3%*
HH Income <$60K	8.6%	10.2%*	69.1%	5.7%	6.4%*
HH Income $60K-$119.9K	8.7%	14.5%*	67.7%	5.1%	4.0%
HH Income $120K+	11.1%	12.9%	69.2%	4.8%	2.1%*
Immigrant	6.9%*	10.0%	70.5%	7.9%	4.7%
Born in U.S.	9.6%*	12.4%	68.5%	5.0%	4.5%

Table 10. How satisfied are you with CT government and gambling provider efforts to minimize the harm associated with gambling (demographic specific)?

	Very satisfied	Somewhat satisfied	Neutral	Somewhat dissatisfied	Very dissatisfied
Male	7.5%	15.8%*	57.6%*	12.0%*	7.0%
Female	5.8%	11.2%*	67.4%*	9.2%*	6.4%
Other Gender	5.6%	9.1%	61.1%	15.2%	9.1%
18-34	5.7%	12.5%	66.5%*	8.2%*	7.2%
35-49	8.3%	11.8%	65.3%	8.4%*	6.0%
50-64	7.9%	14.0%	60.1%	11.3%	6.8%
65+	4.9%	15.3%	58.8%*	14.3%*	6.7%
White	6.6%	13.4%	62.6%	11.4%*	6.1%
Hispanic	7.8%	13.3%	62.2%	7.7%*	9.1%
Black	7.9%	14.1%	65.7%	4.7%*	7.6%
Asian	2.3%*	16.2%	64.3%	15.0%	12.1%*
Other Race/Ethnicity	6.7%	8.1%*	54.4%	13.6%	17.1%*
High School or Less	7.6%	12.4%	62.9%	9.0%	8.1%
Some College &/or Assoc Degree	7.0%	14.5%	61.4%	10.9%	6.3%
Bachelor's or Higher	5.7%	13.5%	63.3%	11.9%	5.6%
HH Income <$60K	7.1%	12.5%	60.6%	11.1%	8.7%*
HH Income $60K-$119.9K	6.2%	14.7%	64.2%	9.3%	5.5%*
HH Income $120K+	6.9%	13.2%	64.6%	11.0%	4.3%*
Immigrant	7.1%	12.3%	66.9%	8.0%*	5.7%
Born in U.S.	6.6%	13.5%	62.0%	11.1%*	6.8%

Gambling Behavior

This section of the report provides an overview of Connecticut adult (18+) past year participation in different types of gambling as derived from the NORC ABS data (n = 5,259; weighted). The first part of this section profiles participation levels of the general population and the second part of the section profiles participation as a function of demographic characteristics and type of gambler.

General Adult Population

Figure 12. Past year adult participation in gambling
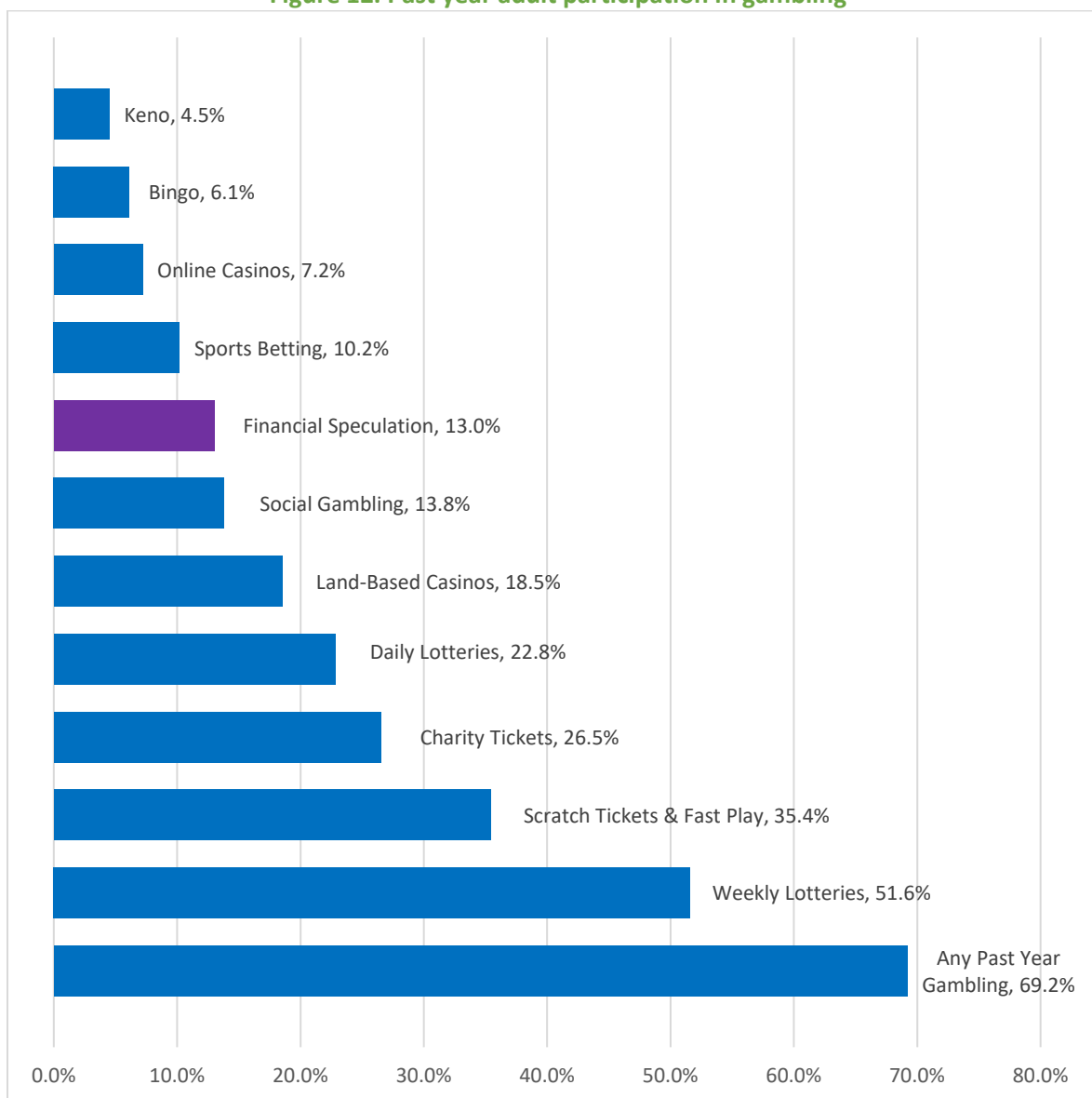
Financial speculation is a different color because it is not traditionally seen as a type of gambling.

As seen in Figure 12, the majority of the adult population (69.2%) has participated in some type of gambling in the past year (this 69.2% figure does not include financial speculation). The most common type of participation at 51.6% is in the large jackpot lotteries that are held two or three times a week (i.e., Powerball, Mega Millions, Lotto). Instant lotteries in the form of scratch tickets and Fast Play are also fairly popular (35.4%), as are charity tickets (50/50, raffles, sealed/pull-tabs) (26.5%), and lotteries that are held once or twice a day (Play3, Play4, Cash5, Lucky for Life) (22.8%).

A total of 18.5% of adults reported patronizing a land-based casino in the past year. In terms of where they played, people reporting visiting casinos in the following states:
- 88.1% Connecticut casinos
- 13.2% Massachusetts casinos
- 5.3% Nevada casinos
- 4.0% New York casinos
- 3.5% New Jersey casinos
- 2.6% Rhode Island casinos
- 6.3% casinos in other states or countries, and
- 0.7% illegal/underground Connecticut casinos.

In terms of what type of gambling they engaged in at the casino, people reported:
- 80.9% slot machines
- 33.3% casino table games
- 9.9% poker
- 9.3% sports betting
- 7.8% high stakes bingo
- 3.9% keno
- 3.0% horse race betting

Social gambling between individuals was the next most common type of past year gambling in Connecticut at 13.8% of the adult population. This includes activities such as poker or other card, dice or board games with friends; betting on games of skill that one personally participates in such as a pool game, bowling, and darts; and betting between friends/colleagues on professional sports or other events; etc.

A total of 10.2% of Connecticut adults reported betting on professional sports such as football, basketball, baseball, horse racing, boxing, motor racing, golf, e-sports and fantasy sports *at either a sportsbook, casino or online site*. In terms of where they bet, people reported that they engaged in sports betting at the following sites:
- 67.5% Connecticut online sports betting site
- 15.5% Connecticut land-based casino
- 14.4% out-of-state online sports betting site
- 13.2% Connecticut land-based sportsbook
- 7.5% illegal/underground Connecticut betting shop or bookmaker

The following documents what people reported betting on:
- 76.0% football
- 46.9% basketball
- 23.4% baseball
- 16.2% horse racing
- 15.9% fantasy sports

- 13.0% boxing or mixed martial arts
- 12.3% ice hockey
- 11.9% soccer
- 11.0% golf
- 3.8% motor racing
- 1.9% esports
- 3.9% other sports

A total of 7.2% of respondents reported gambling at an online casino in the past year, with 84.8% indicating they patronized a Connecticut online casino and 18.1% reporting they patronized an out-of-state online casino.

As seen in Figure 12, the least common past year gambling activities among Connecticut adults were bingo at 6.1% and keno at 4.5%.

Although it is not formally aggregated with the other types of gambling there is a strong empirical and conceptual relationship between financial speculation and traditional types of gambling (Arthur et al., 2016; J.Williams, Williams, et al., 2023). It is also the case that as participation in traditional types of gambling declines, participation in financial speculation has increased. Financial speculation refers to things such as purchasing cryptocurrency (e.g., Bitcoin), penny stocks, options or futures; or day trading, shorting, or betting on the direction or future value of a financial index (e.g., Dow Jones Industrial Average). A total of 13.0% of Connecticut adults reported engaging in some type of financial speculation in the past 12 months. The following shows what people reported they are speculating on:

- 48.9% cryptocurrency
- 28.8% day trading
- 23.9% penny stocks
- 19.1% options or futures
- 7.7% financial index betting
- 7.2% shorting stocks or other assets

In terms of their net win/loss, 41.1% of speculators reported they currently have a net loss; 31.2% reported neither being ahead or behind; and 27.7% reported they currently have a net win.

A total of 10.7% of the adult population reported gambling online in the past year. Among past-year gamblers, the average number of different types of gambling participated in was 2.8 (1.8 SD). In terms of past year expenditure, the average amount spent among past year gamblers was $4,046.87 ($43,022 SD), the median was $413, and the mode was $60.

Figure 13 shows levels of past year *monthly* participation in gambling. This figure illustrates that regular involvement in gambling is much less common than past year gambling, with only 30.9% of people being monthly or more frequent gamblers compared to 69.2% being past year gamblers. The relative engagement in different types of monthly or more gambling is quite similar to the relative engagement in past year gambling, with monthly gambling prevalence typically being 40-50% of past year gambling prevalence. The exceptions to this pattern are charity tickets with only a 15% ratio (i.e., 3.9% monthly participation versus 26.5% past year participation), land-based casinos with only a 17% ratio (3.1% monthly participation versus 18.5% past year), and social gambling with a 29% ratio (4.0% monthly participation versus 13.8% past year).

Figure 13. Past year adult monthly participation in gambling
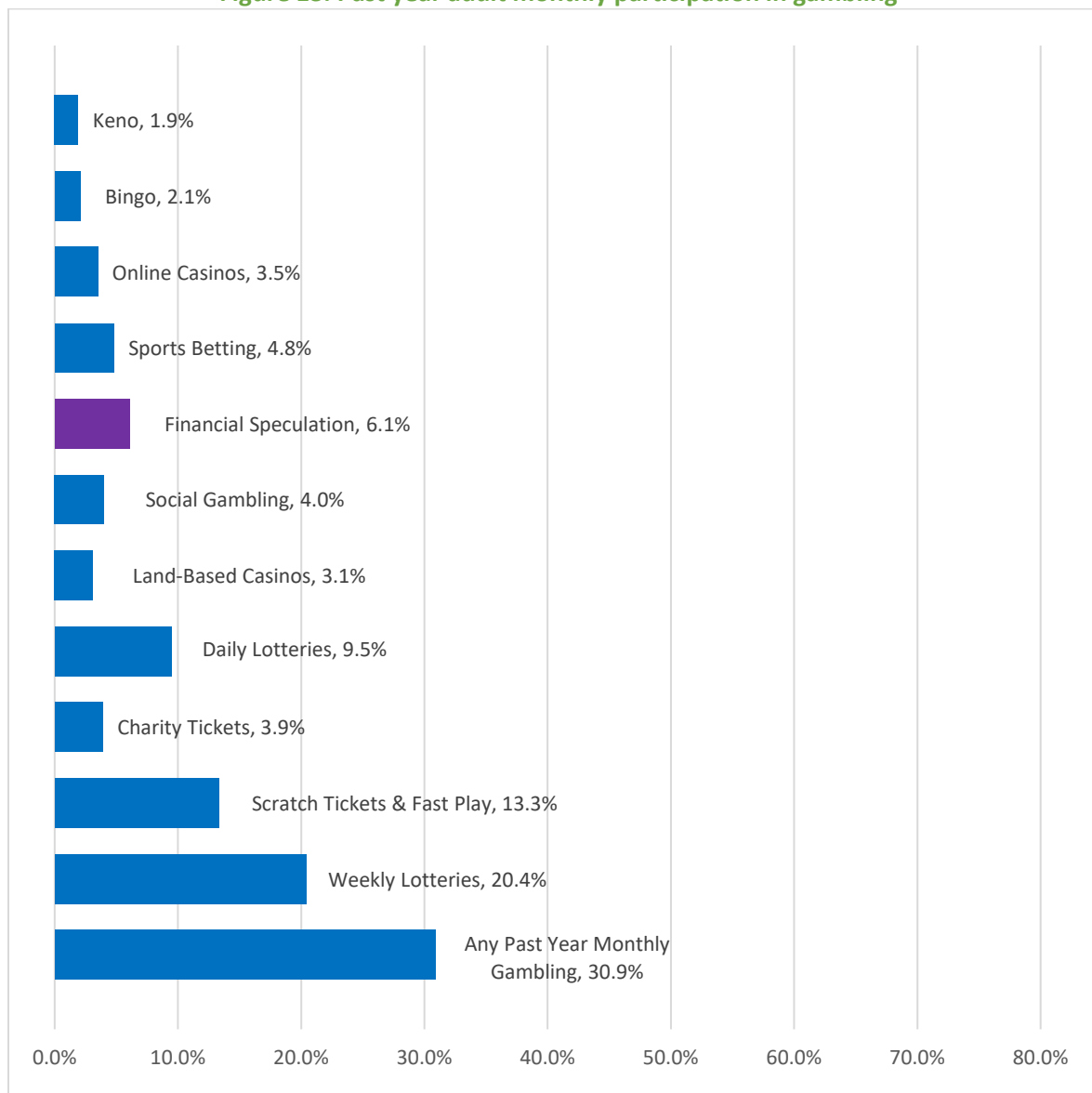
It is interesting to note that while only 6.5% of Connecticut adults reporting gambling to be a somewhat or very important recreational activity (see Figure 2), most people nonetheless participate in gambling, with a large minority participating on a regular basis. These participation levels illustrate the recreational value that gambling has for many Connecticut residents.

This point is also made by several key informants:
- *Casinos are major outlets for socializing, especially for older people. There are also a lot of social interactions with sports betting, fantasy sports and OTB, and many young people build important trust relationships through these. (Tebbetts, Matos, Taylor, Calvano, Brewer, Morris, Zuckerman, Cooper, Genovese)*

- *"It does create jobs, excitement, interest, activities… social networking, especially when it comes to sports betting… There are some instances where gambling is a conduit to developing rapport between folks, especially young males. They coalesce around gambling on a sporting event."* *(Nelson)*

Changes from 2008

A final consideration concerns how the current pattern of gambling behavior compares to the pattern when last comprehensively assessed in 2008 (Spectrum Gaming, 2009). While not all the questions are directly comparable, most are. The results are presented in
Increased: Online gambling and sports betting.

Table 11 and summarized below:
- <u>Largely Unchanged</u>: Overall past year gambling, lottery play, and scratch ticket play.
- <u>Decreased</u>: Horse race betting, bingo, and land-based casinos. As will be seen later in this report, these declines parallel comparable declines in revenue for these types of gambling.
- <u>Increased</u>: Online gambling and sports betting.

Table 11. Past year adult gambling in 2023 compared to 2008

	2008	2023
Online gambling	2.0%	10.7%
Horse race betting	7.4%	1.7%
Sports betting	8.4%	10.2%
Bingo	9.0%	6.1%
Land-Based Casinos	35.6%	18.5%
Scratch Tickets	37.0%	35.4%
Any Lottery product	53.7%	57.1%
Any Gambling	70.0%	69.2%

The changing pattern of gambling behavior was also noted by key informants:
- *Some forms of gambling have decreased (e.g., OTB) or disappeared (e.g., Jai Alai, dogtrack) from the gambling scene in Connecticut. (Keen, Wilkowski)*

Adolescents

The present study did not assess adolescent gambling participation. However, in the interests of comprehensiveness we are including the results of a very recent publication (Stefanovics et al., 2023) that reported on the level of adolescent gambling participation from 2007 to 2019. This study analyzed the results of anonymous self-administered surveys conducted every two years in Connecticut schools for ages 12-18 (N = 14,401). As shown in Figure 14, overall past year gambling participation gradually decreased from 32.0% in 2007 to 18.6% in 2017 but increased again to 25.4% in 2019. However, the 2019 increase is potentially artifactual, as the survey question became more detailed and extensive. Prior to 2019 the question was "During the past 12 months, how many times did you gamble for money or possessions? (Include buying lottery tickets, betting money on sports teams, or playing card games for money.)." In 2019 the question was expanded to say "During the past 12 months, how many times have you gambled on a sports team, gambled when playing cards or a dice game, played one of your

state's lottery games, gambled on the Internet, or bet on a game of personal skill such as pool or a video game?" Research shows that more expansive/detailed wording such as this typically produces higher rates of endorsement compared to simpler global questions (Serdula et al., 1999; Williams, Volberg, Stevens et al., 2017; Wood & Williams, 2007). However, by the same token, singular global questions asking about all types of gambling tend to produce underestimates of actual gambling involvement compared to asking about each individual type and then totaling the responses (Serdula et al., 1999; Williams, Volberg, Stevens et al., 2017; Wood & Williams, 2007).

Stefanovics et al. (2023) reported that predictors of gambling involvement across all survey years were: male gender, older age, alcohol and marijuana use, higher levels of traumatic experiences at school, depression, and low levels of social support.

Figure 14. Prevalence of CT adolescent past year gambling participation by survey year

From Stefanovics et al. (2023)
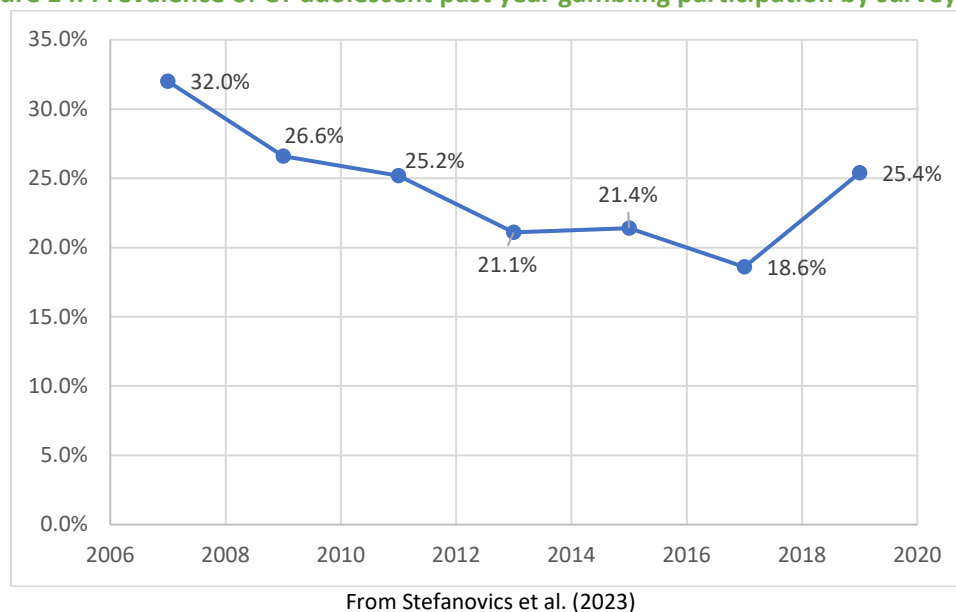
Demographic Specific Adult Gambling Participation

The present section provides an overview of Connecticut adult (18+) past year participation in different types of gambling as a function of demographic group. The data is from the NORC ABS survey (n = 5,259; weighted[20]). A chi-square test determined that there were significant differences within each demographic category. A follow-up z-test of column proportions was utilized (p < .05 with Bonferroni correction) to identify specific significant demographic differences within each response option. An asterisk denotes that a significant difference was found between that percentage and one or more other percentage(s) also with an asterisk. Note: for Race/Ethnicity the test of column proportions is for that ethnic group *versus all other groups combined.*

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[20] The data was again weighted to the sample, rather than the population, so as to facilitate statistical testing.

As seen in Table 12:

Any past year gambling is higher among:
- Males, ages 50-64, Whites, people with some college education or an associate degree, people with middle or high household incomes, and non-immigrants.

Weekly lottery participation is higher among:
- Males, ages 50-64, Whites, people with some college education or an associate degree, people with middle or high household incomes, and non-immigrants.

Scratch tickets and Fast Play is higher among:
- Females, ages 35-64, non-Asians, people with lower or middle educational attainment, people with average levels of household income, and non-immigrants.

Charity ticket purchase is higher among:
- Ages 50-64, Whites, people with middle and higher educational attainment and middle and higher household income, and non-immigrants.

Daily lottery participation is higher among:
- Ages 50-64, Blacks, and people with lower educational attainment and lower household income.

Land-based casino patronage is higher among:
- Ages 35-49, people with middle and higher household income, and non-immigrants.

Social gambling is higher among:
- Males, ages 18-34, people with higher educational attainment, and non-immigrants.

Financial speculation is higher among:
- Males, ages 18-34, Asians, and people with higher educational attainment and household income.

Sports betting is higher among:
- Males, ages 18-49, people with higher educational attainment, people with middle or higher household income, and non-immigrants.

Online casino patronage is higher among:
- Males, ages 18-49, Hispanics, people with lower educational attainment, and non-immigrants.

Bingo participation is higher among:
- Females, ages 35-49, Hispanics, and people with lower educational attainment and household income.

Keno participation is higher among:
- Ages 35-49, Hispanics, and people with lower educational attainment and lower household income.

Table 12. Demographic specific past year adult participation in gambling

	Any Gambling	Weekly Lotteries	Scratch Tickets & Fast Play	Charity Tickets	Daily Lotteries	Land-Based Casinos	Social Gambling	Financial Speculation	Sports Betting	Online Casinos	Bingo	Keno
Male	72.4%*	55.5%*	33.8%*	25.8%	23.5%	19.6%	18.3%*	18.6%*	14.3%*	9.4%*	3.8%*	4.8%
Female	66.5%*	48.4%*	37.3%*	26.9%	22.3%	17.5%	9.5%*	7.8%*	6.5%*	5.1%*	8.3%*	4.1%
Other Gender	50.6%	33.0%	17.1%*	26.4%	15.5%	10.5%	15.6%	16.3%	1.6%*	3.8%	13.1%	8.0%
18-34	60.1%*	32.5%*	26.7%*	19.5%*	16.6%*	17.1%	18.2%*	19.2%*	14.9%*	10.3%*	6.7%	4.1%
35-49	71.2%*	54.0%*	40.8%*	29.1%	24.5%*	21.8%*	13.9%*	15.6%*	13.9%*	11.1%*	8.3%*	6.6%*
50-64	76.6%*	64.8%*	40.4%*	32.1%*	27.3%*	19.7%	14.5%*	11.9%*	8.7%*	5.8%*	5.9%	4.7%
65+	69.3%*	56.3%*	34.3%*	26.0%*	23.0%*	15.8%*	9.2%*	5.8%*	3.8%*	2.1%*	4.0%*	2.8%*
White	71.7%*	53.3%*	36.3%	29.5%*	20.3%*	19.0%	14.2%	12.3%*	10.1%	6.6%	5.2%*	3.5%*
Hispanic	62.1%*	45.1%*	34.5%	17.9%*	31.7%*	17.7%	12.8%	13.3%	10.1%	10.6%*	12.0%*	9.1%*
Black	65.6%	49.8%	38.3%	14.7%*	39.3%*	16.5%	15.9%	17.5%	14.9%	11.1%	7.9%	7.1%
Asian	60.2%*	47.4%	20.5%*	17.7%*	12.9%*	20.3%	15.4%	25.6%*	11.7%	9.2%	5.2%	1.6%*
Other Race/Ethnicity	55.9%*	41.1%*	29.1%	19.3%	20.1%	17.0%	8.0%*	17.9%	9.8%	12.3%	12.2%	7.5%
High School or Less	68.3%	52.3%	39.5%*	21.9%*	28.7%*	18.0%	13.0%	9.4%*	8.6%*	9.2%	9.2%*	6.5%*
Some College or Assoc Degree	72.5%*	57.2%*	38.9%*	27.0%	27.1%*	19.4%	11.4%*	12.2%*	8.7%*	6.4%	5.7%*	4.5%*
Bachelor's or Higher	67.9%*	47.6%*	29.5%*	30.1%*	14.6%*	18.2%	16.1%*	16.9%*	12.7%*	5.8%	3.5%*	2.5%*
HH Income <$60K	62.7%*	47.6%*	35.2%	18.4%*	25.1%*	15.8%*	11.2%*	9.6%*	7.7%*	7.5%	8.4%*	5.9%*
HH Income $60K-$119.9K	74.0%*	54.7%*	38.4%*	29.5%*	23.9%*	21.2%*	15.8%*	14.9%*	11.6%*	7.7%	4.7%*	4.3%
HH Income $120K+	74.4%*	54.7%*	32.9%*	36.0%*	17.9%*	20.5%*	16.7%*	17.1%*	13.7%*	6.7%	4.1%*	2.7%*
Immigrant	55.1%*	44.0%*	24.3%*	14.0%*	23.8%	12.9%*	9.4%*	15.8%	6.2%*	4.4%*	4.2%	4.0%
Born in U.S.	71.5%*	52.9%*	37.2%*	28.5%*	22.6%	19.3%*	14.5%*	12.6%	10.9%*	7.6%*	6.3%	4.5%

Motivations for Gambling

This section of the report provides an overview of Connecticut adult (18+) motivations for gambling among past year gamblers as derived from the NORC ABS data (*n* = 3438; weighted). Figure 15 illustrates that most CT gamblers engage in gambling either to win money or for excitement/entertainment. However, as will be seen later in this report, these motivations vary as a function of type of gambler (i.e., recreational versus problem).

Figure 15. Current motivations for gambling among past year adult gamblers
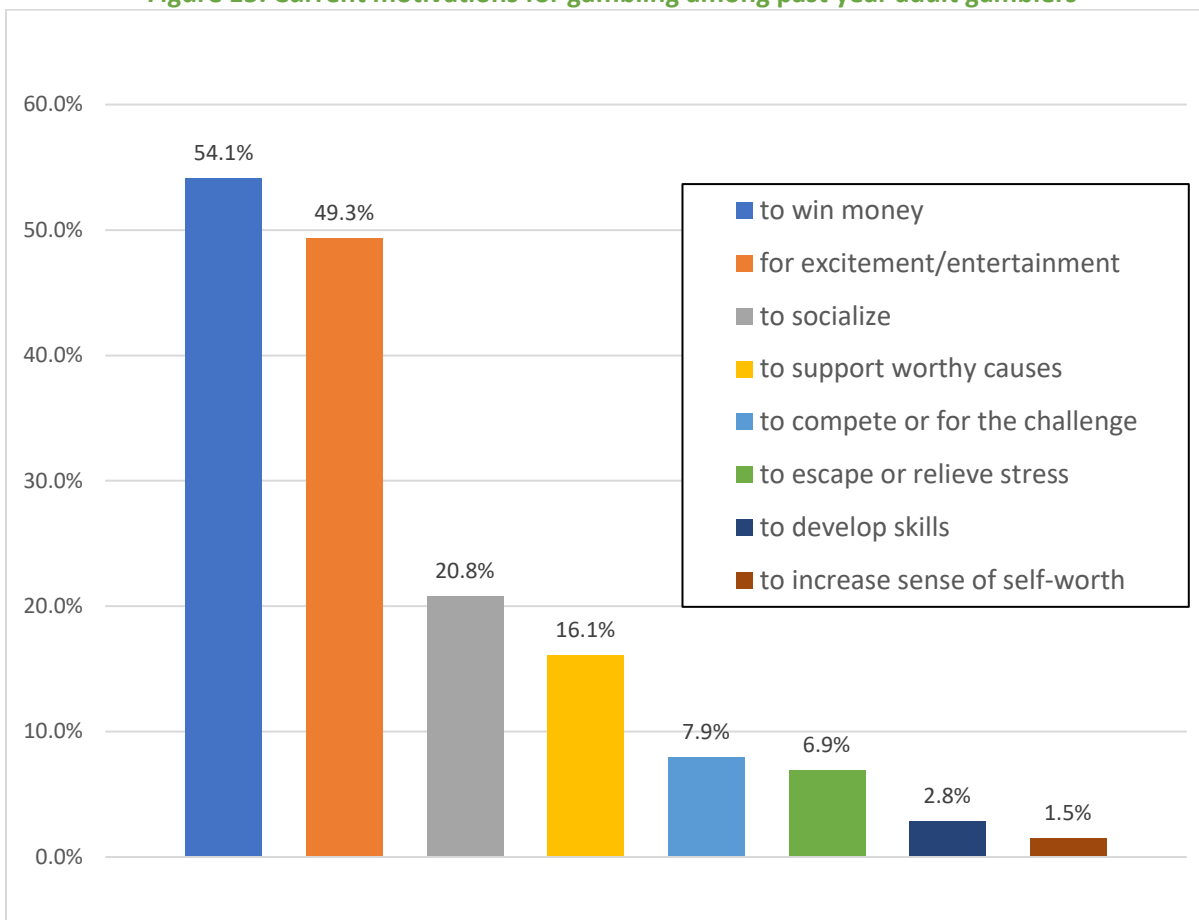
Problem Gambling and Related Indices

Population Prevalence of Problem Gambling

Problem gambling was assessed with the past year NORC DSM-IV Screen for Gambling Problems (NODS) (Gerstein et al., 1999) (Appendix C) for direct comparisons with the last statewide prevalence survey in 2008 where this instrument was also used, as well as the Problem and Pathological Measure (PPGM) (Williams & Volberg, 2010, 2014) (Appendix D) to provide an accurate assessment of the level and nature of problem gambling in the state.

It is not uncommon to find differences in the prevalence rates between different instruments. This was also found in the present study, as illustrated in Table 13 where the weighted NORC ABS survey found a 1.4% NODS (0.7% + 0.7%) past year adult (18+) prevalence rate of problem gambling and a 1.8% PPGM (0.8% + 1.0%) past year adult (18+) problem gambling prevalence rate. (The PPGM typically achieves somewhat higher rates compared to other instruments as it is better at identifying problem gamblers in denial; Williams & Volberg, 2014). Of particular importance to the present study is the fact that the 1.4% NODS problem gambling prevalence rate in 2023 *is unchanged from the 1.4% rate established by Spectrum Gaming (2009) in 2008*.

Table 13. Gambling categories in 2008 and 2023

Category	2008 NODS Percentage	2023 NODS Percentage	2023 PPGM Percentage	2023 PPGM N
Non-Gambler	30.0%	30.8%	30.7%[21]	878,764
Recreational Gambler	64.5%	61.2%	62.6%	1,789,387
At-Risk Gambler	4.1%	6.7%	4.9%	138,960
Problem Gambler	0.8%	0.7%	0.8%	22,536
Pathological Gambler	0.6%	0.7%	1.0%	29,323

However, there are two important caveats regarding this 'unchanged' rate:
- First, the subclinical 'at-risk' percentage in the NODS *has increased* from 4.1% to 6.7%.
- Second, survey methodology has an impact on obtained rates in addition to the survey instrument (Williams & Volberg, 2009; Williams, Volberg & Stevens, 2012). More specifically, telephone interviews produce significantly lower rates compared to self-administered surveys as self-administered surveys facilitate more honest/candid responding due to their greater perceived anonymity (Williams & Volberg, 2009). Also, as mentioned earlier in this report, when the solicitation for a study identifies the survey as a 'gambling survey' it results in under-recruitment of non-gamblers (due to lack of interest) and over-recruitment of heavy gamblers and people with gambling problems (Williams & Volberg, 2009). Williams, Volberg & Stevens (2012) undertook a comprehensive study of the magnitude of these effects for the 202 worldwide problem gambling prevalence studies that had been conducted up through 2012 to develop 'conversion factors' that could standardize rates across studies. These conversion factors were then applied to all studies conducted between 1975 - 2012, including the five previous Connecticut studies (reproduced in

[21] This figure differs from 30.8% because there were a couple of people who had not gambled in the past year but still had residual symptoms of problem gambling from a prior year and were designated as 'at-risk gamblers'.

Appendix E).[22] Thus, the *standardized* CT problem gambling rate in 2008 **was 1.3%** rather than 1.4% (as it used a telephone modality and described the survey as a 'gambling survey') whereas the standardized rate in 2023 **is 1.7%** rather than 1.4%.

Thus, there is reason to believe that there *has been a modest increase* in gambling-related harm from 2008 to 2023. Higher rates compared to 2008 might have been anticipated considering the introduction of Keno in 2016, online and land-based sports betting in 2021, and online casinos in 2021. However: (a) participation rates in these newer types of gambling is comparatively low (4.5%, 10.2%, and 7.2% respectively); and (b) participation in these new types of gambling is offset by a 50% reduction in land-based casino participation from 2008 to 2023.

It should also be noted that the current standardized rate of 1.7% (or 1.8%) is well below the 1991 standardized rate of 3.2% as well as the 1996 standardized rate of 2.9% (see Appendix E). In general, this is very consistent with overall North American trends which show that problem gambling rates peaked in the late 1990s/early 2000s and have been declining ever since. The 1990s and early 2000s is the period with the most rapid introduction and expansion of legal gambling opportunities (particularly electronic gambling machines (EGM) and casinos), the greatest increase in gambling revenue (see

Figure 32), and the peak in the overall rate of gambling participation. For example, in Connecticut the past year rate of gambling participation was 74% in 1986, 86% in 1991, 88% in 1996, 70% in 2008, and 69.2% in 2023 (Appendix E).

Considering that legal gambling availability has continued to increase both in Connecticut and North America more generally beyond the early 2000s, the present fairly low rate of problem gambling illustrates that populations tend to adapt to the presence of legalized gambling over time. There are several mechanisms likely responsible. These include: (a) decreased overall population participation in gambling (due to greater wariness as well as the novelty having worn off); (b) increased population awareness of the potential harms of gambling (creating less susceptibility); (c) people being removed from the population pool of people with gambling problems due to severe adverse consequences deriving from their gambling (e.g., bankruptcy, suicide); (d) increased industry and/or government efforts to provide gambling more safely, to enact programs to prevent problem gambling, and to provide treatment resources; and (e) increasing age of the population, with older people generally having lower rates than younger people (Williams, Volberg & Stevens, 2012).

Nonetheless, there are still significant numbers of people in Connecticut who are problem and/or at-risk gamblers in 2023. Using the PPGM data,

Figure 16 shows that there are an estimated **51,859 people with gambling problems in Connecticut and an additional 138,960 who are 'at-risk'**. However, there are many other people impacted by gambling problems in addition to the affected individuals. Between 42.0% (ABS weighted sample) and 39.0% (ABS+OPS merged unweighted sample)[23] of people with gambling problems reported being married

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[22] Standardized PG Rate = Unstandardized rate x PPGM Conversion factor (Table 9 in Williams, Volberg et al., 2012) x Administration Modality factor (Table 15 in Williams, Volberg et al., 2012) x Survey Description factor (Table 16 in Williams, Volberg et al., 2012).

[23] As a reminder, ABS is the representative sample weighted to the population of Connecticut, whereas the ABS+OPS is the merged unweighted sample of 415 problem gamblers from the Address-Based Sample (ABS) survey and the online panel survey (OPS).

and/or in a common law relationship. Furthermore, people with gambling problems reported having an average of 1.23 (1.31 SD) (ABS+OPS, unweighted) to 1.61 (1.4 SD) children (ABS, weighted). Thus, **the total number of people directly or indirectly impacted by gambling-related problems in Connecticut is conservatively estimated to be: 51,859 + (51,859 x .405) + (51,859 x 1.42) = 146,502.**

Figure 16. Number of CT adults in each PPGM gambling category in 2023
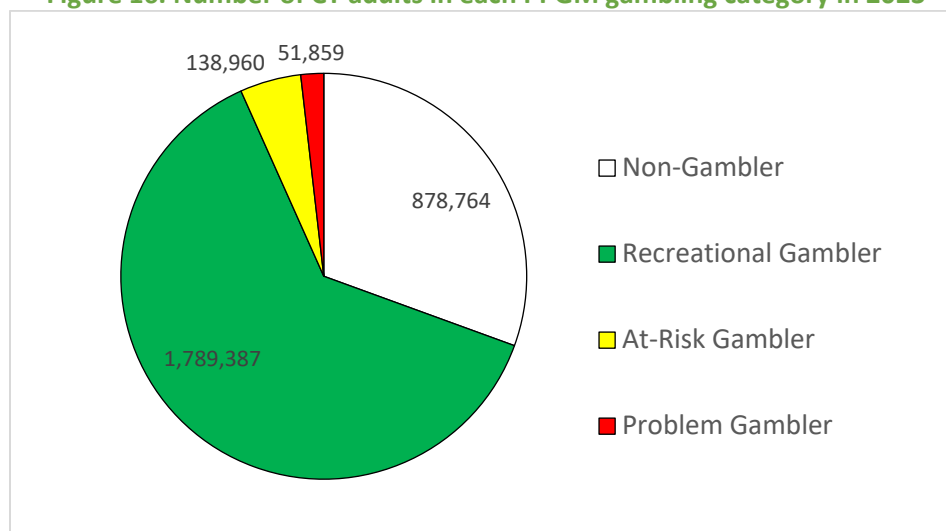
Proportionally: 30.7% Non-Gamblers; 62.6% Recreational Gamblers; 4.9% At-Risk Gamblers; 1.8% Problem Gamblers

A final consideration concerns how the 1.8% rate in Connecticut in 2023 compares *to other states*. Table 14 shows the 13 problem gambling surveys that have been conducted in other U.S. states since 2015 as well as their standardized problem gambling prevalence rates. As can be seen, **the 1.8% CT rate is mid-range** between the 2.8% New Jersey rate and the 0.7% New York rate (the New York rate is anomalously low because the survey was conducted in the midst of the COVID-19 pandemic: July – December 2020). (Note that the anomalously high unstandardized Oklahoma and Missouri problem gambling prevalence rates are likely attributable to the inclusion within the sample of online panelists and people recruited via social media, as well as identifying the survey as a 'gambling study.')

Table 14. Recent U.S. adult problem gambling prevalence studies

Year	State	Administration Modality	Response Rate	Sample Size	Past Year Gambling Prevalence	Problem Gambling (PG) Instrument	PG Rate	Survey Description	Standardized Problem Gambling Rate
2015	New Jersey	Telephone interview (cell + landline)	5.3%	1,500	69.8%	PGSI 8+[24]	0.6%	health and recreation	0.6 * 2.17 * 2.18 * 1.0 = **2.8%**
2017	Maryland	Telephone interview (cell + landline)	6.6%	3,761	87.0%	NODS 3+	1.9%	views on gambling	1.9 * 1.19 * 2.18 * 0.51 = **2.5%**
2017	Kansas	ABS: self-administered paper or online	Not reported	1,755	48.0% (monthly)	Mix of 8 PGSI & NODS items	2.7% high risk	Kansas gambling survey	Cannot be calculated
2018	Iowa	Telephone interview (cell + landline)	26.3%	1,761	73.8%	PGSI 8+	0.8%	public attitudes and behaviors toward gambling	0.8 * 2.17 * 2.18 * 0.51 = **1.9%**
2019	Minnesota	ABS: self-administered paper or online	25.0%	8,512	67.0%	PPGM	1.3%	recreation and well-being	1.3 * 1.0 * 1.0 * 1.0 = **1.3%**
2020	New York	ABS: self-administered paper or online	27.9%	3,845	29.4%	PPGM	0.7%	health and recreation	0.7 * 1.0 * 1.0 * 1.0 = **0.7%**
2021	Illinois	ABS: self-administered online (85.7%); phone interview (14.3%)	4.1%	2,029	68.4%	PPGM	3.8%	Illinois survey of gambling	3.8 * 1.0 * 1.1 * 0.51 = **2.1%**
2021	Washington State	ABS: self-administered paper or online	19.2%	9,413	43.5%	PGSI 5+	1.5%	health and recreation	1.5 * 1.0 * 1.0 * 1.0 = **1.5%**
2021/ 2022	Massachusetts[25]	ABS: self-administered paper or online (98.3%); phone interview (1.7%)	27.5%	6,293	60.2%	PPGM	1.4%	health and recreation	1.4 * 1.0 * 1.0 * 1.0 = **1.4%**
2022	Indiana	ABS: self-administered paper or online	19.6%	855	89.3%	NODS 5+ PGSI 8+ DSM-5 4+[26]	1.6% 1.3% 2.3%	Unclear: "invitation letter provided a description of the study"	1.6 * 2.60 * 1.0 * 0.51 = **2.1%** 1.3 * 2.17 * 1.0 * 0.51 = **1.4%**
2022	Oklahoma	Unspecified mix of multimodal ABS + online panel + social media recruitment	NA because of inclusion of convenience samples	4,035	57.9%	DSM-5 4+ (derived from PPGM questions)	6.3%	"recreation and leisure activities, including betting and gambling"	Cannot be calculated
2022	Missouri			3,259	63.9%		4.1%		
2023	Connecticut	ABS: self-administered online	11.8%	5,259	69.2%	NODS 3+ PPGM	1.4% 1.8%	health and recreation	1.4 * 1.19 * 1.0 * 1.0 = **1.7%** 1.8 * 1.0 * 1.0 * 0.51 = **1.8%**

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[24] PGSI is the Problem Gambling Severity Index (Ferris & Wynne, 2001).
[25] This report is forthcoming and will be available on the SEIGMA website in late 2023.
[26] Conversion factors have not been developed for the DSM-5 criteria.

Demographic Profile of Recreational, At-Risk, and Problem Gamblers

The left part of Table 15 illustrates the pattern of PPGM gambling categorizations as a function of demographic group as derived from the weighted NORC ABS data, whereas the far-right column shows the profile of the 415 people classified as problem gamblers from the ABS and OPS surveys combined. As before, a z-test of column proportions was utilized ($p < .05$ with Bonferroni correction) to identify specific significant demographic differences within each response option for the left part of the table. An asterisk denotes that a significant difference was found between that percentage and one or more other percentage(s) also with an asterisk. Note: for Race/Ethnicity the test of column proportions is for that ethnic group versus all other groups combined.

As shown, **elevated rates of gambling-related harm are seen in: males, people under 65, non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity), and people with lower education**. However, *elevated risk* does not directly correspond to the *relative prevalence* in the population of people with gambling problems in Connecticut due to different demographic groups comprising different proportions of the general population. Thus, the column on the right illustrates that the **majority of people with current gambling problems in Connecticut are: male, ages 18 – 34, Whites, and non-immigrants.**

Table 15. PPGM gambling category demographic patterns

	Non-Gambler	Recreational Gambler	At-Risk Gambler	Problem Gambler	Problem Gambler (combined sample) n = 415 (unweighted)
Male	27.5%*	64.3%	5.9%*	2.2%	57.7%
Female	33.5%*	61.3%	3.8%*	1.4%	42.0%
Other Gender	49.4%	39.4%	6.5%	4.8%	0.2%
18-34	39.8%*	53.2%*	4.7%	2.3%*	51.0%
35-49	28.8%*	62.5%*	6.4%	2.2%*	29.7%
50-64	23.4%*	68.8%*	5.3%	2.5%*	13.3%
65+	30.5%*	65.9%*	3.3%	0.3%*	6.0%
White	28.3%*	66.2%*	4.1%*	1.4%*	60.7%
Hispanic	37.8%*	51.8%*	7.2%	3.2%	20.5%
Black	34.4%	52.7%*	8.7%	4.3%*	21.0%
Asian	39.8%*	49.7%*	6.5%	3.9%	5.3%
Other Race/Ethnicity	43.4%*	47.1%*	5.9%	3.6%	4.1%
High School or Less	31.7%	59.4%*	6.3%*	2.6%	28.0%
Some College or Assoc Degree	27.4%*	65.6%*	5.4%*	1.6%	39.8%
Bachelor's or Higher	32.0%*	63.5%	3.3%*	1.3%	32.3%
HH Income <$60K	37.2%*	54.9%*	5.9%	2.0%	46.3%
HH Income $60K-$119.9K	25.9%*	67.7%*	4.4%	2.1%	37.6%
HH Income $120K+	25.6%*	69.0%*	4.0%	1.4%	16.1%
Immigrant	44.7%*	48.3%*	5.3%	1.7%	9.6%
Born in U.S.	28.4%*	65.0%*	4.8%	1.8%	90.4%

Gambling Behavior of Recreational, At-Risk, and Problem Gamblers

Not surprisingly, the weighted data from the ABS survey shows that the level of gambling involvement varies substantially as a function of gambling category as seen in Table 16. As can be seen, the range of gambling activities, the overall frequency of involvement, and average and median expenditure is highest among problem gamblers and lowest among recreational gamblers.

Table 16. Level of gambling involvement in past year as a function of gambling category

	Recreational Gambler	At-Risk Gambler	Problem Gambler
Average # of Types of Gambling (range of 1 to 10)	2.62 (1.5)	4.43 (2.4)	5.89 (2.4)
Total Frequency (range of 1 – 52)	4.21 (3.9)	11.27 (9.2)	18.12 (11.5)
Average Past Year Expenditure	$1,314 ($5,178)	$28,724 ($152,380)	$33,184 ($124,216)
Median Past Year Expenditure	$380	$4,398	$9,534

Note: figures in brackets are standard deviations

Motivations

Motivations for gambling also differ between type of gambler as seen in the table below using the ABS weighted data. As shown, people with gambling problems are much more likely to report their motivations for gambling to be to 'escape or relieve stress,' 'to compete or for the challenge,' because it 'makes me feel good about myself,' to 'win money,' and much less likely to gamble 'to support worthy causes.'

Table 17. Motivations for gambling as a function of type of gambler

	Recreational Gambler	At-Risk Gambler	Problem Gambler
For excitement/entertainment	48.5%	56.7%	55.1%
To win money	52.1%	71.7%	75.0%
To escape or relieve stress	5.3%	14.9%	38.2%
To socialize	20.7%	18.9%	27.1%
To support worthy causes	17.4%	5.6%	2.6%
To compete or for the challenge	7.1%	12.1%	21.0%
Makes me feel good about myself	0.7%	2.2%	27.9%
To develop my skills	2.6%	2.9%	8.7%
Other reason	10.9%	8.2%	2.0%

Most Problematic Types of Gambling

It is well established that continuous types of gambling (e.g., EGMs, casino table games) and gambling that is available 24 hours a day (i.e., online gambling) does tend to confer some additional risk of gambling-related harm (e.g., Allami et al., 2021; Gooding & Williams, 2023). However, people with gambling problems tend to be broadly involved in a large range of gambling formats and it is their high

level of involvement that is their primary risk factor (Gooding & Williams, 2023; Williams, Shaw et al., 2023). As further evidence of this, all 415 people classified as problem gamblers in the present study (ABS + OPS surveys combined; unweighted) were asked if there were particular types of gambling that contributed to their problems more than others, and if so, which ones. The majority said 'no' (53.2%). However, for the 46.8% who said 'yes,' a wide array of formats were identified as particularly problematic. Although certain types are endorsed more than others, this also closely parallels participation rates for each type:

- 34.7% scratch tickets (81.9% participation)
- 31.6% slot machines (73.1% land-based casino participation)
- 28.9% lottery tickets (88.9%)
- 28.9% sports betting (72.0% participation)
- 28.4% online gambling (77.6% participation)
- 22.1% casino table games (73.1% land-based casino participation)
- 15.3% keno (52.0% participation)
- 14.2% poker (73.1% land-based casino participation)
- 17.9% bingo (52.9% participation)
- 6.8% horse racing (15.9% participation)

Some key informants commented on problematic gambling formats:
- *Before the recent gambling expansion, the CCPG helpline got many calls about the lottery (more than about the casino or other forms of gambling) - normally about scratch tickets. (Goode)*
- *"From information supplied to us by CCPG, we know that online gambling was the #1 reason why people called the helpline in our region." (Hanley)*
- *After the recent expansion of gambling there was a spike in calls by sports and online gamblers (which has declined from its peak ~45 days prior to interview). The bulk of callers are online sports gamblers, but there were also online casino gamblers (EGMs and table games). (Sanford, Kirch, Hanley, Goode).*

Treatment for Problem Gambling

This issue will be dealt with in greater depth in the **CONNECTICUT PROBLEM GAMBLING PREVENTION & TREATMENT** review section. However, accessing treatment for problem gambling is a social and economic impact of gambling that also needs to be identified in the present section. Help-line calls and treatment numbers at government-funded agencies provide some idea of the magnitude of this impact, although these numbers only usually reflect the 'tip of the iceberg,' as most people with gambling problems do not seek formal treatment, and when they do, it is often not with these types of agencies (as seen in the table below).

Rather, the best indication of the degree to which treatment services are being accessed (and needed) are the population surveys. Thus, all people with gambling problems in the surveys were asked:
1. Whether they had made any attempts to cut down, control or stop their gambling in the past 12 months.
    o If so, whether they did this on their own or with help from others.
        ▪ If they did it on their own, why did they choose to do it on their own.
2. Whether they wanted help for gambling problems in the past 12 months.
3. Whether they sought help for gambling problems in the past 12 months.

o   If so, where did they seek this help from.
o   How helpful this assistance was in reducing or stopping their gambling.

The results are presented in Table 18. The middle column is the weighted percentages for the 86 people classified as problem gamblers in the ABS survey and the right column is the unweighted percentages for the 415 people classified as problem gamblers combined from the ABS and OPS surveys. As can be seen, these figures show that the large majority of people with gambling problems do not want external help, preferring to try curbing their gambling on their own, although a minority are deterred from seeking help because of stigma, perceived costs, or being unaware of where to get help. The people who did seek help accessed a wide variety of sources, but with self-help materials, Voluntary Self Exclusion agreements, and support from family/friends being the most commonly accessed sources. As seen in the last row, the large majority of people who did seek external help found this assistance somewhat, quite or very helpful in controlling their gambling.

Table 18. Treatment seeking for problem gambling

Population Survey Question	CT PG (ABS; weighted)	CT PGs (Combined ABS+OPS; unweighted) (n = 415)
Attempted to cut down, control or stop gambling in past 12 months?	69.1% yes	69.2% yes
If yes, on your own or with help with others?	86.3% on own	76.7% on own
If on own, why? (check all that apply)		
Didn't believe would need help	68.3%	48.9%
Didn't believe treatment would work	27.2%	18.7%
Too ashamed to seek help	18.6%	32.9%
Unaware of where to get help	8.6%	17.4%
Didn't think I could afford it	13.3%	9.6%
Wanted help for gambling problems in past 12 months?	24.9% yes	37.2% yes
Sought help for gambling problems in past 12 months?	20.7% yes	29.5% yes
If yes, type of help received (check all that apply)		
Self-help	37.3%	32.2%
Individual counselling from counselor, psychologist, or psychiatrist	35.0%	31.4%
Casino or online Voluntary Self-Exclusion	32.9%	12.4%
Individual counselling from family doctor	23.1%	24.0%
Online or telephone support (e.g., GamTalk)	23.1%	12.4%
Group therapy or support (e.g., GA)	14.4%	19.8%
Support from friends/family	5.3%	33.1%
Medication	4.2%	9.1%
Family therapy or support (e.g., Gam-Anon)	0.6%	11.6%
Residential or inpatient treatment	0.6%	8.3%
Individual counseling from pastor, minister, priest, rabbi or other religious figure	0%	17.4%
Average & median # of different types of help received	1.7 & 1.0	2.1 & 1.0

Population Survey Question	CT PG (ABS; weighted)	CT PGs (Combined ABS+OPS; unweighted) (*n* = 415)
How helpful was this assistance?	41.4% somewhat helpful 51.2% quite or very helpful	52.1% somewhat helpful 39.7% quite or very helpful

The following table shows the demographic profile of people in the combined ABS+OPS unweighted sample who reported they did not seek help in the past year compared to people who reported they had sought help. As can be seen, the treatment-seeking rate is similar across demographic groups, albeit with below average treatment-seeking for people ages 65+, Whites, Blacks, people with middle or higher educational attainment, and non-immigrants.

Table 19. Demographic profile of PG help seekers

	PGs who did not seek help (*n* = 284)	PGs who did seek help (*n* = 119)
Male	71.2%	28.8%
Female	69.2%	30.8%
18-34	65.6%	34.4%
35-49	75.6%	24.4%
50-64	70.0%	30.0%
65+	88.0%	12.0%
White	74.2%	25.8%
Hispanic	58.3%	41.7%
Black	75.6%	24.4%
Asian	50.0%	50.0%
Other Race/Ethnicity	62.5%	37.5%
High School or Less	62.8%	37.2%
Some College or Assoc Degree	73.3%	26.7%
Bachelor's or Higher	73.8%	26.2%
HH Income <$60K	71.8%	28.2%
HH Income $60K-$119.9K	69.1%	30.9%
HH Income $120K+	70.3%	29.7%
Immigrant	61.5%	38.5%
Born in U.S.	71.5%	28.5%

The demographic profile of help-seekers is consistent with several key informant sentiments:
- *Younger individuals are coming to seek treatment (people in the 20-39 age group now constitute the second highest age group). (Fetta, Nelson, Wampler, Keen, Sanford, Zuckerman)*

- *"The scene has changed dramatically, and whereas years ago, when I went to GA initially, there was almost no one young in the group; now, when I do go, maybe a quarter of the people are 30 or under. They're young." (Zuckerman)*
- *Young couples are also accessing treatment more frequently. (Nelson)*
- *More people and younger people are presenting with gambling issues since the legalization of online and sports gambling. (Fetta, Nelson, Matos, Mautte, Nolan, Keen, Gillespie, Sanford, Hanley, Goode, Zuckerman, Genovese)*
- *"Definitely [gambling] is hitting our college kids the hardest. We used to say the [prototypical] problem gambler was a little old lady at the slot machine. Now it's a 20 something male betting on sports. That's the majority of the [helpline] calls that we're getting now, either from actual college students or their parents." (Goode)*
- *Other treatment providers mentioned that they see people of all income levels, and even more middle class or wealthy clients, or at both extremes of the income distribution. (Calvano, Kirch, Hatch, Zuckerman, Genovese)*
- *"The majority of calls received on the gambling helpline are firstly for young male sports bettors, and secondly for online casinos." (Goode)*

Financial Impacts

Financial harms are usually one of the most common negative impacts of excessive gambling. In the Connecticut population surveys they were the **second most reported impact** after mental health impacts.[27]

Thus:
- 2.4% (ABS, weighted) of <u>gamblers</u> reported 'significant financial concerns' or 'borrowing a significant amount of money' or 'selling possessions' because of their gambling, and
- 51.6% (ABS, weighted) to 71.1% (ABS+OPS, unweighted) of <u>problem gamblers</u> reported 'significant financial concerns' or 'borrowing a significant amount of money' or 'selling possessions' because of their gambling.

Bankruptcy

Bankruptcy is a discrete financial impact that research has found to be reliably associated with excessive gambling. In the present population surveys:
- 0.4% (ABS, weighted) of <u>gamblers</u> reported filing for bankruptcy because of their gambling and
- 13.5% (ABS, weighted) to 15.7% (ABS+OPS, unweighted) of <u>problem gamblers</u> reported filing for bankruptcy because of their gambling.

Actual bankruptcy filings over time were obtained through the U.S. Courts database as well as the American Bankruptcy Institute (ABI). Data from the U.S. Courts from 2013 to September 2022 for Connecticut and New London County are shown in Table 20 and data from the American Bankruptcy Institute (ABI) from 2010 - 2020 for Connecticut and the United States are shown in Table 21. (Note that

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[27] In all cases the question asked whether the impact/harm occurred 'because of your gambling' or 'because of your involvement in gambling.' There were also stem questions about a harm in a general area (e.g., finances); if the person answered in the affirmative, they were asked follow-up questions about specific harms within that general area.

Chapter 7 bankruptcy involves liquidation of assets and Chapter 13 bankruptcy involves a reorganization of debt to facilitate repayment).

Table 20. Bankruptcy filings in CT and New London County from 2013 - 2022 (U.S. Courts)

Region	Year	Total Filings	Personal Bankruptcy %	Business Bankruptcy %
Connecticut	2013	7,154	95.7%	4.3%
	2014	6,968	95.7%	4.3%
	2015	6,294	96.0%	4.0%
	2016	5,864	96.1%	3.9%
	2017	5,595	96.8%	3.2%
	2018	6,077	96.8%	3.2%
	2019	6,148	96.9%	3.1%
	2020	4,194	97.3%	2.7%
	2021	3.018	97.6%	2.4%
	2022	2,536	97.2%	2.8%
New London County	2013	497	96.6%	3.4%
	2014	431	94.7%	5.3%
	2015	400	96.3%	3.8%
	2016	367	95.6%	4.4%
	2017	325	96.0%	4.0%
	2018	243	95.9%	4.1%
	2019	243	95.0%	5.0%
	2020	247	96.4%	3.6%
	2021	188	98.4%	1.6%
	2022	183	96.7%	3.3%

Table 21. Bankruptcy filings in CT and the U.S. from 2010 - 2020 (ABI)

Region	Year	Total Personal Filings	Chapter 7 %	Chapter 13 %
Connecticut	2010	11,397	89%	10%
	2011	9,485	89%	10%
	2012	8,191	86%	12%
	2013	7,050	85%	14%
	2014	6,863	83%	16%
	2015	6,163	81%	18%
	2016	5,753	79%	20%
	2017	5,498	79%	20%
	2018	5,923	81%	19%
	2019	5,986	80%	19%
	2020	4,014	88%	12%

Region	Year	Total Personal Filings	Chapter 7 %	Chapter 13 %
United States	2010	1,561,925	71%	27%
	2011	1,380,477	69%	29%
	2012	1,186,396	68%	30%
	2013	1,032,772	67%	31%
	2014	910,507	65%	33%
	2015	819,587	63%	36%
	2016	772,227	61%	37%
	2017	766,849	61%	37%
	2018	755,353	61%	37%
	2019	757,497	61%	37%
	2020	529,071	69%	28%

Thus, although bankruptcy is not an uncommonly reported consequence of problem gambling, Table 20 shows that bankruptcy filings in New London County have steadily *decreased since 2010*, following the same downward trend seen in Connecticut and the United States more generally. That said, it is worth noting that these steadily decreasing rates closely parallel the steadily decreasing gross gambling revenue in Connecticut (which peaked in 2007 and has been declining ever since; see

Figure 32). Furthermore, when examining data from 1991 to 2007, the previous analysis of bankruptcy filings in Connecticut conducted by Spectrum Gaming (2009) found that while bankruptcy filings have consistently been lower than national rates, bankruptcy filings in New London County did exceed the Connecticut bankruptcy rate in eight of the 12 years examined, with rates in 1997, 1998 and 1999 exceeding the statewide rate by about 10%.

Mental Health Impacts

Negative mental health impacts are also one of the most common negative impacts of excessive gambling. In the population surveys they were the **most commonly reported impact**. More specifically:
- 2.6% (ABS, weighted) of gamblers reported 'significant mental stress in the form of guilt, anxiety, or depression' because of their gambling, and
- 67.2% (ABS, weighted) to 69.9% (ABS+OPS, unweighted) of problem gamblers reported 'significant mental stress in the form of guilt, anxiety, or depression' because of their gambling.

Suicide

Suicidal ideation, suicide attempts, and actual suicides have also been reliably associated with excessive gambling in the research literature. In the present population surveys:
- 0.3% of gamblers reported suicidal ideation because of their gambling and 0.04% reported attempting suicide because of their gambling.
- 11.3% (ABS, weighted) to 16.9% (ABS+OPS, unweighted) of problem gamblers reported suicidal ideation because of their gambling, and 1.4% (ABS, weighted) to 8.4% (ABS+OPS, unweighted) reported attempting suicide because of their gambling.

Recognizing that unambiguously identified suicides underestimate the true number of suicides, the figures in Table 22 report the number of suicides and the age-adjusted suicide rate[28] per 100,000 people at both a Connecticut and national level as tabulated by the Centers for Disease Control and Prevention. The Office of the Chief Medical Examiner (OCME) for CT also tabulates annual suicides, with the number of recorded suicides from 1990 to 2021 in Connecticut shown in Figure 17. Although these numbers do not correspond directly to the CDC counts, the trends are fairly similar.

Table 22. Suicides and suicide rate for CT and the U.S. from 2001 - 2020 (CDC)

Year	Connecticut		United States	
	Suicides	Age Adjusted Rate per 100K	Suicides	Age Adjusted Rate per 100K
2001	283	8.13	30,622	10.71
2002	260	7.28	31,655	10.95
2003	272	7.53	31,484	10.77
2004	294	8.19	32,439	10.97
2005	295	8.15	32,637	10.90
2006	292	7.99	33,300	10.97
2007	271	7.27	34,598	11.27
2008	315	8.48	36,035	11.60
2009	316	8.54	36,909	11.75
2010	353	9.33	38,364	12.08
2011	370	9.83	39,518	12.32
2012	368	9.88	40,600	12.54
2013	330	8.67	41,149	12.57
2014	379	9.71	42,773	12.96
2015	384	9.83	44,193	13.29
2016	397	10.01	44,965	13.43
2017	405	10.50	47,173	14.03
2018	419	10.53	48,344	14.23
2019	435	11.36	47,511	13.93
2020	364	9.33	45,979	13.48

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[28] This is a rate that standardizes the age distributions across years.

Figure 17. Annual number of suicides in Connecticut from 1990 - 2021 (OCME)
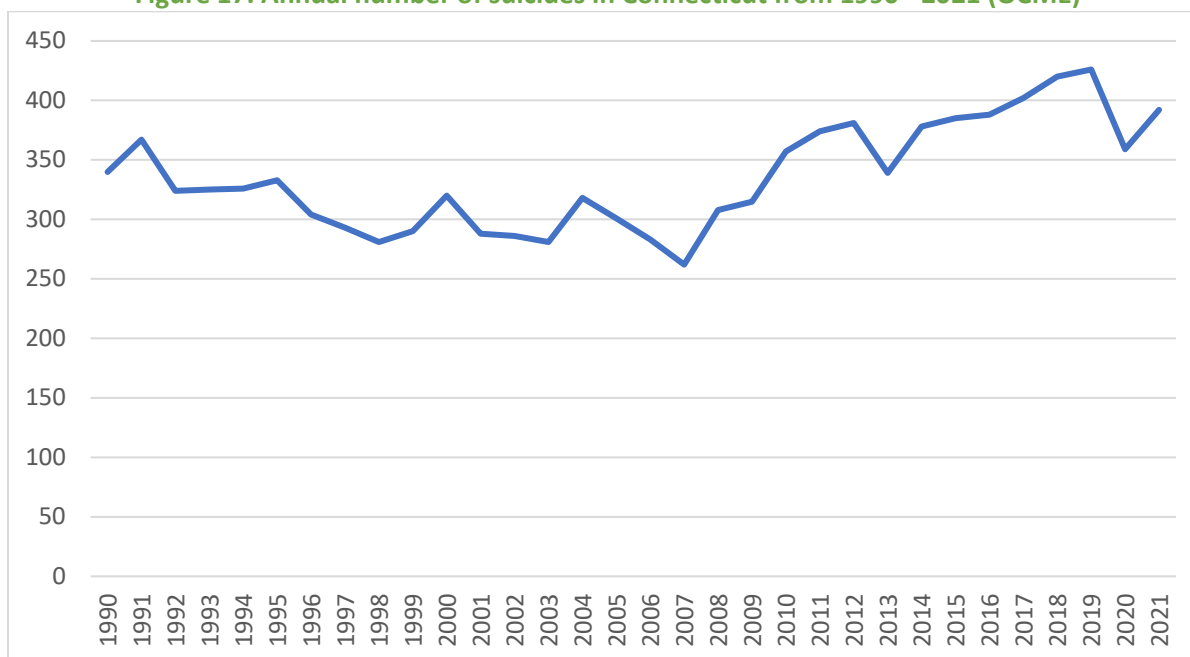
In sum, there has been an increased rate of suicide in Connecticut since 2008. However, this trend is not specific to Connecticut, as there is a correlation of .91 between the CT rate and the U.S. rate. Furthermore, the association between annual Connecticut suicide rates and annual gross gambling revenue (Figure 32) from 1990 to 2021 is strongly *negative* (r = -.71, p < .001).

Relationship Impacts

Relationship impacts of gambling were the **third most reported** impact in the population surveys. More specifically:

- 1.1% (ABS, weighted) of <u>gamblers</u> reported 'serious problems in their relationship with their spouse/partner, or important friends or family because of their gambling' and 0.5% reported they 'repeatedly neglected their children or family' because of their gambling.
- 30.0% (ABS, weighted) to 46.7% (ABS+OPS, unweighted) of <u>problem gamblers</u> reported 'serious problems in their relationship with their spouse/partner, or important friends or family because of their gambling', and 16.3% (ABS, weighted) to 22.7% (ABS+OPS, unweighted) reported they 'repeatedly neglected their children or family' because of their gambling,

Family Impacts

Discrete relationship impacts of excessive gambling at the family level include domestic violence; divorce and separation; and child welfare involvement. In the population surveys:

- 0.4% of <u>gamblers</u> reported domestic violence because of their gambling, 0.4% reported separation/ divorce because of gambling, and 0.3% reported child welfare involvement because of gambling.
- 14.0% (ABS, weighted) to 16.0% (ABS+OPS, unweighted) of <u>problem gamblers</u> reported domestic violence because of their gambling, 7.3% (ABS, weighted) to 14.3% (ABS+OPS, unweighted) reported

separation or divorce because of their gambling, and 8.5% (ABS, unweighted) to 16.5% (ABS+OPS, unweighted) reported child welfare involvement because of their gambling.

Data from the Connecticut Department of Emergency Services and Public Protection shows a declining number of reported family violence incidents from 1987 to 2021 as seen in Figure 18 below. There is no association between annual Connecticut family violence incidents and annual gross gambling revenue (

Figure 32) from 1990 to 2021 (*r* = -.06, *p* = .74).

Figure 18. Reported family violence incidents in CT from 1987 - 2021
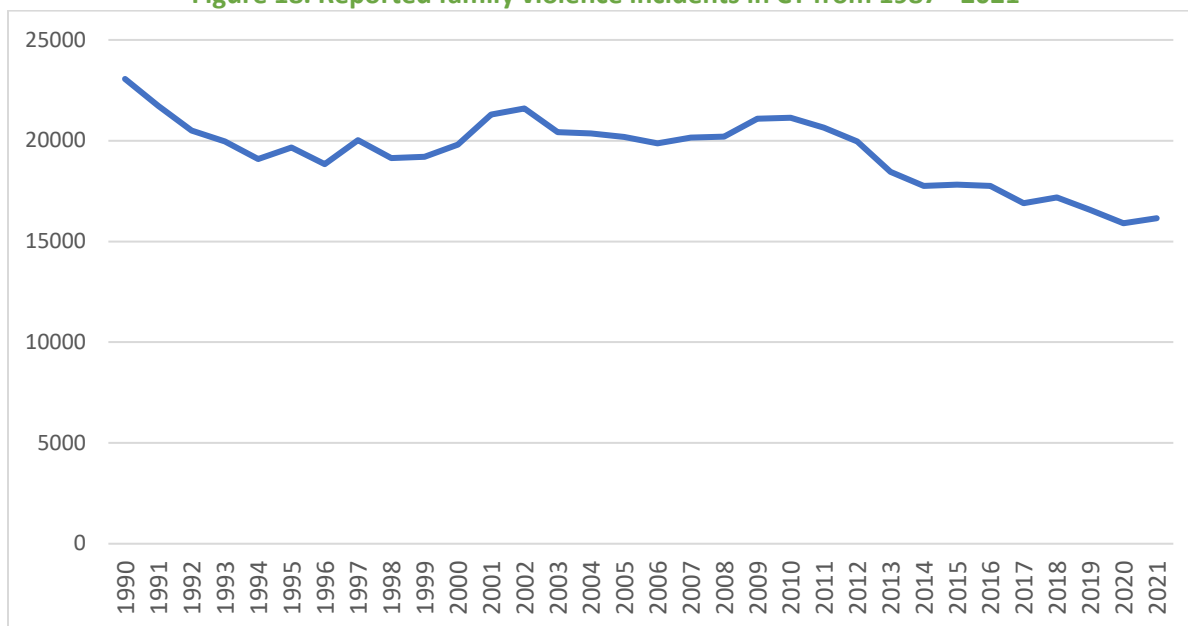
The State of Connecticut Judicial Branch documents the annual number of protective and restraining orders, as shown in Table 23. There is no statistically significant association between annual number of protective/restraining orders and annual gross gambling revenue (Figure 32) from 1990 to 2021 (*r* = .43, *p* = .15).

Table 23. Protective/Restraining Orders in CT from 2010 - 2022

Year	Family Violence Protective Order	Standing Criminal Restraining Order	Total
2010	29,267	571	29,838
2011	28,923	635	29,558
2012	27,805	833	28,638
2013	25,922	1,002	26,924
2014	24,845	977	25,822
2015	28,094	1,293	29,387
2016	27,581	1,441	29,022
2017	26,245	1,512	27,757

Year	Family Violence Protective Order	Standing Criminal Restraining Order	Total
2018	26,975	1,695	28,670
2019	25,631	1,853	27,484
2020	25,170	827	25,997
2021	28,068	1,189	29,257
2022	27,828	1,613	29,441

Figure 19 shows the declining divorce rate (per 1,000 people living in the area) in Connecticut from 2000 - 2021 as reported by the U.S. National Vital Statistics System.

Figure 19. Divorce rates per 1000 in Connecticut from 2000 - 2021
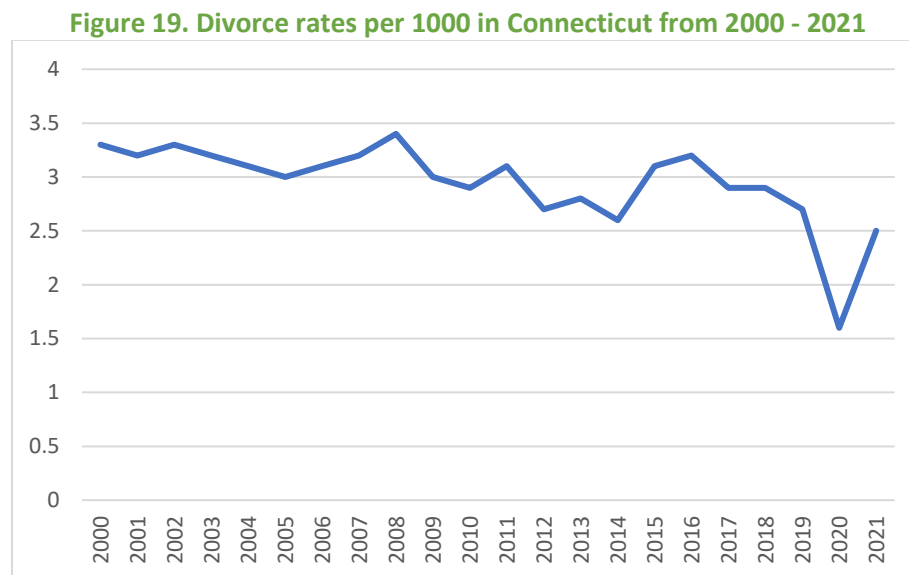
Figure 20 depicts the declining number of children who are victims of maltreatment in Connecticut from 2010 - 2020 as reported by KidsCount.

Figure 20. Number of children who are victims of maltreatment in CT from 2010 - 2020
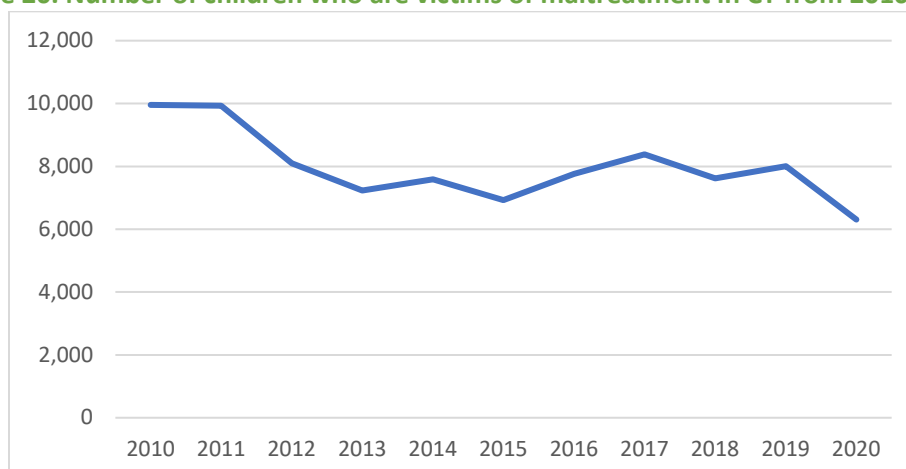
There is a statistically significant association between these declining divorce and child abuse rates (r = .66, p < .001; r = .83, p < .001) with the declining gross gambling revenue over those time periods (Figure 32). However, the lack of significant variation in these variables in these relatively short time periods and the lack of corresponding associations between gambling revenue and domestic violence and restraining orders casts doubt on whether there is any causal association between gambling and these various family indices.

Work/School Impacts

Work or school impacts of gambling were the **fourth most reported** impact in the population surveys. More specifically:
- 0.7% (ABS, weighted) of gamblers reported work or school problems because of their gambling and 0.1% reported losing their job or having to quit school because of their gambling.
- 19.9% (ABS, weighted) to 31.3% (ABS+OPS, unweighted) of problem gamblers reported work or school problems because of their gambling and 4.0% (ABS, weighted) to 12.8% (ABS+OPS, unweighted) reported losing their job or quitting school because of their gambling.

Public Assistance

Receiving some type of public assistance due to financial hardship is another potential consequence of excessive gambling. In the population surveys:
- 0.4% (ABS, weighted) of gamblers reported receiving some type of financial public assistance because of their gambling.
- 11.4% (ABS, weighted) to 13.3% (ABS+OPS, unweighted) of problem gamblers reported receiving some type of financial public assistance because of their gambling.

The percentage of children under age 18 in families that received Supplemental Security Income (SSI), cash public assistance income, or Food Stamps/SNAP in the previous 12 months is reported below in Table 24 (data supplied by the Kids Count Data Center). As can be seen, this rate has trended upward, whereas gambling revenue has trended downward during this same time period. Furthermore, there is a correlation of .87 between the Connecticut percentages and the national U.S. percentages.

Table 24. Percentage of children in CT and U.S. families receiving public assistance from 2008 - 2021

	Connecticut	United States
2008	13%	19%
2009	NA	NA
2010	19%	27%
2011	NA	NA
2012	NA	NA
2013	22%	29%
2014	23%	28%
2015	21%	28%
2016	21%	27%
2017	19%	25%
2018	19%	24%
2019	20%	23%
2020	NA	NA
2021	23%	27%

Physical Health Impacts

Physical health problems because of excessive gambling were the **least commonly reported** impact in the population surveys. More specifically:

- 0.4% (ABS, weighted) of <u>gamblers</u> reported physical health problems because of their gambling, and 0.1% reported seeking medical help because of these gambling-related health problems.
- 10.0% (ABS, weighted) to 24.9% (ABS+OPS, unweighted) of <u>problem gamblers</u> reported physical health problems because of their gambling, and 1.4% (ABS, weighted) to 11.4% (ABS+OPS, unweighted) reported seeking medical help because of these gambling-related health problems.

Summary of Social Impacts from the Population Surveys

Table 25 identifies the overall profile of harms/problems reported by gamblers and people with gambling-related problems from the weighted NORC ABS survey and from the unweighted combined sample of problem gamblers from the NORC ABS and OPS surveys.

Table 25. Self-reported harms/impacts associated with gambling and problem gambling

Problems/harms attributed to gambling	All Gamblers (weighted)	Problem Gamblers (weighted)	Combined Problem Gamblers (unweighted) *n* = 415
Financial problems (PPGM1a or 1b)	2.4%	51.6%	71.1%
Bankruptcy (PPGM1c)	0.4%	13.5%	15.7%
Mental health problems (PPGM2a)	2.6%	67.2%	69.9%
Suicidal ideation (PPGM2b)	0.3%	11.3%	16.9%

Problems/harms attributed to gambling	All Gamblers (weighted)	Problem Gamblers (weighted)	Combined Problem Gamblers (unweighted) n = 415
Attempted suicide (PPGM2c)	0.04%	1.4%	8.4%
Relationship problems (PPGM3a)	1.1%	30.0%	46.7%
Child neglect (PPGM3b)	0.5%	16.3%	22.7%
Domestic violence (PPGM3c)	0.4%	14.0%	16.0%
Separation or divorce (PPGM3d)	0.4%	7.3%	14.3%
Child welfare involvement (PPGM3e)	0.3%	8.5%	16.4%
Work/school problems (PPGM5a)	0.8%	19.9%	31.3%
Lost job or quit school (PPGM5c)	0.1%	4.0%	12.8%
Received public assistance (PPGM5d)	0.4%	11.4%	13.3%
Physical health problems (PPGM4a)	0.4%	10.0%	24.9%
Medical help sought (PPGM4b)	0.1%	1.4%	11.4%

The designation beside each impact (e.g., PPGM1a) refers to the specific question in the survey (see Appendix B).

Crime

The financial hardship caused by excessive gambling can occasionally lead to crime to support one's habit. However, the introduction of legal gambling can influence crime rates in four additional ways:
- Certain forms of gambling (e.g., casinos) offer increased opportunities for illegal activity to occur (e.g., passing counterfeit money, money laundering, cheating-at-play, loan sharking).
- By the creation of venues that serve alcohol and thereby contribute to alcohol-related offences.
- Increasing the overall number of visitors to the area.
- Decreasing the rate of illegal gambling.

Problem Gambling Related Crime

The population surveys found that engaging in illegal behavior due to gambling was the **fifth most commonly reported** impact. More specifically:
- 0.5% (ABS, weighted) of <u>gamblers</u> reported engaging in illegal behavior because of their gambling, 0.1% reported being arrested, 0.1% reported being convicted, and 0.003% reported being incarcerated because of their gambling-induced illegal behavior.
- 16.7% (ABS, weighted) to 22.5% (ABS+OPS, unweighted) of <u>problem gamblers</u> reported engaging in illegal behavior because of their gambling, 5.6% (ABS, weighted) to 8.2% (ABS+OPS, unweighted) reported being arrested, 5.5% (ABS, weighted) to 2.9% (ABS+OPS, unweighted) being convicted, and 0.13% (ABS, weighted) to 2.4% (ABS+OPS, unweighted) reported being incarcerated because of their gambling-induced illegal behavior.

Several key informants commented on problem gambling related crime:
- *There are many crimes committed by people with problem gambling, including DUI, leaving a child or older adult unsupervised for extended periods of time, grand larceny, fraud, misappropriation and embezzlement. (Tebbetts, Smith, Gilbert, Mautte, Keen, McLaughlin, Calvano, Estrada, Zuckerman, Genovese)*

- *Gilman notes that when he worked at Foxwoods, most frequently crimes were committed by employees who had financial difficulties. This was much more common than crime committed by patrons. (Gilman)*
- *There are far fewer crimes at retail sports wagering facilities than expected, and these amount to theft of a winning ticket or something of that sort. (Gilman)*
- *There should be gambling courts similar to what happens with alcohol. (Leppard, Nelson, Matos, Nolan, Calvano, Kirch, Hin-McCormick, Hatch)*
- *There should be increased training and education for probation officers, bail commissioners, law enforcement officers to screen and manage people with gambling problems. (Calvano, Kirch, Wampler, Cooper)*

Overall Crime Rates

Uniform Crime Reporting Statistics for Connecticut for the total number of reported violent crimes as a function of different geographic regions is displayed in Table 26. This data is from the Connecticut Department of Public Safety. As can be seen, reports of violent crime have steadily decreased in Connecticut since the 1990s, with no apparent variation in the county or towns where the two casinos are located. Indeed, Table 27 shows very strong statistical associations in violent crime rates between each of the geographic areas. The only exceptions are the Mohegan Sun correlations, which are lower, largely due to an anomalously high report of violent crime in 2003 (when this one value is removed all the correlations increase to 0.72 or higher). It is also the case that the associations between violent crime rates and gross gambling revenue (Figure 32) from 1990 to 2021 are all strongly *negative*.

Table 26. Violent crime statistics for Connecticut from 1990 - 2022

	CT Violent Crime Total	New London County Violent Crime Total	Ledyard Violent Crime Total	Montville Violent Crime Total	Foxwoods Violent Crime Total	Mohegan Sun Violent Crime Total
1990	18,221	820	24	44		
1991	17,853	919	22	61		
1992	16,376	858	26	57		
1993	15,047	888	53	67		
1994	15,018	857	54	72		
1995	13,211	880	62	47		
1996	13,478	762	27	62	19	
1997	12,784	914	46	72	15	8
1998	12,007	826	31	61	18	7
1999	11,380	827	26	74	15	9
2000	11,260	764	26	53	16	7
2001	11,598	757	31	65	16	8
2002	10,630	725	29	63	12	9
2003	10,399	623	11	21	17	18
2004	10,254	655	12	19	4	6
2005	10,096	575	16	11	3	6
2006	10,525	530	13	25	2	1
2007	10,550	603	7	24	7	5
2008	10,768	601	10	18	7	3
2009	10,532	649	13	20	5	1

	CT Violent Crime Total	New London County Violent Crime Total	Ledyard Violent Crime Total	Montville Violent Crime Total	Foxwoods Violent Crime Total	Mohegan Sun Violent Crime Total
2010	10,077	631	9	12	3	4
2011	10,051	662	12	19	3	1
2012	10,361	670	7	17	2	5
2013	9,302	622	9	26	4	2
2014	8,566	547	11	20	1	3
2015	7,946	548	6	9	21 [a]	24 [b]
2016	8,163	531	6	15	20 [a]	15 [b]
2017	8,198	472	15	15	21 [a]	11 [b]
2018	7,453	411	8	15	23 [a]	10 [b]
2019	6,609		6	13	9 [a]	9 [b]
2020	6,548		8	14	16 [a]	14 [b]
2021	5,954		8	15	13 [a]	9 [b]
2022				12	2 [a]	3 [b]

[a]Data collected by Mashantucket Tribal Police Department
[b]Data collected by Mohegan Tribal Police Department

Table 27. Correlation matrix for violent crime

	Connecticut violent crime	New London County violent crime	Ledyard violent crime	Montville violent crime	Foxwoods violent crime [a]	Mohegan Sun violent crime [a]
Connecticut violent crime	1.00	0.84	0.64	0.72	0.79	0.36
New London County violent crime	0.84	1.00	0.79	0.86	0.76	0.38
Ledyard violent crime	0.64	0.79	1.00	0.81	0.74	0.36
Montville violent crime	0.72	0.86	0.81	1.00	0.82	0.39
Foxwoods violent crime	0.79	0.76	0.74	0.82	1.00	0.73
Mohegan Sun violent crime	0.36	0.38	0.36	0.39	0.73	1.00

[a] Excluding data from 2015 to 2022

Property crime tends to have a stronger association with gambling compared to violent crime. Thus, the Uniform Crime Reporting Statistics for Connecticut for total number of reported property crimes as a function of different geographic regions is displayed in Table 28. This data is also from the Connecticut Department of Public Safety. As can be seen, reports of property crime have also steadily decreased in Connecticut and New London County since the 1990s. There are also strong correlations between the property crime rates between each of the different geographic areas as seen in Table 29. The only exceptions to this are some of the Ledyard and Montville correlations. This is partly because of the anomalously high 1994 and 1995 Ledyard rates. However, it is also partly because the decrease in property crime in Ledyard and Montville has been much more modest compared to New London County and Connecticut. The associations between Connecticut property crime rates and gross gambling revenue (Figure 32) from 1990 to 2021 are all significantly *negative* (albeit with weaker correlations with

Ledyard and Montville): Connecticut property crime = -.71, *p* < .001; New London property crime = -.73, *p* < .001; Ledyard property crime = -.43, *p* = .014; Montville property crime = -.43, *p* = .015.

These more modest declines in property crime in the towns of Ledyard and Montville are consistent with sentiments expressed in the key informant interviews. Some concern with prostitution was also noted:

- *"Our policing needs have increased dramatically, whether its DWI, auto accidents or theft, crime has ramped up. Our police force grew in order to staff more patrols in the overnight hours. We believe there is a link between theft of personal property and gaming---people will steal property and pawn it in order to game. Our police department effectively doubled as well, we started with 12 officers and now we're at 23"* (Host and Impacted Communities).
- *"When the casinos first came in we had 14 constables, now we have 28 sworn in police officers. Our police needed to double in order to address the volume of crime in our community, and the population hasn't changed"* (Host and Impacted Communities).
- *"Embezzlement has also been a problem in Ledyard. Two previous tax collectors embezzled about $300,000 of taxpayer funds and gambled it at a casino. Our director of water utility embezzled about $150,000 and gambled it away as well. It is incredible to see how people will risk their careers to sustain a gambling addiction"* (Host and Impacted Communities).
- *"We are noticing a rise in sex trade activity that happens at casinos, some of it involving underage people. We have seen it impacting group homes. They intercepted 15 and 16 years olds leaving their homes to go to the casinos and sell their bodies"* (Host and Impacted Communities).
- *"There may be under-reporting of these social issues. Previously used to be a casino police unit (CT state police) but now it's internal tribal policing, so numbers pushed out may be underreported"* (Host and Impacted Communities).
- *"In the past 15 years, we've normalized a lot and nothing [crime-related] has really been spiking"* (Host and Impacted Communities).

Table 28. Property crime statistics for Connecticut from 1990 - 2021

	CT Property Crime Total	New London County Property Crime Total	Ledyard Property Crime Total	Montville Property Crime Total	Foxwoods Property Crime Total	Mohegan Sun Property Crime Total
1990	158,866	8,611	190	278		
1991	159,159	8,817	192	263		
1992	150,214	7,656	257	264		
1993	137,442	7,557	368	220		
1994	134,067	7,492	1,001	182		
1995	133,896	7,815	1,032	191		
1996	124,928	6,989	155	270	547	
1997	117,510	7,525	162	246	557	260
1998	111,981	6,951	115	172	757	304
1999	99,658	6,225	132	187	505	272
2000	99,038	6,519	150	230	578	453
2001	95,369	6,143	125	232	584	84
2002	93,743	6,049	139	214	457	123
2003	92,042	5,258	100	141	479	133
2004	94,197	5,430	97	121	381	114
2005	92,183	5,450	109	120	337	119
2006	90,627	5,417	209	250	53	52
2007	86,850	5,129	112	161	149	109

	CT Property Crime Total	New London County Property Crime Total	Ledyard Property Crime Total	Montville Property Crime Total	Foxwoods Property Crime Total	Mohegan Sun Property Crime Total
2008	87,442	5,166	120	186	163	130
2009	82,712	5,074	135	152	127	109
2010	78,519	4,845	144	118	115	103
2011	77,445	4,577	122	131	108	91
2012	77,101	4,860	123	229	89	79
2013	71,179	4,815	151	175	58	98
2014	69,565	4,497	141	151	9	35
2015	65,703	3,828	72	133	129 [a]	294 [b]
2016	64,167	4,074	79	117	147 [a]	305 [b]
2017	63,669	3,781	95	113	149 [a]	288 [b]
2018	59,973	2,994	53	124	214 [a]	260 [b]
2019	51,236		74	57	243 [a]	243 [b]
2020	56,141		72	75	105 [a]	133 [b]
2021	54,962		48	67	119 [a]	157 [b]

[a] Data collected by Mashantucket Tribal Police Department   [b] Data collected by Mohegan Tribal Police Department

Table 29. Correlation matrix for property crime in Connecticut

	Connecticut property crime	New London County property crime	Ledyard property crime	Montville property crime	Foxwoods property crime [a]	Mohegan Sun property Crime [a]
Connecticut property crime	1.00	0.97	0.51	0.78	0.84	0.68
New London County property crime	0.97	1.00	0.48	0.76	0.87	0.74
Ledyard property crime	0.51	0.48	1.00	0.24	-0.19	0.02
Montville property crime	0.78	0.76	0.24	1.00	0.32	0.28
Foxwoods property crime	0.84	0.87	-0.19	0.32	1.00	0.71
Mohegan Sun property crime	0.68	0.74	0.02	0.28	0.71	1.00

[a] Excluding data from 2015 to 2022

Driving Under the Influence (DUIs)

Arrests for Driving Under the Influence (DUI) are also pertinent to the impacts of legalized gambling. The data in Figure 21 (supplied by the State of Connecticut Judicial Branch) shows a stable number of DUI arrests in Connecticut from 2000 to 2010 and declining numbers since that time. (Note that a portion of these DUI arrests were subsequently dismissed, or the person was found not guilty.)

Data specific to the geographic areas surrounding the two casinos was not available. However, key informant interviews suggest there may be a local impact:

- *There is a lot of alcohol consumed around casinos and a lot of driving under the influence of alcohol in the surrounding areas. (Tebbetts, Smith, Gilbert, Mautte, McLaughlin, Zuckerman)*

- *Many people who seek treatment for PG have had DUIs or accidents as they leave the casino. (Nelson, Tebbetts, Mautte, Calvano, Sanford, Gilman, Genovese)*

Figure 21. DUI arrests in Connecticut from 2000 - 2021
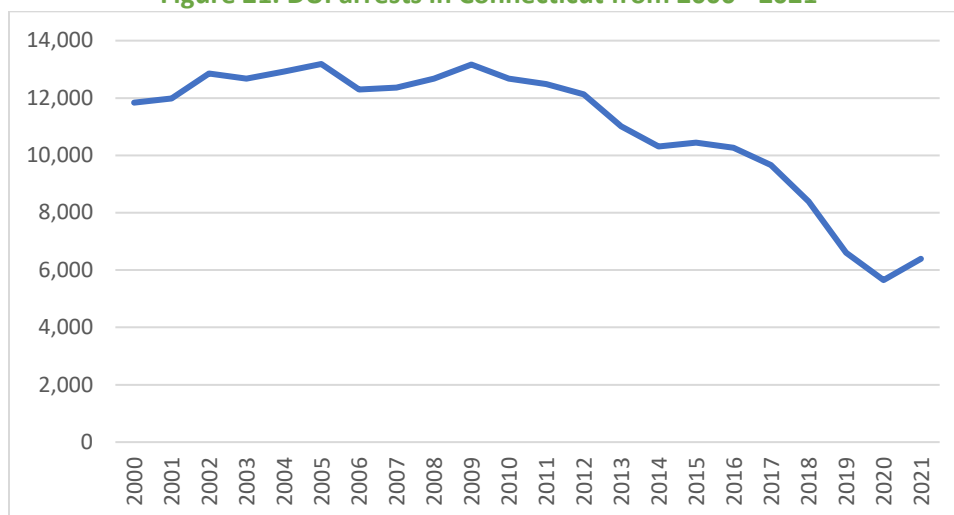
Illegal Gambling

Finally, one of the purposes of legalizing gambling is to reduce or eliminate illegal gambling, which tends to be a fairly reliable impact (e.g., Mackey-Simpkin et al., 2023). The number of reports of illegal gambling in Connecticut is shown in Figure 22 (data from the Connecticut Department of Public Safety). This involves things such as illegal betting/wagering; operating/promoting gambling; gambling equipment violations; and sports tampering. The main relevance of this figure concerns the very low total number of incidents, which is likely down considerably from more historical figures in the 1970s and 1980s when relatively few legal forms of gambling existed.

Figure 22. Number of reports of illegal gambling in Connecticut from 1996 - 2021
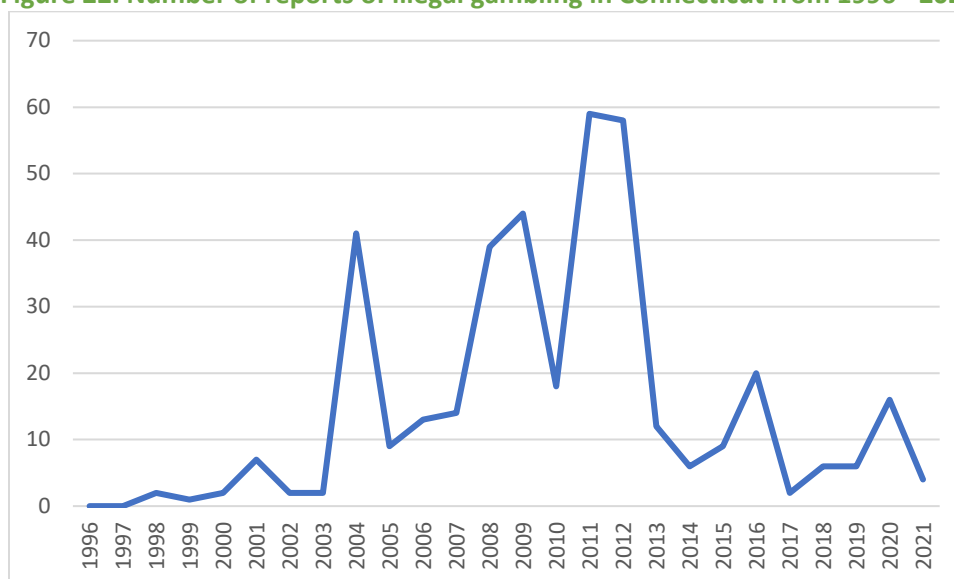
Some key informants agreed with the sentiment that illegal gambling has declined with legalization:

- *"What [legalizing online and sports betting has] done is reduce the amount of illegal gaming, and illegal gaming was a bigger problem… There was almost no protection or control [with illegal gambling]... to be protected in any way… what's happened now is if [people] spend more money than they have… [the] underworld isn't able to come after them for their house, and that's a good thing. It's definitely a positive that we've got this controlled licensed environment now, where there are myriad opportunities for customers to get help should they need it. And we promote that quite widely." (Ted Taylor, President of Sportech Venues)*

However, other key informants recognized that illegal gambling still exists to some degree:

- *Impact on illegal gambling may be small. The Connecticut Council on Problem Gambling organized a conversation with college students, and they said it was very easy to gamble online, if you're underage or to access offshore sites. Sports gambling in colleges was somewhat widespread before the recent legalization. (Brown, Nolan)*
- *"The big [illegal gaming activity] is an illegal sports book - and they still exist." (Ted Taylor, President of Sportech Venues)*
- *There is a lot of unregulated gambling that takes place in Hartford and Bridgeport. This is common in the Latino community, with numbers games at barber shops and also private poker games. This also occurs in the Black community, with card and dice games. Other forms of unsanctioned gambling include underground casinos, sports betting through bookies, and animal fights. (Velazco, Morris, Cooper)*
- *There may have been a decrease in illegal sports gambling after gambling expansion, but probably little effect on other types of gambling, including community based unregulated gambling. (Nelson, Tebbetts, Duhaime, Peplau, Keen, Sanford, Kirch, Gilman, Velazco, Hin-McCormick, Hatch, Kreyer, Morris, Genovese)*

The population surveys also support the contention that illegal gambling is relatively uncommon, but that it does continue to exist, particularly with respect to online gambling:

- Of the 18.5% of the Connecticut adult population who reported patronizing a land-based casino in the past year, 0.7% reported patronizing an illegal/underground Connecticut casino.
- Of the 10.2% of the Connecticut adult population who reporting betting on professional sports in the past year 7.5% reported betting at an illegal/underground Connecticut betting shop or with a bookmaker and 14.4% reported betting at an out-of-state online sports betting site. (Gambling on an online site not licensed by the State of Connecticut is illegal).
- Of the 7.2% of the Connecticut adult population who reported betting at an online casino in the past year, 18.1% reported patronizing an out-of-state online casino.

Other Social Indices

The creation of new casinos often has geographically localized impacts in four areas:
- Population, due to an influx of casino workers
- Housing and real estate
- Make-up of the local student body (potentially more non-English speaking students and students with disabilities)
- Traffic volume and accidents

Each of these areas is examined below:

Population

Some key informants reported a population impact from new casino employees:
- *Impact of casinos on Norwich and surrounding communities is large in terms of the demographic impact from employees and their families. (Rugle, McLaughlin)*

However, the census data is mixed. The following table documents the population and population change in Ledyard, Montville, Norwich (largest city in New London County), New London County, and Connecticut in 1990, 2000, 2010, and 2020. Data is from the Connecticut Department of Public Health. As seen, while Montville did have a marked increase in population from 1990 - 2010 relative to New London Country or Connecticut more generally, the gains in Norwich paralleled the gains in Connecticut, and Ledyard had an increase that was below the average state increase.

Table 30. Population changes from 1990 - 2020

	1990 Population	2000 Population	% Change From 1990	2010 Population	% Change From 1990	2020 Population	% Change From 1990
Ledyard	14,913	14,687	-1.5%	15,051	+0.9%	15,420	+3.4%
Montville	16,673	18,546	+11.2%	19,571	+17.4%	18,377	+10.2%
Norwich	37,391	36,177	-3.4%	40,493	+8.3%	40,152	+7.3%
New London County	254,957	259,326	+1.7%	274,365	+7.6%	268,450	+5.3%
Connecticut	3,287,116	3,405,565	+3.6%	3,574,097	+8.7%	3,603,448	+9.6%

Housing and Real Estate

Changes in population often have impacts on housing stock as well as real estate prices. Several key informants commented on this issue:

- *"In 1994-96 when casinos opened, there was a surge in housing. This has since leveled out, but now there is a lack of housing. A lot of Connecticut political messaging now targets the lack of housing. There are efforts to increase housing in different areas and develop new housing stock….We definitely have an ongoing and growing condition that we're going to have to stay attuned to and keep looking to create new and affordable housing stock"* (Economic Development Corporation).
- *"When the casinos came in, the housing market changed quite a bit. A lot of people were coming from New York, particularly from Chinatown, and were paying cash for houses within walking distance of the casinos"* (Host and Impacted Communities).
- *"We have a housing shortage; we have 89,000 unmet affordable housing units in demand. Many of the people who work at the casino are not highly compensated folks and where the casinos are developed there isn't a high-density concentration of housing. So, as they need more people, they're going to have to increase their wages, but they still don't have the housing inventory. And we're starting to see some of that get addressed. But it's a slow process"* (Housing Advocacy Group; Economic Development Corporation).
- *"There are houses with a large residential load, more than normal. There are 2-3 bedroom homes that will have 20 people living in them. That adds pressure to our utilities, infrastructure, health district and building department"* (Host and Impacted Communities).
- *"We call the house load increase 'Hot Bunking'. We once found 42 people in a single-family home listed as a 2 bedroom. These people are typically transient and will work 3-6 months, gain money, and send it back to NY and not spend it locally"* (Host and Impacted Communities).
- *"Regarding affordability of real estate, it's all relative. Definitely less expensive than Fairfield County and Boston – we did a study in 2018 where one in 29,000 and 108 that were also low income – this is pretty normal for NE United States – I wouldn't say it's worse in SE CT than anywhere else. Our real estate market never recovered after the 2008 recession – in 2010 there were properties still underwater even when other parts of the state recovered. Prices went up during Covid. There were a lot of people willing to invest more in homes because they were spending so much time there. Rents and prices have gone up – so it's causing a problem for Electric Boat to hire people"* (Regional Council of Governments; Housing Advocacy Group).
- There is a large burden in terms of affordable housing and on the school systems around the areas where the casinos are located, because of the number of workers who come to work there. (Smith, Gilbert, Hin-McCormick)

Schooling

The diverse racial/ethnic backgrounds of casino employees and their children can also have an impact on local schools. Three key informants commented on this issue:

- *"In Norwich public schools, they are proud that 34 different languages are spoken, that is not entirely because of casino employees, but it is part of it. We are providing employment and opportunities to a multi-cultural section of Connecticut and that's a good thing"* (Economic Development Corporation).
- *"There have been impacts on education budgets. We've had to hire so many English Second Language, teachers. In Norwich it was even worse, 40 different languages spoken"* (Host and Impacted Community).

- *"We've had to change our signage, like at the transfer station, to include all kinds of languages, like Cantonese, so people understand how we do things. It's been a continuous learning curve to get people to comply with our rules and regulations. A lot of the adults do not speak English, so we're relying on the children to translate to the parents"* (Host and Impacted Communities).

EdSight provided statistical data pertaining to the percentage of children who are English learners (Table 31) and the percentage in Special Education (Table 32) as a function of geography and time period. No data was available prior to 2006. The data from 2006 to the present is consistent with the contention that the Norwich school district has been disproportionately impacted by an increase in non-English speaking students, a portion of which will be the children of casino employees. To a much lesser extent Norwich, Ledyard, and Montville also have a slightly higher portion of students with disabilities.

Table 31. English learners as a percentage of the student body from FY07 – FY23

	Ledyard	Montville	Norwich	Connecticut
2006-07	0.85%	2.98%	8.38%	5.19%
2007-08	1.38%	3.94%	9.41%	5.23%
2008-09	1.23%	3.92%	9.92%	5.19%
2009-10	1.27%	3.78%	10.47%	5.31%
2010-11	1.21%	3.86%	11.25%	5.43%
2011-12	1.27%	3.92%	11.36%	5.43%
2012-13	0.92%	3.50%	11.50%	5.62%
2013-14	0.89%	3.60%	12.28%	5.75%
2014-15	0.87%	3.99%	13.12%	6.39%
2015-16	0.82%	3.46%	14.09%	6.49%
2016-17	0.79%	3.76%	15.47%	6.83%
2017-18	1.32%	3.81%	16.97%	7.17%
2018-19	1.40%	4.04%	17.45%	7.62%
2019-20	1.44%	4.60%	17.87%	8.25%
2020-21	1.35%	4.63%	18.30%	8.28%
2021-22	1.35%	4.45%	18.89%	8.81%
2022-23	1.57%	4.66%	20.79%	9.70%

Table 32. Students with disabilities as a percentage of the student body from FY07 – FY23

	Ledyard	Montville	Norwich	Connecticut
2006-07	11.83%	11.37%	15.64%	11.84%
2007-08	12.81%	11.84%	15.95%	11.96%
2008-09	12.10%	11.10%	15.66%	11.99%
2009-10	12.98%	10.45%	15.99%	12.03%
2010-11	13.58%	10.94%	15.58%	12.00%
2011-12	13.40%	11.15%	16.22%	12.16%
2012-13	14.22%	12.14%	17.27%	12.53%
2013-14	14.61%	12.03%	16.38%	12.81%
2014-15	15.43%	13.12%	17.00%	13.32%
2015-16	16.03%	14.98%	17.95%	13.75%

	Ledyard	Montville	Norwich	Connecticut
2016-17	17.37%	15.02%	19.91%	14.29%
2017-18	18.57%	15.69%	21.22%	14.81%
2018-19	19.79%	16.42%	20.77%	15.41%
2019-20	10.04%	18.12%	19.37%	15.99%
2020-21	18.53%	18.18%	20.02%	16.30%
2021-22	17.35%	19.06%	19.44%	16.65%
2022-23	18.30%	19.68%	19.92%	17.15%

Traffic and Accidents

Several key informants commented on the impacts of the casinos on transportation and traffic:

- *"The impacts of the casinos are very significant in our region's transportation network. There are impacts to communities around the casinos that are transportation related but also land use and community development related" (Regional Council of Governments; Housing Advocacy Group).*
- *Casinos contribute to increased traffic in surrounding areas, but largely due to events and the mall at the casino more than the gambling itself. (Duhaime, Matos, McLaughlin, Gilman, Hin-McCormick)*
- *"An additional impact – transportation costs; we run the bus service for employees back and forth to Foxwoods for free and Foxwoods doesn't compensate us for that at all and all other towns are subsidizing it. We want our employees to be able to get work and pay their taxes. Mohegan does share half of our expenses" (Host and Impacted Communities).*
- *"For the Mohegan and Mohegan Sun side of things, I was not living in this area when Mohegan Sun initially opened, and there's quite a bit of transportation infrastructure that was built around that time to accommodate casino traffic. When it first opened, there was a large increase in vehicle travel in our region to the casinos, and it was projected to continue growing at a very high rate, and those projections have not actually borne themselves out" (Regional Council of Governments; Housing Advocacy Group).*

It is reasonable to assume that there would be a significant increase in traffic volume subsequent to the Foxwoods and Mohegan Sun casino openings, although formal traffic volume data prior to 2008 is not available. What is available is the number of vehicle crashes and the number of DUI-related injuries recorded in the towns of Montville and Ledyard from 1995 - 2022, which can be compared to Connecticut more generally. This data is presented in

Table 33 and comes from [Connecticut Crash Data Repository](#) and the Connecticut Department of Transportation. What this data tends to show is that the number of vehicle crashes has increased slightly in Montville over time, but this parallels the general trend in Connecticut (there is a 0.74 correlation between the rates). By contrast, the Ledyard rates have remained fairly stable over time, with a marked decrease in recent years. It is perhaps notable that the number of DUI-injuries has tended to decline from 1995 - 2014, but that the very low local numbers in Ledyard and Montville have been fairly stable during this period. All of the associations with gross gambling revenue (Figure 32) were nonsignificant with the exception of a positive association with the annual number of Montville crashes (r = -.55, p = .003).

Table 33. Vehicle crashes and DUI-related injuries in CT from 1995 - 2022

	Ledyard		Montville		Connecticut	
	Crashes	DUI Injuries	Crashes	DUI Injuries	Crashes	DUI Injuries
1995	242	10	406	3	72,504	926
1996	267	4	384	6	78,348	897
1997	268	4	345	6	74,734	822
1998	230	8	343	2	72,555	759
1999	228	4	377	6	78,315	714
2000	242	3	461	7	82,777	702
2001	175	2	333	3	83,249	595
2002	198	2	354	6	78,673	661
2003	219	7	463	5	80,855	647
2004	246	6	508	6	81,726	647
2005	232	2	467	8	79,532	704
2006	223	5	431	5	71,723	630
2007	357	3	576	2	113,062	592
2008	263	0	492	1	104,187	633
2009	314	1	492	5	103,710	726
2010	259	2	511	6	101,621	699
2011	200	4	381	4	78,435	694
2012	271	0	480	5	95,452	725
2013	287	4	449	6	95,826	700
2014	254	8	446	3	96,574	707
2015	330	5	498	8	111,169[29]	1,176
2016	221	3	451	6	115,935	1,327
2017	193	2	472	7	115,648	1,281
2018	199	7	481	12	114,156	1,147
2019	183	1	413	8	112,610	1,206
2020	94	2	357	7	83,791	1,126
2021	116	0	379	9	101,139	1,213
2022	119	7	405	8	102,412	1,145

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[29] In 2015 the State of Connecticut changed how police departments document motor vehicle collisions.

ECONOMIC AND FISCAL IMPACTS

Direct Economic Impacts

This section of the report presents all available public data related to the gambling industry in Connecticut. Some of these data are presented purely for informative purposes, but most of the 2022 data has also been used as inputs for our REMI economic impact analysis. This summary of direct economic impacts is organized into five sections based on the five main types of gambling in the state:

- Casinos
- Lottery
- Sports Betting and Online Casino Gambling
- Parimutuels and Off-Track Betting
- Charitable Gambling

Casinos

Casino Revenue

Connecticut has rich documentation on slot machine revenue at its two tribal casinos (data available from CT Department of Consumer Protection) as the compacts between CT and the tribes state that the tribes will pay 25% of slot machine revenue to the state's General Fund, which can be used to calculate total slot gross gambling revenue (GGR; revenue after winning/prizes paid out).[30] Total slot revenue is depicted in Figure 23. As seen, slot machine GGR in Connecticut peaked in 2006 and has since declined to almost half its peak level, likely due in part to the expansion of casino gambling in nearby states.

Figure 23. Casino gross slot machine revenue from 1993 - 2022

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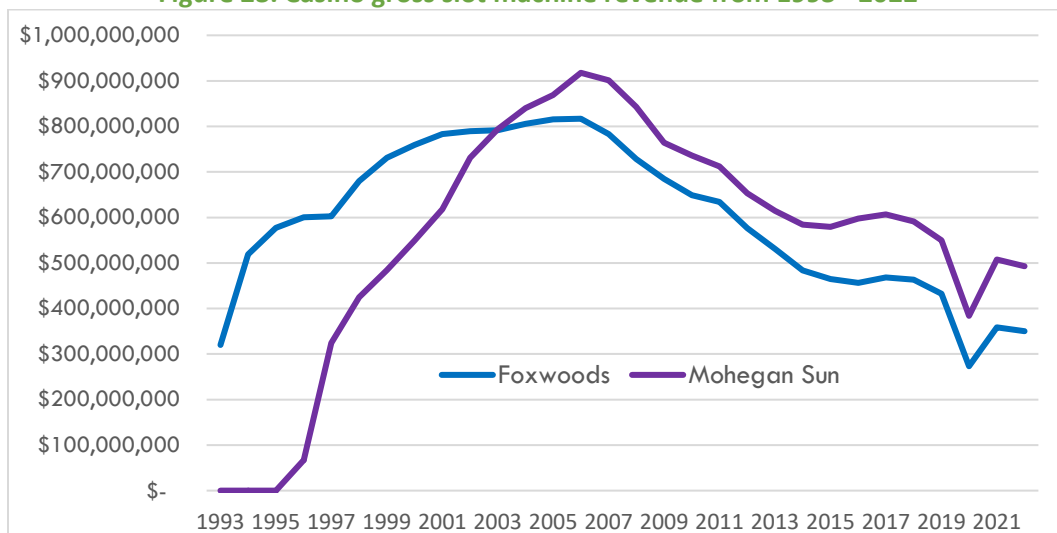
[30] Slot *handle*, or total amount wagered, is much higher, as the payout percentage for slots at both Foxwoods and Mohegan Sun averaged 91.85% in 2023.

Revenue from table games is harder to determine, as Connecticut does not receive any share of that revenue, and the tribal casinos do not report these revenues to the state. However, the Mohegan Tribal Gaming Authority (MTGA) has filed Securities and Exchange Commission (SEC) reports since 1996, and their 10-K submissions provide a comprehensive annual overview of the company's operations and financial situation. Relevant to the present investigation, these 10-K reports provide information on: (a) Mohegan Sun's net combined revenue from all gambling and non-gambling amenities (i.e., hotel, food, beverage, retail outlets, entertainment), and (b) MTGA's net revenue from all its properties with a breakdown of the percentage of revenue derived from gambling versus other amenities.[31] Applying this latter percentage to Mohegan Sun's total net revenue and then subtracting known slot revenue allows us to determine a rough estimate of Mohegan Sun table game revenue, which we estimate has averaged 26.1% of total gambling revenue from 2016 to 2022.

Foxwoods does not file with the SEC, so similar calculations cannot be made. However, Foxwoods is very comparable to Mohegan Sun in terms of the number of slots, table games, and amenities. Thus, it seems reasonable to assume that Foxwood's table game revenue percentage is of the same magnitude as Mohegan Sun's.

Thus, estimated total slot and table game revenue for both casinos combined is displayed in Figure 24. Paralleling the slot revenue figures, casino slot and table game revenue peaked in 2007 at approximately $2.2 billion and has declined sharply in the subsequent 15 years (to an estimated $1.1 billion in 2022).

Figure 24. Estimated total gross casino slot and table game revenue from 1993 - 2022
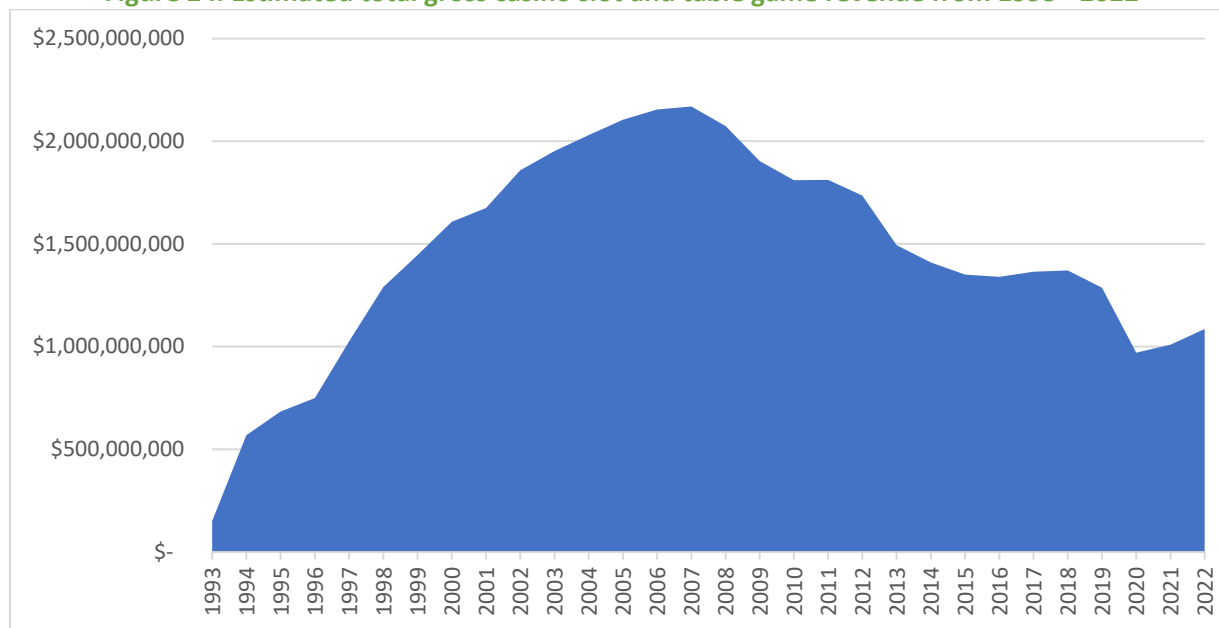
Despite the decline, casino gambling revenue is still considerably higher than any other type of gambling revenue in Connecticut (e.g., double the Lottery GGR). Key informants reflected on the importance of the casinos in providing revenue to the state and municipailities around Connecticut:

- *"[Fiscal] benefits are significant – 25% of slots revenue."* (Regional Council of Governments; Housing Advocacy Group)

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[31] The percentage derived from gambling has varied from approximately 90% prior to 2012 down to 70.6% in 2022.

- *"The Mohegan Tribe has transferred over $4 billion to the State of Connecticut. It is important to note that our existing agreement is the highest percentage of revenue sharing of all Tribal-State compacts in the U.S. that exists today."* (A representative of the Mohegan Tribe at January 2023 session)
- *"Since 2008, Foxwoods Resort Casino and MPTN's online gaming operations have generated direct funding to the State of over $2 billion (over $9 billion since Foxwoods opened in 1992)."* (Mashantucket Pequot Tribal Nation)
- *"Over the past two years, the two casinos [operations] have generated upwards of $7 billion. That money goes into the Mohegan/Pequot fund and a portion goes back to state/municipal general fund. Gaming is an important benefit for all Connecticut municipalities but I'm not sure many people from Connecticut recognize that there is funding for their towns coming from the casinos every year."* (Economic Development Corporation)

Geographic Origin of Casino Revenue

The **AirSage Cell Phone Location** Analysis data were used to determine the geographic origin of Connecticut casino revenue. As seen in Table 34, AirSage detected 270,450 visitors to the two Connecticut casinos during the 14-day data collection period (January 16-29, 2023). Proportionally, most visitors (49.1%) were from Connecticut, followed by Massachusetts (MA) (20.8%), New York (NY) (12.3%), Rhode Island (RI) (9.8%), and other states (8.0%).

Visitation proportion does not directly translate into revenue proportion as expenditure per visitor differs between Mohegan Sun and Foxwoods. Total January 2023 slot revenue is $28,693,456 for Foxwoods ($7,173,364 x 4) and $40,466,966 for Mohegan Sun ($10,116,749 x 4). After adding in estimated table game revenue, total gambling GGR in January 2023 is estimated to be $36,153,755 at Foxwoods ($18,076,877 for two weeks) and $50,988,377 at Mohegan Sun ($25,494,189 for two weeks). Dividing the 2-week GGR by the total number of visitors in that time period produces an average expenditure per visitor of $134.70 for Foxwoods and $187.12 for Mohegan Sun. Multiplying these expenditures by the state origin of visitors produces the figures in the last rows of Table 34. Thus, **CT residents are estimated to account for slightly over half of the CT casino revenue, followed by MA, NY, RI, and other states.**[32] This estimate, and these relative proportions are very similar to the proportions estimated in 2015 contained in the Northeastern Casino Gaming Update which used license plate surveys to determine patron origin (by comparison, these authors estimated that in 1999 only 37% of Connecticut casino revenue came from Connecticut residents).

Table 34. Visitors to Connecticut casinos in a 2-week period in January 2023 by state origin

	CT	MA	NY	RI	Other	TOTAL
Foxwoods	54,637	34,892	11,357	20,737	12,582	134,205
Mohegan Sun	78,245	21,302	21,863	5,672	9,163	136,245
TOTAL Visitors	132,882	56,194	33,220	26,409	21,745	270,450
% of Visitors	49.1%	20.8%	12.3%	9.8%	8.0%	100.0%
TOTAL Visitor Spending	$22,000,604	$8,685,847	$5,620,751	$3,854,537	$3,409,327	$43,571,066
% of Spending	50.5%	19.9%	12.9%	8.8%	7.8%	100.0%

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[32] This assumes equal expenditure regardless of visitor state origin, which is an uncertain assumption.

Table 35 shows the Connecticut county-specific origin of Connecticut casino visitors, with 36.2% of the visitors coming from New London County (where the two casinos are located), followed by New Haven and Hartford Counties. As shown, **New London[33] and Windham Counties have much higher patronage relative to their populations compared to the other Connecticut counties**.

Table 35. CT visitors to CT casinos as a function of county origin

CT County	Visitors	% of Total	% of 2022 CT Population
New London	48,124	36.2%	7.5%
New Haven	25,902	19.5%	24.0%
Hartford	23,141	17.4%	24.9%
Windham	10,996	8.3%	3.2%
Fairfield	10,807	8.1%	26.5%
Middlesex	6,850	5.2%	4.6%
Tolland	3,951	3.0%	4.2%
Litchfield	3,111	2.3%	5.1%
Total	132,882	100.0%	100.0%

A total of 15,882 Connecticut gamblers (8.1% of all casino gamblers from Connecticut) also visited out-of-state casinos in the three border states of Massachusetts, New York, and Rhode Island during the 2-week data collection period. As seen in Table 36, Massachusetts was the primary destination (67.7%), followed by Rhode Island (19.0%) and New York (13.2%). Using the reported casino revenues at these specific venues in this time period and assuming equal expenditure per visitor, an estimated $7,288,917 was spent at out-of-state casinos by Connecticut residents in this two-week period.

Table 36. Connecticut resident patronage of out-of-state casinos

	MA casinos	RI casinos	NY casinos	TOTAL
CT Visitors	10,757	3,022	2,103	15,882
% of Total	67.7%	19.0%	13.2%	100.0%
Revenue from CT	$4,944,947	$1,441,380	$902,590	$7,288,917

It should be noted that Connecticut patrons accounted for a very small percentage of visitors to most of these out-of-state venues. The exception to this was MGM Springfield in Massachusetts, where they accounted for 38.3% of visitors as shown in Table 37.

Table 37. Out-of-state casinos most often patronized by CT residents

	Visitors from CT	% of Casino's Patronage
MGM Springfield, MA	9,827	38.3%
Bally Twin River Lincoln, RI	2,965	6.9%
Empire City Casino Yonkers, NY	1,800	3.0%
Encore Boston Harbor, MA	930	1.9%
Resorts World New York City, NY	303	0.4%

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[33] As a reminder, these figures <u>do not include visits by employees</u> of the casinos, many of which live in New London County (see AirSage **Methodology**).

	Visitors from CT	% of Casino's Patronage
Bally Twin River Tiverton, RI	57	0.3%
Plainridge Park Casino, MA	0	0.0%

Subtracting the $7,288,917 casino patronage outflow to other states from the $23,134,362 inflow from out-of-state patrons to Connecticut produces a net inflow to Connecticut of $15,845,445 during this 2-week period. However, this does not take into account casino patronage outflow to casinos *beyond 70 miles of the Connecticut border,* which were not included in the AirSage analysis. The population survey (ABS, weighted) provides some indication of the magnitude of these additional outflows. Among Connecticut adults who reported patronizing a land-based casino in the past year, a total of 88.3% reported patronizing Connecticut casinos (compared to 91.9% in the AirSage data), with Massachusetts casinos being the next most popular at 13.2%, and New York and Rhode Island casinos at 4.0% and 2.6% respectively. However, 5.3% also reported patronizing Nevada casinos, 3.5% New Jersey casinos, and 6.3% casinos in other states. If we assume that visitation to these more distant destinations might be half as frequent as casinos within 70 miles, then a reasonable estimate of the additional net outflow of revenue from Connecticut would be $2,779,360[34] every two weeks, for a total combined outflow of $10,068,277. Subtracting this from the $23,134,362 inflow results in a net inflow of $13,066,085 to Connecticut every two weeks. Projected over 52 weeks, the **estimated net casino revenue gain for Connecticut is approximately $340 million per year.**

The above results are consistent with the sentiments expressed by some of the key informants:
- *"In terms of the casinos, Connecticut had been like Las Vegas and Atlantic City for 30 years. At one point we had a huge share of the casino gambling market. We're not at saturation point yet, but there is a lot more casino availability around Connecticut: three in Massachusetts, several in Rhode Island and New York. Although the competition has increased, Mohegan Sun and Foxwoods are still getting their fair share of clients coming into their casinos."* (Morris)

Casino Employment

Both Mohegan Sun and Foxwoods Resort Casino are private companies. However, as mentioned, the Mohegan Tribal Gaming Authority (MTGA) has voluntarily participated in the Securities and Exchange Commission's (SEC) filing system and their 10-K submissions provide a comprehensive annual overview of the company's operations which includes employment numbers and wages. According to MTGA's September 2022 Form 10-K, in fiscal year 2022 Mohegan Sun had 5,180 employees.[35] MTGA reported that 70% of their Mohegan Sun employees were full-time workers and 30% were seasonal, part-time, and on-call employees. The median employee wage was reported to be $29,120.

Foxwoods Resort Casino has not participated in voluntary filing with SEC and therefore, actual employment numbers and wages are unavailable. Online resources, such as Zippia have estimated there are currently 2,200 Foxwoods employees with an average compensation of $34,374.[36] An Economic

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[34] $7,288,917/(.132+.040+.026) = X/(.053+.035+.063)/2; X = $2,779,360

[35] Although the Mohegan Sun website states they have 8,000 employees, our key informant interviews lead us to believe this figure is inclusive of employees of leased outlets operating within the Mohegan Sun complex.

[36] The accuracy of this data is uncertain. The website states: "The employee data is based on information from people who have self-reported their past or current employment at Foxwoods Resort Casino. The data on this page is also based on data sources collected from public and open data sources on the Internet and other locations, as

Impact Report (Taylor, 2019) commissioned by Foxwoods stated that in October 2018 Foxwoods employed 6,772 people, but no mention was made of the percentage that were full-time or the average wages. It is also the case that these 2018 numbers do not capture any lingering impact of COVID-19 on Foxwoods employment, as most casino employees were laid off at both Foxwoods and Mohegan Sun in the spring of 2020. As a way of estimating this impact, MTGA's September 2019 10-K Form (i.e., pre-pandemic) reported Mohegan Sun having 6,500 employees, with 4,500 being full time and 2,000 being seasonal, part-time and on-call employees. This compares to 5,180 total employees in September 2022, which represents a 20.3% decrease from pre-pandemic numbers.

Neither Foxwoods or MGTA have reported any significant impacts on employment from the 2021 legalization of online casino gambling and sports betting, although MGTA has created a Mohegan Digital division for its online gambling.[37] It is difficult to identify the potential impacts of online gambling on employment because any employment increases may be hidden by the lingering effects of COVID-19. Thus, estimation is necessary to determine the total current number of Connecticut casino employees.

Fortunately, total current employment at the tribal casinos *can be estimated* with some degree of certainty through Connecticut's Quarterly Census of Employment and Wages (QCEW) data, which reports employment by industry, including government workers. Since tribal casino workers are classified as 'local government' workers, our estimation method assumes that all local government employees in the arts, entertainment and recreation, or accommodation and food service sectors are casino workers. As shown in Figure 25, the number of employees in these sectors has steadily declined since 2008, with a major decrease in 2020 as the COVID-19 pandemic hit. While the full year of 2022 data is not available, tribal casino employment had increased somewhat, from 11,642 in 2021 to **13,904 employees as of June 2022**.

Figure 25. Average annual casino employment from 2001 - 2022

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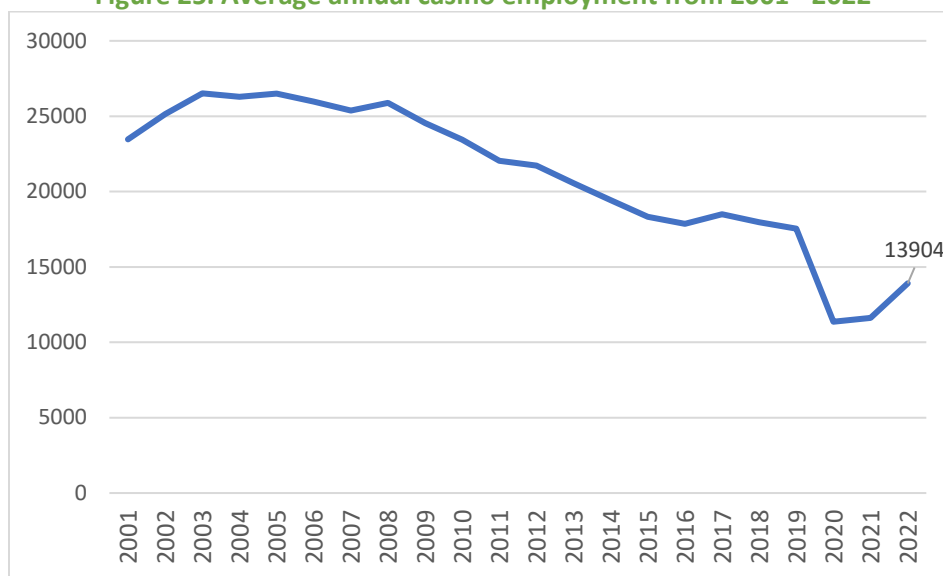
well as proprietary data we licensed from other companies. Sources of data may include, but are not limited to, the BLS, company filings, estimates based on those filings, H1B filings, and other public and private datasets."
[37] Mohegan Tribal Gaming Authority (16 Dec. 2021).

Key informants from host and impacted communities and the casinos have reflected on the importance of the casinos in providing employment to surrounding towns:

- *"Foxwoods has had a huge impact on bringing jobs to the area. When the economy bottomed out in late 2007 or 2008, Foxwoods had jobs readily available. The jobs provided a lower rate of pay than people were acclimated to, but they were jobs nonetheless."* (Host and Impacted Communities)
- *"The most important impact would be the jobs created and maintained by the casinos."* (Host and Impacted Communities)
- *"[Mashantucket Pequot Tribal Nation] provides employees with competitive benefits, including health care, and a 401(k) with employer match, disability insurance, childcare reimbursement, tuition reimbursement, paid meals, and other benefits."* (Mashantucket Pequot Tribal Nation)
- *"The Mohegan Tribe is the state's 5th largest employer with over 10,000 employees, providing approximately 24,000 jobs[38] in Connecticut...more than 90% of Mohegan's employees live in Connecticut, coming from 110 of the state's 169 towns. These employees want to be part of the Mohegan team because they are respected as part of our broader family, with wage and benefit packages that are nearly 30% higher than the hotel industry average."* (Mohegan Tribe)

Casino Wages

Annual average wages can also be estimated from the [Connecticut's Quarterly Census of Employment and Wages (QCEW)](#) data. While casino employment has fallen in Connecticut since 2007, average annual wages have largely kept pace with inflation, and have risen since the pandemic, as seen in Figure 26.

Figure 26. Average annual casino wages (adjusted for inflation) from 2001 - 2021
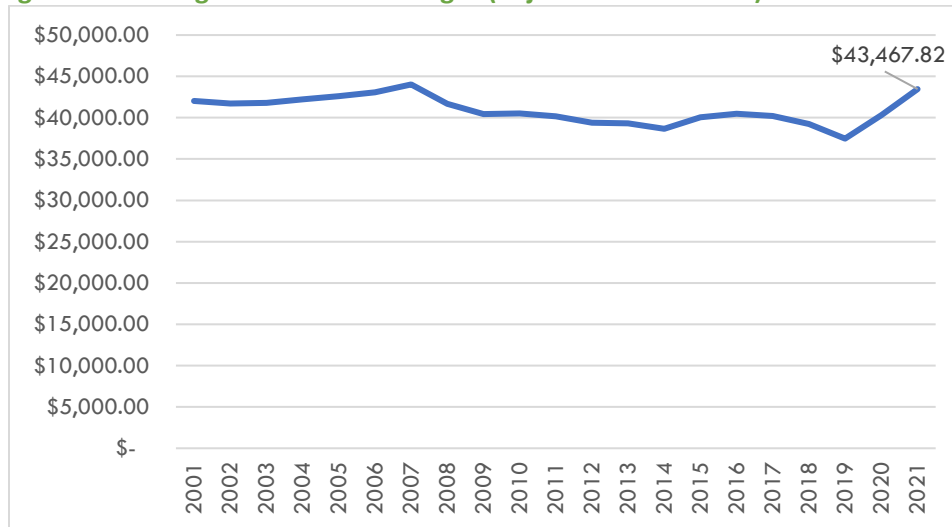
Key informants have reflected on the wages provided by casinos:

- *"The resort supported $364.7 million of wages, salaries, and benefits (including server tips) and 8,123 full-time and part-time jobs (including leased outlets)."* (Mohegan Tribe)

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[38] This is assumed to be total direct, indirect, and induced employment impacts of the casinos.

- *"Through Foxwoods, other MPTN-owned enterprises and the tribal government, MPTN provides jobs for over 6,000 employees – approximately six times the MPTN tribal enrollment."* (Mashantucket Pequot Tribal Nation)
- *"A lot of the casino jobs are service jobs at minimum wage levels. There wasn't as big of a job boom as people thought, it's mostly seasonal work or people right out of college.*" (Statewide Municipal Government Association)
- *"All of the higher-paying, managerial jobs go to tribal members."* (Host and Impacted Communities)

Distribution of Casino Revenue

The primary recipient of slot and table game revenue from the two Connecticut casinos are the Mashantucket Pequot Tribe and the Mohegan Tribe. Some information about how this revenue is utilized and the overall economic impacts of these casinos on the local economy is contained in their recent economic impact reports: [Foxwoods Economic Impact (Taylor, 2019)](#) and [Mohegan Sun Economic Impact (Oxford Economics, 2022).](#)

The next major beneficiary of tribal casino revenue is the State of Connecticut, which receives 25% of gross slot revenue from the two casinos into its General Fund, which is utilized to fund the [operations and programs of the state](#) (e.g., education, human services, health care, corrections, etc.). In 2022, this amounted to just over $215 million.[39]

Out of this $215 million total, a portion ($51.4 million in recent years) is allocated to the Mashantucket Pequot and Mohegan Fund, a separate fund that the Connecticut legislature distributes to Connecticut municipalities. Host communities, which are closest to the casinos (i.e., Ledyard, Montville, Norwich, North Stonington, and Preston), are guaranteed annual payments of $750,000 in addition to the allocation determined by the legislature. The fund is also required to distribute $1.6 million to municipalities that are members of the Southeastern Connecticut Council of Governments, as well as to certain distressed municipalities.[40] The proportional allocation of the remaining monies is as follows:
- 35% distributed to 28 specific municipalities listed in statute;
- 28% according to a formula based on each municipality's: (a) equalized net grant list, (b) per capita income in relation to other municipalities, and (c) population;
- 16% to municipalities eligible for a state payment in lieu of taxes (PILOT) grant for state-owned real property and tribal reservation land, excluding property acquired for highways and bridges;
- 16% according to the distribution formula for PILOT grants for real property owned by private nonprofit colleges and nonprofit general hospitals;
- 4% distributed to 10 specific municipalities based on a formula

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[39] As will be discussed later, the online casino games and sports betting that are now hosted by these two casinos are also subject to taxes at 18% and 13.75%, respectively. These two taxes contributed an additional $25.6 million and $7.4 million to the General Fund resulting in a total of over $248 million in tax revenue to the state in 2022.
[40] This includes any distressed municipality that is a member of the Northeastern Connecticut Council of Governments or the Windham Area Council of Governments. A distressed municipality is defined as the state's most fiscally and economically distressed municipalities and the designation is used by state agencies to target funds for needs which may include housing, insurance, open space, brownfield remediation and economic development programs, among others.

Municipalities have complained that progressively more of the fund has been allocated to the state's General Fund rather than distributed to municipalities. Furthermore, host communities have reported that amounts currently received are negligible. Thus, there was legislation introduced in the Connecticut 2023 General Assembly which would have increased the amount of the Mashantucket Pequot and Mohegan Fund and better ensured the fund was going to municipalities. Written testimonies in the January 2023 public hearings show support for the bill from the two tribes, the Connecticut Council of Small Towns, and a statewide municipal government association:

- *"The Mashantucket Pequot and Mohegan Fund provides municipalities with much-needed revenues to assist municipalities in funding the delivery of critical services, including education, public health, safety and infrastructure. Given rising inflation and increased costs associated with delivering municipal services and programs, additional municipal aid is necessary to mitigating property tax increases."* (Connecticut Council of Small Towns)
- *"We [the Mohegan Tribe] strongly support increasing the money distributed to Connecticut towns and encourage a higher percentage to be shared with our neighbors here in southeastern Connecticut."* (A representative of the Mohegan Tribe)
- "*On behalf of the Mashantucket Pequot Tribal Nation, today I write to lend our support for SB 1213…Likewise, we fully endorse the section that limits the ability of the fund to be reduced unless there are extenuating circumstances.*" (A representative of the Mashantucket Pequot Tribal Nation)

However, on June 29, 2023 Governor Lamont vetoed this bill, and on July 10, 2023 the legislature declined to override that veto.

Lottery

Lottery Revenue

The CT Lottery FY22 Annual Report shows that total consumer sales on all lottery products (*excluding sports betting*) totaled $1,452,047,000. The majority of this was returned as prizes.[41] The Lottery's gross gaming revenue (GGR) after prizes (excluding sports betting) totaled $552,416,000. Three important operating expenses that were incurred were: (a) $84 million to lottery vendors, (b) $40 million on gaming systems, marketing, and production expenses, and (c) $28 million on 'other' operating expenses. After these expenses, total net revenue was $410.0 million.

Revenue as a function of game type is illustrated in Figure 27. As shown, 44.2% of revenue comes from instant/scratch tickets, followed by 32.7% from daily lotteries (Play3, Play4, Cash5, Lucky for Life), 12.2% from weekly lotteries (Lotto!, Mega Millions, Powerball), 8.9% from Keno, and 2.0% from Fast Play.

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[41] The 'return to player' payback rate (prizes divided by sales) varies as a function of product: 71.9% for FastPlay, 69.5% for instant/scratch tickets, 65.1+% for Keno, 50.5% for weekly lotteries, 45.3% for daily lotteries.

Figure 27. Gross lottery revenue in FY22 as a function of game type (excluding sports betting)
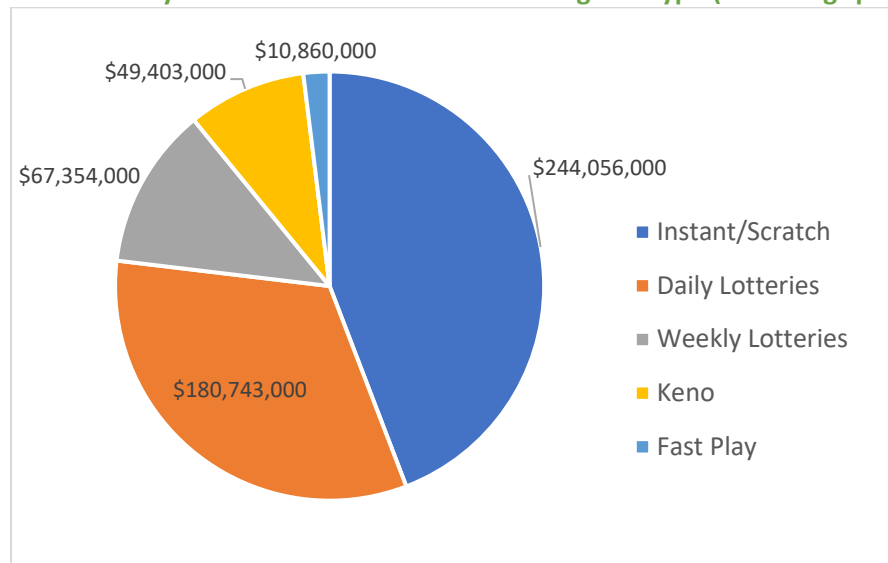
The steady and continued growth of gross lottery revenue from 1979 to 2022 is displayed in Figure 28. Data are from the CT Department of Consumer Protection.

Figure 28. Gross lottery revenue from 1979 - 2022
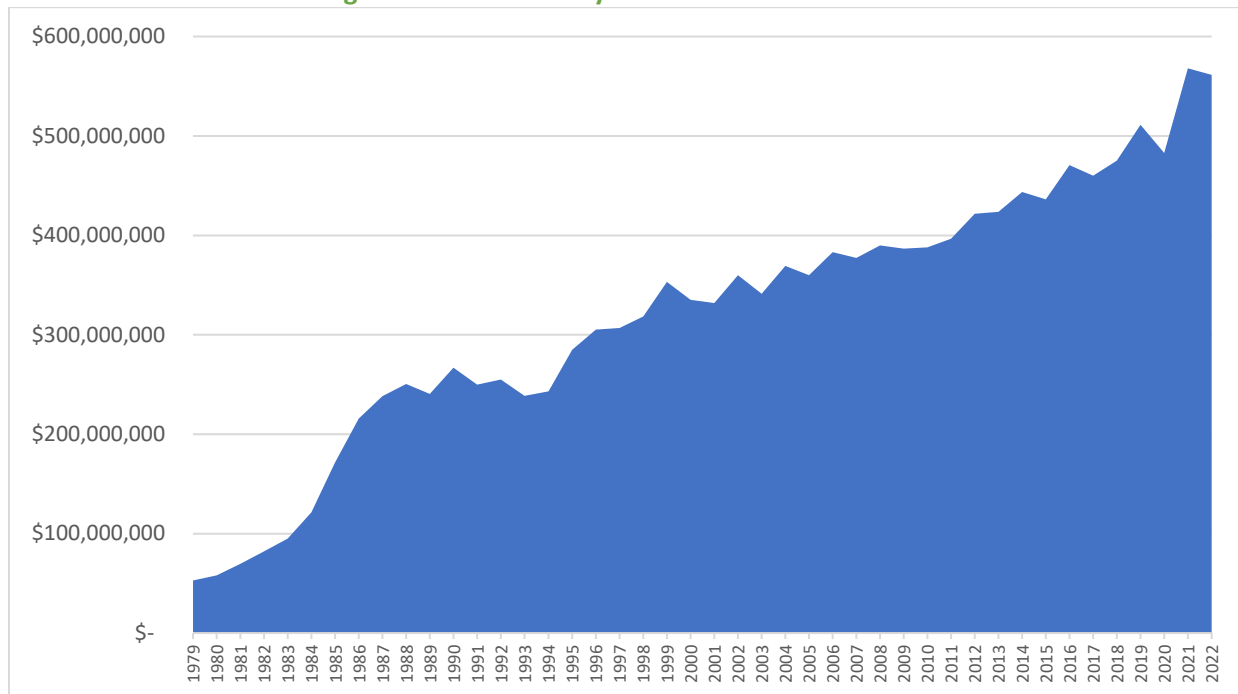
Note: totals are not inflation adjusted.

Lottery Employment

The Connecticut Lottery Corporation is a quasi-public agency which produces detailed annual reports. Since 2019, their reported total number of employees has stayed level with an annual average of about

158 employees. The Lottery's employment was relatively consistent throughout the COVID-19 pandemic and employees' wages were paid in full. In addition to employing its own staff, the Lottery has employment impact by virtue of its partnership with approximately 2,800 lottery vendors, most of which are convenience, grocery and liquor stores. The average lottery vendor commission is approximately $25,000 - $30,000 per year, which helps with operating expenses, including paying employees.[42] The lottery has adopted an affirmative action hiring plan as well as activities to promote vendor diversification. A key informant from the Lottery reported:

- *"We have an affirmative plan, and in order to fulfill that goal we have workforce diversification efforts our Human Resources Department carries out whether that be attending job fairs geared towards minorities or under-represented people or working with specific vendors through our vendor diversification program to recruit business owned by minorities or under-represented people. It's something that we take very seriously, and we have increased our efforts in the past couple of years to fulfill our goal of diversifying our workforce and vendor network."* (Connecticut Lottery)

Distribution of Lottery Revenue

Most lottery revenue is deposited in Connecticut's General Fund utilized to fund state operations and programs. This revenue contribution was just over $402 million in FY22, around two-thirds of total current gambling revenue to the state.[43] In addition to the $402 million to the General Fund, $4.8 million was allocated to the Office of Policy and Management and $3.3 million to the Chronic Gamblers Treatment and Rehabilitation Fund.

Key informants from the Connecticut Lottery emphasized the importance of the revenue it provides to the state:

- *"Lottery revenue goes into a fund that is used by the state. Behind income tax and sales tax, this is one of the largest sources of revenue for the state."* (Connecticut Lottery)
- *"Lottery revenue has steadily increased. Since 2013, lottery revenue to the state has contributed more than casino slot revenue combined."* (Connecticut Lottery)

In addition to the Chronic Gamblers Fund, key informants from the Connecticut Lottery emphasized the Lottery's commitment to responsible gambling:

- *"On top of $3.3 million that goes towards the state's [Chronic Gamblers] rehabilitation fund, we spend an additional $1 million on our own responsible gaming efforts including bilingual website, radio, and TV commercials, and digital billboards."* (Connecticut Lottery)
- *"We have our own responsible gaming efforts that we carry out each year. For over 20 years, we've had a partnership called 'the Partnership for Responsible Gambling' with the Connecticut Council on Problem Gambling and the DMHAS. We meet quarterly, and sometimes more frequently than that, to discuss marketing, programming, and how we can support each other."* (Connecticut Lottery)
- *"As part of our programming, we provide responsible gaming messaging on almost all products and advertising, even though we are only obligated to do so for online gaming products. We have been doing this for years. Up until 2016, we used the GameSense branding then we transitioned into the state-wide marketing campaign known as 'Responsible Play the Connecticut Way', it's used by us, the casinos, and SportsTech."* (Connecticut Lottery)

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[42] Interview with Chris Davis, Responsible Gaming Manager, Connecticut Lottery.
[43] Note that this transfer includes a small amount of gross revenue from lottery-operated sports betting, which amounted to only $226,156 after prizes and operating expenses.

Sports Betting and Online Casino Gambling

This section discusses direct impacts from sports betting (online and land-based, excluding betting on horse and dog racing) and online casino gambling, both of which were legalized in 2021.

The Connecticut Lottery and the two tribal casinos are the agencies legally authorized to provide sports betting and online casino gambling:

- Foxwoods has a land-based sportsbook at their casino that operates in partnership with DraftKings (DraftKings Sportsbook), as well as an online sportsbook also operated by DraftKings (DraftKings Online Sportsbook). The sportsbook was launched in September 2021 and online sports betting commenced in October 2021.
- Mohegan Sun has a land-based sportsbook at their casino that operates in partnership with FanDuel (FanDuel Sportsbook), as well as an online sportsbook also operated by FanDuel (FanDuel Online Sportsbook).
- The Connecticut Lottery has provided online sports betting in partnership with PlaySugarHouse (www.PlaySugarHouse.com). The lottery has also added self-service sports betting kiosks to almost all of the off-track horse/dog race betting parlors.

The two tribal casinos are the agencies legally authorized to provide online casino gambling via www.MoheganSunCasino.com and www.FoxPlay.com websites. FoxPlay operates in partnership with Wondr Nation and Ruby Seven Studios.

Sports Betting and Online Casino Revenue

Total sports betting and online casino GGR from October 2021 - June 2023 (21 months) is shown in Figure 29. Data is from the CT Department of Consumer Protection.

The total sports betting gross gambling revenue of $177,932,275 for these 21 months represents an average of $8,472,965 a month which would project to roughly **$102 million over a 12-month period**. (Sports betting GGR specifically for 2022 was $53,787,775).

The total online casino revenue of $415,653,677 for these 21 months represents an average of $19,792,032 a month which would project to roughly **$238 million over a 12-month period**. Online casino GGR specifically for 2022 was $142,480,583).

Figure 29. GGR from sports betting and online casinos from October 2021 - June 2023 (21 months)
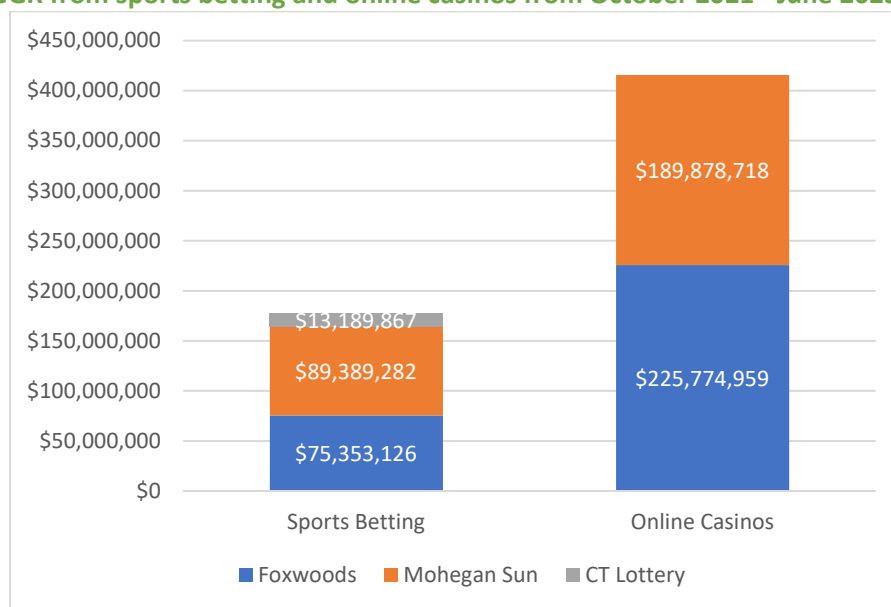
Revenue from sports betting and online casino gambling is much smaller compared to revenue from traditional lottery products and traditional land-based casino games (i.e., slots and table games). This is partly due to the recent legal availability of these newer forms, which is also partly responsible for the comparatively lower participation rates as well as lower market capture, as established by the ABS weighted population survey:

- 10.2% of adults reported betting on sports in the past year, with 67.5% betting on a Connecticut online website, 15.5% betting in person at a Connecticut casino, *14.4% betting online on an out-of-state website*, 13.2% betting in person at a Connecticut sportsbook and *7.5% betting with an illegal/underground Connecticut betting shop/bookmaker*.
- 7.2% of adults reported gambling at an online casino in the past year, with 84.8% gambling at a Connecticut online casino and *18.1% gambling at an out-of-state online casino*.

These lower revenue figures compared to lottery products and land-based casinos are also because of lower profit margins. As an illustration of this, a total of $2,485,108,701 was wagered on sports betting in Connecticut in this 21-month period, with $2,219,419,272 returned as winnings, which is a 90.1% return to player. Profit margins are even smaller for online casino gambling, but the volume is much greater. A total of $17,705,850,197 was gambled on online casinos during this time period, with $17,182,049,954 returned in winnings, which is a 97.0% return to player.

Sports Betting and Online Casino Employment

It is difficult to estimate how employment in Connecticut has been impacted by the legalization of sports betting and online casino gambling, but some job creation is inevitable.[44] Mohegan Sun and the Connecticut Lottery have created new divisions/departments dedicated to online gambling and sports betting. It is also the case that the online gambling partners who provide the platforms for Connecticut

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[44] In 2017, Oxford Economics released a report predicting the economic impacts of sports betting legalization in the U.S. The report predicted that the industry would represent $11 billion in total labor income and would create and support 216,671 jobs nationally.

sports betting and online casinos are very large international corporations with many employees. An example is Ruby Seven Studios, Inc. (currently contracting with Foxwoods), which employs hundreds of workers and is currently based in Reno, Nevada and Kochi, India. It is unclear to what degree these employee numbers have been expanded (if at all) to accommodate sports betting and online casino gambling in Connecticut.

One company with known Connecticut employees is Evolution, a supplier of gambling technology, and a live casino operator for digital platforms. The company's production studio produces streaming, live table games for Mohegan Sun and Foxwoods. In 2022, Evolution opened a studio with 140 employees in Fairfield and the business is in the process of doubling their floor space, anticipating a gradual expansion of employment to 400 employees.

Distribution of Sports Betting and Online Casino Revenue

The small amount of Connecticut Lottery revenue currently received from sports betting is deposited in Connecticut's General Fund.

The majority of the tribal sports betting and online casino revenue is kept by the tribes. However, the state taxes online sports betting at 13.75% of GGR and online casino gambling at 18% of GGR (which will increase to 20% in FY27). Thus, data from the CT Department of Consumer Protection shows that total online casino gambling payment from the tribes to the state's General Fund was $74,829,763 from October 2021 - June 2023. Total sports betting payments to the General Fund in this time period totaled $24,465,687.

Some key informants commented on the revenue from these new types of gambling:
- *"Sports betting is generating new, additional revenue for the state. Connecticut legalized sports betting at same time as casino-online and lottery for draw game. So the impact of sports betting adds to all of these. Their online sales that they started 18 months ago are strong and have remained stable."* (Connecticut Lottery)
- *"[Online] gaming has been supplemental to retail gaming, not cannibalistic. It has served as an additional source of revenue, and…a medium to cross-promote retail gaming and experiences."* (Mashantucket Pequot Tribal Nation)
- *"With gaming and sports betting, all of that revenue goes to the state. The only revenue portion we [municipals] get is a small, dedicated amount."* (Statewide Municipal Government Association)

Parimutuels and Off-Track Betting

Parimutuel betting on horse racing, dog racing and jai alai have a long history in Connecticut. However, by the mid-1990s all of these were in decline (potentially because of the 1992 and 1996 casino openings and expansion of lottery products) with live jai alai ending in 2001 and live greyhound racing ending in 2006 (live horse racing had ended in the 1960s). The decline of all live events likely helped off-track betting (OTB), which saw an increase in revenue for several years in the late 1990s and early 2000s.

Currently, there are 13 off-track betting parlors/racebooks in Connecticut where people can bet on live simulcast thoroughbred races, harness racing, and greyhound racing occurring in other states and countries. Eleven of these are owned and operated by Sportech, one is at Mohegan Sun (the racebook is a separate area within the FanDuel Sportsbook), and one is at Foxwoods casino (the racebook is a

separate area within the DraftKings Sportsbook). The takeout rate (percentage of the betting pool that is retained by the racetrack) in Connecticut for OTB from 1998 to 2022 has averaged 23.8%, giving an average 'return to player' of 76.2%. The takeout rate for greyhound betting has averaged 22.8%, giving an average return to player of 77.2%. The takeout rate for jai alai has averaged 18.7%, giving an average return to player of 81.3% (CT Department of Consumer Protection).

Parimutuel and Off-Track Betting Gambling Revenue

Figure 30 shows gross gambling revenue for off-track betting and parimutuels (greyhound racing and jai alai). Parimutuel GGR peaked in 1987 at $68.7 million and OTB GGR peaked in 2004 at $63.5 million. Total combined parimutuel and off-track betting GGR peaked in 1987 at $114.6 million and has been declining ever since. In 2022, OTB GGR was only $27.0 million (CT Department of Consumer Protection).

Figure 30. Parimutuel and off-track betting revenue from 1976 - 2022[45]
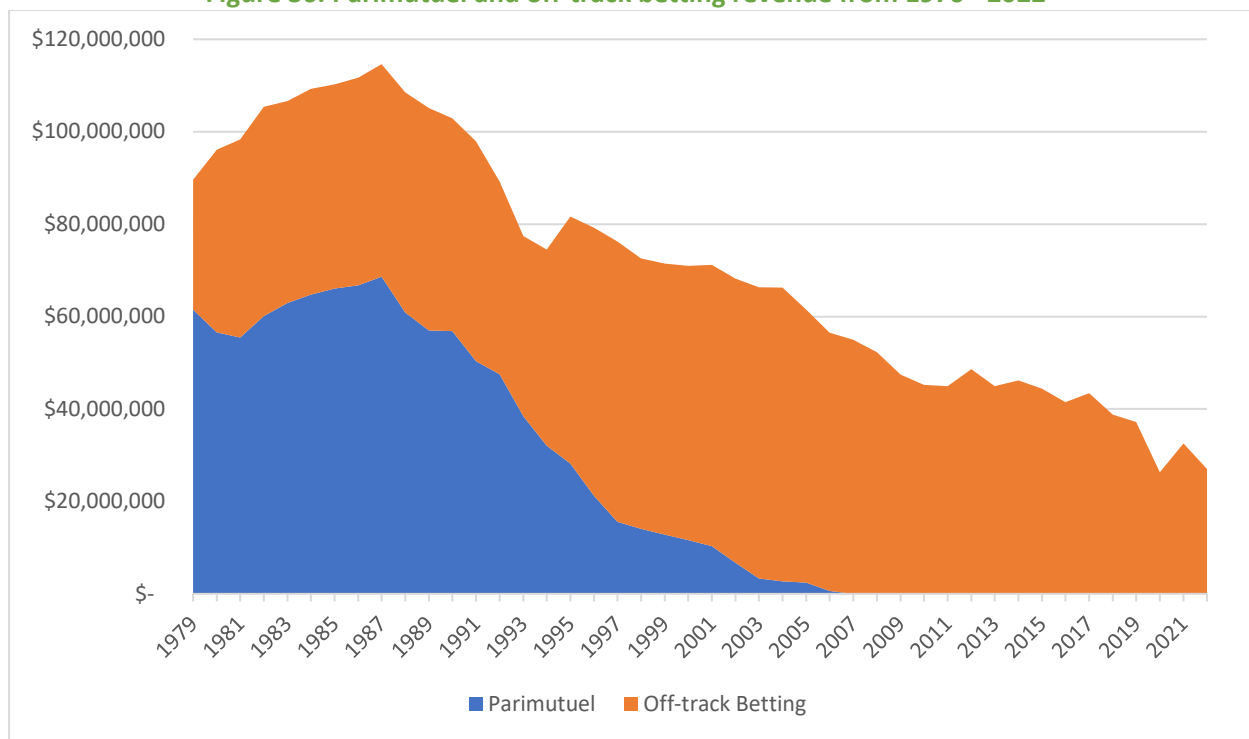
Parimutuel and Off-Track Betting Employment

Horse/dog racing tend to have more total employment impacts than other types of gambling as it not only supports people in the racing sector, but also indirectly supports farmers who grow feed and those employed in breeding and raising horses/dogs (Williams, Rehm & Stevens, 2011). The actual number of people in Connecticut currently employed from OTB is unknown but is expected to be relatively small due to the small number of OTB venues and the relatively small OTB revenue relative to other types of gambling.

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[45] Off-track betting was state-run from FY1979-1993. For that period, transfers represented the fund balance in excess of Division needs. The OTB system was sold to a private operator effective July 1, 1993 and since then transfers are based on a statutory parimutuel tax rate. The spike in 1993 is due to this change in calculation.

Distribution of Parimutuel and Off-Track Betting Revenue

Historically, the main beneficiary of parimutuel and off-track betting is the racetrack and/or simulcast venue that hosted the event and which kept between 18.7% and 23.8% of the total amount wagered. However, the state also receives a small amount. More specifically, the state receives 2% of the total amount wagered on OTB, resulting in a transfer to the Connecticut General Fund of just over $2.5 million in 2022. Advanced deposit wagering from currently unregulated off-track betting apps NYRA and TVG contributed an additional $1.25 million to the General Fund.

Charitable Gambling

'Charitable gambling' refers to the provision of bingo, a raffle, a bazaar, or sealed tickets/pull-tabs by a qualified: educational or charitable organization; civic, service, or social club; fraternal or fraternal benefit society; church or religious organization; veteran organization/association; volunteer fire company; or political party or town committee of the municipality in which the activity is to be held.

Charitable Gambling Revenue

As shown in the figure below, charitable games have also seen a steep decline in GGR, peaking at $20,047,318 in 1993 and down to only $495,121 in 2022. The steep decline in charitable gambling revenue in 2018 coincided with the introduction of Public Act 17-231, which made each municipality responsible for the permitting and enforcement of all bingo games, bazaars and raffles taking place in their town. (A review of why this impact happened and potentially how it might be mitigated is warranted).

Figure 31. Charitable gambling revenue from 1988 - 2022
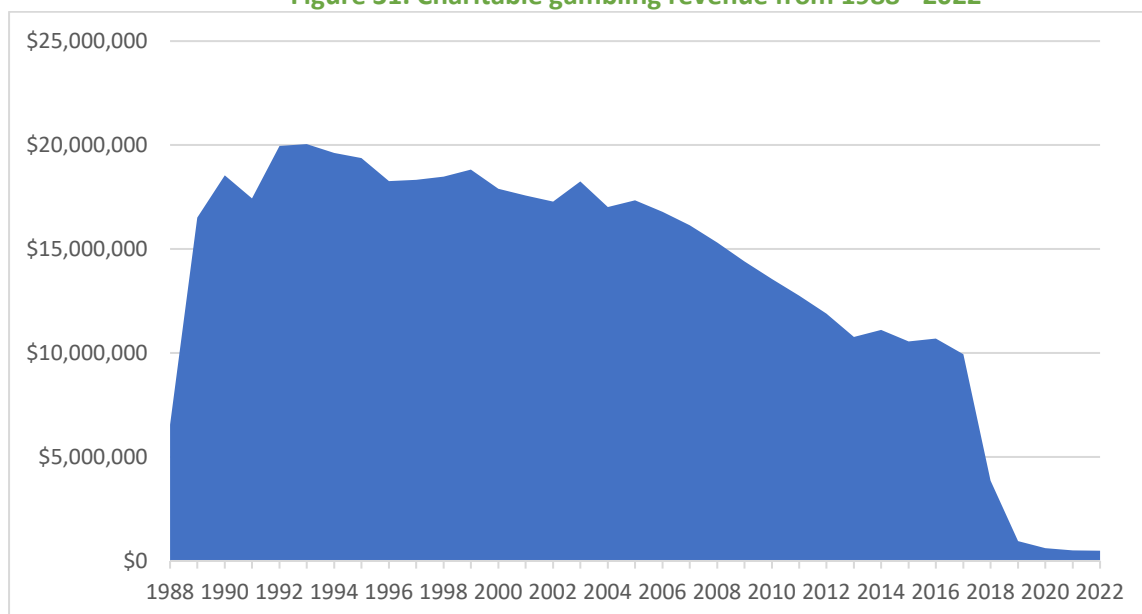
Total Gambling Revenue

Total gross Connecticut gambling revenue from FY1979 to FY2022 is shown in Figure 32 below. These are not precise estimates, as casino table game revenue had to be estimated (we used an average of 26% of slot revenue across all years) and OTB and greyhound racing GGR from FY1979 to FY1997 had to be estimated based on the known takeout rate from FY1998 to FY2022.

Figure 32Figure 32 illustrates a few important things: (a) casino and lottery revenue account for the vast majority of total Connecticut GGR; (b) overall Connecticut GGR peaked in FY2007 and has declined substantially since that time; (c) coming out of the pandemic years, there has been some resurgence in GGR in FY2022 with the advent of sports betting and online casinos.

Figure 32. CT gross gambling revenue from 1979 – 2022
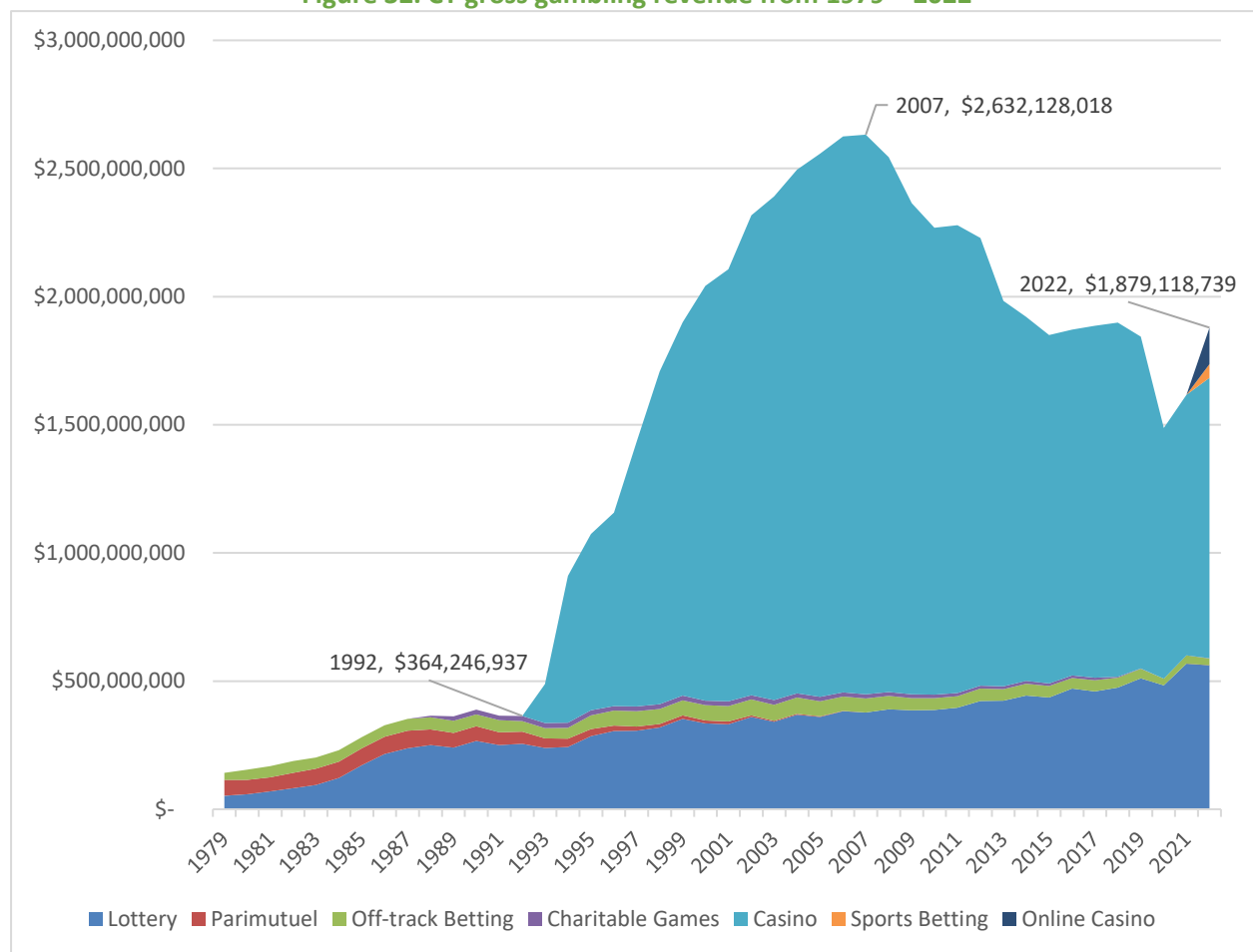
Transfer of GGR by type of gambling to the Connecticut General Fund is shown in Figure 33 below. When observing the trend since 2007, the General Fund revenues have not dipped as much as gross gambling revenue. While overall casino revenue has declined sharply, it only contributes 25% of slot revenue to the General Fund, whereas lottery revenue has been steadily increasing over time and almost 100% of this is transferred to the General Fund. Prior to 1994, OTB was run by the Division of Special Revenue so, similar to the Lottery, nearly 100% of OTB GGR was transferred to the state between 1979-1993.

Figure 33. Transfers to the CT General Fund by type of gambling from 1990 - 2022
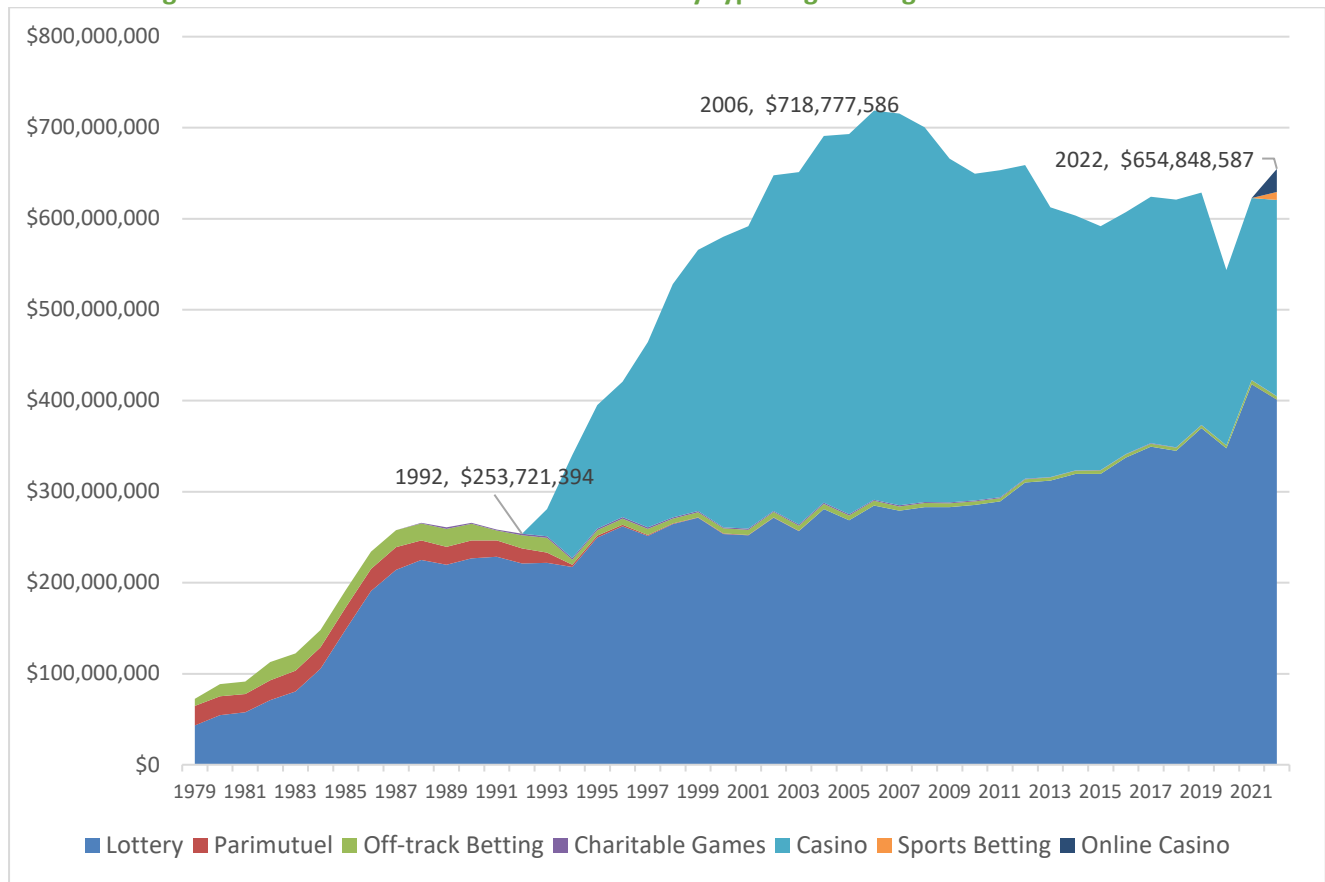
Demographic Origin of Connecticut Gambling Revenue

Thus far, the game type origin of Connecticut gambling revenue has been established along with the geographic origin of Connecticut casino revenue. The following table adds to this picture by identifying the demographic profile of the major contributors to current Connecticut gambling revenue. It is well established that a small minority of people contribute the large majority of gambling revenue across game types and jurisdictions (e.g., Fiedler et al., 2019; Lucas et al., 2002). This was also found in the present study where 75% of all reported gambling expenditure was accounted for by 5.1% of Connecticut gamblers (3.5% of Connecticut adults). Table 38 below shows the demographic profile of this 5.1% compared to all gamblers and to Connecticut adults more generally. What this table shows is that relative to their proportion in the general population, the following demographic groups make a disproportionately high contribution to Connecticut gambling revenue: males, ages 35-49, non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity), and people with high school or lower educational attainment.

Table 38. Demographic profile of people currently contributing 75% of CT gambling revenue

	Gamblers contributing 75% of all reported spending (ABS, weighted)	Profile of all CT past year gamblers (ABS, weighted)	CT adults (ABS, weighted entire sample)
Male	61.5%	50.6%	48.4%
Female	37.0%	48.9%	50.9%
Other Gender	1.5%	0.5%	0.7%
18-34	23.9%	22.4%	25.7%
35-49	35.7%	24.5%	23.8%
50-64	26.9%	26.3%	23.8%
65+	13.5%	26.8%	26.8%
White	67.7%	80.0%	77.3%
Hispanic	20.8%	13.8%	15.4%
Black	12.2%	5.5%	5.8%
Asian	5.8%	2.8%	3.2%
Other Race/Ethnicity	6.2%	2.7%	3.3%
High School or Less	49.8%	34.5%	34.9%
Some College &/or Assoc Degree	24.6%	27.0%	25.7%
Bachelor's or Higher	25.6%	38.6%	39.3%
HH Income <$60K	41.5%	39.4%	43.4%
HH Income $60K-$119.9K	28.7%	31.9%	29.8%
HH Income $120K+	29.9%	28.7%	26.7%
Immigrant	10.3%	11.2%	14.1%
Born in U.S.	89.7%	88.8%	85.9%

Proportion of Revenue from Problem Gamblers

Another important consideration is the proportion of overall self-reported gambling expenditure that comes from the 1.8% of the adult population who are classified as problem gamblers. As seen in the table below, this proportion is estimated to range from 12.4% for lottery products to 51.0% for sports betting, with 21.5% from all legal forms of gambling. Twenty-one and one-half percent of all gross gambling revenue would represent approximately $400 million dollars in 2022. Equally concerning is the fact that 49.1% of all gross gambling revenue derives from At-Risk Gamblers who constitute only 4.9% of the adult population.

Table 39. Estimated proportion of CT gambling revenue currently derived from problem gamblers

All lottery products	12.4%
Online casinos	21.4%
Land-based casinos	36.6%
Sports betting	51.0%
All legalized gambling	21.5%

Indirect Economic Impacts

The previous section covered the best available data on the direct economic impacts of the gambling industry in Connecticut. This section uses those data as a foundation to calculate the total economic impact of casino gambling. This is accomplished using an eight-region REMI PI$^+$ economic impact model. Economic impact models like REMI use documented relationships between industry sectors, regions, and types of economic activity to estimate the 'ripple effects' that an economic activity might have.

Summary of Direct Impacts

Casino Spending

As discussed earlier in this report, AirSage data was used to determine the flows of casino patrons in and out of Connecticut. Of the estimated $1.1 billion annually spent on gambling in Connecticut casinos, 50.5% ($552.3 million) was spent by Connecticut residents, with the remainder ($541.6 million) being spent by out-of-state casino visitors as shown in Table 40 (see Appendix G for more details). Most Connecticut gamblers kept their gambling local to the state, but just under one-third ($261.9 million) of the funds spent by Connecticut residents at casinos was spent at out-of-state establishments, primarily casinos in Massachusetts, New York, and Rhode Island.

Table 40. Flows of CT casino spending in 2023

Source	Amount
CT Residents Gambling at CT Casinos	$552,300,729
CT Residents Gambling at Out-of-State Casinos	$261,885,000
Out-of-State Residents Gambling at CT Casinos	$541,610,185

Overall Gambling Spending and Revenue

Not all gambling spending in Connecticut occurred at its casinos. Moreover, not all gambling spending is equal from an economic impact perspective. Not only are different types of gambling taxed at different rates, but they are also treated differently for modeling purposes. One of the most important considerations in estimating the economic impacts of a consumer activity such as gambling is the concept of **reallocation**. The presence of a new consumer activity often redirects spending toward this activity that would otherwise have been spent on other goods and services in the region. For this reason, while the gambling industry in Connecticut attracts some new spending into the state from out-of-state residents and retains the spending of patrons who would have otherwise gambled out of state, some of the funds spent on gambling have been reallocated from other Connecticut industries. For example, if legalized gambling did not exist, a portion of the money spent on gambling would be spent on other forms of entertainment, such as going to the movies, a concert, or a sporting event. From a macroeconomic perspective, this is spending that would occur anyway.

For the present study, we estimate that 37.7*% of spending by Connecticut residents at Connecticut casinos is reallocated*, while the remaining is '**new revenue**' derived from (a) out-of-state residents patronizing Connecticut casinos, and (b) Connecticut residents who would likely have gambled out-of-

state if not for the presence of in-state casinos.[46] The 37.3% reallocation figure is derived from analyses done at the two largest Massachusetts casinos (Encore Boston Harbor and MGM Springfield) where surveys of patrons concerning reallocation of spending have been conducted in recent years (Salame et al., 2020, 2023). In the absence of any data about the behavior patterns of other types of gambling, we used this same estimate for reallocation in other sectors.

Whether new or reallocated, funds spent on gambling in Connecticut generate revenue for the state government. All told, the State of Connecticut collected $654.9 million in revenue in fiscal 2022 (Figure 33 and Table 41), with 61% of this coming from the Lottery as shown in Table 41. These revenues collected from casinos and the Lottery are an important part of their economic impact, as they provide funding for various government activities and programs across the state.

Table 41. New and reallocated gambling spending in Connecticut in 2022

Type of Gambling	New Spending	Reallocated Spending	CT State Revenue
Casinos	$885,400,301	$208,682,485	$215,664,682
Lottery	$454,320,035	$107,079,965	$401,000,000
Sports Betting and Online Casinos	$144,214,847	$33,990,402	$33,551,342
OTB and Charitable	$17,157,087	$10,382,379	$674,342
Total	$1,528,007,034	$360,140,271	$653,591,839

Sources: Connecticut Department of Consumer Protection, Connecticut State Lottery.
Calculations of reallocated spending based in part on AirSage data. Rounded to nearest 100,000.

Inputs for Economic Modeling

A summary of the current direct impacts of legalized gambling is presented in Table 42. These figures are taken from Table 41 as well as earlier sections of this report. (Secondary data was utilized to estimate total casino wages).

Table 42. Summary of current direct economic impacts of legalized gambling

Measure	2022 Impacts
Casino Employment	13,904 jobs
Casino Wages	$565,800,000
Lottery Employment	161 jobs
Lottery Commissions to Lottery Vendors	$84,383,511
State Government Revenue	$653,591,839
Reallocated Consumer Spending	-$360,140,271

[46] In the present context the '37.5% reallocation' refers to the share of casino spending by CT residents that would have been spent at other CT businesses if not for the presence of CT casinos.

Estimated Indirect Economic Impacts

When these direct impacts are used as inputs to the REMI economic impact model, it produces an estimate of the total annual economic impact of the gambling industry in Connecticut as can be seen in Table 43. All told, the economic activity generated by its operation **supports approximately 22,832 jobs in Connecticut** through the combination of direct and spinoff effects in the economy,[47] 20,702 of which are estimated to be in the private sector. In addition, the industry supports an **estimated $3.7 billion in gross state output, $2.3 billion of which is estimated to be value added** (the portion of the output which is directly created by firms' capital goods and labor), **as well as $1.6 billion in personal income**. Nearly **all this economic activity originated and is concentrated in New London County,** the site of both of Connecticut's casinos.

Table 43. Summary of current overall economic impacts

CT County	Total Employment	Private Non-Farm Employment	Output	Value Added	Personal Income
Fairfield	244	183	$54,300,000	$32,300,000	$37,500,000
Hartford	731	355	$152,900,000	$87,500,000	$106,000,000
Litchfield	27	11	$7,100,000	$3,900,000	$7,100,000
Middlesex	226	179	$40,300,000	$23,200,000	$71,100,000
New Haven	-152	-274	$4,600,000	$2,900,000	$33,100,000
New London	21,379	20,136	$3,364,500,000	$2,061,700,000	$1,197,900,000
Tolland	263	60	$41,800,000	$25,200,000	$36,300,000
Windham	116	52	$35,900,000	$18,100,000	$86,000,000
Total	22,832	20,702	$3,701,600,000	$2,255,000,000	$1,575,200,000

Table 44 shows the casino industry's estimated employment impacts, broken out by the specific type of economic activity that generates demand for these jobs. We estimate that 90% of the jobs supported by the gambling industry are in the private sector and that 97% of those private sector jobs are located within New London County. Each of Connecticut's counties has jobs supported by the Lottery's operations and by state spending funded from gambling revenue. However, the economic activity generated by casino employees in New London County, the spending of those casinos, and the spending induced by the wages of workers, is by far the most significant source of overall employment. In some counties, the employment impact from some types of employment demand is negative. This indicates types of economic activity that would likely be stronger in those counties if not for consumer reallocation of spending towards gambling.

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[47] This is not the same as the number of new jobs created, which will be a lower number.

Table 44. Employment impacts by source of employment demand in 2022

Employment Demand Source	Fairfield County	Hartford County	Litchfield County	Middlesex County	New Haven County	New London County	Tolland County	Windham County
Private Non-Farm	183	355	11	179	-274	20,136	60	52
Gambling Employment	167	173	33	30	158	13,952	18	19
Business to Business	-143	-377	-68	-144	-653	1,772	-77	-276
Induced	158	559	47	293	222	4,412	119	309
Consumption-Based	68	255	13	142	83	2,472	61	165
Other Induced	90	304	34	152	139	1,940	58	144
Government	61	376	15	47	121	1,244	203	63
Total	244	731	27	226	-152	21,379	263	116

Employment is heavily concentrated in a handful of industries, most notably the accommodation and amusement, gambling, and recreation industries which comprise the casino industry (see Table 45). The employment impact of these industries in other parts of Connecticut is largely negative due to consumer reallocation. The other industries most significantly represented are those industries which are heavily supported by consumer spending, such as construction and real estate. In other words, much of the economic activity in Southeastern Connecticut is in part supported by the spending of casino employees or employees of businesses that do business with the casinos.

Table 45. Employment impact by industry sector (top 10 industries) in 2022

Employment Impact by Industry Sector (Top Ten Industries)	Fairfield County	Hartford County	Litchfield County	Middlesex County	New Haven County	New London County	Tolland County	Windham County
Accommodation	-23	-79	-16	-39	-68	7,934	-5	-56
Amusement, gambling, and recreation industries	-54	-112	-18	-58	-140	5,553	-47	-101
Construction	29	92	17	93	18	1,800	26	59
Retail trade	159	162	27	50	80	930	26	35
Food services and drinking places	14	30	2	18	9	615	9	16
Real estate	22	55	3	19	10	580	12	11
Professional, scientific, and technical services	11	69	3	28	26	402	12	23
Ambulatory health care services	6	24	1	13	7	377	8	6
Administrative and support services	2	11	1	11	-33	356	6	6
Personal and laundry services	6	34	1	12	11	196	5	21
All other industries	11	70	-11	32	-193	1,395	8	32
Total Private Non-Farm Employment	183	355	11	179	-274	20,136	60	52

Source: Regional Economic Models, Inc., UMDI Calculation

Secondary Data

To further triangulate the above projections, the following tables and figure present secondary data trends in Connecticut pertaining to some of these same economic indices. Table 46 identifies the total number of business establishments and total employment in Connecticut and New London County from 1990 to 2020. Data is from the Census - Statistics of U.S. Businesses (SUSB) and the Census - County Business Patterns. As seen, both the number of businesses and employment numbers peaked in New London County and Connecticut between 2005 and 2007, coincident with peak casino revenue. The total number of employees in New London County in 2005-2007 was 19.1% higher than in 1990-1991 and the total number of businesses 4.4% higher, which compares to only a 2.0% increase in Connecticut businesses and a 6.4% increase in employees. While there has been some decline in New London employment since 2005-2007, (a) the number of employees in New London County in 2018-2019 (i.e., pre-pandemic) was still 14.9% higher than in 1990-1991 compared to only a 5.2% increase for Connecticut, and (b) the number of businesses was 2.4% higher compared to a 2.9% *decrease* for Connecticut.

Table 46. Number of business establishments in CT and New London County from 1990 - 2020

Year	Connecticut # of Business Establishments	Connecticut Employment	New London County # of Business Establishments	New London County Employment
1990	92,816	1,482,023	5,848	94,678
1991	90,498	1,433,420	5,738	91,598
1992	90,238	1,411,923	5,717	89,016
1993	90,467	1,406,306	5,764	87,342
1994	90,789	1,385,484	5,742	87,469
1995	91,189	1,415,400	5,811	98,665
1996	91,925	1,433,673	5,856	99,501
1997	92,702	1,471,970	5,801	102,722
1998	92,362	1,493,964	5,715	103,413
1999	92,454	1,530,539	5,705	103,728
2000	92,436	1,546,250	5,729	105,770
2001	92,105	1,555,214	5,739	105,598
2002	92,375	1,555,595	5,891	110,111
2003	91,611	1,550,867	5,904	108,149
2004	93,011	1,537,461	6,005	111,683
2005	93,561	1,529,827	6,089	112,708
2006	93,421	1,585,843	6,027	112,446
2007	93,615	1,539,268	6,027	107,615
2008	92,597	1,551,305	6,016	108,604
2009	90,048	1,468,291	5,878	104,745
2010	89,234	1,436,992	5,791	107,017
2011	88,040	1,442,620	5,675	105,276
2012	88,210	1,463,732	5,706	104,801
2013	88,498	1,473,605	5,698	103,244

Year	Connecticut		New London County	
	# of Business Establishments	Employment	# of Business Establishments	Employment
2014	88,555	1,485,426	5,732	102,281
2015	89,232	1,503,102	5,805	102,909
2016	89,416	1,533,879	5,865	105,998
2017	89,574	1,536,858	5,907	105,456
2018	89,054	1,528,867	5,937	106,066
2019	88,916	1,538,341	5,924	107,959
2020	88,060	1,551,590	5,780	105,420

Connecticut Business Data shown in Figure 34 illustrates that the positive business impacts from 1990 to 2021 in the towns of Ledyard and Montville was even more pronounced than New London County more generally.

Figure 34. Number of business registrations in Montville and Ledyard from 1990 - 2021
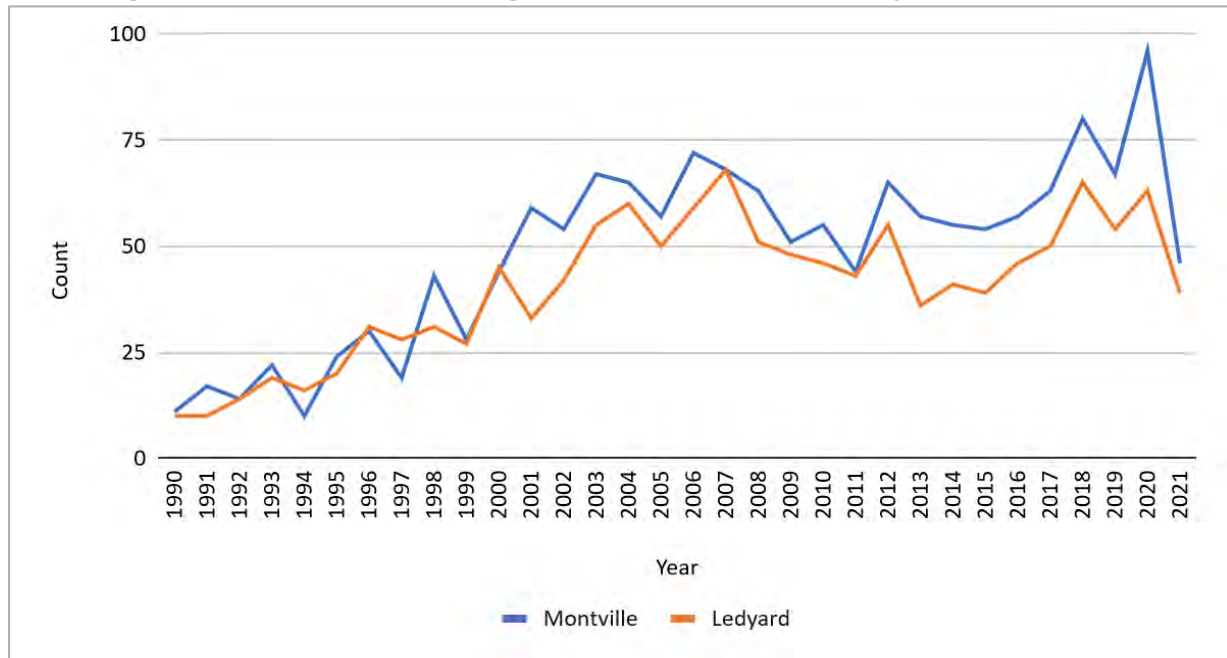
In terms of unemployment rate, as seen in Table 47, data from the U.S. Bureau of Labor Statistics shows that since 1992, relative to the unemployment rate in Connecticut: New London County has had a lower unemployment rate in 17/31 years; Ledyard in 30/31 years; and Montville in 14/31 years. Employment peaked in Ledyard and Montville in 2006-2008, with these numbers in this time period being 10.1% higher in Ledyard and 20.0% higher in Montville compared to 1990-1991, albeit only marginally higher in 2022 compared to 1990-1991 (0.3% higher in Ledyard and 0.6% higher in Montville).

Table 47. CT employment numbers and unemployment rate from 1990 - 2021

Year	Connecticut Unemploy rate	New London County Unemploy rate	Ledyard Employment	Ledyard Unemploy rate	Montville Employment	Montville Unemploy rate
1990	4.9%	5.5%	7,531	3.7%	8,808	6.0%
1991	6.5%	6.6%	7,484	4.8%	8,710	7.0%
1992	7.3%	6.9%	7,633	5.6%	8,850	6.8%
1993	6.5%	6.1%	7,668	4.3%	9,091	6.1%
1994	5.6%	5.2%	7,748	3.8%	9,312	5.1%
1995	5.3%	5.1%	7,801	3.7%	9,418	5.3%
1996	5.2%	5.4%	7,792	4.1%	9,428	5.8%
1997	4.7%	5.2%	7,898	4.1%	9,544	5.4%
1998	3.2%	3.7%	7,788	2.8%	9,427	3.7%
1999	2.5%	2.6%	7,970	1.7%	9,596	2.5%
2000	2.1%	2.1%	7,589	1.7%	9,355	2.1%
2001	2.9%	2.6%	7,623	2.0%	9,819	2.4%
2002	4.4%	3.9%	7,878	3.0%	10,065	3.9%
2003	5.5%	4.9%	7,922	4.0%	10,133	4.8%
2004	5.1%	4.7%	7,921	3.8%	10,005	4.5%
2005	4.8%	4.4%	8,075	3.6%	10,180	4.3%
2006	4.4%	4.2%	8,239	3.5%	10,466	4.1%
2007	4.5%	4.2%	8,228	3.4%	10,495	4.2%
2008	5.6%	5.4%	8,330	4.5%	10,567	5.3%
2009	8.3%	7.8%	8,131	7.1%	10,407	7.3%
2010	9.6%	9.4%	7,643	8.1%	8,943	9.8%
2011	9.0%	9.1%	7,618	7.5%	8,938	9.4%
2012	8.4%	8.7%	7,467	7.7%	8,777	9.0%
2013	8.0%	8.3%	7,374	7.5%	8,667	8.3%
2014	6.6%	6.8%	7,494	5.7%	8,758	6.9%
2015	5.6%	5.8%	7,549	5.1%	8,769	6.1%
2016	4.8%	4.8%	7,621	4.0%	8,844	4.8%
2017	4.4%	4.2%	7,844	3.5%	9,110	4.3%
2018	3.9%	3.8%	7,876	3.2%	9,001	4.0%
2019	3.6%	3.4%	7,925	2.8%	9,029	3.5%
2020	7.9%	9.5%	7,056	9.1%	8,041	10.0%
2021	6.3%	6.9%	7,037	6.0%	8,020	6.5%
2022	4.2%	5.5%	7,531	3.7%	8,808	6.0%

Green shading indicates a lower rate than CT; pink shading indicates a higher rate than CT

Comparisons to Previous Economic Studies

In the course of this study, we reviewed several economic impact studies on the Connecticut gambling industry that had previously been conducted. In particular, we reviewed the 2019 Taylor Policy Group study of the economic impact of the Mashantucket Pequot Tribal Nation, the 2022 Oxford Economics study of the economic impact of several Mohegan casino properties, and the 2009 Spectrum Gaming report on the social and economic impacts of gambling in Connecticut. While each of these reports is informative, there are several important differences in scope and approach that make it difficult to compare the results of these studies to the results of our own.

The most important difference is the overall scope. Both the Taylor and Oxford studies were commissioned by one of Connecticut's tribes and focus on the economic impact of that specific tribe's operations. As a result, these researchers were provided with data on casino employment and operations in the years that those studies took place that were not made available to us. In the absence of those data, UMDI primarily used secondary data from state government to estimate employment, wages, and casino revenues. These data were reported at the industry level, rather than the firm level, and since the Taylor and Oxford studies occurred in different years and only featured data for a single casino, we were unable to effectively use them to validate the accuracy of the state government data, although this data did appear to be correct in its order of magnitude. For example, Taylor reports in 2019 that Foxwoods employed 6,772 workers, which seems plausible given the Connecticut QCEW data showing that 17,542 workers were employed in the amusement, gambling, and recreation and accommodation sectors within local government (which we assume to be casino employees) in the same year.

The Spectrum Gaming (2009) report, while not as recent, does cover a broader range of gambling activities in Connecticut, with sections addressing the casinos, Lottery, charitable gambling, and off-track betting. However, the economic impact section of the report focused exclusively on the operations *of the casinos*, as well as tribal construction projects funded by casino revenues. Since the Spectrum study did not cover the economic impacts of other important forms of gambling (e.g., CT Lottery), and since the gambling landscape of Connecticut was significantly different in 2009, there are some expected differences between our report and theirs, despite using the same REMI economic model. That said, the Spectrum team estimated the total employment impact for the operation of the two casinos in 2007 to be 32,510, higher than the UMDI estimate of 23,898 in 2023, but generally in line with the observed trend of declining casino employment and slots revenues from 2007 to 2023. Our study, focused as it was on measuring and modeling the impacts of all forms of legalized gambling, including casinos, estimated output (gross state product) of $4.86 billion, with a value-added portion of $2.97 billion. Our output is more than double the Oxford Economics 2022 finding for total impacts from Mohegan Sun, which makes sense because our model includes the Foxwoods casino as well as impacts from the Connecticut Lottery. Also, our model includes a calculation that reduces total impacts based on an estimate of reallocated spending by Connecticut patrons who would have spent on goods and services in other parts of the Connecticut economy had it not been for the availability of legalized gambling.

It is important to reiterate that the Spectrum report and the present report are different in their methods, and that the results of either study would have likely been different in substantial ways had one group used the other group's method. That said, given the major role that Connecticut casinos play in the overall gambling industry, it seems fair to state that the overall economic impact of gambling in Connecticut has fallen since 2007 in line with a reduction in direct impacts such as employment and revenues.

CONNECTICUT PROBLEM GAMBLING PREVENTION & TREATMENT REVIEW

The State of Connecticut was a pioneer in addressing the issue of problem gambling among its residents. Founded in 1981, the Connecticut Council on Problem Gambling (CCPG) was the first state affiliate of the National Council on Problem Gambling (NCPG). Treatment services in Connecticut were funded in 1982, just two years after 'pathological gambling' was added to the Diagnostic and Statistical Manual of Mental Disorders for the first time (American Psychiatric Association, 1980). The nation's first voluntary self-exclusion program was established at Foxwoods in 1994 and was soon followed by a similar program at Mohegan Sun. Between 1998 and 2018, two academic research and treatment programs for problem gambling were active in Connecticut: the Gambling Treatment and Research Center, led by Dr. Nancy Petry at the University of Connecticut School of Medicine and the Yale Center for Excellence in Gambling Research, led by Dr. Marc Potenza.[48]

The purpose of this section of the report is to evaluate the adequacy and effectiveness of current Connecticut problem gambling prevention and treatment initiatives in light of: (a) the evidence pertaining to these issues collected in the course of this study, and (b) international best practices. In this section, we review the full range of problem gambling services in Connecticut with a focus on funding, the types of services that are available, and how these services are administered. Using data from our population and online panel surveys, we examine attitudes and access to problem gambling services in Connecticut. We conclude with a brief review of best practices in problem gambling service provision internationally and recommendations to improve problem gambling services in Connecticut.

Methodology

Some information pertinent to this issue was collected for other purposes in the course of the project:
- Key Informant Interviews (e.g., with DMHAS, CCPG, treatment providers, and those with lived experience),
- Population surveys (i.e., demographic profile of people classified as problem gamblers, prevention and treatment awareness, help-seeking behavior and experiences), and
- Secondary data collection (Gambler's Anonymous chapters).

Additional historical data pertaining to prevention, responsible gambling, harm minimization, and treatment services in Connecticut was gathered from DMHAS and CCPG, including information on helpline contacts and treatment intakes. To compare problem gambling services in Connecticut with best practices internationally, we identified and reviewed an array of research publications and reports including a series of national surveys of publicly funded problem gambling services carried out between 2006 - 2021 that provided historical data on problem gambling services in Connecticut.

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[48] The University of Connecticut center closed after Dr. Petry passed away in 2018. The Yale Center continues to be active with support from the International Center for Responsible Gaming.

Funding of Problem Gambling Services

Problem gambling services in Connecticut are funded by the state's legal gambling operators, including the Connecticut Lottery, the Mohegan Tribe and the Mashantucket Pequot Tribal Nation, and off-track betting and charitable gambling licensees through DCP's Gaming Division. Funds contributed by the Lottery, the parimutuels and charitable gambling flow annually to DMHAS's Problem Gambling Services unit via the Chronic Gamblers Treatment and Rehabilitation Fund. The largest source of funding for DMHAS is the Lottery whose mandated contribution increased from $1.3 million in 2006 to $2.3 million in 2016 (Marotta et al., 2017; Spectrum Gaming Group, 2009). The amount that DMHAS receives for problem gambling services from off-track betting and charitable gambling has varied but currently averages about $120,000 annually.[49]

The sports betting and online gambling legislation passed in 2021 increased the annual contribution of the Connecticut Lottery to DMHAS to $3.3 million and also required each of the tribes to contribute $500,000 for the prevention and treatment of problem gambling (Pazniokas, 2022). While the tribes are committed to continuing their voluntary contributions to CCPG, Mohegan Sun announced in mid-2022 that the additional funds would go to the Yale Center for Excellence in Gambling Research to develop a mobile app-based cognitive behavioral therapy program.[50] It is anticipated that the new app will be a resource to those affected by gambling who may be unwilling or unable to access in-person treatment in Connecticut and beyond. We were unable to obtain information on how Foxwoods intends to allocate the additional funds.

Funding for the Connecticut Council on Problem Gambling (CCPG) comes from the tribes and DMHAS. Foxwoods and Mohegan Sun are CCPG's largest source of annual funding and the tribes have funded the activities of the CCPG for many years.[51] DMHAS is the Council's other main source of funding since legislation passed in 1992 requires the agency to direct 5% of the amount that it receives annually from the Lottery and DCP to CCPG. According to CCPG, funding from DMHAS is on par with funding from the tribes. Figure 35 provides an overview of the flow of funding for problem gambling services in Connecticut.

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[49] J. Wampler, personal communication, July 24, 2023.
[50] https://www.mohegan.nsn.us/resources/media/press-releases/2022/05/24/mohegan-tribe-and-yale-university-announce-major-initiative-to-combat-problem-gambling
[51] Based on review of CCPG's annual filings to the Internal Revenue Service from 2006 to 2021 (https://projects.propublica.org/nonprofits/organizations/222529245).

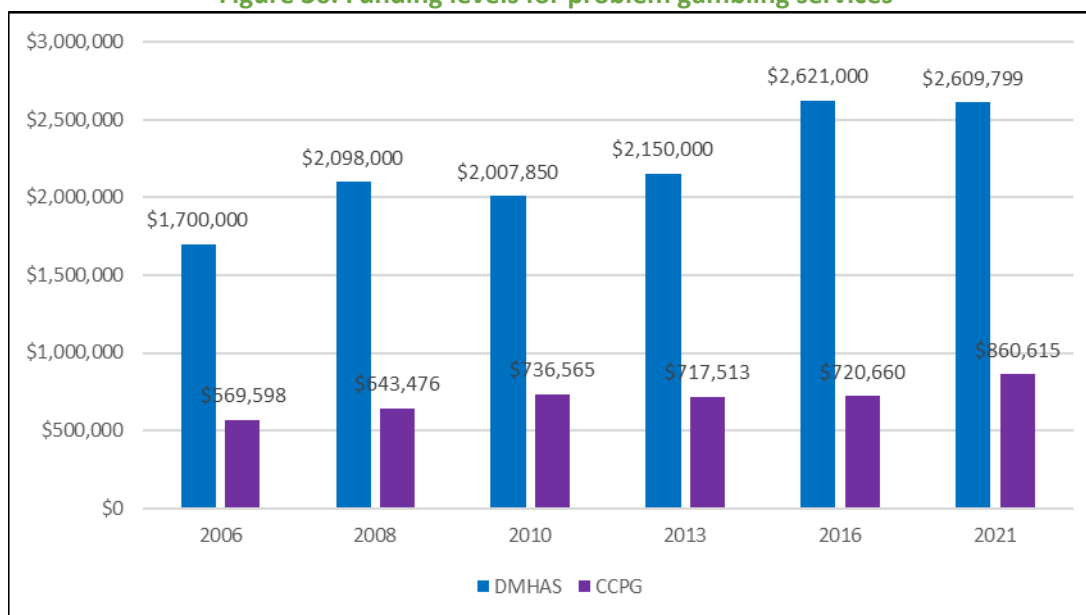**Figure 35. Problem gambling services funding arrangements**
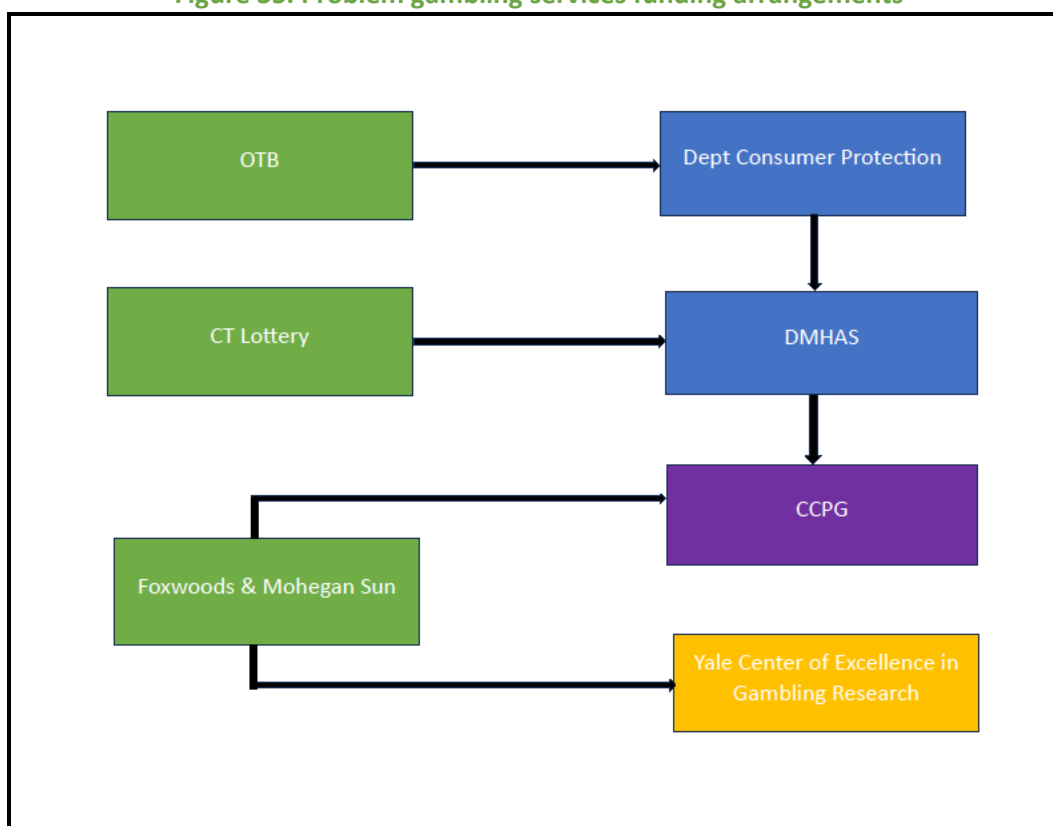
As noted above, historical information on **public funding** for problem gambling services in Connecticut was obtained from reports on surveys of publicly funded problem gambling services in the United States that have been carried out since 2006 by the Association of Problem Gambling Service Administrators (APGSA) (renamed National Association of Administrators for Disordered Gambling Services (NAADGS) in 2020).

Based on six surveys conducted between 2006 and 2021, public funds allocated to problem gambling services in Connecticut increased from $1.7 million in 2006[52] to approximately $2.6 million in 2021 (Marotta, Christensen, & Hynes, 2006; Marotta & Yamagata, 2022). In 2021, DMHAS received $2.3 million from the Connecticut Lottery as well as $90,675 from parimutuel and charitable gambling operators via DCP. The agency also provided an in-kind contribution of $219,124 to the Problem Gambling Services unit. Based on these amounts, total public funding for DMHAS increased 54% over the 15-year period. In 2006, CCPG received $399,000 from the tribes along with $170,000 from DMHAS for a total of $569,598 (Spectrum Gaming Group, 2009). In 2021, CCPG's annual revenues were $860,615, which represents a 51% increase over the 15-year period (see Figure 36).

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[52] It is unclear why the amount allocated for problem gambling services in 2006 in the 2009 Spectrum report differs from the amount identified in the 2006 APGSA report.

Figure 36. Funding levels for problem gambling services

Source: APGSA/NAADGS survey reports for DMHAS; IRS Form 990 for CCPG.
Note: Funding for DMHAS is based on Fiscal Years; funding for CCPG is based on Calendar Years.

The 2013 survey of problem gambling services was the first in the series to attempt to capture information on both publicly funded services and services delivered by NCPG affiliates. The effort did not include problem gambling services provided by tribal governments, health insurers or community organizations such as Gamblers Anonymous (Marotta, Bahan, Reynolds, Vander Linden, & Whyte, 2014). The 2016 survey of problem gambling services was again a joint project of APGSA and NCPG and captured information about the funding and activities of both DMHAS and CCPG (Marotta et al., 2017). The most recent survey of problem gambling services was carried out in 2021 and again captured information on problem gambling services funded by the states as well as those provided by affiliates of the NCPG (Marotta & Yamagata, 2022).

As noted above, DMHAS received a total of $2.6 million for problem gambling services in 2021. Contributions of the tribes to CCPG in 2021 that were reported to NAADGS totaled $549,375 although CCPG reported to the IRS that the tribes contributed a total of $588,062 in 2021. The difference reflects a $40,000 pass-through from Mohegan Sun to the Yale Center of Excellence in Gambling Research to directly support research.[53] Additional contributions reported by CCPG to the IRS included $115,000 from DMHAS and $133,846 from the Small Business Administration.

A 2022 update to the 2021 NAADGS study collected budgetary information about problem gambling services budgets and expenditures in the first half of FY2022 in the 43 states that funded problem gambling services (Problem Gambling Solutions, 2023). This update captured information about the mandated increase in the Lottery's annual contribution to DMHAS and noted that Connecticut was among the 29% of states funding problem gambling services that experienced a budget increase of 5% or more between 2021 and 2022. The main reason for these nationwide increases was the legalization of sports betting.

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[53] D. Goode, personal communication, September 20, 2023.

Table 48 summarizes per capita spending on problem gambling services in Connecticut since 2006 compared with average per capita spending in other states with problem gambling services.

Table 48. Per capita spending on problem gambling services

Year	CT per capita spending	Average per capita spending in states with PG services	CT rank
2006	$0.48	$0.24	9
2008	$0.60	N/A	9
2010	$0.59	N/A	7
2013	$0.60	$0.32	6
2016	$0.73	$0.37	8
2021	$0.72	$0.40	7
2022 (6 mos)	$0.90	$0.46	7

Note: N/A indicates information not available.

Organization of Problem Gambling Services

The NAADGS reports are organized around a useful typology of problem gambling services although the authors note that there is a striking lack of uniformity with respect to the types of problem gambling services that are funded in the United States. Helpline and media/public awareness campaigns are the most frequently funded services followed by treatment, counselor training, and prevention. Program evaluation, research and counselor certification are the services least likely to be funded (Marotta & Yamagata, 2022). We have chosen to use the same typology in presenting information about problem gambling services in Connecticut.

Prevention and Awareness Services

In contrast to prevention efforts to address alcohol, tobacco and other drugs, efforts to prevent problem gambling are relatively new and uninformed by an evidence base (Williams, West, & Simpson, 2012). Problem gambling prevention programs in the U.S. only started in the late 1990s. Early prevention efforts were mostly school-based and not typically delivered by prevention specialists. It was only in 2015 that a comprehensive framework for problem gambling prevention was articulated by the National Council on Problem Gambling (Marotta & Yamagata, 2022).

The 2021 NAADGS survey identified four main types of problem gambling prevention services nationally, including coalition building, parent education, school-based programming (including middle school, high school and college), and community readiness assessments. Specific population groups most likely to be targeted in these efforts include youth, people with addiction histories, college students and older adults. Other groups that were often targeted for problem gambling prevention include veterans as well as people with mental health and criminal justice histories. In addition to prevention services, the NAADGS survey assessed the provision of public awareness services that are intended to "increase awareness of problem gambling as a public health issue and to promote awareness among the public of the availability of [treatment] services" (Marotta & Yamagata, 2022, p. 35). In Connecticut, both DMHAS and CCPG provide extensive problem gambling prevention and awareness services.

Department of Mental Health and Addiction Services (DMHAS)

The DMHAS Problem Gambling Prevention webpage lists a range of prevention and awareness activities, including Regional Gambling Awareness Teams, a youth media project, the Asian American Pacific Islander (AAPI) Ambassador Initiative, and the Congregation Assistance and Community Awareness Program. The **Regional Gambling Awareness Teams** offer resources, trainings and workshops in each of the state's five regions in support of local communities with concerns about gambling. The **youth media** project is a partnership with CCPG and the Capitol Region Education Council which works with youth and adult advisors to create and disseminate gambling awareness messages. The **AAPI Ambassador Program** started in 2016 in Region 4 with that region's Regional Behavioral Health Action Organization (RBHAO), Amplify. The Ambassador Initiative trains representatives of AAPI communities in gambling awareness and provides technical assistance to engage members of these communities in conversations about gambling. This work has focused to date on Southeast Asian communities but there are plans to expand the initiative to other regions and other underserved populations in the state. The **Congregation Assistance and Community Awareness Program** seeks to educate people who work in lay ministries and non-clinical settings in how to connect people who may be experiencing substance use, mental health, or gambling problems with appropriate services in their communities.

The recent increase in funding for problem gambling services in Connecticut has allowed DMHAS to expand its prevention and awareness efforts. The division has had a fulltime Primary Prevention Services Coordinator for many years but now has an additional Primary Prevention Coordinator whose focus is on education and awareness to multicultural and special populations as well as integrating gambling into the existing substance use and addiction prevention landscape. DMHAS is working with CCPG on a **college initiative** on nine campuses around the state, that expands the existing youth media project, now fields a **resource van** that can be driven to public events, and has initiated a **statewide Strategic Prevention Framework training** led by Community Anti-Drug Coalitions of America (CADCA). Engagement with other Connecticut agencies, including the Court Support Services Division (CSSD), Department of Corrections (DOC), and the Department of Children and Families (DCF), has increased as has engagement with the Veterans Administration. The new prevention coordinator meets on a quarterly basis in each region with the Regional Gambling Awareness Teams as well as the college campus programs. These meetings typically include 12 to 16 people from DMHAS, CCPG, the RBHAOs and community organizations as well as the youth project coordinators and representatives from the Connecticut Community on Addiction Recovery.

Connecticut Council on Problem Gambling (CCPG)

The CCPG website notes that the organization conducts programs in advocacy, prevention, outreach and education serving students, veterans and other at-risk populations. The website provides access to numerous materials and resources related to problem gambling. This includes:
- helpline/chat/text that links visitors to local providers certified to provide treatment for problem gambling, and provides information and resources for specific groups such as youth, college students, older adults, veterans, and women,
- financial tools for people in recovery or concerned about their gambling,

- responsible gambling tips, including a link to the state's *Responsible Play – The CT Way* website,[54]
- links to voluntary self-exclusion programs operated by Foxwoods, Mohegan Sun and DCP,
- tips on how to delete gambling apps from a mobile phone,
- links to the youth problem gambling and gaming prevention initiative, and
- links to the Bettor Choice treatment programs.

CCPG received an increase in funding from the casinos in the wake of sports betting and online gambling legalization which allowed for the addition of two staff although several key informants commented on the challenges that CCPG nevertheless experienced, particularly in managing a large increase in calls to the helpline. Media coverage also suggests that the increase in funding was not enough to fully counter the impacts on CCPG of the most recent expansion of gambling in Connecticut (Moritz, 2022).

Responsible Gambling: Industry Contributions

The 2021 NAADGS report notes that problem gambling services in the U.S. are often funded with revenue generated from the industry; this is certainly the case in Connecticut (Marotta & Yamagata, 2022). The Lottery and both tribes provide funds for problem gambling services in the state as well as engaging in their own responsible gambling efforts.

CT Lottery

The Lottery has developed a responsible gambling portfolio that includes participating in the NASPL-NCPG responsible gambling standards verification program and engaging in a range of responsible gambling activities, including employee training, retailer training, player education, and stakeholder engagement. The Lottery, CCPG and DMHAS have cooperated on responsible gambling efforts for over 20 years and meet quarterly to discuss responsible gambling marketing and programming and to address issues collaboratively. Responsible gambling trainings for Lottery employees and retailers are offered in collaboration with CCPG and DMHAS.

In addition to contributing annually to DMHAS to support problem gambling prevention and treatment programs, the Lottery supports its own responsible gambling marketing and advertising campaigns. In 2022, the Lottery spent about $200,000 advertising the CCPG helpline on radio and billboards and about $300,000 on responsible gambling messaging on television, radio, billboards, and on its website. While the Lottery paid for responsible gambling advertising provided by GameSense for some years, the Lottery joined a partnership in 2016 including Foxwoods and Mohegan Sun, Sportech (the sports betting provider for the OTB venues), CCPG and DMHAS in developing a statewide responsible gambling marketing campaign (*Responsible Play – The CT Way*). In 2023, the Lottery eliminated spending on GameSense in favor of supporting the Connecticut responsible gambling brand.

Responsible gambling advertising is displayed throughout the year on Keno monitors, retailer monitors and self-service vending machines. The Lottery participates annually in two responsible gambling campaigns; the *Gift Responsibly* campaign runs during the holiday season and encourages players not to

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[54] This website was developed collaboratively by CCPG, DMHAS, the Connecticut Lottery, Foxwoods, Mohegan Sun, and Sportech. In addition to information about how to gamble responsibly, the website includes links to the responsible play pages for all of these organizations as well as a link to schedule visits by the Responsible Play resource van to community events.

use lottery tickets as gifts while *Problem Gambling Awareness Month* (conducted in March in cooperation with the NCPG's national campaign) is accompanied by increased responsible gambling advertising. The Lottery recently partnered with a non-profit organization ([CUBFI](#)) to offer financial literacy education as well as free advice from credit union financial counselors to lottery winners.

Foxwoods and Mohegan Sun

The compacts between the Mohegan Tribe, the Mashantucket Pequot Tribal Nation, and the State of Connecticut require the tribes to support problem gambling initiatives. The Mohegan Tribe has been a supporter of problem gambling initiatives since its inception and is an important contributor to the NCPG; senior executives from Mohegan Gaming and Entertainment have served on the NCPG's board of directors for over two decades. As already noted, Foxwoods was an early adopter of voluntary self-exclusion. Both Foxwoods and Mohegan Sun support in-kind responsible gambling activities such as employee training and posting of front- and back-of-house information about where to find help for a gambling problem. As noted previously, Mohegan Sun and Foxwoods are the primary funders of CCPG while the new sports betting and online gambling legislation increased the amount that each of the casinos is required to spend annually for problem gambling prevention and treatment to $500,000 (Pazniokas, 2022).

Voluntary Self-Exclusion and Gambling Limits

Both Foxwoods and Mohegan Sun have had voluntary self-exclusion programs for many years although these programs offer different exclusion periods to individuals who enroll. Foxwoods offers five-year and lifetime exclusion periods while Mohegan Sun offers one-year and five-year exclusion periods. The recent legislation required DCP to establish a new voluntary self-exclusion program for sports bettors and online gamblers separate from the programs operated by the casinos. The DCP self-exclusion program offers one-year, five-year and lifetime exclusion periods. The DCP self-exclusion list was activated in September 2021; as of September 9, 2023, there were 3,026 individuals on the self-exclusion list.[55] While the tribes have indicated that they are amenable to merging the three self-exclusion programs in Connecticut, this has not yet happened (Pazniokas, 2021). Instead, people who choose to exclude from sports betting and online gambling through DCP are provided with the option to add themselves to the casino self-exclusion lists separately. It is notable, that unlike many jurisdictions, [self-excluders in Connecticut cannot revoke their exclusion until the ban has ended.](#)

The new legislation also requires DCP to establish a limit-setting program. The limit-setting program prevents sports bettors and online casino gamblers from wagering once their lifetime deposits exceed $2,500 until they affirmatively acknowledge (a) that they have met the limit, (b) that they are capable of adopting responsible gambling limits or able to close their account, and (c) that they are aware of the state's problem gambling helpline. While these acknowledgements allow wagering to continue, subsequent acknowledgements are required every six months and a record of these acknowledgements is kept as part of each customer's account.[56]

Additionally, the online partners of the Lottery and the casinos offer a mix of voluntary limit-setting tools, including time limits, spending limits, deposit limits, and wager limits. In line with DCP's program

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[55] K. Sinko, personal communication, September 13, 2023.
[56] M. Magnan, personal communication, September 20, 2023.

and as required by the legislation, these operators also temporarily freeze accounts for gamblers who exceed $2,500 in lifetime deposits until acknowledgements are provided (Graziano, 2022).

Problem Gambling Helpline

Nearly all states with legalized gambling support some type of problem gambling helpline. In recent years, problem gambling helplines have begun offering additional services such as 'warm transfers' of helpline callers to schedule appointments with treatment professionals as well as web-based chat and texting services. The majority of states operate a stand-alone problem gambling helpline but some embed problem gambling within helpline centers that field calls for other mental health and addiction issues (Marotta & Yamagata, 2022).

The CCPG operates the primary problem gambling helpline in Connecticut (888-789-7777) and the number is posted on the DCP, DMHAS, CT Lottery, Foxwoods and Mohegan Sun websites as well as included on all printed lottery products. The helpline is the major source of referrals to the Bettor Choice treatment programs funded by DMHAS. The CCPG helpline also refers callers seeking help for their own or a family member's gambling problem to Gamblers Anonymous and GamAnon; the DCP Gaming Division webpage also includes links to these organizations. There are additional telephone numbers posted for people seeking help for a gambling problem in Connecticut: one number to contact DMHAS Problem Gambling Services division directly (860-344-2244) and the NCPG's national helpline number (previously 800-522-4700[57] but changed to 800-GAMBLER in June 2022[58]).

Obtaining data on calls to the CCPG helpline proved challenging because the helpline has been managed by several different organizations since it was established. Prior to 2021, the Connecticut helpline (including text and chat functions) was managed by LifeWorks (previously Bensinger Dupont, then Morneau Shepell and now TELUS) which provided usage data to CCPG. Beginning in 2021, CCPG began developing internal systems to answer chats but did not take full responsibility for this function until April 2022. As of the time of writing, CCPG was still in the process of moving the text function fully over to its own systems.

The Senior Director of Programs and Services at CCPG, Kaitlin Brown, provided the research team with data on calls to the helpline from January 2021 - June 2023. Data for the period of 2018-2020 was obtained from LifeWorks and is not entirely comparable to the more recent usage data. Table 49 presents information about **average monthly activity** related to CCPG's helpline, including the text and chat functions. The table shows that there was an 88% increase in the monthly average number of calls (for oneself or an affected other) between 2020 and 2021 and a further 34% increase between 2021 and 2022. There was a 17% increase in the monthly average number of calls, chats and texts between 2019 and 2020 and a further 30% increase between 2020 and 2021. Finally, there was a very large 91% increase in all contacts to the helpline, including nuisance contacts, between 2021 and 2022.

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[57] This number is posted on the DCP Gaming Division webpage and on the Mohegan Sun responsible gambling webpage for individuals from outside Connecticut seeking help.
[58] https://www.ncpgambling.org/programs-resources/helpline-modernization/helpline-faq/#:~:text=Number%20Harmonization,week%20of%20July%204th

Table 49. Monthly average activity for CCPG helpline

Year	Calls	Call/Text/Chat	All Visits
2018	21	---	---
2019	20	52	413
2020	17	61	513
2021	32	79	439
2022	43	74	837
2023 (6 mo)	43	49	805

CCPG provided the research team with Google Analytics data on activity on the organization's website. Google Analytics provides information about unique webpage visits that can be broken out into visits to the Get Help, Home and Chat webpages. Overall, there was a 59% increase in the monthly average number of unique webpage visits between 2020 and 2021 and another 47% increase between 2021 and 2022. While there was a decrease in monthly average visits to the Get Help webpage in both 2021 and 2022, there was an 84% increase in monthly average visits to the Chat webpage in 2021 and 55% in 2022. Between October 2021 and December 2022, calls, texts and chats increased by an average of 110% over the same month in the prior year.

Treatment Services

In 2009, Spectrum Gaming (2009) observed that Connecticut compared favorably with most states with respect to the level of funding for problem gambling services but did not perform as well as several other states with less funding. They were particularly critical of the lack of residential inpatient services for people with gambling problems in Connecticut[59] as well as the lack of spending to promote the state's problem gambling services. They did note that the outpatient treatment program in Connecticut was the oldest continuously operating program in the nation and had been administered by the Problem Gambling Services unit, in the Statewide Services Division at DMHAS since 1998.

In addition to the Bettor Choice programs which provided treatment at little or no cost, there were several other problem gambling treatment options in Connecticut in 2009, including for-profit counselors and the programs at Yale and the University of Connecticut. The Bettor Choice programs offered a range of outpatient services, including individual counseling, group therapy, peer counseling, financial recovery counseling, psychiatric consultation, treatment for co-occurring conditions, education of gamblers and their families, and marital and family therapy with the length of treatment ranging from two months to two years. One significant challenge for the Bettor Choice programs in 2009 was the lack of reliable client data to monitor enrollment levels and assess treatment effectiveness.

The 2021 NAADGS report noted with respect to problem gambling treatment that relatively few gamblers in need of assistance seek help. This view has been endorsed by numerous professionals in the gambling treatment and research fields in the U.S. and internationally. Marotta & Yamagata (2022) estimated that only about 0.5% of problem gamblers nationally received treatment in 2021, compared to 1.4% of people with substance use disorder who received treatment.

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[59] The report did note that the Midwestern Connecticut Council on Alcoholism's McDonough House in Danbury provided a five-day inpatient residential program for people with gambling problems (Spectrum Gaming, 2009). However, this length of stay is generally considered respite care rather than a full residential rehabilitative program which usually lasts 30 days.

Nationally, the 2021 NAADGS report found that an average of 393 people with gambling problems per state received treatment in publicly funded treatment systems in the U.S. in 2021 and that the average wait time to enter treatment was 3.7 days. An average of about 6% of the population seeking gambling treatment obtained residential care in the nine states that offer publicly funded residential treatment services. In the 20 states that reported separately on the number of enrollments of gamblers and affected others, 12% of those obtaining treatment were affected others. The most frequently offered level of care across the 33 states that funded problem gambling treatment in 2021 was outpatient treatment; only 15 states offered intensive outpatient or residential treatment. Minimal interventions (structured programs that involve assessment, psychoeducation, telephone counseling and/or self-change guides) were available in 14 states that had publicly funded problem gambling services. The majority of contracts for problem gambling treatment were awarded to state licensed behavioral health agencies while about one third of the states contracted with individual practitioners or agencies. In reviewing reimbursement rates for problem gambling treatment, it is notable that Connecticut had the highest hourly reimbursement rates for both individual therapy ($170) and group therapy ($81) (Marotta & Yamagata, 2022). This is at least partly due to the high cost of living in Connecticut compared with other states.

Problem gambling treatment has been available in Connecticut for over two decades and continues to be offered through the Bettor Choice program which is integrated with mental health, substance use and recovery programs in Connecticut. Appointments to see a therapist can usually be made within 48 hours. The Bettor Choice programs are funded by DMHAS through state-licensed behavioral health agencies in each of the five regions of the state. The Bettor Choice programs offer a variety of outpatient services, including individual and group therapy, peer recovery support, medication and budget counseling for people experiencing gambling problems and affected loved ones.

In the past, funding to the state-licensed behavioral health agencies was weighted by the population of each region; currently each Bettor Choice treatment provider receives the same amount of funding. The procurement and selection process for the Bettor Choice programs is managed by the DMHAS Problem Gambling Services unit. In addition to providing treatment for people experiencing gambling problems and family members of such individuals, the Bettor Choice programs coordinate and work with the gambling awareness teams in each region as well as with youth. Treatment services are free to people experiencing gambling problems and their family members. While there are private practitioners providing problem gambling treatment outside of the Bettor Choice programs, their services are generally covered by private insurance rather than through the state program. A contact list for the Bettor Choice programs is maintained on the DMHAS website and updated regularly. Table 50 summarizes this information as of June 2023:

Table 50. Bettor Choice locations

| DMHAS Region	Area of State	Location of Program	Name of Provider
1	Southwest	Norwalk Bridgeport	Connecticut Renaissance
2	South Central	Branford Ansonia Milford West Haven	Communicare BHcare Bridges Healthcare
3	Eastern	Norwich	United Community & Family Services
4	North Central	Hartford New Britain	Wheeler Clinic
5	Northwest	Waterbury Danbury New Milford Torrington	MCCA Inc.
5	Inpatient	Danbury	McDonough House

Based on interviews with key informants from the state licensed behavioral health agencies, the research team learned that the Bettor Choice program in Region 3 offers **bilingual services** (English and Spanish) for people experiencing gambling problems and their families while the Bettor Choice program in Region 5 runs four **problem gambling groups** including one for women experiencing gambling problems and one for affected family members. The recent increase in funding has enabled the Bettor Choice programs to offer intensive outpatient treatment for the first time. The only inpatient treatment for people experiencing gambling problems in Connecticut is located in Danbury and provides respite stays for up to five days.

Another expansion supported by the recent increase in funding is the **Disordered Gambling Integration (DiGIn)** project which aims to integrate problem gambling services within agencies in Connecticut that provide mental health and substance use services. The DiGIn project, which was established in 2009, focuses on enhancing and increasing gambling screening, assessment, intervention, recovery and health promotion efforts within existing mental health and substance use programs through readiness surveys, integration training, certification of key staff, developing integrated organizational processes, case consultations with DMHAS, and regular on-site evaluations.

Figure 37 presents information about annual enrollments in the Bettor Choice programs between 2009 and 2022. This information was provided to the research team by the DMHAS Problem Gambling Services unit. Although there is information about number of enrollments in the Bettor Choice programs from 1993-2009 (Spectrum Gaming, 2009), comparability is limited due to issues with closing client cases that were no longer active.[60]

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[60] J. Wampler personal communication, June 26, 2023.

Figure 37. Annual enrollments in Bettor Choice problem gambling treatment programs in CT
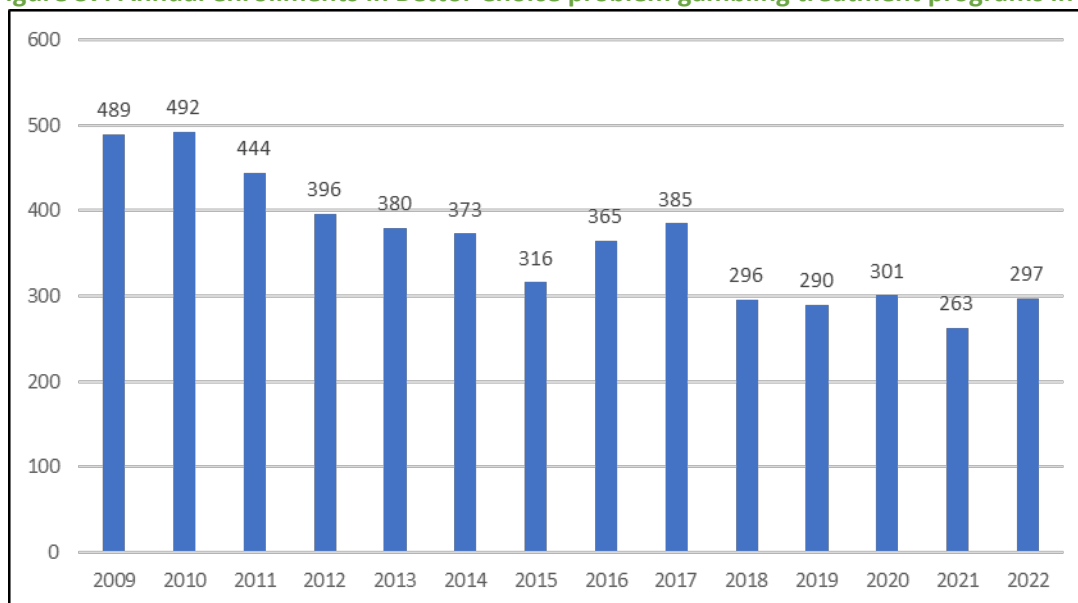
The numbers above suggest that enrollments in problem gambling treatment in Connecticut have declined since 2009 with the exception of a two-year period (2016-2017) that followed the dramatic expansion of advertising for daily fantasy sports (DFS) betting that occurred in 2015 when DraftKings and FanDuel spent $206 million nationally to attract new customers to their start-up ventures (Drape & Belson, 2015). This specific type of sports betting does have an association with problem gambling (Nower, Caler, Pickering, & Blaszcynski, 2018) and advertising has been shown to be a precipitator for relapse in people with a prior history of gambling problems (Binde, 2009; Parke, Harris, Parke, Rigbye, & Blaszcynski, 2014; Planzer & Wardle, 2011). It is unclear if the increase in enrollments in 2016 and 2017 was due to people newly experiencing gambling problems or people with previous gambling problems experiencing relapse.

Population Survey Results

Earlier in the report the population surveys established that approximately 51,859 adults currently have gambling problems in Connecticut (Figure 16). It was also found (Table 18) that the large majority of these individuals (76.7% - 86.3%) endeavored to curb their gambling on their own, with only a minority wanting and/or receiving external help. As people who receive external help for mental health or substance use problems tend to have better outcomes compared to people who do not receive external help,[61] it is important to identify the reasons why people did not access help. By far the most common response (48.9% - 68.3%) was that they 'didn't believe they would need help,' indicating a preference for handling the problem themselves. This is not an unreasonable sentiment, as most people most of the time tend to solve their problems (of any sort) themselves. Seeking external help generally occurs after one's own efforts have failed. More concerning is the fact that Table 18 shows that a minority of people reported one or more barriers to seeking help: 18.7% - 27.2% didn't believe treatment would work; 18.6% - 32.9% reported being too ashamed to seek help; 8.6% - 17.4% were unaware of where to get help; and 9.6% - 13.3% did not think that they could afford treatment. Thus, continued efforts are

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[61] This is illustrated by the last row of Table 18 which shows that the vast majority of people who did seek help found this help 'somewhat', 'quite', or 'very' helpful.

needed to reduce these psychological, knowledge, and financial barriers (although it is heartening that the large majority of people knew where to get help).

That said, Table 18 also illustrates that the large majority of people who wanted help for their gambling problems successfully obtained that help (i.e., 24.9% - 37.2% (~16,000) wanted help for their gambling problems and 20.7% - 29.5% (~13,000) actually sought out help). It is instructive to note that utilizing self-help materials was the most common source of help for people who did seek help, which again points to people's preference for utilizing their own resources to deal with their problems. Beyond self-help materials, people with gambling-related problems accessed a wide range of different treatment options (and often more than one). Thus, it is not surprising that the average number of people enrolled in the Bettor Choice problem gambling treatment programs in Connecticut in the past five years (*n*=289) represents a very small percentage of the total number of people who sought help.

This might improve with the recent increase in DMHAS funding, which has allowed them to hire a fulltime Problem Gambling Services Coordinator whose focus is primarily on underserved and minority populations. The Problem Gambling Services Coordinator is working with a national advertising agency to conduct focus groups among minority populations (e.g., AAPI, Black, Indigenous, Latino, LGBTQ+, veterans, college students) to understand how to effectively reach these communities with problem gambling prevention and treatment messages.

Recovery Services

The Bettor Choice programs offer recovery services for people who have experienced gambling problems in Connecticut. Several key informants told the research team that a growing number of treatment providers in Connecticut have trained as recovery specialists and that the number of people providing peer support for problem gambling through the Bettor Choice programs has increased. Beyond recovery services provided by the Bettor Choice programs, another important resource for people in recovery from gambling problems in Connecticut is Gamblers Anonymous (accessed by between 14.4% - 19.8% of people who sought out help for their gambling problems; Table 18). Gamblers Anonymous (GA) is a 12-step fellowship program modeled on Alcoholics Anonymous. Each GA group is self-governing and self-supporting and outside contributions are not accepted. To maintain anonymity, members do not speak to the press or publicize the organization in any way. GamAnon is an affiliated fellowship organization for family members and friends of GA members.

A search of the Gamblers Anonymous national website identified 19 meeting locations around Connecticut with meetings scheduled every day of the week except Sunday.[62] Two of the meetings (in Enfield and Seymour) are open meetings where family and friends of the gamblers are welcome to attend and observe. The remaining meetings are closed and only those with a desire to stop gambling are eligible to attend and participate. Two of the meetings (in Meriden and Waterford) are still listed as "temporarily closed due to the pandemic." There are an additional three Zoom meetings each week based in Guilford and Seymour. Finally, the GA website lists two GamAnon meetings in Connecticut, one on Wednesdays in Coventry and the other on Thursdays in Middletown. A separate website for the Connecticut and Western Massachusetts GA lists the same 19 meetings in Connecticut along with meetings in four towns or cities in Western Massachusetts, including Holyoke, Indian Orchard, Longmeadow and Northampton.

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[62] In 2009, Spectrum reported that GA held 24 meetings a week at locations around the state.

Research and Evaluation

Although research and evaluation are considered essential components of a behavioral health service system, the surveys of publicly funded problem gambling services in the U.S. have consistently found that spending on problem gambling research and evaluation has been very low (Marotta & Yamagata, 2022). While 43 states reported publicly funded problem gambling services in 2021, only half of the states reported funding any research and/or evaluation activities and these activities represented an average of 4% of overall problem gambling services budgets in the 21 states that did fund such efforts. The most frequent research and evaluation activities included prevalence studies, risk behavior research and program evaluation. The authors conclude that "with critical direct service needs and few resources, state agencies appear to be finding little room in their budgets to support research and evaluation" (Marotta & Yamagata, 2022, p. 54).

Connecticut has a strong history of gambling research. In particular, teams led by Dr. Mark Potenza from Yale University and Dr. Nancy Petry from the University of Connecticut have published many articles on gambling among adolescents, refugees, gender differences in gambling, and substance use comorbidities among people with gambling disorders, with several of these studies being done in conjunction with members of DMHAS (see Appendix H). DMHAS itself has also spearheaded research on special populations (e.g., CT correctional population; Rodis et al., 2018). That said, the present study is the first time in 15 years that a study of the full array of impacts of legalized gambling has been carried out in Connecticut.

Awareness and Responsible Gambling in the Population Surveys

Respondents in both the ABS population survey and the online panel survey (OPS) were asked questions about their awareness of prevention and treatment services in Connecticut. As a reminder, while the ABS population survey results have been weighted and are generalizable to the adult population of the state, the size of the group of people identified as problem gamblers in the ABS population survey ($n = 86$) means that results for this group are associated with a wider margin of error. Thus, problem gamblers from both the ABS survey and the online panel survey were combined to create a group of 415 individuals. While this combined group is not weighted and cannot be reliably generalized to the population, the size of the group means the estimates are associated with a smaller margin of error.

Table 51 below presents information about awareness of certain prevention, treatment, and responsible gambling initiatives in Connecticut as well as actual responsible gambling behavior. Depending on the question, information is presented for: all Connecticut adults (including non-gamblers); just Connecticut adults who patronize land-based casinos and sportsbooks; just Connecticut adults who patronize online casino and sportsbooks; and problem gamblers with the above attributes.

Table 51. Population survey results related to prevention/treatment awareness and responsible gambling

Past Year Prevention/Treatment Awareness among CT Adults	CT Adults (ABS; weighted)	CT PG (ABS; weighted)	CT PGs (ABS+OPS; unweighted) (*n* = 415)
Have seen or heard advertising promoting gambling	74.0%	85.7%	74.9%
Have seen or heard media or public awareness campaigns to prevent PG	52.0%	49.5%	59.7%
Are aware of the Connecticut problem gambling helpline	51.8%	66.6%	67.5%
Are aware of the Connecticut voluntary self-exclusion programs	17.5%	48.1%	48.6%
Responsible Gambling	CT PY land-based casino & sports bettors at land-based venues (ABS; weighted)	CT PG PY land-based casino & sports bettors at land-based venues (ABS; weighted)	CT PG PY land-based casino & sports bettors at land-based venues (ABS+OPS; unweighted)
Member of a gambling rewards program	45.7%	70.6%	59.2%
Have borrowed money or played on credit	4.9%	39.3%	59.7%
Have accessed additional money from ATMs at the venue	16.3%	54.6%	67.6%
Have gambled at the venue between 3am – 9am	9.0%	44.0%	56.7%
Responsible Gambling	All CT PY online casino & sports bettors (ABS; weighted)	CT PG PY online casino & sports bettors (ABS; weighted)	CT PG PY online casino & sports bettors (ABS+OPS; unweighted)
Aware of online tools allowing limit setting or account suspension	38.5%	48.1%	52.2%
Used these tools	18.0% (6.9% overall)	55.7% (26.8% overall)	46.4% (24.2% overall)
These tools decreased spending	46.3% (3.6% overall)	60.4% (16.2% overall)	64.1% (15.5% overall)

Prevention/Treatment Awareness

The first section of Table 51 shows that 74.0% of all Connecticut adults have seen or heard advertising promoting gambling in the past year while 52.0% have seen or heard media or public awareness campaigns to prevent problem gambling. It is not surprising that awareness of advertising promoting gambling as well as advertising to prevent problem gambling is higher among people experiencing gambling problems in Connecticut (49.5% - 59.7%) since gambling is a salient issue for these individuals. It is reassuring that over half of Connecticut adults (51.8%), regardless of their gambling status, are aware of the state's problem gambling helpline while two-thirds of Connecticut problem gamblers (66.6% - 67.5%) are aware of the helpline. It is worrisome that only 17.5% of all Connecticut adults are aware of the voluntary self-exclusion programs in Connecticut although awareness is substantially higher among people experiencing gambling problems (48.1% - 48.6%).

Responsible Gambling

The second section of the table presents information on responses to questions about responsible gambling among Connecticut adults who gambled in the past year at land-based casinos and land-based sports betting venues, among who gambled at these venues in the past year and experienced problems, and among a combined group from the population and online panel surveys who experienced problems. Just under half (45.7%) of all land-based casino and sports bettors in Connecticut are members of a gambling rewards program; not surprisingly, the proportion of people experiencing gambling problems who are members of a rewards program is higher (59.2% - 70.6%). Only a small proportion of all land-based casino and sports bettors have accessed additional money to gamble from ATMs at the venue (16.3%), but this behavior is considerably higher for land-based casino and sports bettors experiencing gambling problems (44.6% - 67.4%). Similarly, while 9.0% of all land-based casino and sports bettors have gambled at these venues between 3am and 9am, between 44.0% - 56.7% of land-based casino and sports bettors experiencing gambling problems have gambled between these hours. Finally, while only 5.0% of all land-based casino and sports bettors have borrowed money or played on credit, between 39.3% and 59.7% of land-based casino and sports bettors experiencing gambling problems have done so.

The third section of the table presents information about awareness of online tools that allow limit setting or account suspension among past-year online casino and sports bettors. Over a third (38.5%) of all such gamblers indicated that they were aware compared to much higher rates (48.5% - 52.2%) among online casino and sports bettors classified as problem gamblers. While only 18.0% of online casino and sports bettors have used these tools, over half of online casino and sports bettors experiencing problems (55.7% - 64.1%) have used these tools with the majority agreeing that these tools helped them decrease their spending (60.4% - 64.1%). However, the overall impact of these tools in decreasing spending is quite low among the population of people who need them the most (15.5% - 16.2% of problem gamblers reported that these tools decreased their spending).

Review of Best Practices

In this section of the report, we review recent studies that focus on best practices in problem gambling prevention and treatment. As Williams, West, & Simpson (2012) noted in their comprehensive review of research on problem gambling prevention, most strategies to prevent gambling problems have been adopted because they were being used in other jurisdictions rather than having demonstrated efficacy or a foundation in effective prevention practices.

The 2012 report was an effort to identify research on effective problem gambling prevention efforts and looked at studies from the 1990s through 2011. The authors reviewed the literature on childhood interventions, information and awareness campaigns, responsible gambling information centers, statistical instruction and school-based prevention programs as well as policy restrictions on the availability of gambling, on who can gamble, and how gambling was provided. Based on this review, the researchers concluded that while a very large number of problem gambling prevention initiatives had been developed, the most commonly adopted measures tended to be among the least effective and, even when potentially effective initiatives were implemented, they were done in a perfunctory way that ensured a lack of impact. None of the 28 problem gambling prevention initiatives reviewed in the Williams, West, & Simpson (2012) report were rated to have 'high' effectiveness; but five were rated 'moderately high' and another five were rated 'moderate.'

Recent comprehensive reviews of problem gambling prevention, treatment and responsible gambling initiatives were produced by Greo Evidence Insights as part of its work to support the current British national strategic assessment and Gambling Act review (Gambling Commission, 2023). The prevention and education review (Hilbrecht, 2021) consists of five separately authored chapters reviewing research on universal measures (regulatory restrictions, safer gambling/responsible gambling efforts), selective measures (targeted campaigns for children, youth and older adults) and indicated measures (brief interventions and limits to access) for problem gambling prevention. The treatment review was commissioned to provide an updated evidence base on treatment and support to inform future development of problem gambling treatment services in Britain (Greo, 2020). The responsible gambling resource initiative assembled links to numerous publications related to industry-based harm minimization efforts which are organized into specific areas and posted in Greo's Evidence Centre, an excellent source of up-to-date research on gambling, gambling problems and gambling harms.

Prevention and Education

While noting that research evidence is limited for many of the problem gambling prevention and education measures that have been utilized internationally, Hilbrecht (2021) argues that there are opportunities to advance evidence-based policy for effective gambling harm prevention. Evidence-supported universal measures include regulatory restrictions on gambling products and gambling advertising as well as restrictions on places where gambling is delivered. Based on an international series of case studies, the most effective regulations to prevent gambling harm were identified as smoking bans, caps on the supply of EGMs, separating gambling from the provision of food and alcohol, restricting cash payment of winnings, mandatory pre-commitment programs, and bans on some forms of gambling. Population-based safer gambling and responsible gambling efforts that were evidence-supported include safer gambling messaging for the general public and separate safer gambling messaging and gambling management tools for people who gamble.

The review of selective measures identified a reasonably well-developed evidence base for problem gambling prevention for children, adolescents and young adults but little research on prevention of gambling problems among adults aged 60 and over. While many of the studies had methodological limits such as lack of long-term follow-up, there was evidence that school-based prevention and education programs were effective. The review identified future areas of investigation to enhance program effectiveness, including more theory-driven and evidence-based content and involvement of families in school-based prevention programs.

A separate review of selective measures, focused on young adults (aged 18 to 25), concluded that many of the strategies used for problem gambling prevention among all adults have utility for young adults. There was good evidence that online approaches to problem gambling prevention and education were more accessible and acceptable to students as well as offering other benefits such as privacy and confidentiality. The review concluded, however, that research on young adults was almost entirely focused on college and university students and recommended that more research be conducted to identify effective prevention for young adults who are not enrolled in higher education.

A third review examined indicated problem gambling prevention measures for individuals already experiencing gambling problems. This review concluded that Personalized Normative Feedback (PNF) had efficacy in reducing gambling expenditures and frequency and was a low-cost, easily disseminated intervention that could be effective with all age groups. There was limited evidence that 'hard' barriers

such as self-exclusion are effective and the evidence that was identified was mixed. The review noted that self-exclusion programs are widely under-used and frequently breached but did find some evidence that self-exclusion was effective in reducing gambling frequency and gambling harms as well as problem gambling severity.

In a concluding chapter, Hilbrecht (2021) noted that advancing problem gambling prevention and education requires a broad scope of programs and activities, a comprehensive strategy, and participation from regulators, educators, social welfare agencies, and gambling operators. In designing effective programs, it is preferable to develop tailored approaches even at the universal level rather than taking a 'one size fits all' approach. Significantly, there was evidence that safer gambling messages and individualized reports that encourage people to appraise their behavior in comparison to others (PNF) are effective at the universal, selective and indicated levels.

Treatment

The treatment review covered the following key topic areas: (1) cognitive behavioral therapy (CBT), (2) motivational interventions, (3) remote and self-help interventions, (4) helplines, treatment involving family members of people experiencing gambling problems, (5) residential treatment, (6) pharmacological treatments, (7) brain stimulation, (8) Gamblers Anonymous, and (9) emerging treatment modalities (Greo, 2020). The review concluded that CBT continues to be the most effective treatment for problem gambling although there are major barriers to effectiveness, including low uptake and high dropout rates. Evidence supported the use of treatment modalities that increase uptake including motivational interventions, helplines and remote and self-help interventions. Patients with more complex diagnoses and comorbidities could benefit from efforts to address these other issues in treatment. Such individuals could also benefit from residential treatment options. Offering treatment that includes family members may help mitigate the gambling harms experienced by others besides the gambler. Finally, emerging treatment modalities, such as cognitive remediation, psychodynamic therapy, and arts-based treatment have shown promising results but more robust long-term research is needed before such modalities are widely disseminated.

Responsible Gambling (Industry-based)

Although we were unable to find a comprehensive review of industry-based harm minimization efforts, Greo has assembled links to numerous publications on this topic (Industry Harm Minimization). The materials are presented in six main areas and links are provided to full reports and publications as well as to 'Research Snapshots' which summarize results and implications of individual research studies. Recent selected resources related to behavioral tracking tools include synopses of research on designing better safe gambling tools using behavioral insights, evaluations of Playscan, GamTest and PlayMyWay, and a review of research on behavioral tracking to explore gambling behavior. Resources related to messaging and promotions include synopses of research evaluating responsible gambling campaigns for lottery play and online gambling as well as research on the utility of targeting responsible gambling messages. Under self-exclusion, Greo has assembled links to research on the effectiveness of self-exclusion in different gambling environments and for different individuals, and the overall utility of self-exclusion as a gambling harm minimization measure. The section on responsible gambling policies focuses on industry and operator policies and highlights the importance of an integrated approach to safer gambling. The section on responsible gambling training programs for staff summarizes research on casino employees' experiences, identifies criteria for effective staff training, and showcases several studies of employee

experiences with GameSense, MGM's U.S. based loyalty program. The section on game features related to responsible gambling summarizes research on framing information on online gambling platforms to enhance effectiveness, the efficacy of voluntary versus mandatory limit-setting systems, and research on the effectiveness of existing responsible gambling interventions and tools.

Recommendations for PG Prevention and Treatment in Connecticut

Based on all of the foregoing material, the research team has a number of recommendations for DMHAS and other stakeholders in Connecticut to consider as they work to improve problem gambling prevention and treatment services in the state. Overall, the research team concurs with several key informants as well as the authors of the recent problem gambling services survey (Marotta & Yamagata, 2022) that the **problem gambling prevention and treatment services in Connecticut have been very proactive, and their services provide a good model for the rest of the country**. Several important state regulations such as the age 21 requirement for casinos, sports betting, and online gambling; irrevocable self-exclusion bans; availability of lifetime bans; and automated online sports betting account freezes when the patron's lifetime deposits exceed $2,500 also represent 'best practices' that are often not present in other states and jurisdictions.

Evidence of the utility of current regulations and problem gambling services is seen in the fact that the current 1.8% rate of problem gambling in Connecticut is 'mid-range' relative to other states that have recently conducted prevalence studies and was previously mid-range among all U.S. states in the 2012 review by Williams, Volberg & Stevens (Table 20). However, an argument could be made that the current rate is actually fairly low considering the extensive array of legalized gambling currently available in Connecticut relative to other states as well as the much earlier introduction of casino gambling.

That said, there are two overarching areas of concern:
(1) Total funding for Connecticut prevention and treatment services represents a very small fraction of the approximately $400 million that is estimated to derive annually from people identified as problem gamblers.
(2) Following from this first point, while the prevalence rate of problem gambling in Connecticut is moderate, the revenue drawn from people with gambling problems and at-risk of gambling problems is much too high, albeit not fundamentally different than found in other jurisdictions (Fiedler et al., 2019; Volberg et al., 1998; Williams & Wood, 2004; Williams & Wood, 2007). Further efforts to minimize financial reliance on this vulnerable segment of the population are needed.

Specific recommendations are identified below:

Prevention and Awareness

1. Continue employing a wide array of educational and policy initiatives to address the multi-faceted biopsychosocial etiology of problem gambling. Evidence from allied fields demonstrates that effective prevention requires coordination between a wide range of effective educational strategies and effective policy measures targeting the same outcomes. Multiple prongs within a comprehensive and coordinated prevention strategy are often synergistic, with overlapping initiatives reinforcing

the message and power of individual components (Nation et al., 2003; Stockwell et al., 2005; Williams, West & Simpson, 2012; Winters et al., 2007).

2. Continue efforts to publicly promote responsible gambling. While existing efforts have been fairly successful, there are still many more people exposed to and aware of advertising promoting gambling relative to people aware of responsible gambling messaging.

3. Continue efforts to increase public awareness of available services. Here again, while current awareness is reasonably high, awareness of the Connecticut self-exclusion programs for casino and online gambling is low among Connecticut adults.

4. Continue efforts to increase prevention work with groups at higher risk of developing gambling-related problems:
   - More specifically, this includes: males, LGBTQ+, people younger than 65, people with lower educational attainment, and non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity). In this latter regard, there is value in increasing multicultural efforts through outreach and delivery of services in languages other than English as well as geared to other cultures.
   - Prevention work should disseminate information pertaining to: risk factors for problem gambling; signs of problem gambling; countering gambling fallacies by clearly explaining how gambling works, the true odds, and the negative mathematical expectation. (It is notable that gambling 'to win money' was a particularly important motivation among people with gambling problems in Connecticut). Prevention work should also endeavor to teach more adaptive coping skills, as gambling to 'escape or relieve stress' and 'to feel good about myself' were disproportionately common motivations among at-risk and problem gamblers in Connecticut.

Responsible Gambling: Industry Contributions

1. Endeavor to reduce the industry's financial reliance on people with gambling problems and the segments of society that disproportionately contribute to Connecticut gambling revenue: males, ages 35-49, non-Whites (i.e., Blacks, Hispanics, Asians, and Other Ethnicity), and people with high school or lower educational attainment.

2. In this regard:
   - Consider sending automated alerts to people with Reward Cards and/or playing online when their gambling behavior escalates.
   - Consider changing the parameters of Reward Cards so that they reward responsible gambling (e.g., no points after a certain amount spent; extra points for taking a problem gambling screen, etc.), rather than rewarding people for total amount spent.
   - Consider restricting hours of service (both online and in-person), recognizing that people with gambling problems and people at risk for gambling problems disproportionately access services between 3am and 9am.
   - Consider restricting ATM access or withdrawal amounts, recognizing that ATMs in gambling venues are disproportionately utilized by people with gambling problems and people at risk for gambling problems.
   - Work with Foxwoods and Mohegan Sun as well as DCP and CCPG to better align the state's and tribes' responsible gambling and problem gambling services.

Voluntary Self-Exclusion and Gambling Limits

1. Merge the three separate self-exclusion lists in Connecticut and align the self-exclusion periods across the three self-exclusion programs in Connecticut.
2. Develop a strategy to create a regional self-exclusion program to allow people from all of the New England states to self-exclude from all of the venues and online gambling operators in the region.
3. Consider implementing mandatory pre-commitment of gambling limits, which has been shown to be much more effective than voluntary limits.

Problem Gambling Helpline

1. Add 'warm hand-off' functionality to the helpline.
2. Add follow-up with individual callers to helpline services.
3. Improve data collection for the helpline and establish a regular reporting schedule.

Treatment Services

1. Continue efforts to increase help-seeking among people with gambling-related problems, as people who receive help have better long-term outcomes compared to people who do not receive treatment (Ribeiro, Afonso & Morgado, 2021). In particular, ensure that self-help materials are freely and readily available online and at gambling venues, as it is clear that most people with gambling problems prefer to handle their problems themselves. Also, public awareness campaigns need to address the barriers to treatment identified in the present study. Specifically, they need to promote the fact that treatment works; that there are free publicly-funded types of treatment; that there is no shame in seeking help; and that there are locations where help is available. These efforts should be particularly targeted at:
   - Groups with the largest number of problem gamblers: Whites; males; ages 18-34; and non-immigrants; and
   - Groups with below average treatment-seeking propensities: ages 65+, Blacks, Whites, people with middle or higher educational attainment, and non-immigrants.
2. Improve awareness of how gambling impacts other public services such as domestic violence and the criminal justice system.
3. Increase education and training for probation officers, bail commissioners, and law enforcement officers.
4. Continue to integrate problem gambling services with mental health, substance use and behavioral health programs in Connecticut.
5. Provide training for students in the health professions as well as clinicians in diagnosing people experiencing gambling problems and referring them for help.
6. Expand the availability of bilingual treatment services.
7. Establish a requirement that treatment providers seeing people with substance use and mental health issues screen for gambling problems. A simple two item screen about average monthly frequency of gambling and expenditure would suffice (e.g., Rockloff, 2012), and would be less stigmatizing than asking about problem gambling symptomatology.
8. Establish gambling diversion programs within the judicial system like those that deal with people experiencing alcohol problems.

Recovery Services

1. Expand the availability of recovery services to prevent relapses, particularly in the wake of the recent legalization of sports betting and online gambling.

Research and Evaluation

1. Improve data collection on help-seeking and treatment access and establish a regular reporting schedule.
2. To monitor changes in problem gambling prevalence, conduct online panel surveys annually and add a validated module assessing gambling behavior and problems to the annual Brief Risk Factor Surveillance Survey (BRFSS) conducted jointly by the states and the U.S. Centers for Disease Control and Prevention.

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APPENDIX A: NORC ABS Invitation Letter

Person's Name
Person's Address 1
Person's Address 2
Person's City, Person's State, ZIP

CONN-ACTS
Connecticut Assessment of
Consumer PasTimes Study
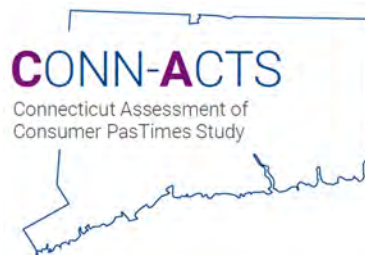
Dear_____

You have been invited to participate in a very important statewide survey about health and recreational behaviors in Connecticut. Results from this survey will be used by different government agencies and researchers to understand the health, leisure, and entertainment needs and interests of Connecticut residents.

Please have the **adult (18 years old or older) in your household who had the most recent birthday** complete this study online.

Your unique login information is:

Survey URL: https://ConnActs.norc.org
Your Personal Access Code: [PIN]

We have included $1 as a token of appreciation. If you are interested and complete the survey, we will offer you a $10 Amazon.com Gift Card[1], Target eGiftCard™[2] or Walmart eGift Card[3]. These gift codes can be used online or in stores.

Your participation is critical to make this study a success. We understand that not all topics in the survey will be of interest to you. We encourage your participation because it is important that we collect information that is representative of all of Connecticut. Taking part is up to you. Almost everyone will be able to finish the survey within 10 to 15 minutes.

If you have questions about the survey, please email us at ConnActs@norc.org or call toll-free at 1-877-390-3642. If you have any questions about your rights as a survey participant, you may call the NORC Institutional Review Board Administrator (toll-free) at 1-866-309-0542.

Thank you for your help with this important study!

Sincerely,

Dr. Rachel Volberg, PhD
Principal Investigator
President, Gemini Research, Inc

FREQUENTLY ASKED QUESTIONS

How was I selected to participate?
Your household was randomly selected to participate from a list of addresses in Connecticut.

How do I know this study is legitimate?
You may contact NORC toll free at 1-877-390-3642 or email at ConnActs@norc.org for more information.

How much will I be paid for participation?
For this survey you will receive $1 plus an additional $10 electronic Amazon.com Giftcard, Target eGiftCard™ or Walmart eGift Card if you are eligible and complete the survey. These gift codes can be used online or in stores.

Who should complete the study?
Please have the adult in your household (18 years or older) who had the most recent birthday complete this survey. We do not mean the oldest person. We mean the person who had a birthday last.

Why do you want to interview the adult with the most recent birthday?
Researchers want to interview a random adult in the household. Asking for the adult with the most recent birthday is a fast and scientific way to randomly select a person in your household.

What types of questions will you ask?
The survey asks about your health, leisure activities and hobbies, your opinions about various activities, and general information about you.

Who is NORC at the University of Chicago?
NORC at the University of Chicago (NORC) is an independent research organization that is conducting this study. Additional information on NORC can be found on its website (www.norc.org).

Who will see my answers?
Only a few people who work on the study ever see any personal information. Answers that could identify you in any way are separated from your other answers. Study findings are put into summary reports that contain no names or other information that identifies you.

Will my answers be safe online?
Yes. Information collected is encrypted at all times. Our secure servers use "HTTPS" to ensure encrypted transmission of your data between your browser and our servers. The survey link is also independently verified by Network Solutions as a secure website.

Will you ever sell my name, address, telephone number, or other information?
No. Your information is kept confidential, and your answers are used for research purposes only.

Why is my participation important?
As a Connecticut resident, your participation provides valuable insight concerning health and recreational behaviors specific to your community. We need to hear from all people to make sure we have an accurate and fair picture of people in Connecticut.

If I need to step away, can I return and complete the study online at a later time?
Yes. When returning to the study online, enter your unique log in information, and you can pick up where you left off.

APPENDIX B: Population Survey Questionnaire

About the Study   Español

CONN-ACTS
Connecticut Assessment of
Consumer PasTimes Study

You have been invited to participate in a very important statewide survey about health and recreational behaviors in Connecticut.
Taking part is up to you and you may skip any question you do not want to answer. The survey will take about 10-15 minutes for most people.

If you complete the survey, you will receive a $10 electronic gift code. We do not need to know your name and any contact information will be removed once data collection is complete.

Please have the adult (18 years old or older) in your household who had the most recent birthday complete this study. We do not mean the oldest person. We mean the person who had a birthday last.

The information you provide will be used by the research team for statistical purposes only. We will do our very best to protect the confidentiality of all the information we collect from you and we will not disclose your information to third parties. However, no one can guarantee complete confidentiality for data sent over the Internet. We have a Federal Certificate of Confidentiality that is designed to protect the confidentiality of your research data from a court order or subpoena. The data you provide will be stored in secure computers with password protections and only authorized members of the research team will have access to the data.

Enter your seven (7) digit Personal Access Code below and then click on the "Start Survey" button.

ABC002   **Start Survey**

If you experience technical issues, please email ConnActs@norc.org for assistance.

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CENTIMENT OPS INTRODUCTION

This survey is on behalf of the State of Connecticut which wishes to obtain an updated profile of gambling and related behaviors in the state. The survey will take about 10-15 minutes for most people and your answers will be kept confidential. We do not need to know your name and any contact information will be removed once data collection is completed.

DEMOGRAPHICS (D) (2 questions)

D1. Are you male, female or other gender?
1: male
2: female
3: other

D2. In what year were you born? (drop-down menu from 1922 to 2005)

D3. Which Connecticut county do you live in? (this question is at the end of the NORC ABS survey)
1: Fairfield
2: Hartford
3: Litchfield
4: Middlesex
5: New Haven
6: New London
7: Tolland
8: Windham
9: Unsure, but my zipcode is __ __ __ __ __ (limit to valid U.S. zipcodes)
10: I do not have a residence in Connecticut (exclude and end survey)

COMORBIDITIES (C) (13 to 16 questions)

C1. How often have you used alcohol (beer, wine, liquor) in the past 12 months?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all

C2. How often have you used tobacco (cigarettes, cigars, pipe tobacco, shisha tobacco, chewing tobacco, dipping tobacco, snuff) or e-cigarettes in the past 12 months?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all

C3. How often have you used cannabis (marijuana, hashish, edibles, CBD oil, etc.) in the past 12 months?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week

3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all

C4. How often have you used opiates or opioids in the past 12 months either recreationally or prescribed (opium, morphine, codeine, heroin, fentanyl, hydrocodone/Vicodin, oxycodone/Oxycontin/Percocet, etc.)?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all

C5. How often have you used either benzodiazepines (e.g., Xanax, Valium); amphetamines (e.g., methamphetamine, Dexedrine); cocaine; or hallucinogens (LSD, psilocybin/mushrooms, ecstasy, mescaline, PCP, ketamine, ayahuasca, salvia) in the past 12 months either recreationally or prescribed?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all

Go to C8 if scores < 2 on each of C1, C2, C3, C4, and C5

C6. In the past 12 months have you had difficulty controlling your use of alcohol, tobacco, cannabis, opiates/opioids, or other drugs that has led to significant negative consequences for you or other people?
0: No
1: Yes

C7. Have you sought professional help in the past 12 months to control your use of any of these drugs?
0: No
1: Yes

C8. Do you have any history of drug or alcohol problems *prior to* the past 12 months?
0: No
1: Yes

C9. In the past 12 months have you had difficulty controlling your involvement in any of the following activities that has led to significant negative consequences for you or other people? (<u>check all that apply</u>)
1: Social media
2: Sex/Pornography
3: Exercise
4: Internet
5: Gambling
6: Shopping
7: Video game
8: Other (food, plastic surgery, work, etc.)
0: I have had no problems with any of these in the past 12 months (if this is checked do not allow any of the other options to be checked)

C10. Have you had any of the following mental health problems in the past 12 months? (check all that apply)
1: Attention Deficit Disorder
2: Clinical Depression
3: Bipolar Disorder
4: Post-Traumatic Stress
5: Generalized Anxiety
6: Panic Disorder
7: Obsessive Compulsive Disorder
8: Bulimia or Anorexia
9: Schizophrenia
0: I have had none of these mental health problems in the past 12 months (if this is checked do not allow any of the other options to be checked)

Go to C12 if 0 on C10

C11. Have you received professional help (e.g., counseling, medication, etc.) in the past 12 months to deal with these mental health issues?
0: No
1: Yes

C12. Do you have any history of mental health problems *prior to* the past 12 months?
0: No
1: Yes

C13. Do you currently have any physical health problem that significantly limits your ability to move around, be self-sufficient, or to interact with people? (e.g., serious illness or disease, disability, etc.)?
0: No
1: Yes

C14. In the past 12 months how would you rate your overall level of physical health?
1: Very high
2: High
3: Moderate
4: Low
5: Very low

C15. In the past 12 months how would you rate your overall level of stress?
1: Very high
2: High
3: Moderate
4: Low
5: Very low

C16. In the past 12 months how would you rate your overall level of happiness?
1: Very high
2: High
3: Moderate
4: Low
5: Very low

GAMBLING ATTITUDES (A) (10 questions)

The specific recreational activity that you have been selected to answer questions about is 'gambling'.

The following questions are about gambling. Gambling is defined as betting money or material goods on an event with an uncertain outcome in the hopes of winning additional money or material goods. It includes things such as lottery and raffle tickets, scratch tickets, keno, bingo, slot machines, betting on sports, poker, etc.

A1. How important is gambling to you as a recreational activity?
3: Very important
2: Somewhat important
1: Not very important
0: Not at all important

A2. Which best describes your belief about the benefit or harm that gambling has for society?
1: The harm far outweighs the benefits
2: The harm somewhat outweighs the benefits
3: The benefits are about equal to the harm
4: The benefits somewhat outweigh the harm
5: The benefits far outweigh the harm

A3. Do you believe that gambling is morally or ethically wrong?
1: No
2: Somewhat
3: Yes

A4. Which best describes your opinion about <u>legalized</u> gambling?
1: All types of gambling should be legal
2: All types of gambling should be illegal
3: Some types of gambling should be legal and some should be illegal

A5. Which best describes your opinion about gambling opportunities in Connecticut?
1: Gambling is too widely available
2: The current availability of gambling is fine
3: Gambling is not available enough

A6. What do you believe has been the single most positive impact of legalized gambling for Connecticut?
(randomize response options 1-6 but 7 & 8 should always remain at end of list)
1: Employment
2: Spin-off benefits to other businesses
3: Financial and employment benefits to the local tribes
4: Increased government revenue
5: Retaining money that was leaving Connecticut
6: Increased recreational options
7: No positive impacts
8: Other

A7. What do you believe has been the single most negative impact of legalized gambling for Connecticut?
(randomize response options 1-4 but 5 & 6 should always remain at end of list)
1: Increased gambling addiction (and associated consequences: bankruptcy, suicide, divorce, etc.)
2: Negative impacts on other businesses
3: Increased crime

4: Increased traffic congestion or noise
5: No negative impacts
6: Other

A8. Who do you think has the responsibility for minimizing the harm associated with gambling?
1: The gambler
2: The provider of gambling
3: It is a shared responsibility between the gambler and the provider, but the gambler has the primary responsibility
4: It is a shared responsibility between the gambler and the provider, but the provider has the primary responsibility
5: It is a shared responsibility with both the gambler and the provider having equal responsibility

A9. How satisfied are you with the integrity and fairness of how gambling is provided in Connecticut?
1: Very satisfied
2: Somewhat satisfied
3: Neutral
4: Somewhat dissatisfied
5: Very dissatisfied

A10. How satisfied are you with Connecticut government and gambling provider efforts to minimize the harm associated with gambling?
1: Very satisfied
2: Somewhat satisfied
3: Neutral
4: Somewhat dissatisfied
5: Very dissatisfied

PREVENTION AWARENESS (P) (4 questions)

P1. In the past 12 months have you seen or heard any advertising promoting gambling?
0: No
1: Yes

P2. In the past 12 months have you seen or heard any media or public awareness campaigns to prevent problem gambling in Connecticut (e.g., on television, posters, radio, social media, billboards, etc.)?
0: No
1: Yes

P3. Are you aware of the Connecticut problem gambling helpline?
0: No
1: Yes

P4. Are you aware of the Voluntary Self-Exclusion programs offered by Mohegan Sun and Foxwoods casino as well as the state of Connecticut?
0: No
1: Yes

PAST YEAR GAMBLING PARTICIPATION (G) (11 to 26 questions)

G1a. In the past 12 months, how often have you purchased tickets for **weekly lotteries such as Powerball, Mega Millions, and Lotto**?
6: 4 or more times a week

5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G2a)

G1b. In the past 12 months, how much money do you estimate you have spent on weekly lotteries such as Powerball, Mega Millions, and Lotto in a <u>typical month</u>?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months on weekly lottery tickets

G2a. In the past <u>12 months</u>, how often have you purchased tickets for **<u>daily lotteries such as Play3, Play4, Cash5, and Lucky for Life</u>**?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G3a)

G2b. In the past 12 months, how much money do you estimate you have spent on daily lotteries such as Play3, Play4, Cash5, and Lucky for Life in a <u>typical month</u>?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months on daily lottery tickets

G3a. In the past <u>12 months</u>, how often have you spent money on **<u>keno</u>**?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G4a)

G3b. In the past 12 months, how much money do you estimate you have spent on keno in a <u>typical month</u>?
1: $0-9
2: $10-19

3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months on keno

G4a. In the past 12 months, how often have you purchased either **scratch tickets or played Fast Play games**?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G5a)

G4b. In the past 12 months, how much money do you estimate you have spent on scratch tickets or Fast Play games in a typical month?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months on scratch tickets and/or Fast Play games

G5a. In the past 12 months how often have you purchased **charity tickets (i.e., 50/50 tickets, raffle tickets, sealed/pull-tab tickets**).
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G6a)

G5b. In the past 12 months, how much money do you estimate you have spent on charity tickets in a typical month?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months on charity tickets

G6a. In the past 12 months how often did you spend money on **bingo**?
6: 4 or more times a week

5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G7a)

G6b. In the past 12 months, how much money do you estimate you have spent on bingo in a <u>typical month</u>?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months on bingo

G7a. In the past <u>12 months</u>, how often have you gambled at a **land-based casino**?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G8a)

G7b. In the past 12 months, how much money do you estimate you have spent on gambling at land-based casinos in a <u>typical month</u>? (Note: this does not include food, travel or accommodation).
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months at land-based casinos

G7c. Which game(s) did you spend your money on at land-based casinos? (<u>check all that apply</u>)
1: slot machines
2: casino table games
3: poker
4: bingo
5: keno
6: sports betting
7: horse racing

G7d. Which land-based casinos did you gamble at in the past 12 months? (<u>check all that apply</u>)
1: Foxwoods
2: Mohegan Sun
3: Massachusetts casinos
4: Rhode Island casinos

5: New York casinos
6: New Jersey casinos
7: Nevada casinos
8: An illegal/underground casino in Connecticut
9: Other casinos

G8a. In the past 12 months, how often have you gambled at an **online casino**?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G9a)

G8b. In the past 12 months, how much money do you estimate you have spent on gambling at online casinos in a typical month?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months at online casinos

G8c. Which online casinos did you gamble at in the past 12 months (check all that apply)
1: At one of the two legal Connecticut online casinos (i.e., MoheganSunCasino.com, DraftKings Casino.com)
2: At an out-of-state online casino

G9a. In the past 12 months, how often have you **bet on professional sports** such as football, basketball, baseball, horse racing, boxing, motor racing, golf, e-sports and fantasy sports at either a sportsbook, casino or online site?
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G10a)

G9b. In the past 12 months, how much money do you estimate you have spent on sports betting in a typical month?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months betting on sports

G9c. What sports do you bet on? (check all that apply)
1: football
2: basketball
3: baseball
4: soccer
5: horse racing
6: ice hockey
7: boxing or mixed martial arts
8: motor racing
9: golf
10: e-sports
11: fantasy sports
12: other

G9d. Where did you bet on sports? (check all that apply)
1: At Mohegan Sun and/or Foxwoods casino
2: At a Connecticut land-based sportsbook or off-track betting site (e.g., Winners, Bobby V's Sports Bar)
3: At one of the three legal Connecticut online sportsbooks (i.e., FanDuel, DraftKings, SugarHouse)
4: At an out-of-state online sportsbook
5: At an illegal/underground land-based sports betting shop or bookmaker in Connecticut

G10a. In the past 12 months, how often have you **gambled with friends or colleagues** on things such as poker or other card, dice or board games; betting on games of skill such as pool, bowling, darts, etc.; betting between each other on professional sports or other events; etc.
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to G11 section)

G10b. In the past 12 months, how much money do you estimate you have spent gambling with friends or colleagues in a typical month?
1: $0-9
2: $10-19
3: $20-49
4: $50-$99
5: $100-$199
6: $200-$499
7: $500-$999
8: $1000 or more, specify $_____ (limit to numerals with 1,000,000 max value)
0: I won more than I lost in the past 12 months gambling with friends or colleagues

G11. Considering all types of gambling combined, what is the largest amount of money you have lost to gambling on any single day in the past 12 months?
0: $0
1: $1-$199
2: $200-$499
3: $500-$999
4: $1000-$1999
5: $2000-$4999
6: $5000-$9999

7: $10000 or more

SPECULATION (S) (1 to 3 questions)

S1a. In the past <u>12 months</u>, how often have you engaged in any **speculative financial market activity**? This refers to things such as buying <u>cryptocurrency</u> (e.g., Bitcoin), <u>penny stocks</u>, options or futures; or <u>day trading</u>, <u>shorting</u>, or betting on the direction or future value of a financial index (e.g., Dow Jones Industrial Average).
6: 4 or more times a week
5: 2-3 times a week
4: Once a week
3: 2-3 times a month
2: Once a month
1: Less than once a month
0: Not at all (go to GAMBLING HISTORY section)

S1b. How much money do you estimate you are <u>currently ahead or behind</u> from these speculative financial market activities?
1: Behind by more than $10000, specify $_____ (limit to numerals with maximum value of 1,000,000)
2: Behind by between $5000 - $9999
3: Behind by between $2000 - $4999
4: Behind by between $1000 - $1999
5: Behind by between $1 - $1000
6: Neither behind or ahead
7: Ahead by between $1 - $1000
8: Ahead by between $1000 - $1999
9: Ahead by between $2000 - $4999
10: Ahead by between $5000 - $9999
11: Ahead by more than $10000, specify $_____ (limit to numerals with maximum value of 1,000,000)

S1c. Which specific activities did you engage in? (<u>check all that apply</u>)
1: buying or selling cryptocurrency
2: buying or selling penny stocks
3: buying or selling options or futures
4: day trading
5: shorting stocks or other assets
6: financial index betting

GAMBLING HISTORY (H) (3 questions)

H1. Did you ever gamble with your parents, grandparents, brothers, or sisters prior to age 18?
0: No
1: Yes, occasionally
2: Yes, regularly

H2. Have you ever thought that you might have a gambling problem?
0: No
1: Yes, in the past 12 months
2: Yes, but not in the past 12 months
3: Yes, both in the past 12 months and prior to that

H3. Has anyone in your immediate family ever had a gambling problem?
0: No
1: Unsure
2: Yes

Only ask M1 if person is a GAMBLER

GAMBLING MOTIVATION (M) (1 question asked of Gamblers)

M1. Why do you gamble? (check all that apply)
1: For excitement/entertainment
2: To win money
3: To escape or relieve stress (NODS 5ab)
4: To socialize
5: To support worthy causes
6: To compete or for the challenge
7: Because it makes me feel good about myself
8: To develop my skills
9: Other reason

Following questions only asked of NONLOTTERY/CHARITY_GAMBLERS

GAMBLING CONTEXT (GC) (6 questions asked of Non-Lottery/Charity Gamblers)

GC1. In the past 12 months, how many of the people that you regularly socialize with have been heavy gamblers or problem gamblers?
0: None
1: One
2: A few of them
3: Many of them
4: All of them
5: Unsure

GC2. In the past 12 months have you typically gambled alone or with friends/family?
1: Always alone
2: Mostly alone
3: Sometimes alone and sometimes with friends/family
4: Mostly with friends/family
5: Always with friends/family

GC3. In the past 12 months how often did you drink alcohol when you gambled?
4: Always
3: Often
2: Sometimes
1: Rarely
0: Never

GC4. In the past 12 months how often did you smoke or use tobacco when you gambled?
4: Always
3: Often
2: Sometimes
1: Rarely
0: Never

GC5. In the past 12 months how often did you use cannabis when you gambled?
4: Always
3: Often
2: Sometimes
1: Rarely
0: Never

GC6. In the past 12 months how often did you use opiates/opioids, benzodiazepines, amphetamines, cocaine, hallucinogens, or other drugs when you gambled?
4: Always
3: Often
2: Sometimes
1: Rarely
0: Never

Go to GAMBLING PROBLEMS section unless person is CASINO_SPORTS gambler.

CASINO & SPORTS (CS) (4 questions asked of casino &/or sports gamblers)

CS1. Are you a member of any gambling Reward/Loyalty program (e.g., at Mohegan Sun, Foxwoods, one of the online CT sportsbooks, or elsewhere)?
0: No
1: Yes

CS2. In the past 12 months how often have you borrowed money or played on credit when you gambled?
0: Never
1: Occasionally
2: Most times that I gamble

CS3. In the past 12 months how often have you accessed additional money from automatic teller machines when you go gambling?
0: Never
1: Occasionally
2: Most times that I gamble

CS4. In the past 12 months have you ever gambled between the hours of 3am – 9am?
0: No
1: Yes

ONLINE CASINO & SPORTS GAMBLING (O) (1-3 questions asked of online casino or sports gamblers)

O1a. For online gambling, are you aware of any tools on the websites that you use allowing you to set deposit, time, or spending limits or temporarily suspend your account?
0: No (go to GAMBLING PROBLEMS section)
1: Yes

O1b. Have you used any of these limit setting or account suspension tools?
0: No (go to GAMBLING PROBLEMS section)
1: Yes

O1c. What impact have these limit setting or account suspension tools had on your online gambling spending?
0: No impact
1: Decreased spending
2: Increased spending

GAMBLING PROBLEMS (GP) (17 to 41 questions asked of monthly gamblers)

Go to DEMOGRAPHICS section unless person is MONTHLY_GAMBLER or scores 1 or higher on H2.

PPGM1a_NODS10. Has your involvement in gambling caused you either to borrow a significant amount of money or sell some of your possessions in the past 12 months?
1: Yes
0: No

PPGM1b. Has your involvement in gambling caused significant **financial concerns** for you or someone close to you In the past 12 months?
1: Yes
0: No

go to PPGM2a unless person scores 1 for PPGM1a or PPGM1b.

PPGM1c. In the past 12 months, have you filed for bankruptcy because of gambling?
1: Yes
0: No

PPGM2a. Has your involvement in gambling caused significant **mental stress** in the form of guilt, anxiety, or depression for you or someone close to you in the past 12 months?
1: Yes
0: No go to PPGM3a

PPGM2b. In the past 12 months, have you thought of committing suicide because of gambling?
1: Yes -> phone 988 to access the Suicide & Crisis Lifeline 24/7
0: No go to PPGM3a

PPGM2c. In the past 12 months, have you attempted suicide because of gambling?
1: Yes
0: No

PPGM3a_NODS9a. Has your involvement in gambling caused serious problems in your **relationship** with your spouse/partner, or important friends or family in the past 12 months? (Note: Family is whomever you define as "family")
1: Yes
0: No

PPGM3b. Has your involvement in gambling caused you to repeatedly neglect your children or family in the past 12 months?
1: Yes
0: No

NODS7. In the past 12 months, have you lied to family members, friends, or others three or more times about how much you gamble or how much money you lost on gambling?
1: Yes
0: No

go to PPGM4a unless person scores 1 for PPGM3a or PPGM3b.

PPGM3c. In the past 12 months has your involvement in gambling caused an instance of domestic violence in your household?
1: Yes
0: No

PPGM3d. In the past 12 months, has your involvement in gambling resulted in separation or divorce?
1: Yes
0: No

PPGM3e. In the past 12 months, has child welfare services become involved because of your gambling?
1: Yes
0: No

PPGM4a. Has your involvement in gambling resulted in significant **health problems** or injury for you or someone close to you in the past 12 months?
1: Yes
0: No go to PPGM5a

PPGM4b. In the past 12 months have these health problems caused you to seek medical or psychological help?
1: Yes
0: No

PPGM5a_NODS9bc. Has your involvement in gambling caused significant **work or school problems** for you or someone close to you in the past 12 months or caused you to miss a significant amount of time off work or school?
1: Yes
0: No go to PPGM6a

PPGM5b. In the past 12 months, about how many work or school days have you lost due to gambling?
_____number of days (limit to numerals with minimum value of 0 and maximum value of 365)

PPGM5c. In the past 12 months, have you lost your job or had to quit school due to gambling?
1: Yes
0: No

PPGM5d. In the past 12 months, did anyone in this household receive any public assistance (food stamps, Temporary Assistance for Needy Families (TANF)) or any other welfare payments from the state or local welfare office as a result of losing your job because of gambling?
1: Yes
0: No

PPGM6a_NODS8. Has your involvement in gambling caused you or someone close to you to write bad cheques, take money that didn't belong to you or commit other **illegal acts** to support your gambling in the past 12 months?
1: Yes
0: No go to PPGM7

PPGM6b. In the past 12 months, about how much money have you illegally obtained in order to gamble?
$_____ (limit to positive numerals)

PPGM6c. In the past 12 months, has your gambling been a factor in your committing a crime for which you have been arrested?
1: Yes
0: No go to PPGM7

PPGM6d. Were you convicted for this crime?
1: Yes
0: No go to PPGM7

PPGM6e. Were you incarcerated for this crime?
1: Yes
0: No

PPGM7. Is there anyone else who would say that your involvement in gambling in the past 12 months has caused any significant problems regardless of whether you agree with them or not?
1: Yes
0: No

PPGM8. In the past 12 months, have you often gambled longer, with more money or more frequently than you intended to?
1: Yes
0: No

PPGM9_NODS6. In the past 12 months, have you often gone back to try and win back the money you lost?
1: Yes
0: No

PPGM10a_NODS3a. In the past 12 months, have you made any attempts to either cut down, control or stop your gambling?
1: Yes
0: No go to PPGM11

GP1. Did you do this primarily on your own or with help from other people?
1: Primarily on my own
2: Primarily with help from others go to PPGM10b_NODS4a

GP2. What are the reason(s) you chose to do this on your own rather than seek help? (check all that apply)
1: I did not believe I would need help
2: I was unaware of where to get help

3: I felt too ashamed to seek help
4: I did not believe that treatment would work for me
5: I did not think I could afford treatment

PPGM10b_NODS4a. Were you successful in these attempts to cut down, control or stop your gambling?
0: Yes go to PPGM11
1: No (Note the reverse scoring for this question)

NODS4b. Has this happened three or more times?
1: Yes
0: No

PPGM11. In the past 12 months, is there anyone else who would say that you have had difficulty controlling your gambling, regardless of whether you agreed with them or not?
1: Yes
0: No

PPGM12_NODS1ab. In the past 12 months, would you say you have been preoccupied with gambling?
1: Yes
0: No

PPGM13_NODS3b. In the past 12 months, when you were not gambling did you often experience irritability, restlessness or
strong cravings for it?
1: Yes
0: No

PPGM14_NODS2. In the past 12 months, did you find you needed to gamble with larger and larger amounts of money to achieve the same level of excitement?
1: Yes
0: No

PPGMHARM (Total of PPGM1a, 1b, 1c, 2a, 2b, 2c, 3a, 3b, 3c, 3d, 3e, 4a, 4b, 5a, 5c, 5d, 6a, 6c, 6d, 6e, 7)
PPGMCONTROL (Total of PPGM8, 9, 10a, 10b, 11)
PPGMOTHER (Total of PPGM 12, 13, 14)
PPGMCATEGORIES
NODSCATEGORIES

Go to DEMOGRAPHICS section unless person has PPGMHARM score of 1 or higher

GP3. Are there particular types of gambling that have contributed to your problems more than others?
1: Yes
0: No go to GP5

GP4. Which types of gambling have contributed most to your problems? (check all that apply)
1: Lottery tickets
2: Scratch tickets
3: Keno
4: Bingo
5: Slot machines
6: Casino table games
7: Poker
8: Sports betting

9: Horse racing
10: Speculative financial activities
11: Online gambling
12: Other types

GP5. Have you *wanted* help for gambling problems in the past 12 months?
1: Yes
0: No

GP6. Have you *sought* help for gambling problems in the past 12 months?
1: Yes
0: No go to DEMOGRAPHICS section

GP7. What sort of help did you seek? (<u>check all that apply</u>)
1: Self-help materials from books or online
2: Support and/or counseling from friends and/or family
3: Individual counseling from a counselor, psychologist, or psychiatrist
4: Individual counseling from family doctor
5: Individual counseling from pastor, minister, priest, rabbi or other religious figure
6: Family therapy or support (e.g., Gam-Anon)
7: Group therapy or support (e.g., Gamblers Anonymous)
7: Online or telephone support (e.g., GamTalk)
6: Medication from family doctor or psychiatrist
9: Residential or in-patient treatment
10: Casino or online voluntary self-exclusion
11: Other_____

GP8. How helpful was this assistance in reducing or stopping your gambling?
0: Not at all helpful
1: Somewhat helpful
2: Quite helpful
3: Very helpful

DEMOGRAPHICS (D) (9 questions)

We are almost at the end, just a few demographic questions left!

D4. Which of the following best describes your ethnic, cultural or racial group? (<u>check all that apply</u>)
1: White or Caucasian
2: Hispanic or Latino
3: Black or African American
4: Asian or Pacific Islander
5: Native American or Alaskan Native
6: Other

D5. What is your current marital status?
1: Single (never married and not living in a common-law relationship)
2: Married or living in a common-law relationship
3: Separated, divorced, or widowed

D6. How many children do you have (biological, stepchildren, or adopted)?
0: 0
1: 1

2: 2
3: 3
4: 4
5: 5
6: More than 5

D7. What is the highest degree or level of schooling you have completed?
1: Less than high school
2: High school diploma or GED
3: Some college courses
4: Associate degree or vocational, technical or trade school certificate
5: Bachelor's Degree
6: Master's Doctorate or Professional degree beyond Bachelor's

D8. Which category best describes your current employment situation?
1: Employed full-time
2: Employed part-time (includes people who may also be retired, or a homemaker, or student)
3: Sick leave, maternity leave, on strike, on disability
4: Unemployed
5: Homemaker and not working for money
6: Full-time student and not working for money
7: Retired and not working for money

D9. What is your approximate annual household income from all sources?
1: Less than $20,000
2: $20,000 – $39,999
3: $40,000 – $59,999
4: $60,000 - $79,999
5: $80,000 - $99,999
6: $100,000 - $119,999
7: $120,000 - $139,999
8: $140,000 - $199,999
9: $200,000 or higher

D10. Were you born in the United States?
0: No
1: Yes

D11. Have you ever served in the military?
0: No
1: Yes

END

Those are all the questions we have. I'd like to thank you on behalf of the state of Connecticut for the time and effort you've taken to answer these questions!
(Centiment)

Congratulations, you are eligible for a $10 electronic gift code to one of the following stores. Please select <u>one</u> store to which you would like to receive your gift code. (NORC ABS Survey)

○

(Amazon.com Gift Card[1])

○

(Target eGiftCard[2])

○

(Walmart Gift Card[3])

○   Do not want a gift card

APPENDIX C: NODS

NODS1a. In the past 12 months, have there been any periods lasting two weeks or longer when you spent a lot of time thinking about your gambling experiences or planning future gambling ventures or bets?
> YES (score 1)
> NO

NODS1b. In the past 12 months, have there been periods lasting two weeks or longer when you spent a lot of time thinking about ways of getting money to gamble with?
> YES (score 1 unless already have a point for 1a)
> NO

NODS2. In the past 12 months, have there been periods when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?
> YES (score 1)
> NO

NODS3a. In the past 12 months, have you tried to stop, cut down, or control your gambling?
> YES
> NO (go to NODS5)

NODS3b. In the past 12 months, on one or more of the times when you tried to stop, cut down, or control your gambling, were you restless or irritable?
> YES (score 1)
> NO

NODS4a. In the past 12 months, have you tried *but not* succeeded in stopping, cutting down, or controlling your gambling?
> YES
> NO

NODS4b. In the past 12 months, has this happened three or more times?
> YES (score 1)
> NO

NODS5a. In the past 12 months, have you gambled as a way to escape from personal problems?
> YES (score 1)
> NO

NODS5b. In the past 12 months, have you gambled to relieve uncomfortable feelings such as guilt, anxiety, helplessness, or depression?
> YES (score 1 unless already have a point for NODS5a)
> NO

NODS6. In the past 12 months, has there ever been a period when, if you lost money gambling on one day, you would often return another day to get even?
       YES (score 1)
       NO

NODS7a. In the past 12 months, have you more than once lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?
       YES
       NO (go to NODS8)

NODS7b. Has this happened three or more times?
       YES (score 1)
       NO

NODS8. In the past 12 months, have you written a bad check or taken money that didn't belong to you from family members or anyone else in order to pay for your gambling?
       YES (score 1)
       NO

NODS9a. In the past 12 months, has your gambling caused serious or repeated problems in your relationships with any of your family members or friends?
       YES (score 1)
       NO

NODS9b. In the past 12 months, has your gambling caused you any problems in school, such as missing classes or days of school or getting worse grades?
       YES (score 1 unless already have a point for NODS9a)
       NO

NODS9c. In the past 12 months, has your gambling caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?
       YES (score 1 unless already have a point for NODS9a or NODS9b)
       NO

NODS10. In the past 12 months, have you needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?
       YES (score 1)
       NO

NODS SCORING

0 = Type B gambler (non-problem gambler)
1 or 2 = Type C gambler (at-risk gambler)
3 or 4 = Type D gambler (problem gambler)
5+ = Type E gambler (pathological gambler)

APPENDIX D: PPGM

PROBLEM & PATHOLOGICAL GAMBLING MEASURE (PPGM)

1a. Has your involvement in gambling caused you either to borrow a significant[63] amount of money or sell some of your possessions in the past 12 months? (Yes=1; No=0).

1b. Has your involvement in gambling caused significant **financial concerns** for you or someone close to you in the past 12 months? (Yes=1; No=0). (Note: do not score 1 for 1b if 1 has already been scored for 1a).

> 1c. (Optional): In the past 12 months, have you filed for bankruptcy because of gambling? (1=yes; 0=no)

2a. Has your involvement in gambling caused significant **mental stress** in the form of guilt, anxiety, or depression for you or someone close to you in the past 12 months? (Yes=1; No=0).

> 2b. (Optional): In the past 12 months, have you thought of committing suicide because of gambling? (1=yes; 0=no)

> 2c. (Optional): In the past 12 months, have you attempted suicide because of your gambling? (1=yes; 0=no)

3a. Has your involvement in gambling caused serious problems[64] in your **relationship with your spouse/partner, or important friends or family** in the past 12 months? (Note: Family is whomever the person themselves defines as "family") (Yes=1; No=0).

3b. Has your involvement in gambling caused you to repeatedly neglect your children or family in the past 12 months? (Yes=1; No=0). (Note: do not score 1 for 3b if 1 has already been scored for 3a).

> 3c. (Optional): In the past 12 months has your involvement in gambling caused an instance of domestic violence in your household? (Yes=1; No=0).

> 3d. (Optional): In the past 12 months, has your involvement in gambling resulted in separation or divorce? (Yes=1; No=0).

> 3e. (Optional): In the past 12 months, has child welfare services become involved because of your gambling? (Yes=1; No=0).

4a. Has your involvement in gambling resulted in significant **health problems** or injury for you or someone close to you in the past 12 months? (Yes=1; No=0).

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[63] If people ask what 'significant' means, say 'significant means something that either you or someone else would say is considerable, important, or major', either because of its frequency or seriousness.
[64] If people ask what 'problem' means say 'a difficulty that needs to be fixed'.

4b. (Optional). In the past 12 months have these health problems caused you to seek medical or psychological help? (Yes=1; No=0).

5a. Has your involvement in gambling caused significant **work or school problems** for you or someone close to you in the past 12 months or caused you to miss a significant amount of time off work or school? (Yes=1; No=0).

5b. (Optional). In the past 12 months, about how many work or school days have you lost due to gambling?_____number of days

5c. (Optional). In the past 12 months, have you lost your job or had to quit school due to gambling? (Yes=1; No=0).

5d. (Optional). In the past 12 months, did anyone in this household receive any public assistance (food stamps, Temporary Assistance for Needy Families (TANF)) or any other welfare payments from the state or local welfare office as a result of losing your job because of gambling? (Yes=1; No=0).

6a. Has your involvement in gambling caused you or someone close to you to write bad cheques, take money that didn't belong to you or commit other **illegal acts** to support your gambling in the past 12 months? (Yes=1; No=0).

6b. (Optional). In the past 12 months, about how much money have you illegally obtained in order to gamble? $_____

6c. (Optional). In the past 12 months, has your gambling been a factor in your committing a crime for which you have been arrested? (Yes=1; No=0).

6d. (Optional). Were you convicted for this crime? (Yes=1; No=0).

6e. (Optional). Were you incarcerated for this crime (Yes=1; No =0)

7. Is there anyone else who would say that your involvement in gambling in the past 12 months has caused any significant problems regardless of whether you agree with them or not? (Yes=1; No=0).

PROBLEMS/HARM SCORE	**/7**

Do not score the optional questions

8. In the past 12 months, have you often gambled longer, with more money or more frequently than you intended to? (Yes=1; No=0).

9. In the past 12 months, have you often gone back to try and win back the money you lost? (Yes=1; No=0).

10a. In the past 12 months, have you made any attempts to either cut down, control or stop your gambling? (Yes/No). (go to 11 if 'no') (this item not scored)

10b. Were you successful in these attempts? (Yes=0; No=1). (Note the reverse scoring for this question)

11. In the past 12 months, is there anyone else who would say that you have had difficulty controlling your gambling, regardless of whether you agreed with them or not? (Yes=1; No=0).

IMPAIRED CONTROL SCORE	/4

12. In the past 12 months, would you say you have been preoccupied with gambling? (Yes=1; No=0).

13. In the past 12 months, when you were not gambling did you often experience irritability, restlessness or strong cravings for it? (Yes=1; No=0).

14. In the past 12 months, did you find you needed to gamble with larger and larger amounts of money to achieve the same level of excitement? (Yes=1; No=0).

OTHER ISSUES SCORE	/3

TOTAL SCORE	/14

PPGM SCORING & CLASSIFICATIONS

PATHOLOGICAL GAMBLER (4)
1. Problems Score of 1 or higher, plus
2. Impaired Control Score of 1 or higher, plus
3. Total Score of 5 or higher, plus
4. Reported gambling frequency of at least once a month on some form of gambling.

PROBLEM GAMBLER (3)
1. Problems Score of 1 or higher, plus
2. Impaired Control Score of 1 or higher, plus
3. Total Score of 2 to 4, plus
4. Reported gambling frequency of at least once a month on some form of gambling.
OR
1. Total Score of 3 or higher, plus
2. Frequency of gambling[65] AND average reported gambling loss[66] $\geq$ median for unambiguously identified Problem and Pathological Gamblers in the population (i.e., as established by the most recent population prevalence survey).

AT RISK GAMBLER (2) (this category also includes people who may be problem gamblers in denial)
1. Does not meet criteria for Problem or Pathological gambling, plus
2. Total Score of 1 or higher
3. Reported gambling frequency of at least once a month on some form of gambling.
OR
4. Frequency of gambling[3] AND average reported gambling loss[4] $\geq$ median for unambiguously identified Problem and Pathological Gamblers in the population (i.e., as established by the most recent population prevalence survey).

RECREATIONAL GAMBLER (1)
- Gambler who does not meet criteria for Pathological, Problem or At-Risk gambler.

NONGAMBLER (0)
- No reported gambling on any form in past year.

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[65] Simplest way of establishing this is by using the highest frequency of gambling reported for any individual form in the past year.
[66] Sometimes gambling expenditure is collected by asking about both losses on gambling and winning on gambling. In this situation it is best to use the reported losses figure rather than *net* losses figure, as it tends to be a more accurate estimate of true losses, especially among people with gambling problems. Note also that the scorer may choose not to apply the gambling loss criteria so as to designate someone as an 'At Risk Gambler' or 'Problem Gambler' in situations where the person's income and/or net worth is very high relative to the general population.

APPENDIX E: Prior CT Population Assessments of Gambling

1	Location	CONNECTICUT
Year Study Conducted		1977
Age		18+
Source(s)		Abrahamson, M. & Wright, J.N. (1977). *Gambling in Connecticut*. Storrs, CT: Connecticut State Commission on Special Revenue.
Sample Size		568
Sampling Strategy		Multi-stage probability sample; 169 towns in Connecticut were stratified into two categories according to whether or not they were part of a standard metropolitan area (as defined by the Census Bureau); total of 15 towns randomly selected corresponding with their share of the State's population; sections of towns randomly selected using a topographical grid and enumeration map; within each town 50 homes (or dwelling units) were selected and numbered 1 to 50 in each town; interviewer sought to interview males in all even numbered houses and females in all odd numbered houses; The demographic characteristics of the sample and those of the entire State are, in general, highly congruent.
Survey Description		"how people in Connecticut bet money."
Administration Method		residential face-to-face interview
Response Rate		Not stated
Weighting		no
Threshold for PG Questions		No threshold
Assessment Instrument		3-Questions Related to Gambling Debts & Excessive Gambling: (1) At times I have bet so much that I had to put off buying clothes; (2) I have never had to borrow money because of bets I have made; (3) People close to me sometimes criticize the amount of money that I bet. Agreement with statement (1) and (3), and disagreement with statement (2) can all be viewed as possibly indicative of excessive gambling.
Legal Gambling Availability		Bingo; bazaars; raffles; on or off-track betting on horse racing, dog racing, jai alai; weekly and daily lottery; scratch tickets
Past Year Gambling Prevalence		Figures only listed for 23 gambling formats. Most frequently engaged in was lottery -- "About one in five adults purchase a lottery ticket at least once a week, and nearly half participate monthly or more."
Problem Gambling Prevalence		10 persons out of 545 answered all three questions in a problem-suggestive manner. This implies that about 1.8% of the State's adults may potentially be compulsive gamblers.
Standardized Problem Gambling Prevalence		
Demographic Correlates of PG		young; separated or divorced; unskilled occupations
Game Correlates of PG		jai-alai, off-track betting, dog racing

2	Location	CONNECTICUT
Year Study Conducted		1986
Age		18+
Source(s)		Laventhol & Horwath, David Cwi & Associates, & Survey Research Associates, Inc. (1986). *The Effects of Legalized Gambling on the Citizens of the State of Connecticut.* Newington: State of Connecticut Division of Special Revenue.
Sample Size		1,224
Sampling Strategy		Randomly selected listed telephone numbers
Survey Description		
Administration Method		telephone interview
Response Rate		
Weighting		age, gender
Threshold for PG Questions		any past-year gambling
Assessment Instrument		DSM-III-L (DIS-III)
Gambling Availability		Bingo; bazaars; raffles; on or off-track betting on horse racing, dog racing, jai alai; weekly and daily lottery; scratch tickets; high stakes bingo
Past Year Gambling Prevalence		74%
Problem Gambling Prevalence		0.34% (endorsed first and two of remaining 3 questions)
Standardized Problem Gambling Prevalence		(0.34 * 2.6 * .60 * 1.44 * .76 = 0.6%)
Demographic Correlates of PG		None reported (only 4 respondents classified as pathological gamblers)
Game Correlates of PG		parimutuel bettors (jai alai, greyhound, horses at track, off-track betting or teletrack)
Comments		Results very tentative because of the unknown weighting factor that should be applied to the DIS-III and the fact that DIS only has 4 questions, whereas the DSM-III has 8 criteria.

3	Location	CONNECTICUT
Year Study Conducted		1991
Age		18+
Source(s)		Christiansen / Cummings Associates. (1992). *Legal Gambling in Connecticut: Assessment of Current Status and Options for the Future*. Report to the Connecticut Division of Special Revenue.
Sample Size		1,000
Sampling Strategy		Random digit dialing proportionate to the number of residents in each of the eight counties in the State; random selection within household.
Survey Description		"legalized gambling in the state"
Administration Method		telephone interview
Response Rate		
Weighting		no
Threshold for PG Questions		
Assessment Instrument		SOGS-L
Gambling Availability		Bingo; bazaars; raffles; on or off-track betting on horse racing, dog racing, jai alai; weekly and daily lottery; scratch tickets; high stakes bingo; sealed/pull-tabs
Past Year Gambling Prevalence		86%
Problem Gambling Prevalence		3.6% (3-4); 2.7% (5+); 6.3% combined
Standardized Problem Gambling Prevalence		6.3 * .72 *.60 * 1.59 * .74 = 3.2%
Demographic Correlates of PG		male; under age 35 years; unmarried; household income less than $25,000.
Game Correlates of PG		Off-track betting; casinos; pull=tabs; football pools; bet with a bookie on a sports event.
Comments		

4	Location	CONNECTICUT
Year Study Conducted		1996
Age		18+
Source(s)		WEFA Group. (1997, June). *A Study Concerning the Effects of Legalized Gambling on the Citizens of the State of Connecticut*. Prepared for: State of Connecticut Department of Revenue Services, Division of Special Revenue.
Sample Size		993
Sampling Strategy		Stratified, single-stage random digit dialing; random selection within household
Survey Description		"regarding leisure activities and hobbies"
Administration Method		telephone interview
Response Rate		
Weighting		gender, age, education, race
Threshold for PG Questions		gambled at least once in life
Assessment Instrument		SOGS-PY & SOGS-L
Gambling Availability		Bingo; bazaars; raffles; on or off-track betting on horse racing, dog racing, jai alai; weekly and daily lottery; scratch tickets; high stakes bingo; sealed/pull-tabs; Foxwoods casino (with EGMs); multi-state lottery
Past Year Gambling Prevalence		88%
Problem Gambling Prevalence		SOGS-PY: 2.2% (3-4); 0.6% (5+); 2.8% combined SOGS-L: 4.2% (3-4); 1.2% (5+); 5.4% combined
Standardized Problem Gambling Prevalence		SOGS-PY: 2.8 * .72 * 1.44 = 2.9%
Demographic Correlates of PG		Reported that data is not statistically significant. Demographic information available (Section 5-13).
Game Correlates of PG		Reported that data is not statistically significant. Gambling preferences information available (Section 5-14).
Comments		Prevalence study was one component of an overall study on socio-economic impacts of gambling.

5	Location	CONNECTICUT
Year Study Conducted		2008
Age		18+
Source(s)		Spectrum Gaming Group. (2009). *Gambling in Connecticut: Analyzing the Economic and Social Impacts*. Linwood, NJ: Author.
Sample Size		3,099 (2,298 Telephone + 801 Online Panel)
Sampling Strategy		Random digit dialing; random selection within household; an additional 801 people participated through a separate online-panel survey; English and Spanish versions available.
Survey Description		"survey for the State of Connecticut about people's attitudes toward gambling"
Administration Method		telephone interview; self-administered online (Online Panel)
Response Rate		Telephone: 35.6% (calculated using data from report using response rates calculations recommended by Williams & Volberg, 2011). Online Panel = 6%
Weighting		Gender, education, age, ethnicity
Threshold for PG Questions		unclear
Assessment Instrument		SOGS-PY & SOGS-L; DSM-IV-PY & DSM-IV-L (NODS)
Gambling Availability		Bingo; bazaars; raffles; on or off-track betting on horse racing, dog racing, jai alai; weekly and daily lottery; scratch tickets; high stakes bingo; sealed/pull-tabs; Foxwoods casino (with EGMs); multi-state lotteries; Mohegan Sun casino
Past Year Gambling Prevalence		70% (Past year participation in illegal gambling = 33.2%)
Problem Gambling Prevalence		Telephone SOGS-PY: 0.9% (3-4); 0.7% (5+); 1.6% combined SOGS-L: 2.2% (3-4); 1.5% (5+); 3.7% combined DSM-IV-PY (NODS): 0.8% (3-4); 0.6% (5+); 1.4% combined DSM-IV-L (NODS): 2.1% (3-4); 1.2% (5+); 3.3% combined Online Panel SOGS-PY: 3.5% (3-4); 3.8% (5+); 7.3% combined SOGS-L: 4.5% (3-4); 4.5% (5+); 9.0% combined DSM-IV-PY (NODS): 3.4% (3-4); 2.1% (5+); 5.5% combined DSM-IV-L (NODS): 5.0% (3-4); 2.9% (5+); 7.9% combined
Standardized Problem Gambling Prevalence		Telephone SOGS-PY: 1.6 * .72 * 1.44 * .53 = 0.9% Telephone DSM-IV-PY: 1.4 * 1.19 * 1.44 * .53 = 1.3%
Demographic Correlates of PG		male; 18-34 years old; some college education; urbanized counties of Hartford and New Haven
Game Correlates of PG		
Comments		Study is a socioeconomic impact investigation that included a prevalence study of gambling and problem gambling.

6	Location	CONNECTICUT
Year Study Conducted		2023
Age		18+
Source(s)		Gemini Research (2023). *Socioeconomic Impacts of Legalized Gambling in Connecticut.* Report commissioned by the Connecticut Department of Mental Health and Addiction Services (DMHAS).
Sample Size		5,259
Sampling Strategy		Mail-out address-based sampling (ABS) with online completion; random selection within household; English and Spanish versions available
Survey Description		"statewide survey about health and recreational behaviors in Connecticut"
Administration Method		self-administered online
Response Rate		11.75%
Weighting		Gender, age, race/ethnicity, education
Threshold for PG Questions		Gambling once/month or more on some type of gambling and/or a self-reported personal history of problem gambling
Assessment Instrument		DSM-IV-PY (NODS) & PPGM
Gambling Availability		Bingo; bazaars; raffles; on or off-track betting on horse racing, dog racing, jai alai; weekly and daily lottery; scratch tickets; high stakes bingo; sealed/pull-tabs; Foxwoods casino; multi-state lotteries; Mohegan Sun casino; keno; online and land-based sports betting; online casino gambling
Past Year Gambling Prevalence		69.2%
Problem Gambling Prevalence		DSM-IV-PY (NODS): 0.7% (3-4); 0.7% (5+); 1.4% combined PPGM: 0.8% (problem gambler); 1.0% (pathological gambler); 1.8% combined
Standardized Problem Gambling Prevalence		DSM-IV-PY (NODS): 1.4 * 1.19 * 1.00 * 1.00 = 1.7% PPGM: 1.8 * 1.00 * 1.00 * 1.00 = 1.8%
Demographic Correlates of PG		Males; people younger than 65+; non-Whites; and people with lower educational attainment
Game Correlates of PG		Not assessed
Comments		Study is a socioeconomic impact investigation that included a prevalence study of gambling and problem gambling.

APPENDIX F: AirSage Home County Adjustment

- AirSage counted 318,574 cell phones at the two CT casinos for the 14-day sample/collection period in January 2023, with 181,006 coming from CT residents (56.8%), and 96,248 of the CT cell phones being from New London County (53.2% of CT total). This was after excluding all cell phones that were present 18 or more days during the month of January in an attempt to eliminate casino employees from the counts.
- 18 days is a reasonable exclusionary criterion that should exclude most employees, but not exclude most heavy gamblers, as:
    - The large majority of full-time employees will likely have worked 20 days or more.
    - Only 0.6% of CT casino gamblers report gambling at a casino 4 or more times a week (in the representative NORC ABS survey data) (although 2.6% of casino gamblers report this in the Centiment OP survey data). Even so, half of these 'regular gamblers' report splitting their time between Foxwoods and Mohegan Sun and/or casinos in other states, so only a very small percentage (<1%) would be present 18 or more days.
- Unfortunately, however**, this exclusionary criterion does not effectively exclude part-time casino employees**. Although we do not have accurate current data for Connecticut, part-time employment is common in the casino industry. Furthermore, aggregated data from the three Massachusetts casinos (Encore Boston Harbor, MGM Springfield, and Plainridge Park Casino) where we do have comprehensive and accurate data shows that **36.2% of the 6,536 casino employees in 2023 are part-time** (personal communication from Thomas Peake, UMass Donahue Institute, July 2023).
- The total employment numbers for the two Connecticut casinos are somewhat uncertain as explained in the **Casino Employment** section. Our best estimate is that there are 13,953 employees. If we assume 13,953 total employees, with 36.2% of them being part-time, this would represent 5,051 individuals. If we assume these individuals might have been present an average of 7 days during the 14-day period (versus 10 days for the full-time people), then this would result in **35,357 additional counts that should have been excluded.**

- Prior research has established that the vast majority of Foxwood employees reside in New London County and to a lesser extent Windham County ([Taylor, 2019; Figure 8)](#), with the same pattern likely occurring for Mohegan Sun. More generally, local residency is also very common for most casinos employees, as is seen in Massachusetts (with the exception of Plainridge Park Casino):
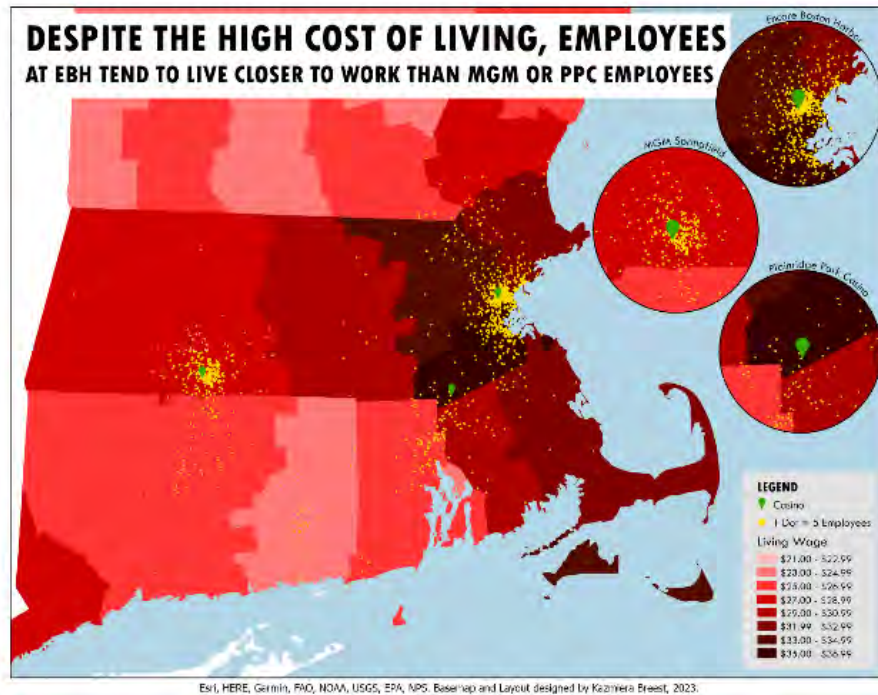
Figure supplied by Thomas Peake, UMass Donahue Institute

- ➢ Thus, it is clear that these **additional AirSage counts should be subtracted primarily from the New London County counts.**

- ➢ Consistent with this contention, the AirSage counts for New London County (and Windham County to a lesser extent) are considerably higher than self-reported Connecticut casino patronage by residents of those counties in both the NORC ABS and Centiment OPS population surveys (e.g., New London County AirSage count is 2.92 times higher that the NORC population survey indicates and 6.78 higher than the Centiment population survey indicates).

	AirSage Visitation Counts	Share of Total	NORC ABS weighted 14 day visitation total	Share of 14 day total	AirSage/ NORC share ratio	Centiment OPS unweighted 14 day visitation total	Share of 14 day total	AirSage/ Centiment share ratio
Fairfield County	10,807	6.0%	20,322	14.8%	0.40	108	19.1%	0.31
Hartford County	23,141	12.8%	32,625	23.8%	0.54	164	29.2%	0.44
Litchfield County	3,111	1.7%	18,009	13.2%	0.13	28	5.0%	0.35
Middlesex County	6,850	3.8%	4,528	3.3%	1.14	30	5.3%	0.72
New Haven County	25,902	14.3%	23,831	17.4%	0.82	155	27.5%	0.52
New London County	96,248	53.2%	24,909	18.2%	2.92	44	7.8%	6.78
Tolland County	3,951	2.2%	6,440	4.7%	0.46	10	1.7%	1.27
Windham County	10,996	6.1%	6,213	4.5%	1.34	24	4.3%	1.40
	181,006	100.0%	136,877	100.0%		563	100.0%	

➢ That said, it is also reasonable to assume that it is much more likely for local residents to visit the many restaurants, bars, spas, event centres, and other non-casino amenities that are available at these casinos (i.e., without gambling), and it is these visits that are partly responsible for the apparent inflated local county AirSage counts.

➢ *Taking everything into consideration, in an effort to correct these local overcounts, a 50% reduction has been made in the host casino(s) county AirSage count. In the case where there are two counties in close proximity to the casino(s), a 25% reduction has been made in each.*

APPENDIX G: Methodology for Assessing Indirect Economic Impacts

This estimate of economic impacts was generated from the data collected as part of the summary of direct economic impacts. In certain cases, assumptions needed to be made to account for missing data. This is often the case in assessments of economic impacts. The following are the assumptions made in order to generate the inputs for the model.

Gambling Spending and Casino Revenue

Since the casinos pay taxes on slots revenues, spending on slot machines can be easily deduced from that. Estimates of spending on other casino activities, such as table games or non-gaming revenue, needed to be estimated. In the case of table games, UMDI was able to use known slot revenue and reported gambling revenue from Mohegan Sun's financial reports to deduce an estimate there. Since a similar number was not available for Foxwoods, UMDI applied the ratio of slots to other gambling revenue to Foxwoods' slots spending.

Government Spending

While government revenue is easy to track, how that money is spent is very difficult to track, as government funds are generally fungible. Even in the case that funds are earmarked for that specific purpose, there is no way to know for sure whether that will result in greater spending for that purpose, or simply allow policymakers to divert funds which otherwise would have been needed to fund that purpose towards other departments or programs. In general, it is UMDI's practice to model all revenue to the state government as general state government spending. This money was spread proportionally across the state, based on each county's share of state government spending in 2022, according to the REMI model.

One exception to this rule is funds that were directly allocated to Connecticut municipalities through the Mashantucket Pequot and Mohegan Fund. These funds are modeled as local government spending.

Revenue to Lottery Vendors

UMDI was able to determine the total revenue to Lottery vendors through its annual reports. However, we were unable to determine the precise geographical disruption of these revenues. In order to model the activity, these funds were distributed based on each county's share of statewide retail trade sales, since most lottery vendors are retail trade establishments.

Consumer Reallocation

Our method for estimating the share of in-state spending which is estimated is documented above. In the REMI model, we modeled this spending as lost tourism spending from resident households, with those funds allocated based on each county's share of total casino visitors within the AirSage data.

APPENDIX H: Special Population Studies of Gambling in Connecticut

Farhat, L. C., Wampler, J., Steinberg, M. A., Krishnan-Sarin, S., Hoff, R. A., & Potenza, M. N. (2021). Excitement-seeking gambling in adolescents: Health correlates and gambling-related attitudes and behaviors. *Journal of gambling studies*, *37*(1), 43-57.

Motivational characteristics such as excitement-seeking are key components of models of addiction, including problem gambling. Previous studies have established associations between excitement-seeking and problem gambling in youth. However, these studies have employed dimensional psychological assessments which are unlikely to be routinely administered. Other approaches to conceptualize excitement-seeking could be of value. In the present study, we employed a single question (*What are the reasons that you gamble?*) to identify adolescents who reported excitement-seeking motivation for gambling. Cross-sectional data from 2030 adolescent gamblers who participated in a Connecticut high-school survey were examined. Gambling perceptions and correlates of problem-gambling severity were examined relative to excitement-seeking and non-excitement-seeking gambling. Gambling perceptions were more permissive and at-risk/problem gambling was more frequent among adolescents with excitement-seeking gambling versus non-excitement-seeking gambling. A weaker relationship between problem-gambling severity and moderate and heavy alcohol use was observed for excitement-seeking versus non-excitement-seeking gambling. Excitement-seeking gambling is associated with more permissive gambling-related attitudes and riskier gambling behaviors and may account for some variance in adolescent risk of heavy alcohol use. A single question may provide important information for identifying adolescents who are at elevated risk of problem gambling and associated negative outcomes, although the utility of the question in specific settings warrants direct examination, especially given the observed high prevalence of excitement-seeking motivations for gambling.

Farhat, L. C., Foster, D. W., Wampler, J., Krishnan-Sarin, S., Hoff, R. A., & Potenza, M. N. (2022). Casino gambling in adolescents: Gambling-related attitudes and behaviors and health and functioning relationships. *Journal of Gambling Studies*, *38*(3), 719-735.

Recreational and problem gambling have been linked with adverse health and functioning outcomes among adolescents. Youth may gamble and engage in other risk-taking behaviors in casinos. There are limited data available regarding casino gambling in high-school students, and factors linked to adolescent gambling in casinos have yet to be systematically investigated. To address this gap, we analyzed cross-sectional data from 2010 Connecticut high-school students with chi-square tests and logistic regression models to examine casino gambling in relation to at-risk/problem gambling (ARPG) with respect to sociodemographic characteristics, gambling perceptions & attitudes, health/functioning measures and gambling behaviors. Approximately 11 % of adolescents acknowledged gambling in casinos. ARPG was more frequent and gambling perceptions were more permissive among adolescents endorsing casino gambling. Stronger relationships between ARPG and heavy alcohol and drug use and weaker relationships between ARPG and engagement in extracurricular activities, gambling with friends, gambling with strangers and gambling for financial reasons were observed among adolescents endorsing casino gambling. In conclusion, gambling in casinos was endorsed by a sizable minority of adolescents who gamble, and prevention efforts should consider targeting permissive attitudes towards gambling, adolescent drinking and participation in extracurricular activities when addressing underage casino gambling.

Hammond, C. J., Pilver, C. E., Rugle, L., Steinberg, M. A., Mayes, L. C., Malison, R. T., ... & Potenza, M. N. (2014). An exploratory examination of marijuana use, problem-gambling severity, and health correlates among adolescents. *Journal of behavioral addictions*, *3*(2), 90-101.

Background and aims: Gambling is common in adolescents and at-risk and problem/pathological gambling (ARPG) is associated with adverse measures of health and functioning in this population. Although ARPG commonly co-occurs with marijuana use, little is known how marijuana use influences the relationship between problem-gambling severity and health- and gambling-related measures.
Methods: Survey data from 2,252 Connecticut high school students were analyzed using chi-square and logistic regression analyses.
Results: ARPG was found more frequently in adolescents with lifetime marijuana use than in adolescents denying marijuana use. Marijuana use was associated with more severe and a higher frequency of gambling-related behaviors and different motivations for gambling. Multiple health/functioning impairments were differentially associated with problem-gambling severity amongst adolescents with and without marijuana use. Significant marijuana-use-by-problem-gambling-severity-group interactions were observed for low-average grades (OR = 0.39, 95% CI = [0.20, 0.77]), cigarette smoking (OR = 0.38, 95% CI = [0.17, 0.83]), current alcohol use (OR = 0.36, 95% CI = [0.14, 0.91]), and gambling with friends (OR = 0.47, 95% CI = [0.28, 0.77]). In all cases, weaker associations between problem-gambling severity and health/functioning correlates were observed in the marijuana-use group as compared to the marijuana-non-use group.
Conclusions: Some academic, substance use, and social factors related to problem-gambling severity may be partially accounted for by a relationship with marijuana use. Identifying specific factors that underlie the relationships between specific attitudes and behaviors with gambling problems and marijuana use may help improve intervention strategies.

Petry, N. M. (2003). A comparison of treatment-seeking pathological gamblers based on preferred gambling activity. *Addiction*, *98*(5), 645-655.

Aims: To compare and contrast gamblers with different forms of problematic gambling activities.
Design, setting and measurements: Pathological gamblers completed the Addiction Severity Index (ASI) and gambling questionnaires when initiating out-patient treatment. Participants (n = 347) were categorized by their most problematic form of gambling activity: sports, horse/dog-races, cards, slots and scratch/lottery tickets. Differences in demographics, gambling variables, and ASI composite scores were compared across groups.
Findings: After controlling for demographic variables, the types of gamblers differed in severity of gambling, alcohol and psychiatric problems. Horse/dog-race gamblers were generally older, male and less educated; they began gambling regularly at a young age and spent relatively high amounts of money gambling. Sports gamblers were young males and had intermediary gambling problems; they had relatively high rates of current substance use but few psychiatric problems. Card players spent low to moderate amounts of time and money gambling, and they generally reported few alcohol problems and little psychiatric distress. Slot machine players were older and more likely to be female. Slot gamblers began gambling later in life, had high rates of bankruptcy and reported psychiatric difficulties. Scratch/lottery gamblers spent the least amount of money gambling, but they gambled the most frequently and had relatively severe alcohol and psychiatric symptoms.
Conclusions: Gambling patterns and severity of psychosocial problems vary by form of problematic gambling, and these differences may influence treatment recommendations and outcomes.

Petry, N. M., & Oncken, C. (2002). Cigarette smoking is associated with increased severity of gambling problems in treatment-seeking gamblers. *Addiction*, *97*(6), 745-753.

Aims: Cigarette smoking and gambling often co-occur, but very little is known about smoking or its correlates in disordered gamblers. This study compared gambling and psychosocial problems in treatment-seeking gamblers who smoke versus those who do not.
Methods: At intake to gambling treatment programs, gamblers completed the addiction severity index (ASI) and gambling questionnaires. Subjects were categorized into non-daily smokers (n = 107) and daily smokers (n = 210). Differences in demographics, gambling variables and ASI composite scores were compared between the groups.
Results: The daily smokers were more likely to have a history of treatment for a substance use disorder than the non-daily smokers. After controlling for substance abuse treatment histories, gender and age, the daily smokers

demonstrated more severe gambling, family/social and psychiatric problems. Compared to non-daily smokers, the daily smokers gambled on more days and spent more money gambling; they also 'craved' gambling more and had lower perceived control over their gambling. The daily smokers were more likely to be taking psychiatric medications, and they experienced psychiatric symptoms, especially anxiety symptoms, on a greater number of days than non-daily smokers.

Implications: Results from this study suggest that about two-thirds of treatment-seeking gamblers are current daily cigarette smokers, and smoking status is associated with more severe gambling and psychiatric symptoms. These results warrant further investigation of smoking in gamblers and whether smoking adversely affects the course of treatment or outcomes among gamblers.

Petry, N. M., Armentano, C., Kuoch, T., Norinth, T., & Smith, L. (2003). Gambling participation and problems among South East Asian refugees to the United States. *Psychiatric services*, *54*(8), 1142-1148.

OBJECTIVE: Gambling is common among South East Asian refugees, but no known studies have evaluated the prevalence of pathological gambling in these populations. The purpose of this study was to assess rates of gambling participation and gambling problems among South East Asian refugees. *METHODS:* Ninety-six immigrants to the United States from Laos, Cambodia, and Vietnam who attended community service organizations for these ethnic groups in Connecticut were asked to complete the South Oaks Gambling Screen (SOGS), which had been translated into their native languages. Demographic information as well as data on recent gambling activities were also obtained. *RESULTS:* The SOGS retained high internal consistency in the sample, with a Cronbach's alpha of .90. The lifetime prevalence of pathological gambling was 59 percent. Rates of gambling problems did not differ across the three ethnic groups. However, being male, divorced or separated, and younger were significant predictors of pathological gambling. More than half of all the respondents had gambled within two weeks of the interview, and 42 percent had wagered more than $500 in the previous two months. *CONCLUSIONS:* These data call for more research into the social, environmental, and cultural context of gambling among South East Asian refugees. Ethnically sensitive prevention and intervention strategies are needed to address the extraordinarily high rates of gambling problems in this population.

Potenza, M. N., Steinberg, M. A., McLaughlin, S. D., Wu, R., Rounsaville, B. J., & O'Malley, S. S. (2001). Gender-related differences in the characteristics of problem gamblers using a gambling helpline. *American Journal of Psychiatry*, *158*(9), 1500-1505.

OBJECTIVE: The characteristics of male and female gamblers utilizing a gambling helpline were examined to identify gender-related differences. *METHOD:* The authors performed logistic regression analyses on data obtained in 1998–1999 from callers to a gambling helpline serving southern New England (CT). *RESULTS:* Of the 562 phone calls used in the analyses, 349 (62.1%) were from male callers and 213 (37.9%) from female callers. Gender-related differences were observed in reported patterns of gambling, gambling-related problems, borrowing and indebtedness, legal problems, suicidality, and treatment for mental health and gambling problems. Male gamblers were more likely than female gamblers to report problems with strategic or "face-to-face" forms of gambling, e.g., blackjack or poker. Female gamblers were more likely to report problems with nonstrategic, less interpersonally interactive forms of gambling, e.g., slot machines or bingo. Female gamblers were more likely to report receiving nongambling-related mental health treatment. Male gamblers were more likely to report a drug problem or an arrest related to gambling. High rates of debt and psychiatric symptoms related to gambling, including anxiety and depression, were observed in both groups. *CONCLUSIONS:* Individuals with gambling disorders have gender-related differences in underlying motivations to gamble and in problems generated by excessive gambling. Different strategies may be necessary to maximize treatment efficacy for men and for women with gambling problems.

Potenza, M. N., Steinberg, M. A., & Wu, R. (2005). Characteristics of gambling helpline callers with self-reported gambling and alcohol use problems. *Journal of Gambling Studies*, *21*(3), 233-254.

The characteristics of problem gamblers calling the Connecticut Council on Problem Gambling (CCPG) gambling helpline during the years 2000–2001 (*n* = 960) were examined based on the presence or absence of self-reported alcohol use problems. A relatively low proportion of callers reported a problem with alcohol use (173/960 or 18.0%),

and of those acknowledging an alcohol use problem, the majority reported a past rather than current problem (143/173 or 82.7%). A logistic regression analysis found that, as compared with problem gamblers denying any alcohol use problems, those reporting past or current alcohol use problems were more likely to be male and more frequently acknowledged problems with more forms of gambling, suicide attempts related to gambling, arrests secondary to gambling, daily tobacco use, drug use problems, prior substance abuse treatment, and family histories positive for alcohol and drug use problems. The findings highlight the strong relationship between alcohol use problems and other substance use problems, and suggest that problem gamblers with as compared with those without alcohol use problems demonstrate greater problems in multiple areas (arrest, attempted suicide) linked by impaired impulse control.

Potenza, M. N., Steinberg, M. A., McLaughlin, S. D., Wu, R., Rounsaville, B. J., Krishnan-Sarin, S., ... & O'Malley, S. S. (2004). Characteristics of tobacco-smoking problem gamblers calling a gambling helpline. *American Journal on Addictions*, *13*(5), 471-493.

Few studies have examined the smoking behaviors of problem gamblers. A high proportion of problem gamblers calling a gambling helpline reported daily tobacco smoking (43.1%). Problem gamblers reporting daily tobacco smoking more frequently acknowledged depression and suicidality secondary to gambling, gambling-related arrests, alcohol and drug use problems, mental health treatment, and problems with casino slot machine gambling. The findings substantiate the relationship in problem gamblers between tobacco smoking and psychiatric symptomatology, particularly other substance use problems. The high proportion of callers reporting daily tobacco smoking highlights the need for enhanced smoking cessation efforts in problem gamblers.

Rahman, A. S., Balodis, I. M., Pilver, C. E., Leeman, R. F., Hoff, R. A., Steinberg, M. A., ... & Potenza, M. N. (2014). Adolescent alcohol-drinking frequency and problem-gambling severity: Adolescent perceptions regarding problem-gambling prevention and parental/adult behaviors and attitudes. *Substance abuse*, *35*(4), 426-434.

Background: The study examined in adolescents how alcohol-drinking frequency relates to gambling-related attitudes and behaviors and perceptions of both problem-gambling prevention strategies and adult (including parental) behaviors/attitudes. *Methods:* A survey assessing alcohol, gambling, and health and functioning measures in 1609 high school students. Students were stratified into low-frequency/nondrinking and high-frequency-drinking groups, and into low-risk and at-risk/problematic gambling groups. *Results:* High-frequency drinking was associated with at-risk/problematic gambling (χ^2(1,N = 1842) = 49.22, P < .0001). High-frequency-drinking versus low-frequency/nondrinking adolescents exhibited more permissive attitudes towards gambling (e.g., less likely to report multiple problem-gambling prevention efforts to be important). At-risk problematic gamblers exhibited more severe drinking patterns and greater likelihood of acknowledging parental approval of drinking (χ^2(1, N = 1842) = 31.58, P < .0001). Problem-gambling severity was more strongly related to gambling with adults among high-frequency-drinking adolescents (odds ratio [OR] = 3.17, 95% confidence interval [95% CI] = [1.97, 5.09]) versus low-frequency/nondrinking (OR = 1.86, 95% CI = [0.61, 2.68]) adolescents (interaction OR = 1.78, 95% CI = [1.05, 3.02]). *Conclusions:* Interrelationships between problematic drinking and gambling in youth may relate to more permissive attitudes across these domains. Stronger links between at-risk/problem gambling and gambling with adults in the high-frequency-drinking group raises the possibility that interventions targeting adults may help mitigate youth gambling and drinking.

Rahman, A. S., Pilver, C. E., Desai, R. A., Steinberg, M. A., Rugle, L., Krishnan-Sarin, S., & Potenza, M. N. (2012). The relationship between age of gambling onset and adolescent problematic gambling severity. *Journal of psychiatric research*, *46*(5), 675-683.

The aim of this study was to characterize the association between problem gambling severity and multiple health, functioning and gambling variables in adolescents aged 13–18 stratified by age of gambling onset. Survey data in 1624 Connecticut high school students stratified by age of gambling onset (≤11 years vs. ≥ 12 years) were analyzed in descriptive analyses and in logistic regression models. Earlier age of onset was associated with problem gambling severity as indexed by a higher frequency of at-risk/problem gambling (ARPG). Most health, functioning and gambling measures were similarly associated with problem gambling severity in the earlier- and later-age-of-gambling-onset groups with the exception of participation in non-strategic forms of gambling, which was more strongly associated with

ARPG in the earlier-onset (OR = 1.74, 95%CI = [1.26, 2.39]) as compared to later-onset (OR = 0.94, 95%CI = [0.60, 1.48]) group (Interaction OR = 1.91, 95%CI = [1.18, 3.26]). Post-hoc analysis revealed that earlier-onset ARPG was more strongly associated with multiple forms of non-strategic gambling including lottery (instant, traditional) and slot-machine gambling. The finding that problem gambling severity is more closely associated with multiple non-strategic forms of gambling amongst youth with earlier-onset gambling highlights the relevance of these types of youth gambling. The extent to which non-strategic forms of gambling may serve as a gateway to other forms of gambling or risk behaviors warrants additional study, and efforts targeting youth gambling should consider how best to address non-strategic gambling through education, prevention, treatment and policy efforts.

Slavin, M., Pilver, C. E., Hoff, R. A., Krishnan-Sarin, S., Steinberg, M. A., Rugle, L., & Potenza, M. N. (2013). Serious physical fighting and gambling-related attitudes and behaviors in adolescents. *Journal of behavioral addictions*, *2*(3), **167-178.**

Background and aims: Physical fighting and gambling are common risk behaviors among adolescents. Prior studies have found associations among these behaviors in adolescents but have not examined systematically the health and gambling correlates of problem-gambling severity amongst youth stratified by fight involvement.
Methods: Survey data were used from 2,276 Connecticut high school adolescents regarding their physical fight involvement, gambling behaviors and perceptions, and health and functioning. Gambling perceptions and correlates of problem-gambling severity were examined in fighting and non-fighting adolescents.
Results: Gambling perceptions were more permissive and at-risk/problem gambling was more frequent amongst adolescents reporting serious fights versus those denying serious fights. A stronger relationship between problem-gambling severity and regular smoking was observed for adolescents involved in fights.
Discussion and conclusions: The more permissive gambling attitudes and heavier gambling associated with serious fights in high school students suggest that youth who engage in physical fights war rant enhanced prevention efforts related to gambling. The stronger relationship between tobacco smoking and problem-gambling severity amongst youth engaging in serious fights suggest that fighting youth who smoke might warrant particular screening for gambling problems and subsequent interventions.

Stefanovics, E. A., Gueorguieva, R., Zhai, Z. W., & Potenza, M. N. (2023). Gambling participation among Connecticut adolescents from 2007 to 2019: Potential risk and protective factors. *Journal of Behavioral Addictions*.

Background and aims: Gambling in adolescents is a public health concern. This study sought to examine patterns of gambling among Connecticut high-school students using seven representative samples covering a 12-year period.
Methods: Data were analyzed from *N* = 14,401 participants in cross-sectional surveys conducted every two years based on random sampling from schools in the state of Connecticut. Anonymous self-completed questionnaires included socio-demographic data, current substance use, social support, and traumatic experiences at school. Chi-square tests were used to compare socio-demographic characteristics between gambling and non-gambling groups. Logistic regressions were used to assess changes in the prevalence of gambling over time and effects of potential risk factors on the prevalence, adjusted for age, sex, and race.
Results: Overall, the prevalence of gambling largely decreased from 2007 to 2019, although the pattern was not linear. After steadily declining from 2007 to 2017, 2019 was associated with increased rates of gambling participation. Consistent statistical predictors of gambling were male gender, older age, alcohol and marijuana use, higher levels of traumatic experiences at school, depression, and low levels of social support.
Discussion and Conclusion: Among adolescents, older males may be particularly vulnerable to gambling that relates importantly to substance use, trauma, affective concerns, and poor support. Although gambling participation appears to have declined, the recent increase in 2019 that coincides with increased sports gambling advertisements, media coverage and availability warrants further study. Our findings suggest the importance of developing school-based social support programs that may help reduce adolescent gambling.

Yip, S. W., Desai, R. A., Steinberg, M. A., Rugle, L., Cavallo, D. A., Krishnan-Sarin, S., & Potenza, M. N. (2011). Health/functioning characteristics, gambling behaviors, and gambling-related motivations in adolescents stratified by gambling problem severity: Findings from a high school survey. *The American Journal on Addictions, 20*(6), 495-508.

In adults, different levels of gambling problem severity are differentially associated with measures of health and general functioning, gambling behaviors, and gambling-related motivations. Here we present data from a survey of 2,484 Connecticut high school students, and investigate the data stratifying by gambling problem severity based on DSM-IV criteria for pathological gambling. Problem/pathological gambling was associated with a range of negative functions; for example, poor academic performance, substance use, dysphoria/depression, and aggression. These findings suggest a need for improved interventions related to adolescent gambling and a need for additional research into the relationship (eg, mediating factors) between gambling and risk and protective behaviors.

Zhai, Z. W., Duenas, G. L., Wampler, J., & Potenza, M. N. (2020). Gambling, substance use and violence in male and female adolescents. *Journal of gambling studies*, *36*(4), 1301-1324.

The study systematically examined the link between history of gambling, and substance-use and violence-related measures in male and female adolescents, and compared association differences between genders in representative youth risk behavior surveillance data. An anonymous survey was administered to 2425 9th- to 12th-grade students in the state of Connecticut to assess risk behaviors that impact health. Reported past-12-months gambling was the independent variable of interest. Chi squares and adjusted odds-ratios were computed to determine gambling associations with demographic variables, substance-use, and violence-related measures, and whether associations were different between genders. Among students, 18.6% reported gambling. Reported gambling in males and females associated with lifetime use of any drugs, marijuana, cocaine, inhalants, heroin, methamphetamines, ecstasy, synthetic marijuana, non-medical pain-relievers, and injected drugs, in addition to past-30-days cigarette smoking, alcohol and heavy alcohol drinking, and marijuana use. Gambling associated with reported weapon-carrying, being threatened or injured with a weapon, forced sexual intercourse, bullying, and electronic bullying in males; physical dating violence in females; and physical fighting and sexual dating violence in both groups. Gambling and gender interaction terms did not associate with outcome measures except synthetic marijuana use, which trended towards significance (P = 0.052). Gambling in adolescence was similarly linked to risk behaviors involving substance-use in males and females, though gambling relationships with different violence-measures varied between genders. Assessing gambling behavior may be important for targeted preventions focused on adolescents at risk for substance-use disorder and physical violence.

APPENDIX I: Written Responses to Economic Impact Questions from Tribes

Connecticut Gambling Impacts Study
Economic Impact Questions
Response from the Mashantucket Pequot Tribal Nation
Regarding Foxwoods Resort Casino

OPERATING IMPACTS
Reflecting on the operations of the Foxwoods Resort Casino since the last study (fifteen years ago)

What do you consider the most important (<u>top three</u>) economic or fiscal impacts of Foxwoods Casino <u>to the immediate Tribal community</u>?

1. **Revenue for the Tribal Nation:** Foxwoods Resort Casino ("Foxwoods") as well as the Mashantucket Pequot Tribal Nation's ("MPTN") online gaming operations generate significant funding for the MPTN government. MPTN uses this funding to provide government services to its members and the community. Services funded by gaming revenue include:
   a. a tribal health clinic, pharmacy, and self-funded health plan
   b. education programs including an early education center, after-school programs, and scholarship program for primary, secondary, and post-secondary education
   c. full-time fire and police departments
   d. public works department providing road maintenance, snow removal, waste removal, landscaping, and other services
   e. utilities, including a water treatment facility
   f. social security programs, including a tribal disability program and elder benefits program
   g. tribal court handling trials, appeals, and probate matters
   h. housing department; and
   i. regulatory bodies overseeing building permitting, environmental permitting, historic preservation, zoning, food safety, and employee rights.

2. **Job Creation:** Foxwoods has created many job opportunities on and around the MPTN Reservation. Under MPTN's Tribal Preference Law, Tribal Members and their family receive preference for jobs if they meet the minimum qualifications, which has promoted hiring from within the MPTN community. These jobs then provide training that, over time, has resulted in Tribal Members taking on more leadership responsibilities at Foxwoods. Management positions held by Tribal Members include the Foxwoods Chief Executive Officer, Senior VP of Human Resources, and Senior VP of Gaming Operations. Revenue from Foxwoods also funds the services listed above, which generates additional employment opportunities on the MPTN Reservation. Finally, Foxwoods provides opportunities for Tribal Member businesses, which creates additional jobs. For example, Joshua's Limousine is a Tribal Member-owned business that has served many Foxwoods patrons. By creating economic opportunities in the region, Foxwoods has encouraged repatriation from Tribal Members who had previously moved away from Mashantucket in response to the limited economic development in the region.

3. **Third-Party Investment:** Foxwoods' success has encouraged $500 million in third-party investment at Mashantucket. For example, Tanger Outlet constructed a 300,000 square foot outlet mall that is connected to Foxwoods. Additionally, a Great Wolf Lodge 500,000 square foot hotel and indoor water park resort is currently under construction on the Reservation.

What do you consider the most important (<u>top three</u>) economic or fiscal impacts of Foxwoods Casino <u>to the surrounding region in Connecticut or to the state as a whole</u>?

1. **Direct Financial Contributions:** Since 2008, Foxwoods Resort Casino and MPTN's online gaming operations have generated direct funding to the State of over $2 billion (over $9 billion since Foxwoods opened in 1992). Alongside the Mohegan Tribe, tribal gaming contributions to the State significantly outpace the payments of any other taxpayer in Connecticut. Indeed, in a 2019 MPTN-commissioned economic impact study conducted by Taylor Policy Group, the two tribes' combined annual contributions to the State was determined to be almost a third the size of the $921 million that Connecticut realized annually in corporation tax revenue. Further, MPTN's 25% direct *payment* of $120 million in Connecticut fiscal year 2018 would nearly cover the cost of Connecticut's business exemption of sales taxes for machinery used in manufacturing, $101 million, and its research and experimentation tax credit, $21 million. Unlike other businesses in the State, these benefits have been generated without the provision of any State tax abatement, relocation incentive, tax exemption, or other Connecticut tax expenditure.

   Revenue to the State resulting from MPTN gaming has been distributed both to municipal governments and to the State's general fund. MPTN also owns various off-reservation properties that serve as amenities to Foxwoods, including the Lake of Isles golf club in North Stonington, CT, the Two Trees Inn in Ledyard, CT, and the Eagle Park office building in Stonington, CT. The taxes assessed on these off-reservation properties make MPTN among the largest taxpayer in each town.

2. **Local Partnerships:** Using funds from its gaming operations, Foxwoods and MPTN have collaborated with State and local governments and non-profit organizations to provide various services off-reservation. MPTN has funded various projects in the surrounding region, including a $67 million road construction project funded entirely by MPTN, which was completed in 2009. The project decreased traffic congestion, improved business opportunities, and increased tourism in Southeastern Connecticut. MPTN also funded the $18 million development of a first-class office building at the Mercantile Exchange Building, owned by the Norwich Community Development Corporation, in Norwich, CT. The MPTN Fire Department and MPTN Police Department also provide mutual aid to the region, as many of the surrounding municipalities have only part-time or voluntary fire and police departments. MPTN also supports various non-profit organizations in the region, including partnership with the United Way of Southeastern CT and sponsorship of the Mystic Aquarium.

3. **Economic Development:** Foxwoods has fostered significant economic development in Southeastern Connecticut, including by: creating jobs at Foxwoods, with the MPTN government, and at MPTN's other business enterprises; creating opportunities for local businesses to service Foxwoods, the MPTN government, and MPTN's other businesses; and increasing tourism to Southeastern Connecticut.

What changes in the gaming industry have been most notable over the past fifteen years and what has been the most significant economic impact related to those changes?

1. **Online Gaming:** The legalization of online gaming has had a significant impact in gaming markets across the United States since the repeal of the Professional and Amateur Sports Protection Act

in 2018. We have found online gaming has been supplemental to retail gaming, not cannibalistic. It has served as an additional source of revenue, and also presents a medium to cross-promote retail gaming and experiences at Foxwoods. It also allows MPTN, located in a remote corner of the state, to access more Connecticut players.

2. **Increased Competition:** There has been a significant increase in competition in the past 15 years, particularly with commercial (i.e., non-tribal) casinos. In this timeframe, multiple casinos have opened in each of the states surrounding Connecticut and several other New England states (Rhode Island – 2, Massachusetts – 3, New York – 12 (excluding tribal gaming), Pennsylvania – 17, Maine – 2), markets in which Foxwoods competes for customers. As a result of this increased gaming competition, Foxwoods has invested more heavily into non-gaming amenities and experiences for its guests to differentiate itself as a destination resort.

BUSINESS IMPACTS

When it comes to Foxwoods Casinos' subcontracting or supplier relationships, which Connecticut <u>***business sectors***</u> ***or*** <u>***industries***</u> ***are most heavily engaged with the casino?***

1. Food and beverage
2. Waste removal
3. Energy

MPTN's 2019 economic impact study revealed that nearly one-fifth of MPTN's vendor purchasing was done with almost 900 Connecticut-based vendors, and over 40 percent of its vendor purchasing stayed in the New England region.

Does Foxwoods Casino have a program to strengthen supplier or sub-contractor diversity with minority-owned businesses, or women- or veteran-owned businesses?

Yes, Foxwoods follows the MPTN Supplier Diversity Initiative, available at: <u>https://procurement.mptn-nsn.gov/supplier-diversity/</u>. This policy promotes hiring Native American, minority, and women-owned businesses. Foxwoods has a Supplier Diversity Coordinator to help maintain a pool of diverse suppliers. Foxwoods' standard terms and conditions also require that 15% of all subcontract work be awarded to Native American, minority, and women-owned businesses.

EMPLOYMENT IMPACTS

To what degree has Foxwoods Casino provided jobs or increased employment opportunities for workers in your immediate area or for Connecticut workers generally?

MPTN is one of the largest employers in the state of Connecticut. Through Foxwoods, other MPTN-owned enterprises and the tribal government, MPTN provides jobs for over 6,000 employees – approximately six times the MPTN tribal enrollment. MPTN provides employees with competitive benefits, including health care, and a 401(k) with employer match, disability insurance, childcare reimbursement, tuition reimbursement, paid meals, and other benefits.

Connecticut Gambling Impacts Study
Economic Impact Questions
Response from the Mohegan Tribe
Regarding Mohegan Sun

OPERATING IMPACTS
Reflecting on the operations of the Mohegan Sun since the last study (fifteen years ago)

What do you consider the most important (<u>top three</u>) economic or fiscal impacts of Mohegan Sun <u>to the immediate Tribal community</u>?

Serving our Tribe's members begins with ensuring that their basic safety and social service needs are met. The Mohegan Tribe maintains a 24/7 fire and emergency department that provides Basic and Advanced Life Support (ALS) services, intercept, fire, and hazmat – not just for our Tribe but throughout our region of Connecticut, responding to 4,500 Fire & EMS calls from surrounding towns each year. The Tribe also ensures that safe, clean drinking water is available for the entire region, and regularly partners with Yale New Haven Health to ensure access high quality health care on reservation and beyond.

We also deeply value education. Our Tribe offers internship opportunities with local and regional colleges including Eastern Connecticut State University, University of Massachusetts, Nicholas College, UCONN, University of New Haven, Johnson & Wales, Mitchell College, and Three Rivers Community College. Additionally, our Tribe partners with Post University on an Education Partnership which offers a 20% tuition reduction to students who utilize the program. And finally, every summer Mohegan Sun brings on numerous paid tribal internships.

The Tribe also works tirelessly on behalf of its members to preserve our shared history. The Tantaquidgeon Museum was built in 1931 and is the oldest Native American owned and operated museum in the United States, sharing the Mohegan culture with surrounding communities and visitors who wish to experience and learn about the history of the Mohegan people.

What do you consider the most important (<u>top three</u>) economic or fiscal impacts of Mohegan Sun <u>to the surrounding region in Connecticut or to the state as a whole</u>?

The Mohegan Tribe continues to be one of the largest employers in the state, serving as a major economic driver in Southeastern Connecticut. We have approximately 5,000 employees, and we know that when our businesses succeed, Connecticut succeeds. The Mohegan corporate team, which has various Tribal members as well, is roughly an additional 200 team members.

We also contribute directly to Connecticut's state budget. From November 2022 to January 2023, Mohegan has contributed to the State of Connecticut a total of $30,232,992 from slot contributions, and $5,326,728 from online gaming contributions.

The strength of Mohegan Gaming across the world also advances our efforts here in Connecticut and in turn benefits Connecticut's economy. Mohegan Sun Connecticut will always be our flagship, as our Tribe's home, so as we grow stronger and gain recognition, so does our ability to invest here in Connecticut, including recently announced $15 million in investments in our Connecticut properties.

Mohegan Sun generated $1.1 billion in total property net revenue in 2019, which included $644.1 million in net gaming revenue and $478.3 million in non-gaming revenue (including leased outlet sales).

Beyond our businesses, the Tribe's charitable operations are a major, ongoing part of our partnership with Connecticut. We are proud to have contributed more than $11 million to regional charities and non-profits since 2008 across various local causes and groups including Mothers Against Drunk Drivers, the United Way, the Special Olympics, Connecticut FoodShare, and more. The Tribe also makes hundreds of thousands of dollars in educational grants to schools throughout the state to encourage Native American education, and also sponsors an annual "Connecticut Teacher of the Year" program.

What changes in the gaming industry have been most notable over the past fifteen years and what has been the most significant economic impact related to those changes?

Over the past 15 years, the biggest change to the US industry has been the ease of access for patrons and the expansion of gaming operations nationwide. Casino operations are now in almost every state, with nearly every major market having numerous options for residents. In recent years, the advent of online casino gaming and sports betting has made access to gaming even easier for patrons.

Due to these changes, the overall revenue pie from gaming has increased significantly, and the competition for patronage has increased dramatically as well. More operations targeting the same customer creates an environment of higher marketing spend to attract customers, resulting in lower operating margins for casino operations.

In a relatively tax-friendly environment such as Connecticut, you have two casino operators that have built substantial resorts and who continue to invest in property improvements with a strategy of focusing on non-gaming amenities. Contrast that to heavily taxed jurisdictions, and you will find operations that are much smaller in scale with less non-gaming attractions.

Additionally and like many other states, Connecticut has taken action in recent years to modernize its gaming laws. This has meant important changes in the areas of both i-gaming and sports wagering, both of which our Tribe continues to view as important growth opportunities for our industry.

We were appreciative that Connecticut remained competitive with neighboring markets, and there is no doubt that modernizing gaming has helped our business here in Connecticut and in the other markets in which we operate. That impact means that we will be able to share more revenue with the state of Connecticut – building on the $4.5 billion we have contributed since we opened our doors.

With this comes clear responsibility. We recognize our obligation to continue to refine how we invest in our efforts to combat problem gaming. It is our responsibility to be sensitive to our guests and our host community by proactively addressing problem gambling in new and innovative ways. We have been the major funder of the CT Council on Problem Gaming, and in 2022 began a major new initiative with Yale University aimed at combatting problem gambling. Under the partnership, the Mohegan Tribe is funding work at Yale that will result in the creation of new cognitive behavioral therapy-based intervention tools aimed at expanding treatment options for individuals suffering from problem gambling. We expect our work with Yale to only grow in this regard in the years ahead.

BUSINESS IMPACTS

When it comes to Mohegan Sun's subcontracting or supplier relationships, which Connecticut <u>business sectors</u> or <u>industries</u> are most heavily engaged with the casino?

The Mohegan Sun purchases more than $250 million in goods and services each year from more than 1,500 Connecticut Businesses, and those businesses are located in 158 of Connecticut's 169 towns. Further, each year the 11 million visitors to Mohegan Sun spend more than $275 million in Connecticut at non-Mohegan Sun businesses for food, lodging, entertainment and retail purchases.

Mohegan Sun welcomed 5.5 million visitors to the resort in 2019. These visitors spent $82.6 million at off-site establishments in the local economy. To further break this down, the 5.5 million visitors went to Mohegan Sun, 3.1 million or 57% of which traveled to Uncasville from outside Connecticut, such as from Boston or New York. Of the 3.1 million out-of-town visitors, an estimated 73% came for the day and 27% stayed overnight.

The 5.5 million visitors spent $82.6 million in Connecticut in 2019, including off-site spending at local restaurants, hotels, retailers, and recreation/entertainment venues. This spending occurred at establishments in a variety of sectors, including an estimated $35.4 million of spending in the food and beverage industry, $20.9 million in the lodging industry (excludes on-site lodging at Mohegan Sun), $13.2 million in the recreation and entertainment industry, $9.1 million in retail, and $4.1 million in local transportation.

Does Mohegan Sun have a program to strengthen supplier or sub-contractor diversity with minority-owned businesses, or women- or veteran-owned businesses?

To begin, Mohegan Sun is proud to offer military discounts across the Mohegan property.

In addition, in 2017 the Tribe founded Vets Rock Foundation, LLC, a non-profit organization which supports and benefits veterans, active and reserve military members, and their families. Vets Rock hosts an annual exposition-style event offering access to hiring and educational opportunities, Veteran Service Organizations, and other veteran-owned companies. Throughout the years, Save-A-Suit has been a loyal partner and has provided hundreds of professional attire for veterans and their families.

Finally, as an entirely minority owned company we actively support racial and gender diversity among our suppliers and subcontractors.

EMPLOYMENT IMPACTS

To what degree has Mohegan Sun provided or increased employment opportunities for Connecticut workers or workers in your region?

The Mohegan Tribe is the state's 5th largest employer with over 10,000 employees, providing approximately 24,000 jobs in Connecticut. A recent analysis found that Mohegan Sun adds about $1.43 billion a year to Connecticut's gross state product, and that Connecticut's personal income is about $1.34 billion higher each year as a result of the Mohegan Sun. Importantly for Connecticut, more than 90% of Mohegan's employees live in Connecticut, coming from 110 of the state's 169 towns. These employees

want to be part of the Mohegan team because they are respected as part of our broader family, with wage and benefit packages that are nearly 30% higher than the hotel industry average.

The resort supported $364.7 million of wages, salaries, and benefits (including server tips) and 8,123 full-time and part-time jobs (including leased outlets).

the campaign for *fairer gambling*

USA NATIONAL 2024

STATE SPECIFIC: OHIO 2024

Online Gambling Marketplace

MONITORING, DATA & ANALYSIS BY

⊛YIELD SEC™

INTRODUCTION

Two new bills to legalize iGaming (online slot and casino games) were introduced recently in Ohio, with proponents initially speaking privately to legislators, and then a Senate public hearing for proponents with an opponent hearing to be held separately.

The Campaign for Fairer Gambling (CFG) continues to commission Yield Sec to collaborate on research to educate and inform the public, media and politicians about online gambling, including illegal online gambling. This new Ohio report is a state-specific supplement to the CFG 2024 USA National report.

This report takes US Census data for the population of Ohio and the whole US. This creates the basis for an amount lost per capita for each. It then takes the US Census income per capita which enables calculation of the amount lost as a percentage of average income. This technique gives a comparative between Ohio and the whole US.

It shows that for the US as a whole, the loss is 0.62% of average income, whilst for Ohio that amount is 1.33%: More than twice the US rate.

It should be noted that the Census data includes all ages and non-gamblers, so is not indicative of actual amount lost per gambler, in either dollar or percentage terms. However, by taking the income variable into account, it offers the best illustration of the impact on income for Ohio relative to the USA.

Proponents of online gambling expansion never appear to offer an explanation of the source of gambler funds that will provide the forecast losses and tax revenues. They therefore never forecast the impact on the wider state economy. Notably, they also never forecast the amount of harm and the socio-economic cost of those harms.

They always forecast that legalization will result in a reduction in the illegal gambling sector. The CFG 2024 USA National report demonstrates this to be false: nationally, the illegal online gambling sector is growing faster than the legal online sector. Illegals grew at 64% year-on-year (2023-2024), compared to legals growing at 36%. Ohio state is close to the highest percentage level of loss (GGR) to income. It would be illogical to legalize iGaming until concrete steps have been taken to reduce and remove crime and impact the illegal online gambling sector through effective monitoring and policing actions.

Yield Sec FACTSHEET: USA Online Gambling Marketplace 2024

LEGAL GAMBLING OPERATORS

95
LEGAL SPORTS BETTING AND CASINO OPERATORS ACTIVELY TARGETED USA

AFFILIATES PROMOTING LEGALS

106
AFFILIATES PROMOTE ONLY LEGALS THAT ACTIVELY TARGETED USA

GROSS GAMBLING REVENUE 2024
TOTAL: $90.1 billion

ILLEGAL 74%
$67.1 billion

LEGAL 26%
$23.0 billion

USA
2024: ONLINE GAMBLING MARKETPLACE

For Americans, illegal gambling brands have become the homes of choice and convenience, and existed far in advance of legal online betting and gaming options. This legacy effect, and the current choice and convenience of illegals having all products, at better prices and with cross-sell promotions, compared to legal rivals, means the average consumer sees little to no downside in choosing an illegal provider . . . if they even realize they're illegal.

ILLEGAL GAMBLING OPERATORS

917
ILLEGAL SPORTS BETTING AND CASINO OPERATORS ACTIVELY TARGETED USA

AFFILIATES PROMOTING ILLEGALS

668
AFFILIATES PROMOTE ILLEGALS THAT ACTIVELY TARGETED USA

the campaign for *fairer gambling*

SOURCE: Yield Sec – Proprietary data   www.YieldSec.com   Info@YieldSec.com
SOURCE NOTE: Online-only Sports, Casino and Poker. Includes mirrors and redirects.

YIELD SEC™

USA National: Online Gambling Marketplace Stats 2024

GGR 2024: TOTAL: $90.1 billion
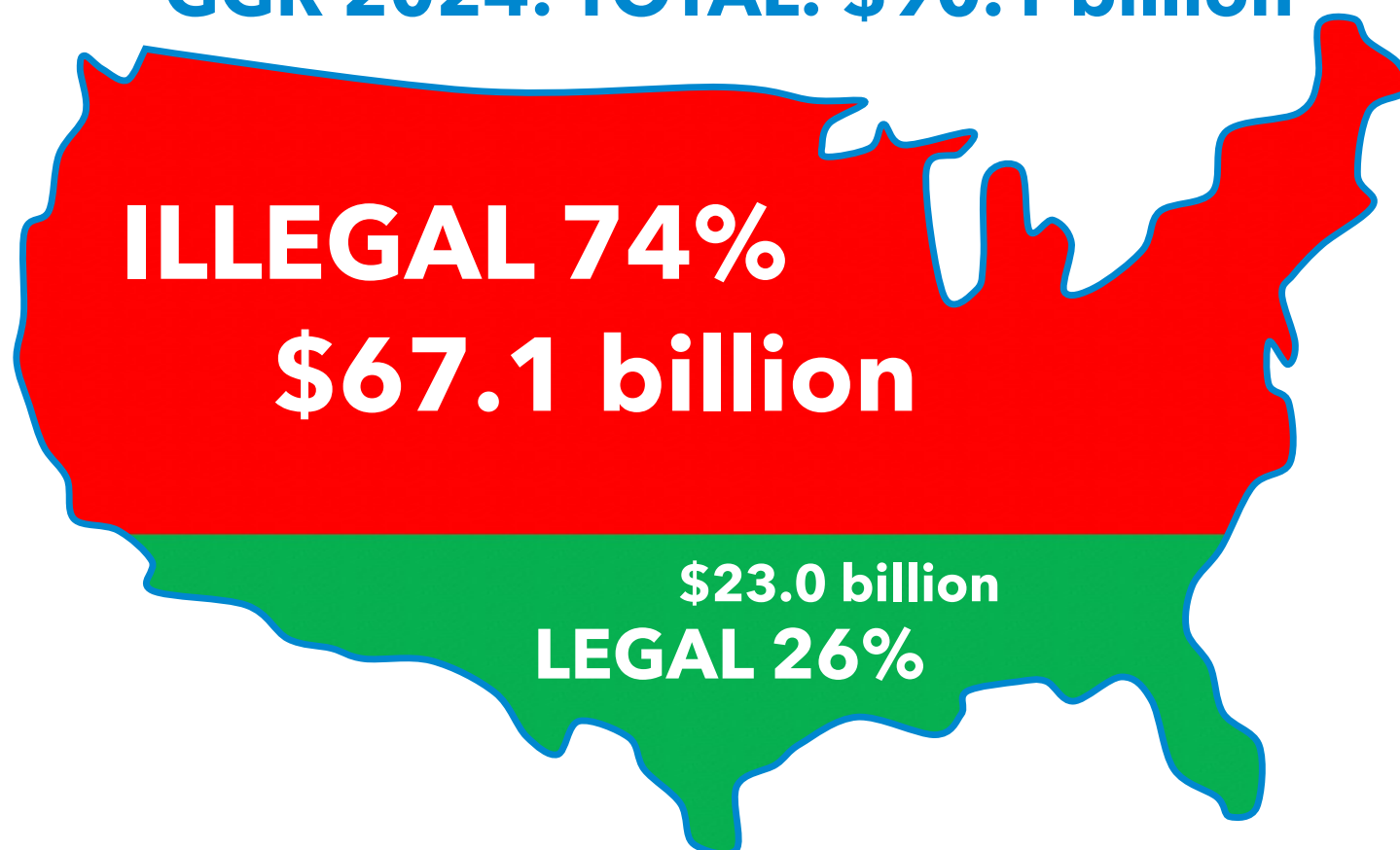
ILLEGAL 74%
$67.1 billion

$23.0 billion
LEGAL 26%

GGR PER CAPITA 2024: BY SECTOR AND TOTAL

TOTAL LEGAL GGR PER CAPITA	TOTAL ILLEGAL GGR PER CAPITA	TOTAL GGR PER CAPITA
$69	**$200**	**$269**

$269
USA TOTAL ONLINE MARKETPLACE – SPORTS BETTING AND CASINO GGR PER CAPITA*

AS A PERCENTAGE OF AVERAGE US INCOME*:
$269 / $43,289 =
0.62%

the campaign for *fairer gambling*

SOURCE: Yield Sec – Proprietary data   www.YieldSec.com   Info@YieldSec.com
NOTE: *TOTAL POPULATION: USA – 335,012,264. SOURCE: US Census Bureau

YIELD SEC™

Yield Sec FACTSHEET: Ohio Online Gambling Marketplace 2024

LEGAL GAMBLING OPERATORS

19
LEGAL SPORTS BETTING OPERATORS ACTIVELY TARGETED OHIO
(LEGAL ONLINE GAMBLING IN OHIO CURRENTLY ONLY INCLUDES SPORTS BETTING)

AFFILIATES PROMOTING LEGALS

98
AFFILIATES PROMOTE ONLY LEGALS THAT ACTIVELY TARGETED OHIO

GROSS GAMBLING REVENUE 2024
TOTAL: TOTAL: $6.2 billion

**ILLEGAL 85%
$5.3 billion**

**LEGAL 15%
$900 million**

OHIO
2024: ONLINE GAMBLING MARKETPLACE

For Ohioans, illegal gambling brands have become the homes of choice and convenience, and existed far in advance of legal online betting and gaming options. This legacy effect, and the current choice and convenience of illegals having all products, at better prices and with cross-sell promotions, compared to legal rivals, means the average consumer sees little to no downside in choosing an illegal provider . . . if they even realize they're illegal.

ILLEGAL GAMBLING OPERATORS

917
ILLEGAL SPORTS BETTING AND CASINO OPERATORS ACTIVELY TARGETED OHIO

AFFILIATES PROMOTING ILLEGALS

668
AFFILIATES PROMOTE ILLEGALS THAT ACTIVELY TARGETED OHIO

the campaign for *fairer gambling*

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Ohio: Online Gambling Marketplace Stats 2024

GGR 2024 TOTAL: $6.2 billion

ILLEGAL 85%
$5.3 billion

LEGAL 15%
$900 million

GGR PER CAPITA 2024: BY SECTOR AND TOTAL

TOTAL LEGAL GGR PER CAPITA	TOTAL ILLEGAL GGR PER CAPITA	TOTAL GGR PER CAPITA
$76	$447	$523

$523

OHIO TOTAL ONLINE MARKETPLACE – SPORTS BETTING AND CASINO GGR PER CAPITA*

AS A PERCENTAGE OF AVERAGE STATE INCOME*: $523 / $39,445 =

1.33%

USA NATIONAL AVERAGE 2024: 0.62%
OHIO IS +115% OVER THE USA NATIONAL AVERAGE

the campaign for *fairer gambling*

SOURCE: Yield Sec – Proprietary data   www.YieldSec.com   Info@YieldSec.com
NOTE: *TOTAL POPULATION: OHIO - 11,783,419. SOURCE: US Census Bureau

YIELD SEC™

Key Facts About Online Gambling in Ohio:

OHIO: ONLINE SPORTS BETTING LEGALIZATION TIMELINE

2021
Online sports betting in Ohio was legalized in late December 2021.

2022
While legal online sports betting is announced, no actual legal, licensed options are available to the audience during this year.

2023
Legal sports gaming officially launched in Ohio on January 1, 2023.

With online sports betting being legalized in 2021, but no actual legal online gambling options becoming available to consumers until the start of 2023, 2022 is the year where crime built its fortress in the changing online gambling landscape in Ohio.

Illegals used the 2022 "cooling off" period – where legal operators weren't allowed to begin operation until 2023 – to fully entrench themselves with consumers and steal the Ohio audience away from licensed operators before they even started business.

Ohio: Current Licensed Online Sports Betting Providers

Ohio Casino Control Commission

Sports Gaming Proprietors and Services Providers

Type-A Sports Gaming Proprietor	1st Mobile Management Services Provider	2nd Mobile Management Services Provider	License Status	Currently Operating
Cavaliers Operating Company, LLC			Active	No
Central Ohio Gaming Ventures, LLC (Hollywood Casino Columbus)	Penn Sports Interactive, LLC (ESPN Bet)		Active	Yes
Cincinnati Bengals, Inc.			Active	No
Cleveland Browns Football Company, LLC	Bally's Interactive, LLC		Active	Yes
Cleveland Guardians Baseball Company, LLC	Hillside Ohio, LLC (bet365)		Active	Yes
COLHOC Limited Partnership (Columbus Blue Jackets)	FBG Enterprises Opco, LLC (Fanatics)		Active	Yes
Crew SC Stadium Company, LLC			Active	No
Dayton Real Estate Ventures, LLC (Hollywood Gaming Dayton Raceway)	RSI Ohio, LLC (BetRivers)		Active	Yes
FC Cincinnati Holdings, LLC	SBOpco, LLC (SuperBook)		Active	No
Geneva Sports, LLC (SPIRE Institute)	Out the Gate Inc. (Prime Sportsbook)		Active	Yes
Hard Rock Casino Cincinnati, LLC	Seminole Hard Rock Digital, LLC		Active	Yes
HOF Village Newco, LLC (Pro Football Hall of Fame Village)	Betr Holdings, Inc. (Betr)		Active	Yes
JACK Cleveland Casino, LLC (betJACK)			Active	Yes
JACK Thistledown Racino, LLC			Active	No
Miami Valley Gaming and Racing, LLC	Gamewise, Inc. (Betly)		Active	Yes
MVGC Subsidiary, Inc. (Muirfield Village Golf Club)			Active	No
Northfield Park Associates, LLC (MGM Northfield Park)	BetMGM, LLC		Active	Yes
PNK (Ohio), Inc. (Belterra Park)	Betfair Interactive US, LLC (FanDuel)		Active	Yes
Robert L. Stark Enterprises, Inc. (Stark Enterprises)			Withdrawn	No
Scioto Downs, Inc.	American Wagering, Inc. (Caesars Sportsbook)		Active	Yes
The Cincinnati Reds, LLC	Underdog Sports Wagering, LLC		Active	No
Toledo Gaming Ventures, LLC (Hollywood Casino Toledo)	Crown Ohio Gaming, LLC (DraftKings)		Active	Yes
Youngstown Real Estate Ventures, LLC (Hollywood Gaming at Mahoning Valley)			Active	No

https://dam.assets.ohio.gov/image/upload/v1745509283/casinocontrol.ohio.gov/licensing/sports gaming/Sports_Gaming_Proprietor_and_Services_Provider_Applicants_List.pdf

Last Updated 4/24/2025

> In 2024, Ohio had 19 licensed online sports betting operators; by the end of 2024, there were only 14 operators.

Ohio: Affiliates

EXAMPLE 1
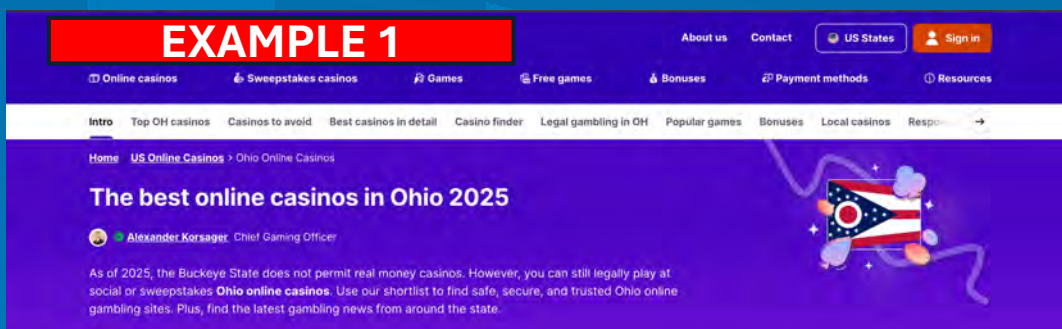
EXAMPLE 2

EXAMPLE 2

AFFILIATES

What is an affiliate: Anyone promoting online gambling for a fee or share of revenue.

An example of one marketplace – Ohio's – with two different approaches, in this case for the promotion of online casinos (illegal in Ohio) by affiliates.

1) **Example 1:** An international affiliate group based in the USA, clearly understand the rules and only promote (currently) legal in Ohio social and sweepstakes casinos

2) **Example 2:** An American media group with extensive affiliate relationships based in Nevada openly promote illegal online casinos in Ohio and the USA
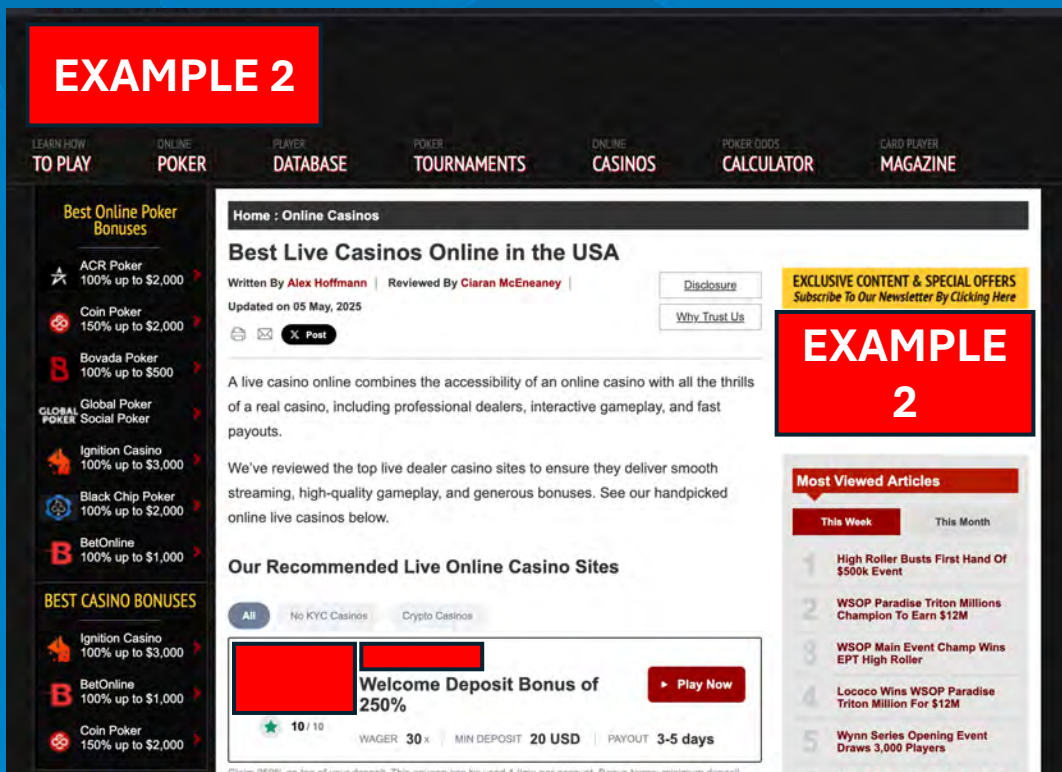
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FOR MORE INFORMATION:

CFG USA National 2024: Press Page

CFG USA National 2024: Report

2025
State of New Jersey

Report to the Governor on Responsible Gaming

Findings of the Responsible Gaming Task Force

Table of Contents

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- Dr. Jennifer Shatley, Executive Director, Responsible Online Gaming Association
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- Dan Trolaro, Co-Managing Director, Education and Training Services, IC360
- David Wyrick, Chair of DARE's Scientific Advisory Board, Founding Director of the Institute to Promote Athlete Health & Wellness, University of North Carolina

Department of Law and Public Safety | Office of the Attorney General
Division of Gaming Enforcement | www.njoag.gov/dge

Executive Summary

Millions of New Jerseyans participate in various forms of gaming. In fact, nearly three out of four New Jerseyans aged 18 and older have participated in gambling in their lifetime.[1] Studies have shown that many New Jerseyans exhibit gaming patterns that are likely associated with problem gambling ("PG").[2] The State of New Jersey embraces responsible gaming ("RG") and has made efforts to address PG to protect its residents, including through this Task Force. Since its creation in June 2024, the Task Force has met with numerous stakeholders to explore different areas to strengthen RG in New Jersey. After a thorough review of local and global initiatives, the Task Force makes the following recommendations:

1. Standardization & Streamlining

The Task Force recommends several ways to standardize and streamline RG resources statewide across the various forms of gaming. This includes the creation of a board to facilitate all RG grants and funding; a centralized RG website with accessible state resources, which would include links giving individuals the ability to self-exclude from casino gambling, sports wagering, pari-mutuel wagering, and fantasy sports; the standardization of RG rules where applicable; and the creation of standardized RG tools across all forms of gaming. To enable informed decision-making, the Task Force also recommends that annual studies on all forms of gaming be required. In addition, the Task Force recommends statutory changes setting forth advertising rules and requiring operators to provide gamers with the ability to set deposit, loss, and time limits. The Task Force is also supportive of

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[1] MICHAEL SOFIS & MACKENZIE SLADE, A BRIEF INVESTIGATION ON ILLICIT OR UNREGULATED GAMING IN NEW JERSEY USING EMPIRICAL DATA 3 (2025) [HEREINAFTER SOFIS & SLADE].

[2] Id.; See also, LIA NOWER, JACKIE F. STANMYRE, & VIVIEN (WEN LI) ANTHONY, THE PREVALENCE OF ONLINE AND LAND-BASED GAMBLING IN NEW JERSEY (2023), available at https://socialwork.rutgers.edu/sites/default/files/2023-10/Prevalence_Report_2023_Final.pdf. (hereinafter 2023 PREVALENCE STUDY").

further exploring a uniform gaming age of 21. Finally, the Task Force recommends the State support statutory changes to further prohibit the spread of unregulated and illegal gambling.[3]

2. Prevention & Education

The Task Force recommends actions that are designed to increase prevention and education efforts throughout New Jersey. These recommendations include providing RG education beginning in elementary school; requiring identified underage gamers to complete educational programs; and providing state-funded RG resources.

3. Tools & Treatment

The Task Force recommends standardizing coverage and making gaming addiction services more accessible. This includes a recommendation for statutory changes that would allow licensees of the Alcohol and Drug Counselor ("ADC") Committee to treat PG without a co-occurring disorder, as well as statutory changes that would eliminate the oral exam for ADC Committee licensees.

4. Funding

The Task Force recommends strategically using existing funding and requiring additional funding through forms of gaming not currently contributing to the State's RG efforts. This includes reassessing current RG contributions, modernizing decades-old caps on penalties, and dedicating a portion of penalty fees from bingo, raffle, amusement games, lottery, and fantasy sports to RG funding. Further, the Task Force recommends that a portion of the operational fees of fantasy sports operators be dedicated to RG efforts.

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[3] *The Task Force recognizes, as discussed in more detail, infra, that participating in fantasy sports activities is not considered gambling under New Jersey law. Nevertheless, this report does include PG and RG recommendations that are applicable to fantasy sports.*

Introduction

On June 14, 2024, Governor Phil Murphy signed Executive Order No. 360, which established a Responsible Gaming Task Force to provide advice and offer recommendations for government actions to support RG and to address PG in New Jersey.

The Task Force reviewed all existing RG and PG resources that gaming agencies in New Jersey make available to the public, the obligations and requirements related to RG and PG practices, advertising rules that each agency currently imposes on its regulated entities, and the impact of gaming offerings on underage individuals and vulnerable populations. In this report, the Task Force has developed strategies for how existing and future funding for RG can be most effectively utilized and for making RG resources more uniformly available across multiple forms of gaming. Finally, the Task Force makes recommendations for needed changes to standardize and strengthen existing RG and PG obligations and requirements on regulated entities, as well as additional changes to support RG and address PG.

The Task Force is composed of seven members with the Attorney General serving as Chair. The Office of the Attorney General ("OAG") supervises the divisions, offices, and commissions within the Department of Law and Public Safety ("LPS"). The New Jersey Division of Consumer Affairs ("DCA"), a division of LPS, regulates and certifies operators to offer permitted fantasy sports activities. DCA also provides investigative and operational support to the Legalized Games of Chance Control Commission ("LGCCC"). LGCCC licenses and regulates bingos, raffles, and amusement games. In addition, DCA, through its professional licensing boards, licenses and regulates mental health professionals who treat gambling disorders. The New Jersey Division of Gaming Enforcement ("DGE"), also a division

of LPS, is responsible for licensing and regulating land-based casino gambling, Internet gaming, and retail and mobile sports wagering. The New Jersey Racing Commission ("NJRC") is the division of LPS that regulates the sport of horse racing and the pari-mutuel wagering that takes place on horse races.

From the Department of Treasury, the Division of the State Lottery sells lottery tickets through its retail vendors and online through lottery couriers. The New Jersey Casino Control Commission ("CCC") is an independent commission, "in" but not "of" the Department of Treasury, which licenses casinos and certain casino employees.

The Department of Human Services ("DHS") through its Division of Mental Health and Addiction Services ("DMHAS") plans and funds an array of mental health and addiction programs, including prevention, early intervention, treatment, and recovery support services. DMHAS oversees RG funding, now provided by the casino gaming and racing industries, for compulsive gambling[4] treatment, education, and prevention programs.

Overview of Existing Gaming Regulations in New Jersey

New Jersey has a variety of regulated gaming with existing obligations pertaining to RG. As each form of gaming was enacted pursuant to its own legislation, the Task Force focused on emphasizing those areas most relevant to the discussion here—addressing PG in all forms of gaming in the State. These differences were used to foster dialogue about the various ways to ensure RG is upheld.

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[4] *The Task Force acknowledges that "compulsive gambler" is not the preferred terminology, as contemporary clinical and policy discussions favor terms such as "individual with a gambling disorder" to align with the DSM-5 and reduce stigma. However, for consistency with New Jersey's statutory and regulatory framework, this report retains the term as it appears in existing law.*

Well-regulated areas
Casino gaming and sport wagering

In 1974 and 1976, New Jersey had voter referendum questions related to the creation of casino gaming in the State. On November 5, 1974, New Jersey voters were presented with six public questions. The first question that year was whether to approve a constitutional amendment to authorize casino gambling with State-owned and -operated casinos located in municipalities to be specified. It provided that the entire net proceeds of the gambling houses or casinos had to be paid into the State Treasury. That referendum question failed by a vote of 790,777 (in favor) and 1,202,638 (against). The majority of voters in each county except Atlantic and Hudson voted against the question.

On November 2, 1976, New Jersey voters again were presented with a casino gaming question as one of seven public questions posed on that election day. Public Question No. 1 was entitled, "CONSTITUTIONAL AMENDMENT CASINOS IN ATLANTIC CITY FOR THE BENEFIT OF SENIOR CITIZENS AND DISABLED RESIDENTS OF THE STATE." The question asked was whether the Constitution should be amended to authorize the Legislature to establish and regulate gambling casinos in Atlantic City with the State's revenues therefrom applied solely to reduce property taxes, rentals, and telephone, gas, electric, and municipal utility charges of eligible senior citizens and disabled residents of the State. That referendum question passed by a vote of 1,535,249 (in favor) and 1,180,799 (against). It passed in all counties except Hunterdon, Salem, Somerset, Sussex, and Warren. A2366, introduced on November 22, 1976, passed the Assembly on April 25, 1977 and the Senate on May 23, 1977. It became the Casino Control Act, on June 2, 1977, P.L. 1977, c. 110.

The Casino Control Act ("CC Act") established DGE. Today, DGE is a law enforcement agency, the principal New Jersey gaming authority, and the investigative arm of the casino regulatory system responsible for enforcing the CC Act,[5] the Sports Wagering Act ("SW Act"),[6] and the regulations promulgated thereunder. DGE's workforce includes attorneys, investigators, analysts, mathematicians, engineers, and accountants, supported by members of the Division of State Police ("DSP") and the Division of Criminal Justice ("DCJ") prosecutors and investigators. DGE is fully funded by fees and revenue billings to the gaming industry.

DGE regulates all aspects of casino gaming and sports wagering, encompassing brick-and-mortar **casinos, Internet gaming**, and retail and mobile **sports wagering**. This includes oversight of sports wagering activities at racetracks offering both retail and online sports wagering. DGE investigates, issues reports, and, when necessary, challenges the qualifications of corporate and individual applicants for casino and casino-related licenses; reviews and audits casino-hotel operations; investigates and prosecutes all casino-related crimes; and regulates all electronic gaming devices located at brick-and-mortar casinos such as slot machines, casino floor systems, retail sportsbook systems, and online gaming products for Internet gaming and mobile sports wagering platforms, prior to use. It is also responsible for the licensing and regulation of fixed odds wagering. DGE works closely with licensed casinos, online gaming providers, and sports wagering providers to promote RG and protect players. Dedicated resources for RG are managed by DGE.

DGE is comprised of several bureaus. The Casino Licensing Bureau ("CLB") conducts investigations of casino licensees and racetrack sportsbook operations, their holding and

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[5] *N.J.S.A. 5:12-1 et seq.*
[6] *N.J.S.A 5:12A-10 et seq.*

intermediary companies, entity and individual qualifiers, investors and financial sources, as well as casino key employee license applicants, most of which are of a complex and involved nature. CLB's Office of Financial Investigations analyzes financing, restructuring and reorganization transactions, reviews financial submissions, and addresses the dissemination of public information. The Regulatory Enforcement Bureau conducts investigations regarding revenue certification, internal controls, rules of the games, security, surveillance and other matters related to the daily operation of the casino. The Service Industry Licensing Bureau conducts investigations of entity and individual qualifiers providing goods and services to the casino industry, including those related to Internet gaming and sports wagering. The Records and Identification Bureau conducts investigations of employees seeking registration, obtains background checks, and provides fingerprinting and application services for the casino industry. The Technical Services Bureau (TSB) is responsible for the enforcement of all laws governing electronic gaming equipment under the Act and regulations. TSB not only evaluates all electronic gaming equipment offered by the casino licensees, but it also inspects and approves all electronic gaming equipment prior to public use. TSB also conducts investigations regarding online gaming matters.

DGE is universally recognized as one of the premier gaming regulatory agencies in the world. Many other jurisdictions look to this State in general, but to DGE in particular, for leadership and guidance in establishing and operating their gaming offices. Every year a number of casino regulatory agencies, domestic and foreign, interact with DGE in order to emulate its laws, systems, and practices.

Legislative initiatives since DGE's establishment in 1977 have benefited the Atlantic City gaming industry by streamlining and modernizing the regulatory structure. Under P.L. 2011, c.19, which amended the CC Act, DGE has promulgated initial and revised

regulations, as well as later Internet gaming and sports wagering regulations. Pursuant to DGE's authority, it promulgated regulations and implemented reforms to allow the casinos to operate more efficiently without compromising the integrity of gaming operations. This first phase of promulgating regulations under DGE's authority incorporated a full analysis of all regulatory provisions, not only those impacted by the 2011 change to the CC Act. The industry was directly involved in that review. As a result, New Jersey was transformed from a state with one of the most burdensome regulatory provisions to a model for the rest of the United States, and DGE has been singled out by the American Gaming Association for its extraordinary efforts. This comprehensive "re-regulation" of the casino industry in 2011 carried out the mandate to streamline regulations, remove unnecessary or duplicative regulations, and assist in making the Atlantic City casino industry competitive with casinos in neighboring jurisdictions.

On February 26, 2013, Governor Chris Christie signed legislation permitting Internet gambling in New Jersey. DGE continued its regulatory initiatives, preparing proposed rule changes on a wide range of subjects, consolidating and streamlining the regulatory provisions governing both land-based casinos and Internet operations. In 2018, after lengthy legal proceedings championed by New Jersey, sports wagering was enacted in New Jersey. DGE implemented regulations regarding that additional form of gaming, creating again an entire regulatory construct.

Today, DGE continues to review its existing policies and regulations an ongoing basis. The regulations are considered to be fluid, with continued review and additional changes under consideration and further changes to be made wherever it is appropriate to do so, including with respect to best practices and advancements in technology.

CCC works statutorily in conjunction with its sister agency, DGE, in the regulation of casino gaming. CCC is charged with the initial licensing of casinos, statements of compliance, the issuance of casino key employee licenses, appeals from certain DGE actions, and parking fee auditing functions.

Existing obligations for RG, PG practices, and advertising rules

DGE provides a comprehensive variety of resources to support RG and address PG. DGE's approach to these areas, as discussed and detailed below, is considered the gold standard[7] not only throughout the United States but internationally, and DGE is seen and relied upon as a leader within the country and in the world.[8]

A key component of DGE's approach is a dedicated Responsible Gaming Coordinator, a position established by DGE in April 2023, whose responsibilities include the development, oversight, and implementation of existing RG programs and future initiatives. The Responsible Gaming Coordinator is DGE's primary point of contact for all RG and PG issues, ensuring a centralized and coordinated approach.

DGE's website features an RG page,[9] offering valuable information to promote public awareness and offer support. That page includes details on common myths about gambling, risks associated with gambling, and potential signs of a gambling problem. It also provides practical tips for RG and links to resources concerning, among others, Internet gaming, sports wagering, and prevalence studies commissioned by DGE and conducted by the Center of Gambling Studies at Rutgers University.[10] Additionally, the page offers contact

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[7] Jessica Welman, *New Jersey DGE expands RG rules and will hire ft, SBC Americas, SBC AMERICAS,* Apr. 21, 2023, https://sbcamericas.com/2023/04/21/new-jersey-dge-responsible-gambling/.

[8] *Atlantic City Free Public Library, History of Casino Gambling in Atlantic City,* https://acfpl.org/ac-history-menu/atlantic-city-heritage-collections/15-heston-archives/68-history-of-casino-gambling-in-atlantic-city.html *(last visited Mar. 14, 2025).*

[9] *DGE Responsible Gaming,* https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/responsible-gaming-main/ *(last visited Mar. 14, 2025).*

[10] *See, e.g., 2023 PREVALENCE STUDY supra note 2.*

information for 1-800-GAMBLER, links to DGE-issued best practices, and access to other

relevant tools and data.

Department of Law and Public Safety | Office of the Attorney General
Division of Gaming Enforcement | www.njoag.gov/dge

To assist individuals in managing their gaming habits, DGE offers a number of

options for patrons, including at-risk individuals, to self-exclude. Patrons can choose to self-

exclude from Internet gaming only or from both Internet gaming and brick-and-mortar

casinos/sportsbooks.[11] This can be done conveniently through the DGE website,[12] in-person

at DGE offices, or via video conference with DGE staff. Additionally, individuals can self-

exclude directly through their Internet gaming account with licensed operators. To further

enhance accessibility and support, DGE has established a dedicated hotline at 1-833-788-

4DGE, providing guidance on all aspects of the self-exclusion program. The introduction of

video conferencing options has streamlined the process, allowing individuals to easily enroll

in or remove themselves from the self-exclusion list from the comfort of their homes.

Moreover, through DGE's continuing efforts to enhance options, online enrollment for self-

exclusion is now available not only as to Internet gaming but for combined brick-and-mortar

and Internet gaming as well. As depicted in the below table, the increasing numbers of self-

excluded individuals demonstrate the impact of DGE's expanded sign-up options.

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[11] *DGE Self-Exclusion,* [*https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/self-exclusion-program/*](https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/self-exclusion-program/) *(last visited Mar. 14, 2025).*
[12] *DGE Self-Exclusion Portal, https://www.njportal.com/dge/selfexclusion (last visited Mar. 14, 2025).*

Year	2021	2022	2023	2024
Internet Only Self-Exclusion	11,135	16,660	21,856	29,125
Internet and Brick-and-Mortar Self-Exclusion	1,972	2,041	2,152	2,280
Total	13,107	18,701	24,008	31,405

DGE collaborates with licensed casinos, Internet gaming operators, and sports wagering operators to promote RG and player protection. DGE's RG best practices for Internet gaming and sports wagering[13] mandate that each provider has a designated Responsible Gaming Lead and dedicated Responsible Gaming Team to support at-risk patrons by offering critical RG information such as resources available and various RG features offered by the provider. A core element of these best practices is leveraging technology to identify potential problem gamblers. Each operator, at a minimum, is required to implement automated triggers that monitor patron behavior. These triggers are related to both patron account activity (i.e., total deposits over a 24-hour period over a certain amount; total deposits over a 90-day period over a certain amount; accessing the self-exclusion page, but not completing the process; requesting a second cool-off period within a specific time period; a series of changes to increase the deposit or loss limit; and continued cancellations of withdrawals) and patron play behavior (i.e., total turnover over a 90-day period over a certain amount; increase in time spent on the website; evaluation of the patron's session for the week to determine if multiple sessions ended with the patron having less than $1 in the account; and evaluation of the patron's session for the week to determine if multiple sessions had an increase in the amount of wagers).

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[13] DGE's RG best practices have been formulated into a regulation package which is in the promulgation process.

When such triggers are identified, each operator is required to follow a phased intervention approach. The phased approach is aimed at ensuring intervention occurs at each level as follows:

- **Phase 1 Intervention** - correspond with the patron via email to provide education on available RG features offered by the platform as well as resources available.
- **Phase 2 Intervention** - display a video tutorial to the patron to educate the patron on the availability of the various RG features offered by the platform as well as resources available.
- **Phase 3 Intervention** - a direct intervention by an RG professional from the provider to counsel and advise the patron on corrective actions necessary to address the at-risk behavior.

This process includes proactive monitoring of patron behavior, with the third phase of intervention requiring direct outreach by operators to inform patrons of available RG tools and to guide and advise the patron on corrective actions to address the at-risk behavior. DGE plans to strengthen this requirement by mandating operators contact patrons directly via phone or video call to explain these tools and provide contact information for duly licensed providers in New Jersey with experience treating individuals with a gambling disorder, as well as to assess the matter for further action.

Online operators must comply with established RG statutory provisions[14] and regulations, which include offering patrons the ability to set deposit,[15] spend, and time limits,[16] initiate cool-off periods,[17] and self-exclude.[18] Patrons reaching lifetime deposits of $2,500 must acknowledge the deposit threshold, the availability of setting RG limits, and 1-

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[14] *N.J.S.A. 5:12-95.25.*
[15] *Id. at (b).*
[16] *N.J.A.C. 13:69O-1.4(n).*
[17] *N.J.S.A. 5:12-95.25(b); N.J.A.C. 13:69O-1.4(j).*
[18] *N.J.A.C. 13:69O-1.2(z).*

800-GAMBLER resources before continuing play.[19] Clear guidance on account closure and refund procedures must be prominently displayed on the gaming website, and the message "If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER" must be on the login and log off screens, as well as on all advertising.[20] Operators are prohibited from sending gaming-related communications to patrons with suspended accounts[21] and from prompting continued play when patrons are attempting to log off or have won or lost a bet.[22]

Patrons also must be able to access the player protection page at all times[23] and each gaming site is to display a specific RG Logo.[24] When the patron clicks on the RG Logo, they will be presented with certain information as follows.[25] The information displayed requires a specific 1-800-GAMBLER message, a direct link to the Council on Compulsive Gambling of New Jersey, Inc. ("CCGNJ") website,[26] the RG policy and commitment of the operator, RG information and tips, and the rules of self-imposed RG limits, including cool-off and self-exclusion, as well as the manner in which to enable them.[27]

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[19] *Id. at -1.4(u).*
[20] *Id. at -1.2(b); see also N.J.S.A. 5:12-70(a)(16).*
[21] *N.J.A.C. 13:690-1.2(d).*
[22] *Id. at (t).*
[23] *Id. at (u).*
[24] *Id. at (z).*
[25] *Ibid.*
[26] *The Council on Compulsive Gambling of New Jersey, Inc. is a nonprofit organization dedicated to educating the public about PG, promoting prevention, and offering support and resources to individuals and families affected by gambling addiction. CCGNJ, https://800gambler.org/ (last visited Mar. 14, 2025).*
[27] *N.J.A.C. 13:690-1.2(z).*

Additionally, advertisements must comply with DGE's best practices[28] and regulations.[29] By statute, all advertisements must include RG language that is clear and legible.[30] This requirement applies across all media formats, including radio, broadcast media, television, and digital format.[31] Television advertisements broadcast into New Jersey or targeting New Jersey residents must comply with DGE's advertising requirements. For example, displaying another State's RG hotline in all capital letters while the 1-800-GAMBLER hotline is displayed in microscopic font is not acceptable. Similarly, attributing the 1-800-GAMBLER hotline to another state without clarifying its availability for New Jersey residents is also not permitted.[32]

Operators are encouraged to allocate a portion of their advertising budgets to campaigns solely focused on promoting RG. This could include dedicating a predefined number of advertising placements to RG messaging or setting a minimum percentage of the budget for such campaigns. While "RG -only" advertisements are not mandated by current law or regulation, DGE encourages licensees to collaborate with advertising partners and RG professionals to determine appropriate frequency and placement.[33]

Advertisements must not be misleading in any way.[34] Prohibited practices relate to slogans portraying "guaranteed wins" or "risk free" bets[35] when patrons are required to

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[28] *Advertising Standards (Apr. 20, 2023), available at https://www.nj.gov/oag/ge/docs/BestPractices/AdvertisingBestPractices.pdf [hereinafter Advertising Best Practices]. See also Press Release, AG Platkin Announces New Multi-Faceted Efforts to Curb Problem Gambling (Apr. 20, 2023), https://www.njoag.gov/ag-platkin-announces-new-multi-faceted-efforts-to-curb-problem-gambling/,*
[29] *N.J.A.C. 13:69C-14.*
[30] *N.J.S.A. 5:12-70(a)(16).*
[31] *N.J.A.C. 13:69C-14.1(a).*
[32] *Advertising Best Practices, supra note 28.*
[33] *Ibid.*
[34] *N.J.A.C. 13:69O-14.2(d).*
[35] *Wayne Parry, New Jersey acts to help problem gamblers, sets ad standards, AP NEWS, Apr. 20, 2023, available at https://apnews.com/article/new-jersey-gambling-sports-betting-advertising-5ee7504cd263c1596a011d53db51dd7f.*

deposit their own funds and cannot be fully compensated for any losses, in addition to others. Promotions with unrealistic wagering requirements, such as expecting patrons to wager $150,000 to redeem a $1,000 bonus, are also not permitted.[36] Additionally, advertisements cannot misrepresent online games by falsely advertising higher odds, guaranteed wins, or the possibility of streaks. All terms and conditions for promotions must be clearly stated upon the patron opting into the promotion, including any wagering and withdrawal requirements.[37]

Operators must provide patrons with an effective way to opt out of all direct advertising materials, including advertisements from contracted vendors.[38] For new customers, this can be achieved by including an opt-out option on the operator's registration page. For current customers, operators must include an opt-out option on the RG page. Operators must also ensure that information pertaining to self-exclusion and all RG features is presented in a clear and unambiguous manner.

All advertisements and promotions, including those conducted by affiliates, must be filed with DGE.[39] Advertisements must not be presented in mediums where the primary demographic is underage. Examples of non-compliant placements include certain social media platforms or events where the primary demographic is youth oriented, such as Zigazoo, the Little League World Series, or the broadcast of high school sports.[40] Likewise, advertisements must not include images, likenesses, or themes that target the underage demographic. Automated systems, as stated, are to be utilized to identify potentially at-risk patrons, such as those who repeatedly access the self-exclusion page but do not complete

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[36] *N.J.A.C. 13:69O-14.2(d).*
[37] *Id. at -1.12(c).*
[38] *Advertising Best Practices, supra note 28.*
[39] *N.J.A.C. 13:69O-14.3(a) to (c).*
[40] *Advertising Best Practices, supra note 28.*

the process. Operators must avoid sending targeted advertising to at-risk patrons. Advertising and marketing must not appear on any RG page of the operator's website or applications.

Operators are required to implement education and training programs for employees involved in advertising or marketing to ensure adherence to these standards.[41] This includes training the executives responsible for marketing and advertising to understand and follow all applicable requirements. Additionally, continued education and training of sports teams, leagues, media, marketing, and broadcasting partners, as well as the general public, are critical. Training should emphasize the differences between a legal, regulated operator and offshore, illegal operators, highlighting the benefits and advantages of wagering with licensed, regulated operators.

All online operators must implement robust Know Your Customer ("KYC") measures to ensure the proper identification of registered patrons.[42] During account creation, operators are required to authenticate the following data fields using multi-source verification before any patron deposits or other activities are allowed: the patron's date of birth, Social Security Number, first and last name, and address.[43] To ensure the person creating the account is who they claim to be, operators must implement reasonable measures for authentication.[44] These measures may include answering knowledge-based questions, device verification, government-issued IDs, or other methods approved by DGE. Authentication is mandatory prior to any patron deposit or other patron-initiated activity.

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[41] *Ibid.*
[42] *N.J.A.C. 13:69O-1.3(b).*
[43] *Ibid.*
[44] *Ibid.*

DGE actively engages in collaborative efforts to address RG issues, including monthly meetings with other state or federal regulators to discuss RG concerns, facilitating the exchange of information and sharing of best practices. These meetings help regulators stay informed about innovative approaches and solutions for promoting RG. Further, in 2023, along with the OAG, DGE provided and supported a year-long RG campaign focused on digital media to promote RG, discussed infra.

In addition, recognizing the New Jersey constitutional limitations upon college sports wagering, including no betting on New Jersey teams and no betting on college play occurring in New Jersey, DGE communicates regularly with sports leagues to address RG and sports integrity concerns. For example, DGE provided guidance to all New Jersey Division-I schools on reporting instances of athlete harassment or match manipulation, reinforcing its commitment to protecting athletes' welfare and maintaining the integrity of sports. As a result, there were no reports of any such negative activities. DGE notes, as well, the existing criminal provisions under New Jersey law which prohibit any such untoward activities.[45]

Finally, the Division allows individuals to sign up for the voluntary self-exclusion list. Self-exclusion can be for a term of either one year, five years, or lifetime. Self-excluded individuals cannot collect winnings or recover losses from any gaming activity.[46] Any money or thing of value obtained by a self-excluded individual from a casino, Internet gaming operator, or retail or mobile sportsbook is subject to forfeiture.[47] Additionally, DGE may bring an action against a casino, Internet gaming operator, or retail or mobile sportsbook for willful violations of the self-exclusion regulations and may order, in addition to any other

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[45] *N.J.S.A. 2C:33-4.*
[46] *N.J.S.A. 5:12-71.3(a).*
[47] *N.J.S.A. 5:12-71.3(b) and (c).*

sanction, the forfeiture of any funds or items of value obtained from a self-excluded individual.[48] Casino licensees must establish procedures to identify and prevent self-excluded individuals from gambling, accessing credit, receiving promotions, or participating in player loyalty programs. These measures include notifying designated employees and DGE representatives when a self-excluded person is identified, refusing wagers, and blocking targeted marketing.[49] Similar procedures apply to Internet gaming and mobile sports wagering operators to ensure self-excluded individuals do not receive promotional materials related to online gaming.[50] Individuals will remain on the self-exclusion list until they submit a formal request for removal, which will only be granted after the selected self-exclusion term has expired.[51] Until the individual is removed from the self-exclusion list, they will continue to be prohibited from all gaming activities regulated by DGE.[52]

Pari-mutuel wagering

New Jersey is one of 45 states where **pari-mutuel wagering** on horse racing is legal.[53] Like most of these states, New Jersey limits the availability of pari-mutuel wagering to those persons 18 years and older.[54] Both the sport of horse racing and pari-mutuel wagering are regulated by NJRC.[55] By statute, NJRC is a nine-member commission whose members are appointed by the Governor with the advice and consent of the Senate.[56] Among those forms of gaming currently legal in New Jersey, pari-mutuel wagering on horse racing is the oldest.[57]

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[48] *Id.*
[49] *N.J.A.C. 13:69G-2.4(a)*
[50] *N.J.A.C. 13:69G-2.4(b)*
[51] *N.J.A.C. 13:69G-2.5(a)*
[52] *Id.*
[53] *Pari-mutuel wagering on horse racing is prohibited in Alaska, Georgia, Hawaii, South Carolina, and Utah.*
[54] *See N.J.S.A. 5:5-65 (wagering at racetracks); N.J.S.A. 5:5-131 (off-track wagering); N.J.S.A. 5:5-129 and -142 (account wagering); and N.J.S.A. 5:5-174 (exchange wagering).*
[55] *N.J.S.A. 5:5-22.*
[56] *Id.*
[57] *See P.L. 1940, c. 17, effective March 18, 1940.*

Opportunities and methods for placing pari-mutuel wagers have evolved and expanded over time. Pari-mutuel wagering became available to New Jersey residents following a voter referendum on June 20, 1939 and the passage of the Racing Act of 1940.[58] The first expansion of pari-mutuel wagering occurred in the late twentieth century as a result of simulcasting. Simulcasting allows bets to be taken on horse races taking place simultaneously at other tracks both within and outside of New Jersey. Wagering on simulcast horse races became available upon the passage of the Simulcasting Racing Act of 1985.[59] In 1990, New Jersey voters approved a constitutional amendment to permit horse races to be simulcast to casinos in Atlantic City and to allow wagering on those races. The Casino Simulcasting Act was enacted in 1992.[60]

Pari-mutuel wagering underwent a further expansion in the early twenty-first century. Following a voter referendum, the New Jersey Legislature enacted the Off-Track and Account Wagering Act of 2001.[61] That legislation legalized the offering of pari-mutuel wagering at off-track wagering facilities ("OTWs") and through the account wagering system.[62] The account wagering system allows bettors to deposit money in an account and use that money to pay for pari-mutuel wagers that are placed in-person, by telephone, or "by communication through other electronic media."[63] Exchange wagering was legalized in 2011.[64] Exchange wagering allows bettors to market their bets to other bettors through an exchange.[65]

Today, pari-mutuel wagering is available in New Jersey at two permitted racetracks, Meadowlands Racetrack and Monmouth Park; three OTWs, Winners in Bayonne, the

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[58] See L. 1940, c. 17.
[59] N.J.S.A. 5:5-111 to -121; see L. 1985, c. 269.
[60] N.J.S.A. 5:12-191 to -210; see L. 1992, c. 19.
[61] N.J.S.A. 5:5-127 to -160; see L. 2001, c. 199.
[62] Ibid.
[63] Id. at -144e.
[64] See L. 2011, c. 15.
[65] See N.J.S.A. 5:5-170.

Favorites in Woodbridge, and the Favorites in Hillsborough; and through the account wagering system, 4njbets.com. While 4njbets.com is the only account wagering platform currently operating in New Jersey, NYRAbets, LLC ("NYRAbets") was recently issued a vendor license which will allow it to offer nyrabets.com to New Jersey residents, subject to certain conditions. In addition, NYRAbets was approved to act as the managing vendor of the account wagering system as a whole. In that capacity, NYRAbets is expected to recruit other operators to make additional account wagering platforms available in New Jersey.

Pari-Mutuel Wagering RG Efforts

Shortly after the Off-Track and Account Wagering Act was enacted, *N.J.S.A.* 5:5-65.1 was passed to require the establishment of a self-exclusion list.[66] Persons who voluntarily sign up for self-exclusion are excluded from entry into racetracks and OTW facilities and from access to the account wagering system.[67] The list is confidential and not accessible to the public.[68] Pursuant to NJRC regulations, individuals who sign up for self-exclusion must remain on the list for a minimum of one year, after which they may seek to be removed from the list by filing a written removal application.[69] Permitted racetracks, OTW licensees, and the account wagering licensee are required to develop written internal control procedures related to the self-exclusion process.[70] NJRC regulations further require each permit-holder and licensed OTW facility to post information about the New Jersey self-exclusion at their facilities and on their websites.[71]

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[66] *See L. 2002, c. 89.*
[67] *N.J.S.A. 5:5-65.1.*
[68] *Ibid.*
[69] *N.J.A.C. 13:74A-4.1.*
[70] *N.J.S.A. 5:5-65.1.*
[71] *N.J.A.C. 13:74A-5.1.*

A person placed on the self-exclusion list cannot collect winnings or recover losses resulting from wagering.[72] The NJRC Executive Director is authorized to enter an order for the forfeiture of any money or thing of value obtained by a self-excluded person after the person is given notice and an opportunity to be heard.[73] In addition, NJRC is authorized to order the forfeiture of any money or thing of value obtained by a permit-holder, OTW licensee, account wagering licensee, or fixed odds wagering licensee from a self-excluded person.[74]

Bingos, Raffles, and Amusement Games

LGCCC, which is staffed by employees and investigators from DCA,[75] regulates and administers the laws regarding the following forms of legalized gambling: **bingos**, pursuant to the Bingo Licensing Law[76] enacted in 1954, and associated regulations;[77] **raffles**, pursuant to the Raffle Licensing Law[78] enacted in 1954, and associated regulations;[79] and **amusement games**, though the Amusement Game Licensing Law[80] and associated regulations.[81,82]

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[72] *N.J.S.A. 5:5-65.2.*

[73] *Ibid.*

[74] *Ibid.*

[75] *LGCCC was created in 1954 (see N.J.S.A. 5:8-1 to -23) and was transferred to LPS in 1972. Id. at -1.1.*

[76] *N.J.S.A. 5:8-24 to 8-49.11.*

[77] *See generally N.J.A.C. 13:47.*

[78] *N.J.S.A. 5:8-50 to 8-77.*

[79] *See generally N.J.A.C. 13:47.*

[80] *N.J.S.A. 5:8-78 to 8-130.*

[81] *See generally N.J.A.C. 13:47.*

[82] *The Amusement Games Licensing Law was submitted to the voters of this State in a referendum at the general election in 1959, at which time it was approved. The referendum was necessary due to the Constitutional prohibition against gambling that has not been approved by the voters. N.J. Const. art. IV, §7, ¶ 2. Bingos and raffles have also been added to the Constitution by referenda. See N.J. Const. art. IV, § 7, ¶ 2(A) to (B).*

Responsibility for enforcement of the Amusement Games Licensing Law initially rested with the Amusement Games Control Commission ("AGCC"), with the director of the Division of Alcoholic Beverage Control serving as the AGCC Commissioner. See N.J.S.A. 5:8-78 (repealed 2022). In 1992, the powers of the AGCC were "abolished" and the office of its Commissioner was "terminated." The functions, powers and duties of the AGCC were "continued and transferred to the [LGCCC] in the Division of Consumer Affairs in the Department of Law and Public Safety," where they reside today. See Governor's Reorganization Plan Department of Law and Public Safety A.1.a (filed Nov. 30, 1992, eff. Jan. 29, 1993),

The Bingo and Raffle Licensing Laws, among other things, require nonprofit organizations with an authorized purpose (charitable, educational, religious, patriotic, public spirited) and senior citizen associations and volunteer fire companies that wish to operate a bingo or raffle event to register with LGCCC. An LGCCC registration is valid for two years from the date of issuance and may be renewed prior to the expiration date. During the period of active registration, the organization may then apply for a bingo or raffle license with the municipality where the event will occur.[83] This must be done for each event. The application is presented to the municipal governing body for approval. If approved, the application and fees are forwarded to LGCCC staff to confirm the organization has an active registration and that their proposed event meets all applicable bingo or raffle rules and regulations (e.g., proper fees are paid, equipment from certified providers is used, no prohibited prizes are offered, such as firearms, etc.). Net proceeds obtained from bingo or raffle events must be used to support the organization's purposes or the organizations themselves.[84] The organizations are required to complete and submit a Report of Operations to LGCCC staff following each event.

Under the Amusement Game Licensing Law ("AGLL"), the owners and operators of amusement games, meaning a game "of skill or chance, or both" that is "played for amusement or entertainment, in which the person or player actively participates and the

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available at https://dspace.njstatelib.org/server/api/core/bitstreams/d83bcbc6-d749-4c42-bea1-c6f713c14d6a/content.

[83] *There are currently 12 variations of raffles which may be approved for licensure: on premises 50/50, off premises 50/50, on premise merchandise, off premise merchandise, duck races, casino nights, carnival games, instant raffle tickets, one-in-one events, punch boards, armchair races, and calendar raffles.*

[84] *Prior to the passage of a Constitutional amendment approved by voters in 2021, only veterans and senior citizen organizations were allowed to use proceeds from bingo or raffle events to support their operations. Following passage of the referendum, all organizations permitted to run bingo and raffle events may now choose to use some or all of the proceeds of the events to support themselves. This includes charitable, educational, religious, and fraternal organizations; civic and service clubs; and volunteer fire companies and volunteer first-aid and rescue squads.*

outcome of which is not in the control of the operator, and which is so conducted that the sale of a right to participate [currently a maximum $20 fee can be charged], the event which determines whether a player wins or loses and the award of the prize, all occur as a continuous sequence at the time when and place where the player or players are all present [e.g. an arcade, a midway game, or a boardwalk game]," may be licensed to operate such games at recognized amusement parks or at a seashore or other resort.[85]

The AGLL and accompanying regulations also require:

- amusement games only offer merchandise prizes, not cash prizes;[86] and
- amusement games receive a certification of permissibility from LGCCC prior to being offered to play in the State.[87]

Provided an amusement game operator meets the above requirements, an operator must follow a two-step procedure for licensing. An operator must first obtain a municipal license from the municipality where the games will occur and then the operator must obtain a license certificate from LGCCC.[88] Once a year, on May 15, each amusement game licensee must complete and submit a "Report of Conduct" disclosing information relating to type of games, the number of days each game was operated, the fees charged and income derived from the games, the type and total cost of prizes awarded, and the licensee's operating expenses for the preceding year.[89]

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[85] N.J.S.A. 5:8-101.   In addition to amusement parks and resorts, under a 1961 amendment to the law, amusement game licenses may also be issued to "agricultural fairs and exhibitions." See id. at -121.Furthermore, in 2015 a law was passed allowing amusement game licenses to be issued to the holders of plenary retail consumption licenses that met certain requirements. See id. at -78.1.And in 2017, bowling alleys, id. at -78.2, and the post-security checkpoint areas of the departure level of an international airport terminal, id. at -101.1, were also added to the list of locations eligible for amusement game licensure under certain conditions.
[86] N.J.S.A. 5:8-102 to –103.
[87] N.J.S.A. 5:8-79; N.J.A.C. 13:3-7.1.
[88] See N.J.A.C.13:3–2.1,–1.1.
[89] Id. at -4.3.

Bingo and Raffle RG Efforts

Bingo and raffle operators must post a conspicuous notice for 1-800-GAMBLER at the location of bingo and raffle events.[90] Also, no person under the age of 18 may participate in any bingo event or in certain raffle events with cash prizes.[91] Furthermore, advertising for raffles with cash prizes must include a statement or announcement that "No one under the age of 18 years is permitted to participate," and all raffle advertisements must have a statement or announcement that "If gambling is a problem for you or someone in your family, Dial 1-800-GAMBLER."[92]

Fantasy Sports Activities

DCA also regulates **fantasy sports activities**,[93] pursuant to *N.J.S.A.* 5:20-1 *et seq.* (commonly referred to as the "Fantasy Sports Act" or "FSA"), which was enacted in 2017, and the associated regulations.[94] The New Jersey Legislature has found and declared, in the FSA itself, that participating in fantasy sports activities "cannot be considered gambling under New Jersey laws because fantasy sports activities are contests in which the relative skill of the participants predominates to a degree that chance plays no material role in determining the outcome of the activities."[95,96]

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[90] *See N.J.A.C.13:47-6.6(b), -6.14, -7.7(e).*
[91] *Id. at -6.10.*
[92] *Id. at -6.14(h). It should be noted that bingo advertisements do not require such a statement or announcement.*
[93] *In relevant part, a "fantasy sports activity" under the FSA is defined as any "simulated activity or contest with an entry fee in which a participant owns or manages an imaginary team and competes against other participants or a target score for a predetermined prize…" N.J.S.A. 5:20-2(a). This expressly excludes contests "in which no entry fee is paid to the fantasy sports operator or in which a prize is not collected, managed, or awarded by the operator." Id. Thus, "free-to-play" fantasy sports contests, like those commonly found on websites like yahoo.com or espn.com, or contests "for entertainment only" where no prizes are awarded, are not the type of regulated fantasy sports activities contemplated by the FSA.*
[94] *See N.J.A.C. 13:45A-36.1 to -36.19.*
[95] *N.J.S.A. 5:20-1(3).*
[96] *Thus, although participating in fantasy sports activities is not considered gambling by law, the Task Force recognizes that many of the characteristics of fantasy sports activities resemble gambling or sports wagering and that many concerns raised by or associated with gambling are applicable to fantasy sports activities as well. The same is true for resources available to address RG and PG. Accordingly, while fantasy sports activities are not gambling, and nothing in this report*

To operate as a fantasy sports operator in New Jersey, an operator must apply for certification from DCA. Upon receiving an application to become a certified fantasy sports operator, DCA investigates each application to ensure it meets the requirements of the law. That includes, among other things, ensuring that the proposed contests meet the definition of fantasy sports activity and, as discussed further in this report, ensuring that applicants have the required policies in place, including those relevant to RG, such as policies to prevent minors from participating and policies to offer individuals the ability to self-exclude from participating in fantasy sports activities.[97] Presently, there are 14 fantasy sports operators certified in New Jersey.

Fantasy Sports RG Efforts

Certified fantasy sports operators are required to maintain several policies and procedures aimed at encouraging responsible play. For example, they must offer individuals the ability to self-exclude from participating in fantasy sports activities, take steps to prevent such individuals from participating in fantasy sports activities, and adopt procedures to ensure those under the age of 18 do not participate.[98] Operators must also establish policies to permit parents or guardians to exclude individuals under the age of 18 from accessing any fantasy sports activity and adopt policies to determine the true identity, date of birth, and address of each individual seeking to open an account.[99] Further, fantasy sports operators are required to establish policies that preclude advertising aimed exclusively at juveniles, or from advertising at elementary and high schools, or at sporting venues used exclusively for elementary or high school sports activities.[100]

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should be read to suggest otherwise, the Task Force has considered fantasy sports activities in preparing this report and includes recommendations, where applicable, addressed to participants in fantasy sports activities.

[97] *See id. at -2(f). There is no minimum period of time that certified fantasy sports operators must offer to allow participants to self-exclude. Some operators allow participants to choose any amount of time they wish to exclude themselves for, while other operators offer set periods of time, ranging from 1 month to a permanent ban. Most often, operators offer choices of 1 month, 3 months, 6 months, 1 year, 2 years, 5 years or lifetime.*

[98] *See N.J.A.C. 13:45A-36.9(a) to (b).*

[99] *See id. at -36.12(6) to (7).*

[100] *See id. at -36.12(a)9(i) to (iii).*

Lottery

New Jersey voters approved the establishment of a State **lottery** as part of the general election of 1969. The 81.4% majority in favor of the lottery was one of the largest ballot initiative margins in New Jersey political history.[101] New Jersey was the third state to establish a lottery in the United States, following New Hampshire (1964) and New York (1966).

The Division of the State Lottery was established in 1970 pursuant to the State Lottery Law.[102] The New Jersey Lottery Commission is a seven-member board, appointed by the Governor, authorized and empowered to promulgate rules and regulations governing the operation of the New Jersey Lottery.[103] Together, the Division of the State Lottery and the Lottery Commission have control and oversight over the operations of the statewide **lottery** program (the "New Jersey Lottery") that sells various lottery-style games. The New Jersey Lottery is operated for the benefit of the citizens of New Jersey. The Lottery Enterprise Contribution Act, L. 2017, c. 98 ("LECA"), states the New Jersey Lottery must contribute its proceeds to certain eligible pension plans for 30 years from enactment. The LECA furthers the viability of the State's retirement system by authorizing the contribution from the Lottery Enterprise to the Teacher's Pension and Annuity Fund, the Public Employees' Retirement System, and the Police and Firemen's Retirement Systems.[104] Under the LECA, 30% of the New Jersey Lottery's net proceeds are contributed to the eligible pension plans each year until 2047.[105]

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[101] *Results of the General Election Held November 4, 1969, New Jersey Secretary of State Robert J. Burkhardt (1969) State of New Jersey General Election Results, pg. 10* https://nj.gov/state/elections/assets/pdf/election-results/1920-1970//1969-general-election.pdf
[102] *N.J.S.A. 5:9-1 to -25.*
[103] *Id. at -7.*
[104] *Id. at -22.6(f).*
[105] *Id. at -7a(11), -22.8(a).*

The Division of the State Lottery oversees approximately 6,800 retailers and couriers and works with its primary partners, Northstar NJ, International Game Technology ("IGT"), and Scientific Games, to market and provide games. New Jersey Lottery products include multi-state jackpot games like Powerball and Mega Millions; in-state jackpot games, Pick-6 and Jersey Cash 5; the numbers games, Pick-3 and Pick-4; lottery terminal games like Quick Draw, Fast Play, and Cash Pop; and instant or scratch-off games.

The Division of the State Lottery and Northstar have not established a separate budget for the RG program. An RG team, including both State and Northstar employees, manages initiatives, addresses stakeholder surveys, and works to continuously improve the New Jersey Lottery's RG endeavors. The program relies on resources supported in part by other budget allocations, such as salaries, operations, marketing, and advertising. In fiscal year 2024, the Division of State Lottery and Northstar collectively spent approximately $2.2 million on RG activities.

The New Jersey Lottery has achieved the highest-level certification, Level 4 of the World Lottery Association ("WLA") RG Framework, the leading organization in promoting RG practices across lotteries.[106] This commitment protects the public and ensures that revenues are sustained for the public good. Recertification occurs every three years and requires applicants to show continuous improvement in their RG program and initiatives. In addition, the Division of the State Lottery's Executive Director sits on the Board of Directors of CCGNJ.[107] The Division of the State Lottery has maintained a seat on the CCGNJ board since 1999.

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[106] *WLA Certified Lotteries, https://www.world-lotteries.org/services/industry-standards/responsible-gaming-framework/certified-lotteries?q=New+Jersey (last visited Mar. 14, 2025); NJ Lottery - Responsibility, https://www.njlottery.com/en-us/playingresponsibly.html#:~:text=Playing%20Responsibly,-The%20New%20Jersey&text=The%20New%20Jersey%20Lottery%20has,among%20lotteries%20in%20the%20industry (last visited Mar. 14, 2025).*

[107] *For purposes of this Task Force, the Executive Director has recused himself from matters involving CCGNJ.*

Since the time of its enactment in 1969, the State Lottery Law has required that New Jersey Lottery tickets shall not be sold to persons under the age of 18.[108] Forty out of 45 state lotteries operating across the United States have an age requirement of 18 to play. The Nebraska Lottery's age requirement is 19; the Arizona, Iowa, Louisiana, and Mississippi lotteries require players to be 21. While the 2023 Prevalence Study found that lottery play was the most popular gaming activity in New Jersey, the study also found that younger (18-24) gamers prefer other forms of gaming to the lottery.[109]

Specific resources utilized by the New Jersey Lottery for the promotion of RG are listed below.

- **Research:**
  - The New Jersey Lottery conducts RG research to identify the strengths and opportunities of its RG program.
- **Employee Program:**
  - The New Jersey Lottery distributes a quarterly RG eNewsletter to all Division of the State Lottery, Northstar, and IGT NJ employees, which informs all staff of ongoing RG activities and initiatives.
  - All New Jersey employees of the Division of the State Lottery, Northstar, and IGT must successfully complete the Lottery Employee RG Training Video and pass an accompanying test on a triennial basis.
- **Game Design:**
  - New Jersey Lottery games must go through two analyses to confirm that the risk of each game is minimized with regard to vulnerable populations[110] and for the potential appeal to underage persons. These two risk analyses are:
    1. Evaluation by a third-party software that evaluates the psychology behind the structural and situational characteristics of each game ensuring a lower level of risk; and

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[108] *N.J.S.A. 5:9-15.*
[109] *2023 PREVALENCE STUDY, supra note 2.*

[110] *The WLA RGF: Strengthening our commitment to corporate social responsibility, 5 38 WORLD LOTTERY ASSOCIATION MAGAZINE 5 (Summer 2013), available at https://www.world-lotteries.org/volumes/downloads/Download_Center/Magazine/wla_mag_38.pdf.*

2. An RG Product Development RG Assessment that evaluates the visual appeal and messaging of each game to ensure it is compliant with the Lottery's confidential Game Design Code of Conduct.

- o Submissions for second chance drawings, opportunities for VIP Club members to submit non-winning New Jersey Lottery Scratch-Offs and/or winning or non-winning New Jersey Lottery Draw Games to win prizes (depending on the second chance promotion), have a capped limit depending on the particular promotion to encourage casual play and discourage problematic/risky play styles.

- **Advertising and Marketing Communications:**
  - o The New Jersey Lottery has a Marketing Code of Conduct, as well as advertising legal language parameters for each marketing channel. Northstar ensures that all advertising and marketing communications comply with the Marketing Code of Conduct and include RG messaging and the appropriate odds statement, which shall be the web address and/or hyperlink to the specific game's odds webpage. All New Jersey Lottery advertising and marketing communications are reviewed by the RG team and approved when the project meets the standards set in the Marketing Code of Conduct, advertising legal language parameters, and are determined to be age-appropriate and socially responsible.

- **Player Education:**
  - o The New Jersey Lottery protects its players by providing education that Lottery products are offered as a form of entertainment. In doing so, the Lottery provides players with RG tips and information, and it provides contact information for treatment providers when needed.

    - **Quarterly:** Publishing RG advertisements statewide via newspapers, digital advertisements, and social media posts.

    - **Monthly:** Posting RG messages to the New Jersey Lottery's social media platforms and additional messages during March, September, the holiday season, and when jackpots are greater than $500 million.

    - **Campaigns:** RG messages at local live events, in VIP Club emails informing the VIP Club members of the Lottery's PG Awareness Month, *Not 18 Yet? No Bet.* and *Gift Responsibly* campaigns. Dedicating drawing broadcast resources for messaging. During some campaigns the New Jersey Lottery will receive a value-added advertising in order to share RG messages through radio live reads.

    - The New Jersey Lottery and CCGNJ collaborate annually in March for PG Awareness Month, September for its "Not 18 Yet? No Bet." and November and December for its "Gift Responsibly" campaigns.

- In March 2024, the New Jersey Lottery and CCGNJ created a video series of "Crucial Conversations," in which the CCGNJ educated the public on how to have difficult conversations regarding gambling. The four-video series can be found at the New Jersey Lottery's webpage and provide advice on how to conduct crucial conversations about PG.

Messaging

RG gaming messaging is printed on the front of Draw Games tickets (during Lottery RG campaigns, high jackpots, etc.). All Lottery advertising and marketing communications include the following standard RG messages, in addition to the Lottery's "Not 18 Yet? No Bet." logo:

Must be 18 or older to buy a lottery ticket. Please play responsibly.
If you or someone you know has a gambling problem, call 1-800-GAMBLER®.

During the holiday season, mid-November through December the Lottery includes its "Gift Responsibly" logo with the above-mentioned standard RG messages, but also includes the following message:

Must be 18 or older to buy a lottery ticket. Please play responsibly.
If you or someone you know has a gambling problem, call 1-800-GAMBLER®.
Parents are urged to think twice about gifting lottery tickets to children.

RG messaging produced by the New Jersey Lottery adheres to industry best practices and can be found on their website, social media platforms, in statewide newspapers, and on NJ.com. There are four RG advertisements that the Lottery publishes quarterly: "Dream Big. Play Responsibly," "Pool Rules," "Not 18 Yet? No Bet," and "Gift Responsibly." During the fall of 2024, the New Jersey Lottery partnered with minor league baseball teams to share an

RG message during at least two live games. In addition, Division of the State Lottery played RG messaging on the electronic stadium boards at two home games of the New York Jets during the 2024 season.

Public Resources

The New Jersey Lottery provides treatment referral resources to the public via its website[111] and other public-facing platforms. The Lottery provides contact information for the following treatment referral resources: CCGNJ, National Council on Problem Gambling ("NCPG"), GamTalk, Gamblers Anonymous®, and NJ DHS's DHMAS. Retailers are equipped with the Lottery's "Not 18 Yet? No Bet." and "It's Only a Game" brochures and have the ability to print out CCGNJ's helpline number on Lottery ticket paper when requested. Additionally, the 1-800-GAMBLER® number is included in all Lottery advertising and marketing communications as part of its standard RG messaging.

PG Practices for Retailers

All of the nearly 6,800 New Jersey Lottery retailers have a crucial responsibility to understand and adhere to the Lottery's Retailer Code of Conduct,[112] which includes RG requirements. Additionally, retailers are provided with resources to share with players and/or loved ones as needed. For example, retailers are required to:

- Fulfill their RG requirements to maintain their retail licenses, including by watching the New Jersey Lottery Retailer RG Training Video and reviewing the Retailer Code of Conduct. These obligations also apply during ownership changes, as well as during biennial license renewals where all retailers must renew their licenses by watching the New Jersey Lottery Retailer RG Training Video and completing the renewal application. Once the application is approved, they receive a license renewal packet that includes a copy of the Marketing Code of Conduct.
- Verify the age of customers, ensuring they are 18 years of age old or older.

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[111] *NJ Lottery – Problem Gambling Resources,* https://www.njlottery.com/en-us/playingresponsibly/rg-resources.html *(last visited Mar. 14, 2025).*
[112] *New Jersey Lottery Retailer Code of Conduct (February 2016), available at* https://w.njlottery.com/content/dam/portal/pdfs/retailer/NJLottery_Retailer-Code-of-Conduct.pdf

- Ensure that any employees selling New Jersey Lottery tickets are at least 18 years old.
- Enable remote control intervention of Lottery vending machines to prevent problematic purchases away from the sales counter. Retailers who observe concerning behaviors at the vending machine, such as underage play or excessive spending, can use the remote to temporarily disable the machine and halt transactions.
- Provide RG messaging through brochures and ticket messaging.
- Ensure that retailers remain vigilant for problematic play. They can discretely print a 1-800-GAMBLER® message on Lottery ticket paper and hand it to a player with or without engaging in a conversation.

Additionally, Lottery couriers, which allow players to purchase Lottery Draw Games tickets online, are required to offer various RG tools, including voluntary self-exclusion and spending and deposit limits. Additionally, all Lottery couriers must display the RG message: "If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER®" on their website and mobile application.

Underregulated areas

The Task Force also reviewed gaming products that are not regulated by the State and are not subject to any RG requirements or funding obligations. Notably, the Sofis Report found that 28% of New Jerseyans have reported engaging in one or more forms of unregulated or illicit gambling in the past 24 months.[113] These include participating in sweepstakes (purchasing coins for cash prizes); using a virtual private network ("VPN") to place online bets; intentionally using a "proxy"-style app to place a bet that would otherwise be prohibited due to factors like location, age, or self-exclusion; and placing bets through social media platforms (e.g., DMs and channels with unauthorized bookkeepers or proxies).[114]
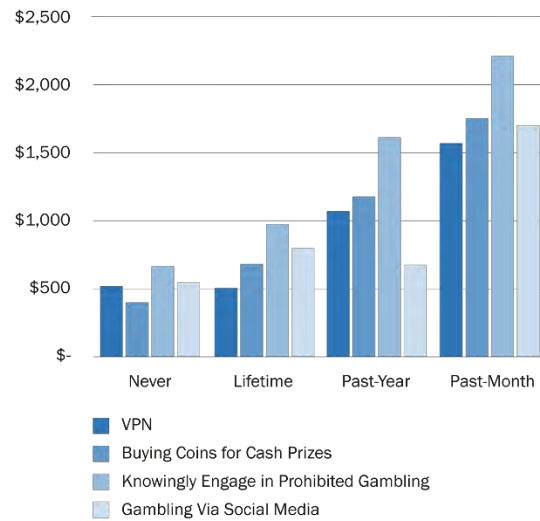
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[113]*Sofis & Slade, supra note 1.*
[114] *Id.*

Total Reported Past-Year Dollars Gambled
by Prevalence of Unregulated/Illicit Form of Gambling
in New Jersey
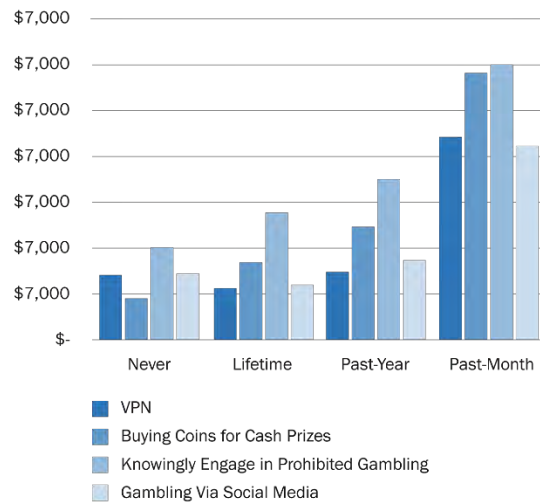
Reported Single Largest Gamble Amount
by Prevalence of Unregulated/Illicit Form of Gambling
in New Jersey

Source: Gaming Public Policy Consulting, Regularity Determinants of Gaming and Gambling Outcomes Survey, February 2025

Further, the Sofis Report found that directly gambling via social media platforms was the most impactful predictor of problem gambling.[115] Moreover, X (Twitter) users were more likely to engage in unregulated/illicit gambling.[116]

Average # of Forms of Unregulated/Illicit Gambling by Preferred Social Media Platform for Gambling
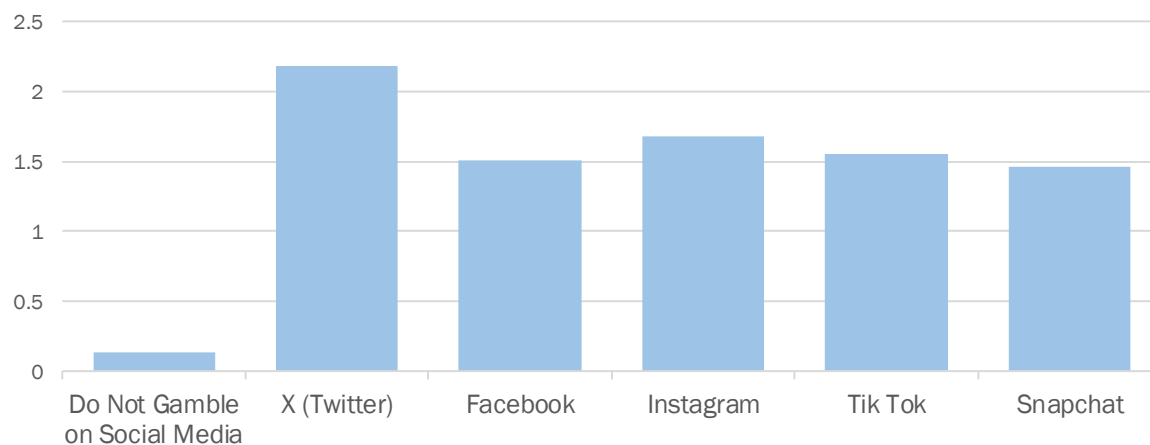
Source: Gaming Public Policy Consulting, Regulatory Determinants of Gaming and Gambling Outcomes Survey, February 2025

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[115] *Id.*
[116] *Id.*

Currently, four main areas of unauthorized gaming generate complaints to State agencies: sweepstakes; event-based contracts (elections and all other events, especially sports); wagering on purported skill-based games; and illegal casinos/sportsbooks.

Sweepstakes

The exponential increase in sweepstakes and social casino operations based on a sweepstakes model has drawn the attention of numerous state gaming regulators in recent years. While traditional sweepstakes and horse racing sweepstake activity are legal under federal law and the laws of many states, including in New Jersey, recently operators have introduced new types of sweepstakes that allow participants to have the same experience as they do with actual gambling. The predominant difference is that sweepstakes operators are not required to obtain a license. Even the traditional sweepstakes that resemble raffles are not required to be licensed by LGCCC because participants can obtain an entry into the sweepstakes free of charge (i.e. "no purchase necessary") and raffle licenses are only issued to qualified non-profit organizations. There is no specific regulatory scheme governing sweepstakes (both the traditional brand and the newer offering, including "social casinos"), other than in horse racing.

The problems posed by the proliferation in the United States of sweepstakes casinos continue to be the subject of extensive focus and discourse in the gaming space.[117] Sweepstakes or social casino operators offer traditional casino games in which players ostensibly participate for free or through purchased virtual currency or credits which are exchanged for cash or prizes. Sweepstakes casinos maintain that because real money is

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[117] Daniel Wallach, *Legality In Doubt, Sweepstakes Casinos Could Be Targeted By State Attorneys General*, FORBES, Feb. 24, 2025, available at https://www.forbes.com/sites/danielwallach/2025/02/24/legality-in-doubt-sweepstakes-casinos-could-be-targeted-by-state-attorneys-general/.

allegedly not used in actual gameplay, they are not offering gambling under the letter of the law, although funds are involved both in anticipation of, and after, gameplay.[118]

The essence of a legitimate sweepstakes is that it lacks one or more elements of actual gambling. Pursuant to *N.J.S.A.* 2C:37-1(b), "gambling" means "staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the actor's control or influence, upon an agreement or understanding that the individual will receive something of value in the event of a certain outcome." In a legitimate sweepstakes, there is no element of consideration. It will be free to enter, and if there are alternative methods of a paid entry to win, the paid method of entry has the same odds of winning a prize as the free entry method. Federal law also requires that the odds of winning a prize must be disclosed.

Certain sweepstakes operators have blurred and likely crossed the line into actual gambling by allowing prizes to be awarded in return for "tokens" that are won only by entering the "sweepstakes" through a payment.[119] For participants, they pay money and play a simulated card game, slot game, or other casino-type game and are awarded tokens that can be redeemed for prizes. The experience is the same as playing a regulated gambling game.

The Task Force notes that sweepstakes and social casino operators that are not licensed in any jurisdiction and are offering unregulated or unlawful gaming activities present serious issues, including the potential to undermine RG efforts, as they permit customers from New Jersey to illegally gamble on their platforms. While traditional

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[118] *Id.*

[119] Matthew Waters, *VGW Target Of New York Lawsuit Alleging Illegal Gambling*, LEGAL SPORTS REPORT, Dec. 5, 2024, https://www.legalsportsreport.com/214658/lawsuit-targets-sweeps-operator-vgw-apple-google-for-alleged-illegal-gambling/.

sweepstakes entries are legal in New Jersey, the new forms of online sweepstakes are not addressed expressly and are unregulated.

Similarly, when entering the US market, these new operators generally do not commence activity in seven states—Ohio, Nebraska, Montana, North Dakota, Michigan, Idaho, and Washington—because those states explicitly prohibit social casinos. Idaho, Michigan, Connecticut, Montana, and Washington sent cease and desist letters and filed cases alleging illegal gambling.[120] A class action lawsuit[121] has been filed under a Mississippi law that allows gamblers to recover all losses from an illegal gambling operation. Class action lawsuits also have been filed in California,[122] Colorado,[123] and Georgia[124] to recover what are seen as gambling losses to an illegal operation. The American Gaming Association ("AGA") brought attention[125] to this growing problem through a call to action for gaming regulators and State Attorneys General, urging efforts against sweepstakes operators at both the federal and state levels. To address the plethora of serious issues affecting legalized gaming in New Jersey, a recently introduced bill proposes legislation to clarify the definition of gambling.[126] Under the proposal, sweepstakes would be defined as unlawful gambling, and thus explicitly illegal, unless they meet certain requirements, e.g., getting a free ticket on your drink cup when you purchase a beverage would be allowed. Sweepstakes where entries are truly free would also continue to be permitted (i.e., "enter to

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[120] *Wallach, supra note 117.*

[121] *Saulny v. VGW Holdings Ltd. et al., No. 3:24-cv-000619 (S.D. Miss. filed Oct. 9, 2024).*

[122] *Boyle v. Yellow Soc. Interactive Ltd., No. 8:25-cv-00063 (C.D. Cal. filed Jan. 14, 2025).*

[123] *Lavery v. VGW Luckyland Inc., No. 1:24-cv-02843 (D. Colo. filed Oct. 15, 2024).*

[124] *Kennedy v. VGW Holdings Ltd., No. 1:24-CV-2184-TWT (N.D. Ga. filed Oct. 15, 2024).*

[125] *Regulatory Vigilance Critical to Ensure "Sweepstakes" Don't Threaten Consumers and Undermine Gaming Regulation (2024), available at* https://www.americangaming.org/wp-content/uploads/2025/02/Sweepstakes-Memo-Final.pdf *[hereinafter AGA Sweepstakes Memo]; see also DGE Director's Advisory Bulletin 2019-01 (Nov. 26, 2019), available at https://www.nj.gov/oag/ge/docs/Bulletins/DABMediaReportingAdvertising112619.pdf.*

[126] *A. 5447 (2025).*

win two concert tickets" by clicking a link or filling out a form on a radio station's website). The operations of major casino sweepstakes entities such as VGW, however, would be defined as gambling. DCA and DGE would be provided with civil enforcement authority and powers to address this area as well. The New Jersey casino industry and the AGA have urged executive or legislative action[127] to combat competition from entities which pay no taxes or regulatory fees and which offer no player protection to participants, especially RG protections.

DCA has received complaints about social casinos and certain other sweepstakes. The complaints include allegations that the operators of these contests are refusing to pay out prizes, are not being transparent about a contest's rules or gameplay, or are blocking customers' access to their accounts, including, critically, the ability to withdraw their funds.

Likewise, online gaming operators, which are licensed by DGE, are required, pursuant to regulations, to implement controls and procedures related to the functionality of their systems, anti-money laundering ("AML"), fraud, collusion, RG, underage gambling, self-exclusion, various other consumer protection policies, geolocation, KYC, and testing protocols. These safeguards ensure consumer protection, system integrity, and public safety. In contrast, sweepstakes casinos lack any legal age restrictions, independent software testing, or licensing requirements for their owners and employees, leaving their backgrounds and operations unchecked and raising concerns about potential ties to organized crime or other illicit activities. Additionally, these platforms often lack robust integrity controls, offering no guarantees for consumers regarding winnings, payouts or

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[127] *AGA Sweepstakes Memo, supra note 125.*

refunds, further exposing players to significant risks. Moreover, they also are not subject to any controls on advertising.

Furthermore, unlicensed operators do not contribute to RG or PG resources and do not pay license fees, investigative costs, or gaming taxes; nor do they offer any protections against PG. These platforms provide no protections against gambling harm, creating significant risks for consumers, particularly for individuals under 21. The games offered by sweepstakes casinos, which often mimic real-money casino games, slots, and poker, expose young people to gambling mechanics, risk and loss, at an impressionable age. This early exposure can normalize gambling behaviors, increase susceptibility to addiction, and pave the way for problem gaming once they reach legal age.[128] Furthermore, the lack of stringent age verification processes in sweepstakes casinos allows underage individuals to participate unchecked, compounding the potential harm.[129]

Loot boxes in video games raise similar concerns as they introduce gambling-like elements of chance and reward to players, often minors. By spending real money or in-game currency for a chance to win desirable virtual items, players are drawn into addictive spending cycles resembling gambling behaviors. Loot boxes expose young players to practices that may lead to PG later in life. The thrill of unpredictable rewards and peer competition exploits youthful psychological vulnerabilities, making minors particularly

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[128] IPSOS MORI ON BEHALF OF GAMBLEAWARE, FINAL SYNTHESIS REPORT: THE IMPACT OF GAMBLING MARKETING AND ADVERTISING ON CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS FINAL SYNTHESIS REPORT THE EFFECT OF GAMBLING MARKETING AND ADVERTISING ON CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS (2020), available at https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-03/gambling-marketing-advertising-effect-young-people-final-report.pdf; Christine Emba, Gambling Enters the Family Zone, THE ATLANTIC, July 8, 2024, available at https://www.theatlantic.com/family/archive/2024/07/gambling-everywhere-phone-addiction/678913/.
[129] Daniel Wallach, Sweepstakes Casinos Face Long Legal Odds To Survive "Substance-Over-Form" Court Scrutiny, FORBES, Dec. 11, 2024, available at https://www.forbes.com/sites/danielwallach/2024/12/11/sweepstakes-casinos-face-long-legal-odds-to-survive-substance-over-form-court-scrutiny/.

susceptible.[130] Based on a Delaware School Survey administered by the University of Delaware Center for Drug and Health Studies, loot box purchasing rates by middle school and high school students have increased which is concerning to the Task Force.[131] Like sweepstakes casinos, loot boxes lack regulatory safeguards, leaving young players vulnerable to financial and emotional harm while normalizing gambling behaviors from an early age. The table below depicts the rate changes from 8th and 11th graders based on the Delaware School Survey.
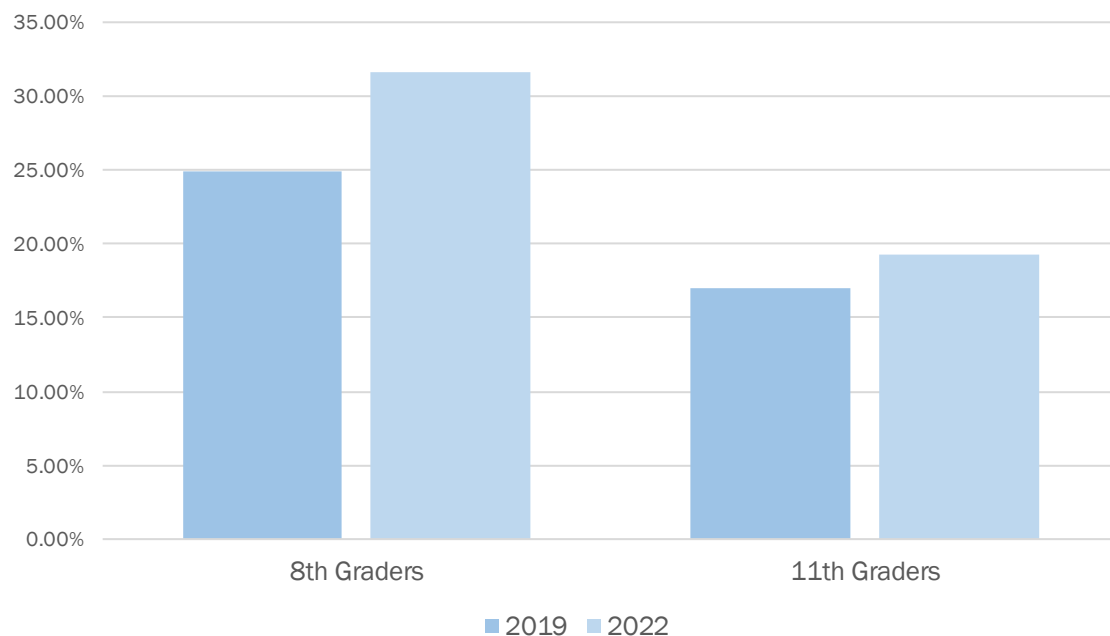
Source: Decamp et al. Loot Box Consumption in Delaware Adolescents Pre- and Post- Pandemic Lockdown

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[130]*Luis C. Farhat, Jeremy Wampler, Marvin A. Steinberg, Suchitra Krishnan-Sarin, Rani A. Hoff, & Marc N. Potenza, Excitement-Seeking Gambling in Adolescents: Health Correlates and Gambling-Related Attitudes and Behaviors, 37 J. GAMBLING STUD. 43 (2021), available at https://pmc.ncbi.nlm.nih.gov/articles/PMC7854802/#SM1.*
[131] *Whitney DeCamp & Kevin Daly, Loot box consumption by adolescents pre- and post- pandemic lockdown, . 11 PEER J. 1 (2023).*

Event-Based Contracts

Event-based contracts are based on the occurrence or non-occurrence of a specific event, rather than ownership in an asset. Legitimate event-based contracts are considered derivative contracts and are governed by the Commodity Exchange Act and are regulated exclusively by the United States Commodities Futures Trading Commission ("CFTC").[132] Rather than using traditional sports betting methods like a point spread or a money line, event-based contracts are structured similar to a commodities option. Recently, however, event-based contracts tied to political, economic, and entertainment outcomes have gained increased attention, particularly in the context of recent offerings on Congressional and Presidential elections.[133] For instance, in elections contracts, the price of a political party's contract would fluctuate based on its perceived likelihood of winning control of the Senate or House of Representatives.[134] When election results are known, the losing party's contract, in this case the Democratic Party, would be priced at zero, causing those who purchased it to lose their funds. Meanwhile, the Republican Party's contract would be priced at the maximum amount, allowing buyers to "sell" it back for a profit equal to the difference between the final price and their purchase price. In this way, an event-based contract can be functionally equivalent to a proposition bet. The Task Force notes, however, that election wagering is prohibited in New Jersey.[135]

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[132] *See Commodity Futures Trading Commission, Contracts & Products, https://www.cftc.gov/IndustryOversight/ContractsProducts/index.htm (last visited Mar. 17, 2025).*
[133] *Jess Marquez, After election boom, Kalshi gets creative in new markets, including sports, IGB, Jan. 13, 2025, available at https://igamingbusiness.com/tech-innovation/product/kalshi-election-growth/.*
[134] *Dan Mangan, Kalshi resumes taking bets on U.S. election after appeals court lifts freeze, CNBC, https://www.cnbc.com/2024/10/02/bets-on-congressional-races-allowed-cftc-appeals-court.html.*
[135] *N.J.S.A. 19:24-34.*

In 2023, the CFTC ruled against a company offering such "commodities" holding that it was illegal and ordered the termination of purchases and trades of such "commodities."[136] The company appealed, and while the United States District Court for the District of Columbia initially enjoined the company from proceeding,[137] it later dissolved the injunction and allowed them to proceed with the "commodities" trading, pending further proceedings.[138] Thereafter, similar "commodities" were introduced.[139]

As a result of the interest in, and volume of wagering on, the recent elections, events-based contracts have expanded wagering markets to include hundreds of events, such as Grammy winners and sports markets, including wagering on the 2025 Super Bowl, the 2025 NCAA men's college basketball championship, the 2025 NBA Finals, and the 2025 Masters.[140,141]

These sites have also offered markets on controversial issues, including how many acres would burn during the Los Angeles wildfires, whether the Titan submarine would be found before it ran out of oxygen, the number of federal government employees cut in 2025, and the legal fate of Luigi Mangione as the suspect arrested in the shooting of the UnitedHealth Group executive.

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[136] *Press Release, Commodity Futures Trading Commission, CFTC Disapproves KalshiEX LLC's Congressional Control Contracts (Sept. 22, 2023), https://www.cftc.gov/PressRoom/PressReleases/8780-23; see also Press Release, Commodity Futures Trading Commission, CFTC Orders Event-Based Binary Options Markets Operator to Pay $1.4 Million Penalty (Jan. 3, 2022), https://www.cftc.gov/PressRoom/PressReleases/8478-22.*

[137] *KalshiEX LLC v. CFTC, No.23-3257 (D.D.C. Sept. 12, 2024)*
[138] *Kalshiex LLC v. CFTC, 119 F.4th 58 (D.C. Cir. 2024).*
[139] *Marquez, supra note 133.*
[140] *Robert Linnehan, Kalshi Files for New Sports Event Trading Contracts After Super Bowl, SPORTS BETTING DIME, Feb. 12, 2025, https://www.sportsbettingdime.com/news/betting/kalshi-files-for-new-sports-event-trading-contracts-after-super-bowl/.*
[141] *Geoff Zochodne, Robinhood Pushing for 'Regulatory Clarity' After Sports Betting Pause, COVERS.COM, Feb. 13, 2025, https://www.covers.com/industry/robinhood-sports-event-contracts-betting-clarity-push-february-2025#:~:text=The%20chief%20executive%20officer%20of,contracts%2C%20including%20those%20involving%20sports.*

The AGA has expressed concerns over markets which circumvent state regulatory frameworks.[142] Further, in line with the policy set forth in *N.J.S.A.* 19:34-24, DGE has never authorized licensed entities to offer election-based wagers. While *N.J.S.A.* 19:34-24 specifically prohibits wagering on the outcome of an election, enforcement is limited to voiding such wagers. Strengthening enforcement mechanisms, including sanctions and penalties, is necessary. Permitting such wagers could further undermine confidence in the voting process, increase risks of vote manipulation, and incentivize technological interference if gambling funds were at stake. By placing wagers, well-monied interests could influence and manipulate the outcome of elections, including by wash trading.

Skill-Based Games Wagering

As the use of smartphones and mobile applications has exploded in recent years, and especially as mobile gaming has become more commonplace in New Jersey, regulators in New Jersey have also noticed an increase in the offering of so-called "skill-based" online games, where users deposit real cash and play these games for real cash prizes. A typical example of these types of contests are online solitaire tournaments, where users pay entry fees, which come from accounts that the users fund with their own money, to participate in a tournament against other players and where the company offering the tournament pays out real cash prizes to the winner(s) but also takes a cut of the entry fees for themselves.

To the extent these contests are not considered gambling, because the outcome of the contests is based on the skill of the players and their performance is based on events within their own control, the operators are not required to be licensed by DGE, DCA, or any

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[142]*Letter from Christopher Cylke, Senior Vice President, Government Relations, AGA to Hon. Caroline Pham, Acting Chair, and Commissioners, CFTC (Feb. 20, 2025), available at file:///C:/Users/ellenf/Downloads/AmericanGamingAssociation022025%20(3).pdf.*

other regulator.[143] Nevertheless, as the gameplay closely resembles gambling in many aspects, and as participants are staking their own money to participate in the contests for the chances to win monetary prizes, the participants may still benefit from RG and PG resources, and recommendations in this report may be relevant to skill-based gaming.

Illegal Operators

DCA has previously issued social media notifications and press releases warning consumers about using unregulated fantasy sports websites. For example, on September 1, 2023, the Office of the Attorney General, DGE, and DCA issued a joint press release reminding New Jerseyans to steer clear of illegal sites when betting on professional and college football or engaging in fantasy sports activities related to those sports. The press release explained that using licensed sports wagering sites and authorized fantasy sports sites is the only way to ensure that the operators are doing business under regulatory oversight and are abiding by the laws that protect consumers against fraud, deceit, and other illegal conduct. It also explained that offering fantasy sports activities falls under the regulatory authority of DCA. Any fantasy sports operator that is collecting an entry fee and offering prizes to participants must be certified to do so by DCA. DCA regularly monitors the contests offered by certified operators to ensure no prohibited contests are played. Operators of websites that host fantasy games to assist groups of friends or co-workers to keep score and make trades in a fantasy league do not need to obtain permits from the State, as long as the operator is not collecting an entry fee or paying prizes.[144]

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[143] *The operators of the games are, like all businesses operating in New Jersey, subject to the general anti-fraud requirements of the Consumer Fraud Act. In other words, just because a license is not required to offer these products, the games must still be fair to play and the operators' marketing cannot contain misrepresentations, among other things mandated or prohibited by the CFA.*

[144] *LGCCC also puts out annual notices reminding charities and other organizations eligible to conduct raffles, that offering contests such as NCAA bracket pools or Super Bowl squares as fundraisers is not permitted.*

With respect to bingos, raffles, and amusement games, as discussed in this report, any organization or business running such activities must be licensed by DCA in advance. DCA investigators regularly inspect these activities to ensure compliance. For example, on any given week throughout the year, DCA investigators visit bingo halls, inspect casino night fundraisers, stop by local fairs and carnivals, and go to arcades and bowling alleys to ensure the equipment used is certified and that the organization or business operating the games is licensed to do so. In addition, each summer, DCA conducts several sweeps at boardwalks along the Jersey Shore to ensure all games offered are in compliance with the law. When violations are found, the matters are presented to LGCCC, which can assess penalties or revoke or suspend licenses.

Likewise, DGE regularly conducts investigations into illegal gaming operators and their suppliers. Illegal gaming operators permit customers from New Jersey to gamble on their platforms without obtaining licensure from DGE, in violation of New Jersey law. Illegal gaming operators pose a significant threat to legal gaming and to the regulation of lawful gaming. Online gaming operators which are licensed by DGE are subject to a thorough investigation regarding their backgrounds and operations. Licensed operators are required, pursuant to regulation, to implement controls and procedures related to AML, fraud, KYC, collusion, RG, underage gambling, geolocation, and various other consumer protection policies. Illegal sites are not subject to any of these requirements or testing protocols and therefore are lacking important integrity and public safety standards. Moreover, they do not contribute to RG or PG resources and do not pay taxes. Should an illegal gaming operator choose to apply for licensure with DGE, it would raise serious suitability concerns as operating outside the regulated market signals a disregard for regulations, casting doubt on

the applicant's good character, honesty, and integrity. This could ultimately lead to denial of licensure to protect the integrity of the State's gaming industry.

When an investigation of an apparently illegal operation commences, DGE first determines the company's offerings and whether it accepts New Jersey customers. Once those factors are determined, DGE has a range of tools to consider, including issuing a cease-and-desist letter, notifying regulators and/or law enforcement in the jurisdiction where the operator is located, referring the matter to DSP or federal law enforcement, and working with regulated operators and suppliers to ensure that none of them do business with the illegal operator.

In a related matter, DGE has obtained certifications from New Jersey gaming providers averring that each is not transacting business with any illegal operators. DGE reviewed, assessed, and as appropriate followed up on the certifications. DGE intends to require the submission of that information on an annual basis. These efforts utilize DGE's authority over gaming licensees to terminate business arrangements with persons operating illegally to ensure the integrity of the regulated gaming industry and to thwart illegal operations.

Overview of Responsible Gaming in Other Jurisdictions

The Task Force reviewed numerous sources related to RG resources globally. The Task Force also invited stakeholders to present on proven methods of RG actions and considered those as discussed herein. The Task Force has broken down this discussion into two main groups: well-regulated and under-regulated areas.

Well-regulated areas
Casino Gaming including Online

Some form of gaming is currently offered in 48 states, with 27 states offering land-based commercial casinos.[145] Seven states currently offer online casinos with 38 states providing sports wagering.[146] The industry itself through the AGA has invested in the development and execution of RG programs in conjunction with the respective regulatory structures in each state.[147] Moreover, the NCPG has promulgated common areas of best practice that mirror those of the AGA.[148] Among the many gaming jurisdictions in the United States, the Task Force chose the States of Massachusetts, Pennsylvania, Nevada, New York, and Ohio, as well as the United Kingdom, for comparison purposes as a result of their presence and efforts in RG areas.

Among the more common elements throughout state mandates are the ability for players to exclude themselves from retail or online gaming, or both.[149] Also prevalent are mandates for operators to make RG / PG information easily accessible for players.[150] RG / PG laws and regulations are different throughout the country but generally encompass the following areas:[151]

- **Governance and policy implementation at operator level**
    - *Includes corporate RG policy and strategy.*
- **Self-exclusion**
    - *Set-up/implementation of self-exclusion programs.*

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[145] *Responsible Gaming Regulations and Statutes Guide - American Gaming Association,* https://www.americangaming.org/resources/responsible-gaming-regulations-and-statutes-guide/ *[hereinafter AGA RG Guide].*

[146] VIXIO REGULATORY INTELLIGENCE, U.S. STATES' ONLINE SPORTS BETTING REGULATIONS – AN EVALUATION AGAINST NATIONAL COUNCIL ON PROBLEM GAMBLING STANDARDS *(2024), available at* NCPG_Vixio-U.S.-States-Online-Sports-Betting-Regulations.pdf *[hereinafter VIXIO EVALUATION].*

[147] *AGA RG Guide, supra note 145.*

[148] NATIONAL COUNCIL ON PROBLEM GAMBLING, INTERNET RESPONSIBLE GAMBLING STANDARDS *(rev. Dec. 2023), available at* https://www.ncpgambling.org/wp-content/uploads/2024/01/Internet-Responsible-Gambling-Standards-Rev.-12-2023-FINAL.pdf.

[149] *Ibid.*

[150] VIXIO EVALUATION, *supra note 146.*

[151] *Ibid.*

- **Training**
  Description of annual training content and continuing education.

- **Time and budget management**
  Includes providing easily-accessible account information, limit setting and frequency of withdrawals.

- **Customer Support**
  Clear access points for customer service and response regarding policies/procedures.

- **Marketing & Advertising policy/restrictions**
  Includes policies/procedures for a responsible marketing, targeting of advertising and the frequency of communications.

- **KYC**
  Policies/procedures to deter underage gambling/minimum age, knowledge of duplicate accounts and payment methods/credit.

- **Education & Treatment**
  Including providing support and public health messaging.

Massachusetts,[152] Pennsylvania,[153] New York,[154] and Ohio[155] all require operators in their respective jurisdictions to conduct a review and/or audit of their RG policies and the effectiveness of those policies in identifying and mitigating PG behavior, as well as encouraging RG behavior.

Ohio gaming regulators offer a user-friendly website and social media content which feature "catchy" names like "Time Out Ohio" and "Pause Before You Play." Moreover, they encompass all forms of gaming such as casinos, lottery, fantasy sports, racetracks, and sports gaming.[156] Ohio also provides its residents with free subscriptions to the following services: (1) GamBan which blocks access to gambling websites and apps, (2) GamFin which provides financial counselling services to individuals when financial questions arise in

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[152] 205 MASS. CODE REGS. 238.19(2), 239.03 (2025).
[153] 58 PA. CODE § 814a.1 (2024).
[154] N.Y. COMP. CODES R. & REGS. tit. 9, § 5325.4 (2025).
OHIO ADMIN. CODE 3772:12-06 (2025).
[156] Responsible Gambling – Ohio Casino Control Commission, available at https://casinocontrol.ohio.gov/responsible-gambling (last visited Mar. 17, 2025).

gambling disorder treatment and recovery, and (3) RecoverMe which is an app that uses cognitive behavioral theory to help individuals with gambling-related harm.[157] These programs are at a cost to the State of Ohio. Ohio for Responsible Gambling[158] is an initiative aimed at promoting RG in Ohio. Four state agencies in Ohio are working together in this effort: The Ohio Lottery Commission, the Ohio Casino Control Commission, the Ohio State Racing Commission, and the Ohio Department of Mental Health and Addiction Services ("OhioMHAS"). OhioMHAS serves as the resource partner for the initiative and the lead agency responsible for prevention and treatment of PG.

As part of its RG Framework, Massachusetts regulators offer a "one-stop shop" approach that provide RG resources for all aspects of gambling. It is, like Ohio's, a very user friendly and attractive source of information. "Play My Way" is this state's name for a tool that provides budgeting and time limitations.[159] Massachusetts also established a Gaming Policy Advisory Committee, a permanent RGTF, that meets at least once a year to review policies and regulations in this quickly evolving public policy area. It is made up of representatives of the Governor and Legislature, public members and the industry.[160]

PG and the need for more emphasis on RG has been a big public issue in the United Kingdom for several years[161] and the government – through the United Kingdom Gambling Commission ("UKGC") – has enacted reforms being rolled out based upon the government-commissioned "White Paper" issued in April, 2023.[162] Much of the emphasis has been

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[157]*Time Out Ohio, https://timeoutohio.com/support/ (last visited Mar. 17, 2025).*
[158] *Ohio for Responsible Gambling, https://ohio.gov/responsible-gambling (last visited Mar. 17, 2025).*
[159] *Commitment to Responsible Gaming – Massachusetts Gaming Commission,*
https://massgaming.com/about/commitment-responsible-gaming/ (last visited Mar. 17, 2025).
[160] *Gaming Policy Advisory Committee – Massachusetts Gaming Commission, https://massgaming.com/about/gaming-policy-advisory-committee/.*
[161] *Safer Gambling - United Kingdom Gambling Commission, https://www.gamblingcommission.gov.uk/public-and-players/safer-gambling (last visited Mar. 17, 2025).*
[162] *Ibid.*

upon updating plans and programs because of the proliferation and popularity of Internet

gaming and sports.[163] These reforms, which mirror many of the same areas of focus US

jurisdictions, include:

- **Financial Risk Checks**

  Rolling out "vulnerability checks" that would require operators to use public record information to check for "significant indicators of potential" risk including any bankruptcies and court judgments is part of its "Light Touch vulnerability checks" that also look at financial risk red flags.

- **Increased Assessments on industry**

  Rolling out increased assessments/fines for operators to fund PG research, prevention and treatment.

- **Game Design**

  Various bans/prohibitions on speed of play, simultaneous play, time spent playing and net positions, for example.

- **Age verification**
- **Marketing/Advertising restrictions**

The Task Force notes, however, that some of these areas have been the subject of

extensive debate and even criticism.

Pertaining to educational components of RG, Virginia has statutorily mandated

public-school instruction and curriculum on the addictive nature of gambling.[164] In 2022,

school instruction on gambling addiction was added to the existing curriculum on drug and

alcohol abuse.[165] The instructional guidelines and protocols were developed under the

direction of the Virginia Department of Education and are being "rolled out" or disseminated

through the Virginia Board of Education.[166] However, it has been reported that the intent of

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[163] *Ibid.*

[164] Va. Code Ann. § 22.1-206 (2024); Virginia Board of Education, Guidelines for Instruction on Problem Gambling and the Addictive Potential Thereof *(Dec. 12, 2023), available at* https://townhall.virginia.gov/L/GetFile.cfm?File=C:/TownHall/docroot/GuidanceDocs_Proposed/201/GDoc_DOE_6899_20240103.pdf.

[165] *Ibid.*

[166] *See ibid.*

the statute is limited, at least in the short term, as no specific funding was appropriated to the Department of Education, the Board of Education or to local school divisions.[167]

Alternatively, and by way of example, North Carolina has adopted a non-mandatory program called "Stacked Deck" as part of its PG Program that incentivizes school districts to offer instruction at the school level.[168] Housed in the North Carolina Department of Health and Human Services, it offers grants of up to $5,000 to middle schools, high schools and community-based organizations for training on instructional modules (in-person and virtual).[169]

Many states, including New Jersey, have proposed legislation that would require public school instruction on risks for compulsive gambling. In New Jersey, Senator Beach (LD-6) and Assemblywoman Hall (LD-28) currently have pending bills that would require school districts to provide instruction on the risks of compulsive gambling as part of Health and Physical Education curriculum.[170] The Task Force recommends further pursuing legislative changes to require RG education later in the Recommendations section.

Horse Racing

For pari-mutuel wagering, the Task Force reviewed RG and PG policies under the laws and regulations of the neighboring states of New York, Pennsylvania, and Delaware as well as Kentucky and the Model Rules of the Association of Racing Commissioners International ("ARCI").

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[167] Adam Carter, *States Propose Student Education to Curb Problem Gambling*, GAMING TODAY May 8, 2023, https://www.gamingtoday.com/news/states-propose-student-education-curb-problem-gambling/.

[168] *Teen/Youth Problem Gambling Program*, https://www.ncdhhs.gov/divisions/mental-health-developmental-disabilities-and-substance-use-services/nc-problem-gambling-program (last visited Mar. 17, 2025); NORTH CAROLINA PROBLEM GAMBLING PROGRAM, YOUTH PREVENTION EDUCATION GRANT PROGRAM GUIDELINES (May 2024), available at https://morethanagame.nc.gov/wp-content/uploads/YPE_Grant-Guidelines_Problem-Gambling-Gaming-and-Digital-Media-Overuse.pdf.

[169] *Ibid.*

[170] S. 3666, 221st Leg., Sess. 2024-2025 (N.J. 2024).

In New York, pari-mutuel wagering is available at 11 racetracks and 170 off-track betting ("OTB") facilities as well as through an account wagering system. Pari-mutuel wagering is regulated by the New York State Gaming Commission ("NYSGC").[171] New York state racing law and regulations contain requirements related to self-exclusion, RG limits, signage, and advertising. Racetracks and OTB facilities must exclude from their premises any person who signs up for the self-exclusion program.[172] They are further prohibited from sending coupons, marketing, or advertising to self-excluded persons.[173] The account wagering licensee must refuse an account to any person on the self-exclusion list.[174] New York state racing law also requires RG limits to be available in the account wagering system, specifically "limits on the amounts of his or her wagers or potential wagers on a daily or weekly basis.[175] Signs must be posted on the premises of racetracks and OTB facilities and online advising patrons where to get help for compulsive gambling and containing other information required by New York's Mental Hygiene Law.[176] In addition, "all advertisements for gaming activity [must] clearly and conspicuously state a PG hotline number."[177] It should be noted that NYSGC through its various divisions regulates multiple forms of gaming. With respect to self-exclusion, state law imposes an obligation on the NYSGC to ensure, "to the extent practicable, that there is consistency in the process followed under each division in which an individual may voluntarily exclude themselves."[178]

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[171] *N.Y. RACING, PARI-MUTUEL WAGERING AND BREEDING LAW § 104 (McKinney 2025) [hereinafter PML].*
[172] *Id. at § 111*
[173] *Ibid.*
[174] *N.Y. COMP. CODES R. & REGS. tit. 9, §4500.7 (2025) [hereinafter NYCRR].*
[175] *PML, supra note 186, § 171.*
[176] *Ibid; see also NYCRR, supra note 174, tit. 9, § § 4204.14, 4003.54, 4404.17, 4101.40.*
[177] *PML, supra note 186, § 171.*
[178] *Ibid.*

To the extent a racetrack also has a casino, additional requirements apply pursuant to state gaming laws and regulations. New York gaming law requires all casinos to develop a PG plan and comply with advertising requirements.[179] Requirements for the PG plan are set forth in a regulation promulgated by the NYSGC.[180] By regulation, NYSGC also requires all casinos to develop an employee training program, submit annual reports, and comply with requirements pertaining to signage and advertising.[181]

Pennsylvania has six racetracks, three OTB facilities, and an account wagering system. Pari-mutuel wagering is regulated by the Pennsylvania State Horse Racing Commission.[182] All six racetracks have casinos. As a result, RG requirements are imposed primarily through state casino laws which require racetracks with slot machines or table games to include in their daily racing programs a statement similar to the following: "If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number)."[183] State casino law also requires compliance with a self-exclusion list and certain RG limits for iGaming.[184] Similar to NYSGC, the Pennsylvania Gaming Control Board has regulations requiring all casinos to develop a compulsive gambling and PG plan, implement an employee training program, submit annual reports, and comply with requirements pertaining to signage and advertising.[185] Outside of state gaming law, Pennsylvania state racing law does require "secondary pari-mutuel wagering organizations" to publicize and provide "a sufficient program for customer self-exclusion and wagering limitation."[186] Based

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[179] See id. at §§ 1362 to 1363.
[180] NYCRR, supra note 174, tit. 9, § 5325.2.
[181] NYCRR, supra note 174, tit. 9, § 5325.1 to .6.
[182] 3 PA. CONS. STAT. §9311 (2025) [hereinafter PCS].
[183] Id. at § 1509(c)(2).
[184] Id. at §§ 1516,1509(c)(2.1)(ii); see also id. at tit.4, § 13B02(a)(3).
[185] 58 PA. CODE § 501a.1 to .7 (2024).
[186] PCS, supra note 197, tit. 3, § 9322(a)(4).

on the definition, "secondary pari-mutuel wagering organizations" include OTB facilities and the account wagering system.[187]

Delaware has three racetracks, three OTB facilities, and an account wagering system. Pari-mutuel wagering is regulated by the Delaware Thoroughbred Racing Commission and the Delaware Harness Racing Commission.[188] Similar to Pennsylvania, all racetracks in Delaware have casinos. Accordingly, RG is captured under state casino laws. Delaware state law requires compliance with a self-exclusion list.[189] In addition, the Delaware Division of Gaming Enforcement ("DDGE") is authorized to promulgate regulations regarding "the display and presentation of messages concerning RG and the regulations, procedures and training for identification of and assistance to compulsive gamblers."[190] DDGE also has the authority to set standards regarding advertising, marketing, and promotional materials as well as RG limits.[191] By regulation, DDGE requires all advertising, marketing, and promotional materials to be submitted for approval.[192]

Kentucky has eight racetracks and an account wagering system. Pari-mutuel wagering is regulated by the Kentucky Horse Racing and Gaming Corporation ("KHRGC"), a municipal corporation.[193] Kentucky state racing law was amended in 2022 to require the establishment of a self-exclusion list.[194] As amended, the law specifically authorizes KHRGC to issue regulations establishing a self-exclusion list. *Ibid*. It also requires KHRGC to collect self-exclusion information from the racetracks and compile a comprehensive list.[195] Before

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187 *Id. at § 9301.*
188 *DEL. CODE ANN. tit. 3, §§ 10162, 10053 [hereinafter DEL. CODE].*
189 *Id. at tit. 29, §§ 4834 to 4836; see also 10-200-203 DEL. CODE REGS. §7.0 [hereinafter DEL. REGS.].*
190 *DEL. CODE, supra note 188, tit. 29, § 4805(a)(29).*
191 *Id. at §§ 4805(a)(18), 4826(c)(5).*
192 *DEL. REGS., supra note 189, 10-200-203, §11.0.*
193 *KY. REV. STAT. ANN. § 230.260 (LexisNexis 2025).*
194 *Id. at (15).*
195 *Ibid.*

the above amendment, the racetracks had self-exclusion programs which they implemented and maintained voluntarily.

In 2023, Kentucky, which has a legal gambling age of 18 years old, legalized sports wagering at racetracks.[196] As a result, RG is now addressed primarily through sports wagering requirements. KHRGC's sports wagering regulations give the racetracks the discretion to develop their own self-exclusion policies which may include identification and verification, forfeiture of prizes, security personnel, technology, employee training, contractual obligations, or collaboration with other licensees.[197] KHRGC sports wagering regulations also require all racetracks to develop a RG program (which must include signage on the premises and information posted online) and to comply with advertising and marketing requirements.[198] In addition, KHRGC requires sports wagering accounts to offer RG limits and wagering breaks.[199]

The ARCI Model Rules would require "secondary pari-mutuel wagering organizations" to publicize and provide "a sufficient program for customer self-exclusion and wagering limitation."[200] As identified above, Pennsylvania has adopted this rule.

Lottery

In the lottery industry, individual states collaborate and do not compete against each other. Lotteries share resources and ideas for continuous improvement in the RG space. Other lotteries and industry organizations offer RG resources:

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[196] *2023 Ky. Acts H.B. 551.*
[197] *Ibid.*
[198] *Ibid.*
[199] *809 KY. ADMIN. REGS. 10:004 (2025).*
[200] *See MODEL RULES OF RACING 004-044 (Ass'n of Racing Comm'rs Int'l 2023).*

- The Pennsylvania Lottery's website[201] provides links to the Pennsylvania Compulsive Gambling Hotline, the Council on Compulsive Gambling of Pennsylvania, the NCPG, and the NCPG's free screening tool.

- The New York Lottery's website[202] provides links to a voluntary self-exclusion site, the HOPE NY hotline for information and referrals, and the New York Council on Problem Gambling. It also references the New York State Office of Addiction Services and Supports. The New York Lottery's website also offers free financial counseling via GamFin, community support meetings and a PG survey.

- The Colorado Lottery's website provides links to the NCPG, Kindbridge Behavioral Health, Colorado Gambler's Anonymous resources, Gam-Anon, Debtors Anonymous, GamTalk, Birches Health, Evive, and Bet Blocker.

- The Rhode Island Lottery uses a social media influencer to share healthy play tips and information on self-exclusion.

- The World Lottery Association's Project RED, which stands for Responsible, Ethical, and Dynamic, is a collaborative initiative led by the World Lottery Association. Its goal is to enhance the impact of lotteries worldwide in the areas of RG and the environment through shared learning, best practices, and strategic tools.

Raffles, Bingo, Amusement Games

While raffles, bingos, and amusement games are not a focal point of RG initiatives in New Jersey, other states have some protections for raffles and bingos. For example, Virginia's voluntary exclusion program includes prohibition from charitable gaming, such as bingo and raffles.[203] Florida prohibits organizations from conducting bingo (other than instant bingo) more than two days per week.[204] New York prohibits extending credit to a person playing a game of chance or cashing checks for the use of games of chance funds, other than accepting personal checks.[205]

[201] *Pennsylvania Lottery Responsibility,* https://www.palottery.pa.gov/About-PA-Lottery/Footer/Please-Play-Responsibly.aspx *(last visited Mar. 19, 2025).*
[202] *New York Lottery Responsible Gaming,* https://gaming.ny.gov/responsible-gaming *(last visited Mar. 19, 2025).*
[203] *VA. CODE ANN., supra note 164 § 58.1-4015.1.*
[204] *FLA. STAT. § 849.0931 (2025).*
[205] *See NYCRR, supra note 174 tit.9, § 4622.21.*

Fantasy Sports

Other states have taken various approaches to promoting RG in the fantasy sports context. Massachusetts, New York, Ohio, and Pennsylvania have adopted RG rules specifically targeted to fantasy sports, with some combination of (1) restrictions on entries or deposits; (2) age restrictions; (3) the ability of players to self-exclude; (4) prohibitions on issuing credit to players; (5) restrictions on advertising; and (6) a requirement that operators prominently display helplines and problem gaming resources.[206]

However, in Nevada, fantasy sports are considered to be gambling and are therefore folded into Nevada's efforts to encourage RG more broadly.[207] The Nevada Division of Public and Behavioral Health within the Nevada Department of Health and Human Services offers resources to Nevadans struggling with any form of gambling (including but not limited to fantasy sports), including links to platforms where they can receive free or low-cost treatment.

Impact of Gaming on Underage and Vulnerable Populations

The Task Force explored many characteristics associated with PG in preparing its recommendations. Notably, an estimated 96% of individuals with a gambling disorder have one or more co-occurring psychiatric disorders, and more than 60% of individuals with gambling disorder having at least three psychiatric disorders.[208]

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[206] *See 940 MASS. CODE REGS. 34; NYCRR, supra note 152, tit. 58, §5600; OHIO ADMIN. CODE supra note 154, 3772:74-10 to -16;PCS, supra note 197, § 1201(a).*
[207] *See Nevada Division of Public and Behavioral Health Problem Gambling Services,* https://dpbh.nv.gov/Programs/ProblemGambling/Problem_Gambling_Services_(PGS)/ *(last visited Mar. 19, 2025).*
[208] *EVERGREEN COUNCIL ON PROBLEM GAMBLING, PROBLEM GAMBLING AND MENTAL HEALTH DISORDERS 5, available at* tana_russell_maureen_greeley_sarah_sense-wilson_handout_1.pdf *(citing R. C. Kessler, I. Hwang, R. LaBrie, M. Petukhova, N. A. Sampson, K. C. Winters, & H. J. Shaffer, DSM-IV Pathological Gambling in the National Comorbidity Survey Replication. 38 PSYCHOL. MED.9, 1351-1360 (2008), available at* https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2293303*; Carla J. Rash, Jeremiah Weinstock, & Ryan Van Patten, A review of gambling disorder and substance use disorders. 7 SUBSTANCE ABUSE & REHABILITATION 3 (2016), available at* SAR-83460-pathological-gambling-and-substance-abuse--links-and-risks*.*

In addition, the 2023 Prevalence Study[209] revealed that Black/African Americans had the highest gambling participation rate at 62.2%, surpassing Whites at 61.6% and those categorized as "Mixed/Other" race at 60.1%, with Asian American/Pacific Islanders at 57.2%. Among non-White gamblers, 37% to 39% indicated some degree of gambling-related problems, with Black/African Americans as the most represented category in the high-risk group. Furthermore, approximately 63% of individuals identifying as Hispanic reported gambling, with 15% showing signs of high-risk PG.

Category	Gambling Participation Rate (%)	High-Risk Problem Gambling (%)
Hispanic	63.0	14.7
Black/African Americans	62.2	15.9
Whites	61.6	7.5
Mixed/Other	60.1	10.5
Asian American/Pacific Islanders	57.2	10.5

Based on the findings of the 2023 Prevalence Study, an additional prevalence study, provided for under the currently existing MOAs between DGE and Rutgers, will be conducted and will include an assessment of the impact of gaming on underage individuals and various vulnerable populations, i.e. male gamblers ages 18 to 24 and Black/African American, Hispanic, and active military/veteran gamblers. These areas of focus will provide valuable data on the extent of gambling among these groups and help to shape future policies and RG initiatives.

The Task Force also notes there is an overlap in these vulnerable populations with regard to participation in unregulated/illicit gambling. The Sofis Report provides a breakdown of New Jerseyans and the average number of forms of gaming and unregulated/illicit gaming, along with their gaming score.[210]

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[209] *See* 2023 PREVALENCE STUDY, *supra* note 2.
[210] *Sofis & Slade, supra* note 1.

Average Number of Forms of Gambling, Average SOGS Problem Gambling Score Range, Average Number of Forms of Unregulated/Illicit Gambling by Demographic Variable Among New Jersey Lifetime Gambling Population

Source: Gaming Public Policy Consulting, Regulatory Determinants of Gaming and Gambling Outcomes Survey, February 2026
*Insufficient sample size to make population inferences

Demographic Variables	Average # of Forms of Gambling (out of 21)	Average Problem Gambling Score (3+ = Problem Gambling)	Average # of Forms of Unregulated/Illicit Gambling (out of 4)
Race			
American Indian, Native American, or Alaskan Native	11.1	3.1	1.1
Asian	11.1	2.1	1.8
Black or African American	14.5	2.3	1.8
White	12.3	1.5	1.3
Native Hawaiian or other Pacific Islander*	N/A	N/A	N/A
Other	9.4	1.8	1.7
Ethnicity			
Not Hispanic of Latino	12.2	1.6	1.3
Hispanic or Latino	15.2	2.5	1.7
Age Groups			
18 to 24	11.7	2.5	1.6
25 to 34	15.0	2.4	1.9
35 to 44	15.2	2.3	1.7
45 to 54	14.9	2.0	1.7
55 to 64	12.0	1.4	0.9
65 and older	8.5	0.6	0.4
Gender			
Male	14.8	2.0	1.6
Female	9.1	1.2	0.9
Transgender Male*	N/A	N/A	N/A
Transgender Female*	N/A	N/A	N/A
Prefer Not To Answer*	N/A	N/A	N/A

In 2022, Twitter/X, in a partnership with ESPN, released findings on their internal survey, "#GamblingTwitter."[211] The #GamblingTwitter Study found that 62% of Twitter bettors place wagers weekly and spend 15% more on bets annually than bettors on other social media platforms.[212] Further, 72% of bettors check Twitter to follow the status of their live bets and 65% said they are more motivated to place a bet on a big event that everyone is talking about on social media.[213] This data suggests that Twitter influence is strongly correlated with gambling decisions and that the platform can be further used as a tool for monitoring gaming activities.[214] While there are few studies that analyze social media activities of gamers in New Jersey, a study conducted at the University of Bristol in England found that there is "a high volume of gambling ads on social media" in the United States, averaging to 237 per day.[215] Of the sample, 81% of the ads were organic,[216] with 52% of those focused on shareable content, with no reference to the actual product.[217] This shift towards more engaging content marketing may be misleading, especially to younger audiences.[218] This sample consisted of 1,353 organic ads which generated over 1.1 million likes, 60,447 shares, and 29 million views in one week.[219] Moreover, only 25% of these

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[211] David Purdum, *The rise of Gambling Twitter: Social media and the popularity of sports betting, ESPN.COM* (Sept. 7, 2022), https://www.espn.com/chalk/story/_/id/34539260/the-rise-gambling-twitter-new-social-media-data-shows-exploding-popularity-sports-betting.

[212] *Ibid.*

[213] *Ibid.*

[214] *Sofis & Slade, supra note 1.*

[215] RAFFAELLO ROSSI, JAMIE WHEATON, AGNES NAIRN, SAEID MORADIPOUR, & EDOARDO TOZZI, BETTING ON SOCIAL MEDIA: A STUDY OF THE VOLUME, CONTENT, AND REGULATORY COMPLIANCE OF SPORTS BETTING ADVERTISING IN THE U.S. (2024), available at https://bristol.ac.uk/media-library/sites/business-school/documents/Bristol_SM_Research_Report.pdf.

[216] Organic advertising is an umbrella term that refers to a marketing strategy that promotes a brand or product through natural, unpaid methods, like content creation, social media engagement, and search engine optimization (SEO), rather than relying on paid advertising or promotions.

[217] Id. at 4, 10, 18.

[218] Id. at 4.

[219] Id. at 4, 10-12.

organic ads adhered to the AGA codes requiring the inclusion of safer gaming messages and help hotlines.[220]

As access to gambling has expanded, psychologists and other experts have become concerned that more people will develop gambling problems.[221] While it is still too soon to know what the long-term effects will be, evidence is growing to suggest that young people, especially boys and men, are among those particularly vulnerable to gambling addiction—the same demographic most often participating in the newest forms of gaming: sports wagering and video game-based gambling.[222]

People in their early 20s are the fastest-growing group of gamblers, according to recent research.[223] In fact, as a pipeline to that activity, nearly two-thirds of adolescents, ages 12 to 18, said they had gambled or played gambling-like games in the previous year, according to a 2018 Canadian survey of more than 38,000 youth funded by the government of British Columbia.[224]

Adolescents are particularly vulnerable to the risks of gambling due to their ongoing cognitive and emotional development, which makes them more susceptible to impulsive decision making and risk-taking behaviors.[225] Early exposure to gambling and gambling-like activities has been linked to an increased likelihood of developing PG behaviors later in

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[220] *Id. at 4, 11, 13, 18.*
[221] *Emily Sohn, How gambling affects the brain and who is most vulnerable to addiction, MONITOR ON PSYCHOL., July 1, 2023, at 64, available at https://www.apa.org/monitor/2023/07/how-gambling-affects-the-brain.*
[222] *Ibid.*
[223] *Ibid.*
[224] *Ibid. (citing ANNIE SMITH, COLLEEN POON, GARRETT JONES, & ZAINAB THAWER, UNDERSTANDING THE ODDS: GAMBLING AMONG BC YOUTH AGED 12-18 (2021), available at https://mcs.bc.ca/pdf/understanding_the_odds.pdf).*
[225] *Lynn Blinn-Pike, Sheri Lokken Worthy, & Jeffrey N Jonkman, Adolescent Gambling: A Review of an Emerging Field of Research, 47 J. ADOLESCENT HEALTH 223 – 236 (2010), available at https://www.jahonline.org/article/S1054-139X(10)00229-6/pdf.*

life.[226] Furthermore, the accessibility of unregulated online gambling platforms, which are often coupled with insufficient KYC measures, further exacerbates the risk of underage participation in gambling activities.

The consequences of youth gambling can be severe, ranging from financial difficulties and academic decline to mental health issues such as anxiety and depression.[227] Many adolescents engage in gambling without fully understanding the risks involved, often perceiving it as a harmless form of entertainment rather than a potentially addictive behavior.[228] The normalization of gambling through advertising, social media, and peer influence further reinforces this perception, increasing the likelihood of problematic gambling patterns emerging at an early age.[229]

Moreover, a series of high-profile lawsuits[230] filed in New Jersey State courts and federal district courts have raised serious allegations regarding unfair practices, deficiencies in RG measures, and consumer harm within the gaming industry. These lawsuits collectively highlight the gaming industry's need for RG and PG responsibilities, particularly in view of the alleged practices of targeting problem gamblers through VIP programs and offering incentives that encourage excessive spending. These pending matters allege that operators target vulnerable populations while failing to prevent PG and uphold consumer protection

[226] Jeffrey Derevensky & Rina Gupta, Rina, Adolescents with gambling problems: A synopsis of our current knowledge, 10 J. GAMBLING ISSUES (2004), available at https://cdspress.ca/wp-content/uploads/2022/07/Jeffrey-L.-Derevensky-Rina-Gupta-.pdf.

[227] Rachel A. Volberg, Rina Gupta, Mark D Griffiths, Daniel T Olason, & Paul Delfabbro, An international perspective on youth gambling prevalence studies, 22 INT'L J. ADOLESCENT MED. HEALTH 3 (2010), available at https://youthgambling.mcgill.ca/en/PDF/Publications/2010/ijamh.2010.22.1.3.pdf.

[228] Carmen Messerlian, Andrea M Byrne, & Jeffrey Derevensky, Gambling, youth and the internet: should we be concerned?, 13 CAN. CHILD & ADOLESCENT PSYCHIATRY REV. 3 (2004), available at https://www.researchgate.net/publication/23494045_Gambling_Youth_and_the_Internet_Should_We_Be_Concerned.

[229] Matthew Browne, Nerilee Hing, Alex M T Russell, Anna Thomas, & Rebecca Jenkinson, (The impact of exposure to wagering advertisements and inducements on intended and actual betting expenditure: An ecological momentary assessment study, 8 J. BEHAV. ADDICTIONS 146 (2019), available at https://www.researchgate.net/publication/332642766_The_impact_of_exposure_to_wagering_advertisements_and_inducements_on_intended_and_actual_betting_expenditure_An_ecological_momentary_assessment_study.

[230] See D'Alessandro v. DraftKings, No. ESX-L-008442-24 (filed Dec. 5, 2024); Youngs v. DraftKings Inc., No. 2:25-cv-00179 (D.N.J. filed Jan. 7, 2025); Patel v. FanDuel, Inc., No. 1:24-cv-07402 (S.D.N.Y. filed Oct. 1, 2024).

laws. They also underscore the far-reaching consequences of gambling disorders, emphasizing the importance of rigorous industry standards and proactive RG measures.

Education, Prevention and Treatment for Problem Gaming

DMHAS serves as the Single State Agency for Substance Use and the State Mental Health Authority as designated by the United States Substance Abuse and Mental Health Services Administration. DMHAS oversees New Jersey's adult system of community-based behavioral health services. DMHAS oversees the provision of a broad range of community mental health and addiction services throughout the State, and contracts with various entities to provide and support community-based prevention, early intervention, treatment, education and recovery services, including for at-risk and special populations. DMHAS is the recipient of funds made available statutorily for prevention, education, and treatment programs for compulsive gambling and is responsible for administering those funds for these programs.

Gambling disorder is defined in the fifth edition of the Diagnostic and Statistical Manual ("DSM-5") as a persistent and recurrent pattern of gambling that causes functional problems or distress for the affected individual.[231] Gambling disorder is classified as an addictive disorder in the DSM-5, along with alcohol and other substance use disorders ("SUD"), which is a change from prior editions of the DSM that classified gambling disorder as a disorder of impulse control. This reclassification reflects current understanding that gambling has the ability to directly activate the brain's reward systems, which reinforce behaviors and establish memories.[232]

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[231] *DIAGNOSTIC AND STATISTICAL MANUAL OF MENTAL DISORDERS (Am. Psychiatric Ass'n ed., 5th ed. Text Revision 2022) [hereinafter DSM-5].*
[232] *Id. at 543.*

The lifetime prevalence of gambling disorder is estimated to be about 0.5% in the United States and between 0.5 and 2% in other countries such as the United Kingdom and Canada.[233] According to the 2023 Prevalence Study,[234] the prevalence rate of high-risk PG in New Jersey, analogous to gambling disorder, remains relatively stable at about 6%,[235] which is three times the national average in population samples. Gambling disorder is a common and problematic behavioral disorder associated with depression, substance use, domestic violence, bankruptcy, and high suicide rates.[236]

Likewise, gaming disorder is defined in the 11th Revision of the International Classification of Diseases ("ICD-11") as a pattern of gaming behavior ("digital-gaming" or "video-gaming") characterized by impaired control over gaming, increasing priority given to gaming over other activities to the extent that gaming takes precedence over other interests and daily activities, and continuation or escalation of gaming despite the occurrence of negative consequences. Studies suggest that gaming disorder affects only a small proportion of people who engage in digital- or video-gaming activities.[237] Gaming is constantly being digitized and diversified into a multitude of online games at the same time that video games increasingly contain themes and elements from more traditional gambling activities.[238]

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[233] *Leanne Quigley, Gambling Disorder and Stigma: Opportunities for Treatment and Prevention, 9 CURRENT ADDICTION REP. 410 (2022), available at file:///C:/Users/ellenf/Downloads/s40429-022-00437-4.pdf.*

[234] *2023 PREVALENCE STUDY, supra note 2.*

[235] *New Jersey's methodology for assessing problem gambling prevalence is notable for its comprehensive approach which captures a broader spectrum of gambling behaviors compared to some other states. This thoroughness may contribute to the higher reported rates of problem gambling in the state.*

[236] *Diana Moreira, Andreia Azeredo, & Paulo Dias, Risk Factors for Gambling Disorder: A Systemic Review, 39 J. GAMBLING STUD. 483 (2023), available at file:///C:/Users/ellenf/Downloads/s10899-023-10195-1%20(1).pdf.*

[237] *World Health Organization – Addictive Behaviours: Gaming disorder, https://www.who.int/news-room/questions-and-answers/item/addictive-behaviours-gaming-disorder#:~:text=Gaming%20disorder%20is%20defined%20in,the%20extent%20that%20gaming%20takes (last visited Mar. 20, 2025).*

[238] *Helge Molde, Bjorn Holmøy, Aleksander Garvik Merkesdal, Torbjorn Torsheim, Rune Aune Mentzoni , Daniel Hanns, Dominic Sagoe, & Stale Pallesen, Are Video Games a Gateway to Gambling? A Longitudinal Study Based on a Representative Norwegian Sample, 35 J. GAMBLING STUD. 545 (2019), available at*

Problem gamblers and problem gamers were found to have similar demographic features as well as high rates of mental health problems and impulsivity.[239] Some differences did exist, with problem video gamers tending to be younger, somewhat less impulsive, less likely to have a SUD, and more likely to have depression.[240]

DMHAS Programs and Service

With funding directed to DHS, DMHAS provides a range of prevention, education and treatment services related to PG accomplished by contracting with third-party vendors, one of which is CCGNJ. DMHAS contracts with CCGNJ to provide a broad range of education and prevention services to youth, young adults, adults, and the general public. This contract provides for a wide range of services, including but not limited to:

- Broad public awareness through the dissemination of information (billboards, radio public service announcements, social media, 800-GAMBLER website) to enhance access and reduce barriers to treatment.

- Education and outreach, including presentations (30 minutes to 2 hours in length) and training (up to all day in length), as well as an annual conference to diverse at-risk populations, individuals, groups, and communities, professionals, laypeople, and the faith-based community to enhance the breadth, reach, and sustainability of gambling awareness and messages.

- Funding for CCGNJ to maintain the 1-800-GAMBLER phone line in New Jersey (including talk, text, and chat via their website of the same name) to provide referral resources to the problem gambler and their families and treatment via a network of private clinicians.

- Program and policy development through community engagement activities, like meetings with local, county and state government entities, and to provide varying levels of information and resources to develop, refine, or implement programs related to PG.

- Treatment, treatment engagement, and care coordination which includes maintaining and expanding a network of gambling clinicians. Treatment expansion messages are targeted to geographic areas where gaps have been observed to inform individuals in need that expanded treatment opportunities are available. In the CCGNJ operated

https://www.researchgate.net/publication/325577847_Are_Video_Games_a_Gateway_to_Gambling_A_Longitudinal_Study_Based_on_a_Representative_Norwegian_Sample.

[239] *James Sanders & Robert Williams, The Relationship Between Video Gaming, Gambling, and Problematic Levels of Video Gaming and Gambling, 35 J. GAMBLING STUD. 559 (2019).*

[240] *Ibid.*

network, licensed clinicians must be International Certified Gambling Counselors ("ICGC") or meet certain training, supervisory requirements resulting in ICGC.

With the aforementioned funding, DMHAS developed the Substance Use and Mental Health Gambling Disorder Clinician Services Initiative ("Initiative"). DMHAS conducted a landscape analysis of other states' services to inform the Initiative, which offers screening and assessment for PG, as well as treatment, family engagement, and case management. Clinicians are also required to become ICGC. The ICGC was established by the International Gambling Counselor Certification Board ("IGCCB"), a non-governmental entity that offers training and certification in treating PG.[241] The Certification standards established by the IGCCB represent the current best practices in the field of disordered gambling and gaming treatment.[242] The certifications offered by IGCCB are also independent of any professional license issued by a professional board housed in DCA. CCGNJ offers a 30-hour asynchronous Counselor Training for Disordered Gambling program that meets the requirements of the IGCCB and is free for New Jersey residents. To receive an IGDC, which is recognized as the gold standard for counselors to treat gambling disorders, a provider must complete a set number of gambling-specific training hours, complete gambling-specific clinical experience, and pass the Certification Examination for Gambling Counselors.[243] Notably, once a counselor completes 30 hours of IPGGC training or becomes IGCCB certified, they can be integrated into the 800-GAMBLER hotline network.[244] Regular participation in CCGNJ's clinical supervision meetings is also a requirement for network inclusion. In addition, IGCCB provides training for individuals in gambling disorder recovery

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[241] *IGCCB, https://www.igccb.org/about/ (last visited Jan. 16, 2025).*
[242] *IPGGC, https://ipggc.org/ (last visited Mar. 20, 2025).*
[243] *International Gaming Disorder Certification, https://www.igccb.org/igdc-certification/ (last visited Jan. 16, 2025).*
[244] *CCGNJ, https://800gambler.org/network-of-gambling-treatment-providers-expansion/ (last visited Jan. 16, 2025).*

to become Peer Support and Recovery Coaches.[245] Even with an IGCCB certification, a gambling treatment provider must hold a valid license issued by the appropriate licensing board.

If the clinician is not already certified, the clinicians are required to complete a 30-hour training provided by the Rutgers School of Social Work ("RSSW"). This training, along with technical assistance, is supported by DMHAS. In addition to offering treatment, Gambling Clinician programs are required to incorporate a knowledge and appreciation of gambling disorder as a significant issue to be addressed during treatment throughout the agency. In addition, these programs must:

- Implement an evidence-based gambling screening for all admissions to care utilizing the Brief Psychosocial Gambling Screen;
- Provide a full gambling assessment for individuals identified as at risk for a gambling disorder;
- Include gambling-specific treatment in clients' treatment plan/plan of care when a gambling disorder has been identified;
- Provide psycho-education on gambling to all participants in the treatment program;
- Provide treatment of gambling disorders through individual, group, family therapy for those with an identified gambling disorder or at risk of a gambling disorder; and
- Provide recovery support activities such as Gamblers Anonymous meetings, relaxation techniques, stress reduction, finance information, budgeting support, Self Management and Recovery Training (aka "SMART Recovery"), and peer recovery services.

This broad approach intentionally raises awareness about gambling disorders within the treatment organization, universally screens, and provides psycho-education for gambling disorders.

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[245] *International Gambling Recovery Specialist Certification, https://www.igccb.org/igrs-certification/ (last visited Jan. 17, 2025).*

To be eligible for the Initiative, a provider must be licensed by the NJ Department of Health ("NJ DOH"), Certificate of Need and Licensing ("CN&L") as a SUD or a mental health treatment provider. The programs must meet Outpatient Mental Health Standards[246] or Standards for Licensure or Outpatient SUD.[247] However, there are limitations for these licensed facilities to treat gambling disorder without a co-occurring mental health or SUD condition. Individuals with a gambling disorder, and no co-occurring mental health condition, cannot be treated in a licensed outpatient mental health facility due to the DSM-5 classification of gambling disorder as an addictive disorder and not a mental health condition. Moreover, individuals with a gambling disorder, and no co-occurring SUD, cannot be treated in an Outpatient SUD licensed facility, as the standards apply to treatment of alcohol and drugs.[248]

DHS has recently issued an advanced notice of rule promulgation for outpatient behavioral health program service standards that would allow for the treatment of gambling disorders under these program standards without the requirement of having a co-occurring disorder.[249] NJ DOH, CN&L is responsible for licensure of facilities and programs and will issue companion regulations that will address the licensure of behavioral health services, including programming for gambling addiction.

DMHAS holds regular meetings with the providers of the Initiative to solicit feedback on needs and recommendations. This stakeholder engagement resulted in providers identifying training needs related to diagnosing, engagement and treatment planning and

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[246] *N.J.A.C. 10:37E-1.1 to -2.7.*
[247] *N.J.A.C. 10:161B-1.1 to -25.2.*
[248] *Id. at -1.1(a).*
[249] *DHS Public Notices – Advance Notice of Proposed Rulemaking: N.J.A.C. 10:36, Behavioral Health Program Service Standards,* https://www.nj.gov/humanservices/providers/grants/public/publicnoticefiles/NJAC%2010_36_Advance%20Notice.2-4-25.docx *(last visited Mar. 20, 2025).*

ongoing technical assistance as critical to providing effective treatment and supportive services to those with a gambling disorder. Additionally, DMHAS has an internal workgroup dedicated to reviewing emerging, best, and promising practices for the prevention and treatment of gambling disorders. DMHAS will consider competitive procurements for the full spectrum of services needed to prevent and address PG.

In working with the RSSW Center for Gambling Studies, DMHAS learned of various screening and assessment tools. With this information, DMHAS added a mandatory gambling screening tool, the Brief Biosocial Gambling Screen, in DMHAS's mandatory reporting database, NJ Substance Abuse Monitoring System ("NJSAMS"), used by all NJ licensed SUD treatment agencies. NJ licensed providers are required to enter information about individuals served by their agencies. If there is an indication of a gambling disorder, individuals are referred to treatment. Data collected here is used by DMHAS staff to track trends, identify gaps in services, and inform planning. As an example, information collected from NJSAMS informed the development of the Initiative to include case management and recovery support services.

In 2022, DMHAS expanded gambling treatment by awarding contracts to ten sites in the Initiative. In 2023, DMHAS added five more sites, and in 2025, six additional sites were added, bringing the total to twenty-one sites. Site expansion increases the geographic coverage of these trained clinicians. Services included in these programs are screening and assessment, dynamics of family counseling specific to Gambling Disorder, didactic lectures, group and individual therapy sessions, and case management services. Case management services include referrals and connections to services critical to an individual's recovery such as financial assistance services and legal services. Expansion of the Initiative would

expand the number of trained and certified clinicians and thereby expand access to effective treatment.

As previously mentioned, DMHAS provides funding to CCGNJ to provide training, prevention, and awareness services throughout the state, and make trainings and presentations widely available to reach underserved and at-risk populations. Additionally, these services are designed to reach New Jerseyans of diverse backgrounds, youth and young adults, deaf and hard of hearing, BIPOC communities, faith-based communities, LGBTQ+, Tribal communities, and more.

Standards for Individual Clinicians

DCA houses professional boards that license New Jersey's health care providers. Treatment of PG falls within the scope of practice of many of DCA's licensees, such as physicians, psychologists, clinical social workers, and professional counselors. Such licensees can treat PG without any additional credentialing or training. They are subject to the rules of, and are accountable to, their licensing boards.

The ADC Committee was established as a committee of the State Board of Marriage and Family Examiners.[250] The ADC Committee licenses alcohol and drug counselors and regulates their practice. Although licensees of the ADC Committee are mental health professionals with specialized training in addiction, the treatment of PG (without a co-occurring alcohol or drug disorder) is not within the scope of practice of alcohol and drug counselors.[251]

The ADC Committee has expressed interest in bringing PG treatment within the scope of practice of its licensees. Currently, treating PG is not within the scope of practice of ADC

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[250] *N.J.S.A. 45:2D-1 et seq.*
[251] *See N.J.S.A. 45:2D-3; N.J.A.C. 13:34C-1.9(b)5ii.*

licensees, even those with an IGCCB certification. Birches Health—a mental health service provider—suggested to the Task Force that there be additional state regulation of PG treatment.

Review of Other Jurisdictions' Gaming Resources

a. Other States

There is tremendous variation in how states handle the regulation of gambling treatment. Some states rely on private national or international certification bodies, while others have state-specific certification boards. Some states issue licenses or endorsements. Some states issue that authority only to a mental health professional already holding a license, while others allow those with an associate degree or high school education to obtain a state endorsement (with a hefty number of hours or years of supervised experience).

State	Agency	Type of Credential Issued	Education	Eligibility	Required Training	Gambling-Specific Experience
CA[252]	Office of Problem Gambling, CA Dept. of Public Health	Authorized CAL-GETS provider in funded programs		Only clinical licensees: physicians, psychologists, MFT, LCSW, Professional Clinical Counselors	3 days, 4 hours each day/10 hours Continuing Education	
MA[253]	Office of Problem Gambling Services/Dept of Public Health M-TAC	Problem Gambling Specialist ("PGS") Certificate	3 PGS Levels - MAPGS -HS & Associate, PGS I - BA, MA, Doctorate, PGSII - MA, Doctorate and license	For PGSII - Mental Health Counselor, Alcohol and Drug Counselor, Clinical Social Worker	30 hours	For PGS - 2.5-3 years, PGSI - 2 yrs., PGSII - 1 year addiction related supervised experience

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[252] *California Department of Health, Office of PG, CalGETS, https://www.cdph.ca.gov/Programs/OPG/Pages/calgets.aspx (last visited Feb. 19, 2025).*
[253] *Massachusetts Technical Assistance Center for PG Treatment, Massachusetts PGS Certificate, https://www.m-tac.org/mapgs-certification/ (last visited Feb. 19, 2025);Massachusetts Technical Assistance Center for PG Treatment,*

State	Agency	Type of Credential Issued	Education	Eligibility	Required Training	Gambling-Specific Experience
NV[254]	Board of Examiners for Alcohol, Drug and Gambling Counselors	Compulsive Gambling Addiction Counselor I & II	Associate, BA, MA, Doctorate	Clinical social workers, MFT, Psychologist, Psychiatric Nurse	60 hours	Assoc. 5000 hrs, BA 4000, MA 2000, MH Prof - 1000
NY[255]	OASAS - Office of Addiction Services and Support w/ Cert. Board	Specialty designation required in funded programs[256]	HS, Associate, BA, MA	CASAC, CPP, CPS	60 hours	HS 6000 hours, Assoc, 5000, BA 4000, MA 2000
OH[257]	Chemical Dependency Professional Board	Gambling Endorsement	3 levels - Independent, I & II	Chemical Dependency Counselors only (LCDC II, LCDC III, LICDC, or LICDC-CS)	30 hours	100 hours of gambling-specific supervised experience within 2 years of receiving preliminary endorsement
PA[258]	Dept. of Drug and Alcohol Programs	Certificate of Competency in Problem Gambling Counseling from private cert. board in funded programs		CAAC, CADC, CAADC, CCIP	30 hours	

Massachusetts PG Specialist (MA PGS) Certification Tracks & Requirements, available at New-MA-PGS-Explanation-PDF.pdf.

[254] *Nevada State Board of Examiners for Alcohol, Drug and Gambling Counselors, Certified PG Counselor, https://alcohol.nv.gov/Licensure/GC/xCPGC/ (last visited Feb. 19, 2025).*

[255] *New York State Office of Addiction Services and Supports, Gambling Specialty Designation (GSD), https://oasas.ny.gov/credentialing/gambling-specialty-designation-gsd (last visited Feb. 19, 2025); see also NYCRR, supra note 174, tit. 14, § 853; New York State Office of Addiction Services and Supports, Summary of Updates to Part 853 Credentialing of Addictions Professionals Regulations https://oasas.ny.gov/system/files/documents/2024/01/part_853_updates.pdf (last visited Feb. 20, 2025).*

[256] *In addition to the PG Specialty Designation for a CASAC, CPP or CPS, New York offers an application to become a Credentialed Problem Gambling Counselor (CPGC), which authorizes a counselor to only treat individuals with co-occurring or primary PG disorders. See 14 NYCRR, supra note 174, tit. 14, § 857; PG Designation (Part 857), https://oasas.ny.gov/problem-gambling-designation-part-857 (last visited Feb. 20, 2025).*

[257] *Ohio Chemical Dependency Professionals Board, Endorsements, https://ocdp.ohio.gov/already-licensed/Endorsement (last visited Feb. 19, 2025).*

[258] *Pennsylvania Department of Drug and Alcohol Programs, Apply to be a Problem Gambling Treatment Provider, https://www.pa.gov/services/ddap/apply-to-be-a-problem-gambling-treatment-provider.html#accordion-0baa8fb1d7-item-b88ac35d6a (last visited Feb. 19, 2025).*

b. Foreign Jurisdictions

While models in foreign jurisdictions are not particularly transferable due to differences in the United States health care system, a recent study from the United Kingdom offers some insights on enhancing the accessibility of gambling treatment.[259] The report recommends measures to ensure that front-line health care professionals screen patients to determine if gambling disorders are impacting patient well-being so that those professionals are better informed about referral pathways to assist patients in finding those with expertise in treating gambling disorders. In addition, the report notes current disparities in qualification standards, intervention techniques and aftercare approaches (peer support by those with lived experience). Other jurisdictions, including New Zealand[260] and Australia,[261] have also focused on "skill building" for health practitioners with respect to the use of screening mechanisms and referral pathways.

Funding to Prevent and Treat Problem Gaming
Existing Funding Sources
Casino, Internet Gaming, and Sports Wagering

For FY2022 through 2024, New Jersey casino gaming interests provided almost $4 million annually in RG and PG funding. The only other gaming activity contributing to such funding was horse racing in the annual amount of $200,000, as set forth above. No other form of gaming conducted in New Jersey is statutorily required to contribute to RG and PG funding beyond the mandated contributions described above. The CC Act and the SW Act,

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[259] UNITED KINGDOM OFFICE FOR HEALTH IMPROVEMENT & DISPARITIES, GAMBLING TREATMENT: ASSESSING THE CURRENT SYSTEM IN ENGLAND (Mar. 7, 2024), *available at* https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england.

[260] J. Hannafin, Problem Gambling Treatment in New Zealand, in RICHARD TAN & SUSAN WURTZBURG, PROBLEM GAMBLING: A NEW ZEALAND PERSPECTIVE ON TREATMENT (Richard Tan ed., Steele Roberts) (2004).

[261] Victoria Manning, Nicki A. Dowling, Simone N. Rodda, Ali Cheetham, & Dan I. Lubman, An Examination of Clinician Responses to Problem Gambling in Community Mental Health Services, 9 J. CLINICAL MED. 2075 (2020), *available at* https://pmc.ncbi.nlm.nih.gov/articles/PMC7408856/pdf/jcm-09-02075.pdf.

and the regulations promulgated thereunder, authorize multiple sources from which DGE is able to provide funding for RG initiatives and to address PG, visualized and discussed in detail below.

Source	Statute or Regulation	FY22	FY23	FY24	FY25 Projected
Internet Gaming	*N.J.S.A.5:12-95.29*	$2,250,000	$2,250,000	$2,250,000	$2,250,000
Sportsbook	*N.J.A.C. 13:69A-9.4c*	$1,200,000	$1,200,000	$1,200,000	$1,200,000[262]
Fines & Penalties	*N.J.S.A. 5:12-145*	$382,600	$214,000	$353,682	$355,000
Forfeited Winnings	*N.J.S.A. 5:12-71.3*	$129,779	$75,488	$251,944	$255,000
TOTAL		**$3,962,379**	**$3,739,488**	**$4,055,626**	**$4,060,000**

On an annual basis, DGE receives from each casino licensee with an Internet gaming permit the sum of $250,000.[263] The sum is deposited through Treasury into the State General Fund for appropriation by the Legislature to DHS, to be allocated as follows: $140,000 to CCGNJ and $110,000 to be used for compulsive gambling treatment programs in New Jersey through DMHAS. In Fiscal Year 2024, DGE received $2,250,000 for RG funding pursuant to Section 95.29 of the CC Act, and the same amount is projected in Fiscal Year 2025.

Further, DGE levies penalties and fines against licensees, a portion of which funds RG and PG. Pursuant to *N.J.S.A.* 5:12-145, the first $600,000 in penalties collected each year shall be paid into the State General Fund for appropriation by the Legislature to DHS, to be allocated as follows: $500,000 to CCGNJ, and $100,000 to be used for compulsive

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[262] *The projected $1,200,000 in FY25 comprises the $900,000 paid into the State General Fund and the $300,000 held by DGE in the Casino Control Fund ("CCF") to address the Statewide RG Media Campaign undertaken jointly with OAG and related responsible gaming matters. Any responsible gaming funds remaining in the CCF will be added to those sent directly to the State General Fund.*
[263] *N.J.S.A. 5:12-95.29.*

gambling treatment programs in New Jersey through DMHAS. In Fiscal Year 2024, DGE's RG funding from penalties and fines amounted to $353,682; the sum for Fiscal Year 2025 currently is projected to be a minimum of $355,000. When DGE collects less than $600,000 in penalties, as occurred in Fiscal Year 2024 and is projected to occur in Fiscal Year 2025, DHS determines the allocation of funds between CCGNJ and eligible treatment programs.[264]

Moreover, DGE recovers through forfeiture any money or thing of value obtained by, or owed to, an excluded or self-excluded person, following notice to the individual and the opportunity to be heard.[265] Of the first $99,999.99 in forfeited amounts, one-half is deposited into the State General Fund for appropriation by the Legislature to DHS for compulsive gambling treatment and prevention programs through DMHAS, and the other half is deposited into the Casino Revenue Fund ("CRF"). Of forfeited amounts of $100,000 or more, $50,000 is deposited into the State General Fund for appropriation by the Legislature to DHS for compulsive gambling treatment and prevention programs through DMHAS, and the remainder is deposited into the CRF. In Fiscal Year 2024, RG receipts from forfeited amounts totaled $251,944. For Fiscal Year 2025, DGE projects that RG receipts from forfeited amounts will total $255,000.

In addition, DGE assesses against each casino and racetrack licensee with a sports pool a fee that is utilized to fund DGE's annual reports to the Governor's Office regarding the impact of Internet gaming and sports wagering on problem gamblers and gambling addiction in New Jersey under *N.J.S.A.* 5:12-95.18 and *N.J.S.A.* 5:12A-11a, respectively, as well as the aforementioned Rutgers University prevalence reports.

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[264] *Ibid.*
[265] *N.J.S.A. 5:12-71.3.*

Finally, DGE is authorized to charge each sports wagering licensee a reasonable license renewal fee that is based upon the expense associated with renewal, enforcement, and gambling addiction programs.[266] DGE regulations specify that the sports wagering renewal fee shall be at least $100,000, "with the final cost to be determined by the Director after consideration of the costs for renewal, enforcement, and gambling addiction."[267] DGE has established a sports wagering renewal fee of $125,000.

The Director further has discretion as to the allocation of sports wagering renewal fees, including the percentage of the fee deposited into the State General Fund for appropriation by the Legislature to DHS for the prevention, education, and treatment of compulsive gambling.[268] Through Fiscal Year 2024, sports wagering renewal fees were allocated per operator as follows: $25,000 to the Casino Control Fund ("CCF") for regulatory costs associated with licensure and enforcement, and $100,000 to the State General Fund for appropriation to DHS for gambling addiction programs. Thus, through Fiscal Year 2024, RG receipts from sports wagering renewal fees totaled $1,200,000 annually. In Fiscal Year 2025, to accommodate DGE's contribution toward the Statewide RG Media Campaign undertaken jointly with OAG, discussed more fully below, DGE has reallocated sports wagering renewal fees as follows: currently $50,000 to the CCF, with $25,000 of that amount for RG purposes, and $75,000 to the State General Fund, for RG purposes. Any funds remaining for the RG Media Campaign or other RG efforts will be deposited into the State General Fund for RG purposes. Accordingly, it is projected that RG receipts for all RG uses from sports wagering renewal fees will be at least $1,100,000 in Fiscal Year 2025 in that Freehold Sportsbook, a former sportsbook operator, has closed.

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[266] N.J.S.A. 5:12A-11a.
[267] N.J.A.C. 13:69A-9.4(c)6.
[268] Ibid.

Horseracing

When the Off-Track and Account Wagering Act was passed, a provision was included in that legislation requiring the payment of an annual assessment of $200,000 in the aggregate to address compulsive gambling issues.[269] This obligation applies only to permitted racetracks.[270] NJRC has established a formula to apportion the assessment to each permit-holder.[271] The funds must be used to address compulsive gambling issues related to OTW facilities and account wagering.[272]

The annual assessment required by *N.J.S.A.* 5:5-159 and any forfeitures collected under *N.J.S.A.* 5:5-65.2 are deposited into the State General Fund for appropriation by the Legislature to the Department of Human Services for compulsive gambling treatment and prevention programs.[273]

Unmet Needs

In connection with the RG funding provided by DGE through the casino gaming industry, the Office of Legislative Services ("OLS") conducted an audit that covered the period July 1, 2018 through June 30, 2021. In its audit report, OLS found that from Fiscal Year 2019 through 2021, although collected by DGE, forwarded to Treasury and transferred to DMHAS, "[m]ore than half of gambling addiction treatment funding was not disbursed."[274]

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[269] *N.J.S.A. 5:5-159.*
[270] *Ibid.*
[271] *N.J.S.A. 5:5-159.*
[272] *Ibid.*
[273] *N.J.S.A. 5:5-159 actually requires the annual assessment to be appropriated to the "Department of Health and Senior Services"; however, no state department is currently operating under that name. The Department of Health and Senior Services was reorganized and renamed the Department of Health. See L. 2012, c. 17. Services for senior citizens were transferred to the Department of Human Services. Ibid.*

[274] *NEW JERSEY LEGISLATURE, OFFICE OF LEGISLATIVE SERVICES, OFFICE OF THE STATE AUDITOR, REPORT ON THE AUDIT OF THE DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF GAMING ENFORCEMENT 9(June 14, 2022), available at https://pub.njleg.state.nj.us/publications/auditor/2022/66010020%20Audit%20Report.pdf (last visited Jan. 16, 2025).*

During the audited period, DMHAS received $8.35 million in casino gaming fees from DGE by way of Treasury and disbursed $4 million to treat PG.[275] In Budget Fiscal Year 2020, $2.094 million was de-appropriated pursuant to P.L. 2020, Chapter 43, Section 2.[276] At the end of Budget Fiscal Year 2021, approximately $2.95 million remained in the appropriation unit and was carried forward.[277] The below chart shows Internet and sports wagering fees collected by DGE, forwarded to Treasury and transferred to DMHAS, and expenditures by DMHAS for Fiscal Years 2019 through 2021.[278]

	FY 2019	FY 2020	FY 2021	Total
Fees Collected	$2,300,000	$2,850,000	$3,200,000	$8,350,000
Expenditures	(1,300,833)	(1,330,000)	(1,330,000)	(3,960,833)
Not Disbursed	$999,167	$1,520,000	$1,870,000	$4,389,167

At the end of Fiscal Year 2022, DMHAS had not expended, and had a surplus of, approximately $4.4 million in unutilized RG and PG funds paid by the casino gaming industry.

In Fiscal Years 2022 and 2023, DGE collected from the casino gaming industry and provided through Treasury $3.962 million and $3.739 million, respectively, in funding to DMHAS for RG and PG. It is noted that for those two years, DMHAS' operations had been transferred from DHS to NJ DOH and then returned to DHS. With additional casino gaming industry funding through penalties and fines, the following chart, prepared in November 2024 by DMHAS, shows appropriations to DMHAS for Budget Fiscal Years 2024 through 2027, including RG fees from DGE, in the amount of $3.45 million each year, funded by the casino gaming industry:

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[275] Id. at 9-10.
[276] Id. at 10.
[277] Ibid.
[278] Ibid.

NJ DHS DMHAS
Summary of Gambling Appropriation and Budget FY 2024 to FY 2027

Resources	FY24 Actual	FY25 Projection	FY26 Projection	FY27 Projection
State Appropriations (including penalties and fees)	683,000	683,000	683,000	683,000
Racing Fees	200,000	200,000	200,000	200,000
Responsible Gaming				
Sports Wagering Fees	1,200,000	1,200,000	1,200,000	1,200,000
Internet Gaming Fees	2,250,000	2,250,000	2,250,000	2,250,000
Total Resources	**4,333,000**	**4,333,000**	**4,333,000**	**4,333,000**
Carryforward from Prior Year	4,323,318	4,259,318	3,634,235	3,005,052
Total Gambling Resources	**8,656,318**	**8,592,318**	**7,967,235**	**7,338,052**
Spending				
Council of Compulsive Gambling NJ	$2,450,883	$2,450,883	$2,450,883	$2,450,883
Treatment Services (Gambling Clinicians 21 sites)	$1,259,489	2,400,000	2,400,000	2,400,000
Contract	6,777	100,000	102,450	102,450
Educational Books	4,080	7,200	8,850	8,950
Contract Recoveries	(314,498)	-	-	-
Total Spending	**$3,406,397**	**4,958,083**	**4,962,183**	**4,962,283**
Encumbered	**$990,604**	**-**	**-**	**-**
Surplus	**4,259,318**	**3,634,235**	**3,005,052**	**2,375,769**

Although nearly half its annual appropriations continue to be unutilized and carried forward as surplus, DMHAS projects increased spending beginning in Fiscal Year 2025 in connection with treatment services, clinician training, and educational materials.

Strategies for Using Existing Funding and Future Funding

Currently, DMHAS has allocated the incoming appropriations to gambling prevention, training, awareness, and treatment. A small percentage of the carryover funding from

previous years is also to be utilized to support ongoing treatment services, which DMHAS expects to exhaust in the next several years.

In March 2024, DGE and OAG launched the RG Media Campaign, jointly funded by DGE and OAG, with each contributing $150,000. The year-long public awareness campaign utilized strategic media placements timed around major sporting events to raise awareness about, and prevent, PG.[279] The goal of the RG Media Campaign was to motivate behavior change as measured by increased calls to DGE's self-exclusion hotline and increased visits to the RG page on DGE's website. Notably, the RG Media Campaign focused particularly on the populations most at risk for PG, as highlighted by the 2023 Prevalence Study.

DGE's share of the RG Media Campaign was funded by part of a $50,000 amount paid per sports wagering licensee pursuant to *N.J.S.A.* 5:12A-11a and allocated pursuant to *N.J.A.C.* 13:69A-9.4(c)6. Should the RG Media Campaign be extended or should a new public awareness campaign or other effort be launched in its stead, the current allocation of fees could continue or be modified as appropriate, with certain remaining available funds provided by DGE to Treasury for DHS, DMHAS.

Funds also could be used to pay for, and provide free access to, RG tools, including gambling website blockers and financial counseling services. However, the Task Force believes that the funding of RG recovery services would be especially effective, including cognitive behavioral therapy ("CBT") resources and provider training programs offered through the IPGGC.

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[279] *Press Release, State of New Jersey Department of Law and Public Safety, Office of the Attorney General, AG Platkin Announces Launch of Responsible Gaming Public Awareness Campaign (March 19, 2024),* https://www.njoag.gov/ag-platkin-announces-launch-of-responsible-gaming-public-awareness-campaign/; *New Jersey Launches Responsible Gambling Campaign During Problem Gambling Awareness Month,* YOGONET, *Mar. 25, 2024,* https://www.yogonet.com/international/news/2024/03/25/71405-new-jersey-launches-responsible-gambling-campaign-during-problem-gambling-awareness-month.

One potential use of funding is mobile mental health applications that offer structured therapy for PG utilizing CBT, mindfulness, journaling and habit-tracking, peer support, and emergency support. Importantly, CBT is recognized by the National Institutes of Health as the gold standard for psychotherapy,[280] and an especially effective treatment for gambling disorders,[281] as it teaches skills for behavior and thought modification.[282] Ohio uses one such application.[283] This type of application, in contrast to traditional treatments, may resonate strongly with online gamblers and particularly with certain demographics that are experiencing increases in PG. The Task Force recommends exploring the use of these tools for New Jersey residents.

DMHAS is also planning on piloting a Gambling Screening, in which the Certified Community Behavioral Health Center ("CCBHC") providers will assess and treat or provide a facilitated referral for these services, when indicated. The CCBHC is a "whole person" model that provides integrated mental health and SUD treatment as well as physical health screenings and care coordination. The addition of a gambling screening tool aligns with this holistic service model. This pilot will serve to inform further planning efforts.

DMHAS will integrate gambling prevention services and activities within the State's SUD Prevention Coalitions. DMHAS will work more closely with CCGNJ, as they meet regularly with the 17 NJ SUD Prevention Coalitions serving all 21 counties. CCGNJ presents on statewide problem-gambling prevention efforts, new developments regarding legalized

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[280] Daniel David, Ioana Cristea, & Stefan G. Hofmann, *Why Cognitive Behavioral Therapy Is the Current Gold Standard of Psychotherapy*, 9 FRONTIERS IN PSYCHIATRY (2018), available at https://pmc.ncbi.nlm.nih.gov/articles/PMC5797481/.

[281] Jose M. Menchon, Gemma Mestre-Bach, Trevor Steward, Fernando Fernandez-Aranda & Susana Jimenez-Murcia, *An Overview of Gambling Disorder: From Treatment Approaches to Risk Factors*, 7 F1000RESEARCH (2018), available at https://pmc.ncbi.nlm.nih.gov/articles/PMC5893944/#sec3.

[282] Mayumi Okuda, Ivan Balan, Nancy M. Petry, Maria Oquendo & Carlos Blanco, *Cognitive Behavioral Therapy for Pathological Gambling: Cultural Considerations*, 166.12 J. AM. PSYCHIATRY (2009), available at https://pmc.ncbi.nlm.nih.gov/articles/PMC2789341/.

[283] Time Out Ohio – RecoverMe, https://timeoutohio.com/recoverme/ (last visited Jan. 16, 2025).

gambling, and availability of treatment for disordered/ PG. NJ SUD Prevention Coalitions exist in all 21 NJ counites and works with community stakeholders to identify and create positive environmental changes that impact behavioral health and substance misuse issues in their specific region. Coalitions promote evidence-based prevention strategies such as education, public awareness, policy development, and enforcement, with a primary focus on building community resilience. Coalitions also provide training, technical assistance, and resources to individuals and organizations working in substance misuse prevention across NJ.

DMHAS is also exploring the feasibility of adding peers who have recovered from a gambling disorder to augment the services provided by the Gambling Disorder Clinician program. Peer services are a proven, evidence-based practice in the treatment of addictive disorders and can make a valuable addition to the available gambling services.

While family involvement is included in gambling treatment services, DMHAS recommends the expansion of family services. Family involvement is an important component of treatment but are often in need of services themselves. DMHAS has a few models of family services and a pilot of one or more of these models will be explored.

DMHAS will address the increased risk of gambling disorders through education and technical assistance opportunities for licensed providers. This will be accomplished by providing the following educational/learning opportunities:

- Add gambling disorder and suicide risk content to DMHAS's Annual Suicide Prevention Conference attended by nearly 1,000 individuals.
- Include gambling disorder and suicide risk content to the Zero Suicide Training and associated learning communities offered by DMHAS to NJ DOH, CN&L licensed treatment agencies. The Zero Suicide Approach is an evidence-informed approach for health and behavioral health organizations seeking to dramatically reduce suicides among those in their care by using the Zero Suicide framework.

Recommendations
Standardization & Streamlining
URGE Board

The Task Force believes New Jerseyans would benefit generally from the establishment of a New Jersey Unified Responsible Gaming Evaluation Board ("URGE Board") that is composed of the same members which comprise this Task Force. The purpose of the URGE Board would be to consider and study RG matters of mutual interest, make recommendations to the Legislature, determine regulatory reforms, and set RG policies that warrant funding, as recommended and discussed herein, and to evaluate the effectiveness of funding which is provided in part based on the latest research and input from clinicians and other stakeholders.

The URGE Board would assume a consultative role in ensuring RG funds spent by DMHAS address the prevention, early intervention, and treatment needs of the evolving gaming population. As part of its consultative role, the URGE Board may request an accounting of RG funding at least annually to review allocated RG funds. Such accounting shall make clear the manner in which the funds are expended, and the amount of the funds that are expended for compulsive gambling treatment programs. Regular reports from grantees should also be provided to the URGE Board with an accounting as to the use of funding and projected spending, along with established metrics outlined in the funding procurement opportunity. The Task Force recommends that the URGE Board consider and advise on the distribution of RG funds, drawing on its research background, subject-matter expertise, and knowledge of potential RG industry initiatives.

Annual Gaming Studies

In an effort to make the URGE Board more effective, the Task Force also recommends that an annual study covering all forms of gaming, including fantasy sports,[284] be conducted. Similar to the CC Act[285] and the SW Act,[286] which require casinos and sportsbooks to fund annual studies regarding the impact of Internet gambling and sports wagering, the Task Force recommends that legislative changes be made to require similar data for the remaining forms of gaming in the State. The Task Force believes having this data widely available will allow policymakers (like the URGE Board) to make efficient and effective decisions. This data can be converted into a dashboard which would allow for analysis of specific data points, helping to shape future policies and RG initiatives.

Central RG Website

Because gaming is regulated by multiple State agencies, the Task Force recommends creating a centralized resource for consumers with RG information across State agencies. A centralized, statewide RG website could serve as a cornerstone for accessibility and consistency, consolidating information on all gambling activities available in the State and offering comprehensive RG resources and tools. Brick-and-mortar locations could also post signs with QR codes linking users to this platform. This platform would include direct links to agency-specific RG pages, with reciprocal links from each agency's website back to the centralized resource. To enhance visibility and ease of navigation, a recognizable statewide RG logo should be developed and prominently displayed across all online forms of gaming including fantasy sports and lottery couriers. Clicking on same would

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[284] *The Task Force does not include in this recommendation amusement games, bingo, raffles, or lottery.*
[285] *N.J.S.A. 5:12-95.18.*
[286] *N.J.S.A. 5:12A-11a.*

direct users to the centralized website, providing an intuitive and seamless way to access support and information.

RG Tools Standardization

Statewide standardization of RG tools across all regulated forms of gaming in New Jersey is essential for ensuring uniformity in accessibility and implementation. The Task Force recommends further exploration of these areas. Currently, some resources can be accessed online, while others require customer service intervention, creating inconsistencies in user experience and tool accessibility. Standardization requires a variety of statutory changes. And while several stakeholders recommended to the Task Force that all operators offering any form of gaming be required to deploy and implement the technological safeguards, best practices, and regulations currently required by DGE, a one-size-fits-all approach is not advisable. While standardization is the primary goal, the Task Force recognizes that various forms of gaming may present different challenges in achieving this approach, which is why standardization will require further exploration.

Ideally, RG tools should be standardized as well and made accessible to patrons across all forms of gaming. In addition, more consistent KYC policies and requirements would ensure uniform patron protection across agencies. All online platforms offering gaming should be required to include RG messaging and features similar to those that are required for online casino gambling and online sports wagering, including the display of RG messaging when logging on and off from an Internet gaming account,[287] deposit limits, time limits, and temporary suspension or "cool off" periods.[288]

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[287] *N.J.S.A. 5:12-95.25.*
[288] *Ibid.*

One way that standardization can be implemented is to require consistent RG messaging across all forms of gaming, including fantasy sports. The Task Force recommends that legislation be enacted to require all online gaming operators to display RG messaging and features similar to those that are required in New Jersey for online casino gambling and online sports wagering.

Deposit limits are another mechanism to standardize RG tools. Deposit limits are a critical component of RG as they allow users to better manage their funds without overextending their financial accounts. Deposit limits can be set by patrons with regard to Internet gaming and sports wagering in New Jersey, but not with regard to other forms of gaming activities. The Task Force has reviewed other jurisdictions that have implemented or seek to implement uniform deposit limits on online gaming or fantasy sports. For instance, for Maryland residents and people located in Maryland, the deposit limit for daily fantasy sports is $5,000 per calendar month.[289] For Tennessee residents and people located in Tennessee, the deposit limit for fantasy sports is $2,500 per month.[290]

The UKGC considered implementing mandatory affordability checks and stricter deposit limits, but faced significant backlash from both consumers and industry stakeholders. Critics argued that rigid deposit limits and intrusive financial checks could drive players toward unregulated markets, ultimately undermining player protection efforts.[291] In response, UKGC revised their approach to focus on enhancing consumer control over gambling habits and improving transparency regarding wagering and deposit limits. While the United Kingdom has seen reduced numbers in PG, it is estimated that these

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[289] *MD. CODE REGS 36.09.04.02 (2025).*
[290] *TENN. COMP. R. & REGS 1350-05-.07 (2025).*
[291] *Kyle Goldsmith, Affordability checks: Everything you need to know, IGB, Feb. 26, 2024, available athttps://igamingbusiness.com/legal-compliance/regulation/affordability-checks-everything-you-need-to-know/.*

regulations will lead to between a 3% and 8% reduction in Gross Gambling Yield ("GGY")

across the gambling sector, with the main decrease in online gaming, with an estimated

reduction of between 8% and 14% of GGY.[292]

As many presenters to the Task Force discussed, it is common in the sport betting

and casino industries for operators to offer limits to users, such as deposit limits, cool-down

periods or capping the amount of time a user can spend on a gaming website, all of which

and more already apply to Internet gaming and sports wagering in New Jersey. Bill Pascrell,

III, of the Princeton Public Affairs Group, specifically advocated for promoting "microbreaks,"

a strategy also endorsed by the Digital Wellness Center,[293] which is described as the digital

equivalent of wearing a seatbelt while driving. Other presenters recommended to the Task

Force that similar rules be implemented to require all gaming operators to allow participants

to do the same. For example, statutory amendments should be considered that: allow for

standardized deposit limits to be set by a participant across the various forms of gaming on

the amount of money that can be loaded into their account over a given period of time;

permit the imposition of entry fee limits (e.g., users could exclude themselves from contests

where the entry fee is over $10); provide for caps on the number of entries a participant can

have in a given period of time (e.g., users could limit themselves to no more than two

contests a day or ten contests a week); and allow for cool-down periods (e.g., users could

restrict their play for the next three days).

To this end, the Task Force heard from third parties that offer technology that could

allow operators to monitor participants' behavior across various platforms. Through this

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[292] UNITED KINGDOM DEPARTMENT FOR CULTURE, MEDIA & SPORT, HIGH STAKES: GAMBLING REFORM FOR THE DIGITAL AGE (Apr. 27, 2023), available at https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age.

[293] The Digital Wellness Center, https://thedigitalwellnesscenter.com/ (last visited Mar. 2025). The Digital Wellness Center describes itself as "the world's only wellness company dedicated to gamers."

technology, a participant who self-imposes a deposit limit, for example, cannot easily circumvent it by simply making a second deposit on another website. While the goals of such technology are admirable, the Task Force has concerns about companies sharing customer data without consent. Any such technology would need to be further studied and evaluated to ensure it is operating within the bounds of New Jersey's data privacy laws.

The Task Force does not support a one-size-fits-all statutory deposit limit, as such measures do not account for individual financial circumstances. Rather, in New Jersey, legislators can balance potential legislation to address a statutory deposit limit across all gaming operators with a provision to require that users set their own deposit, loss, and time limits at the time of account creation with an option to opt-out of RG limits or alternatively, to be able to do so at any time as is the case with Internet gaming and sports wagering currently. This approach acknowledges that financial health varies from person to person and avoids a one-size-fits-all restriction.

Advertising rules

The Task Force recommends that legislation be introduced to standardize advertising rules across the various forms of gaming. These updates should mandate that all gaming advertisements, including organic ads, prominently display a clear warning that gambling may be addictive. To prevent "message fatigue," where repeated exposure to the same warning reduces its effectiveness, the rules should allow for multiple variations of these messages. For instance, research by GambleAware[294] in the United Kingdom recommends the slogan "Gambling can be addictive." Germany uses "Gambling can lead to addiction—

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[294] *Rob Davies, Adverts for UK bookmakers and online casinos 'need smoking-style warnings', THE GUARDIAN, Jun. 10, 2024, https://www.theguardian.com/media/article/2024/jun/10/adverts-for-uk-bookmakers-and-online-casinos-need-smoking-style-warnings.*

play responsibly."[295] Australia has introduced several new taglines, including "Chances are you're about to lose," and "You win some. You lose more."[296] These warnings should be visible, unambiguous, and required across all forms of media, including print, online platforms, television, and social media, ensuring that they reach a broad audience. The use of varied messaging would sustain consumer attention while consistently reinforcing the risks associated with gaming.

A recent poll by Fairleigh Dickinson University found that 76% of New Jersey voters favor a limit on gambling ads.[297] Taking into account First Amendment considerations, the Task Force is also supportive of further exploring statutory restrictions on the location, number, and frequency of advertisements promoting gaming. For example, other jurisdictions have banned gambling ads from use on public transportation in efforts to limit exposure to gambling products.[298] The Task Force recommends that New Jersey further explore implementing this recommendation. In addition to public transportation, a state in Australia went further, banning all gambling advertisements on roads and any infrastructure within 150 meters of all schools.[299] In New Jersey, this would likely require statutory amendments. Such changes would help to limit the exposure of gaming advertisements to vulnerable populations in New Jersey.

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[295] Joerg Hofmann, *Germany: New gambling advertising rules*, GAMBLING INSIDER, Mar. 21, 2022, available at https://www.gamblinginsider.com/magazine/277/germany-new-gambling-advertising-rules.

[296] AUSTRALIAN GOVERNMENT DEPARTMENT OF SOCIAL SERVICES, NATIONAL CONSUMER PROTECTION FRAMEWORK FOR ONLINE WAGERING — SUPPLEMENTARY FACTSHEET: CONSISTENT GAMBLING MESSAGING — PLATFORM DEFINITIONS AND PERMITTED TAGLINES, .(2022), available at https://www.liquorandgaming.nsw.gov.au/__data/assets/pdf_file/0007/1128535/commonwealth-cgm-measure-definitions-factsheet.pdf.

[297] Press Release, Fairleigh Dickinson University, FDU Poll, *FDU Poll Finds NJ Narrowly Favors School Cell Phone Ban* (Mar. 7, 2025), https://www.fdu.edu/news/fdu-poll-finds-nj-narrowly-favors-school-cell-phone-ban/.

[298] Matt Bastock, *NSW To Crack Down on Public Transport Gambling Ads Amid Reforms*, CASINOBEATS, Jan. 28, 2025, https://www.casinobeats.com/2025/01/28/nsw-to-crack-down-on-public-transport-gambling-ads-amid-reforms/; see also Press Release, State Government of Victoria, Premier of Victoria, *Gambling Ad Ban Near Schools, Roads And Public Transport* (Sept. 17, 2017), https://www.premier.vic.gov.au/gambling-ad-ban-near-schools-roads-and-public-transport/ [hereinafter Victoria Gambling Ad Ban].

[299] Victoria Gambling Ad Ban, supra note 298.

In addition to displaying a warning that gambling can be addictive, all gambling advertisements should state the age to participate. As indicated above, DCA already requires advertisements for raffles with cash prizes to include a statement or announcement that "No one under the age of 18 years is permitted to participate." Lottery has a public awareness campaign called "Not 18 Yet? No Bet." Casino gaming and sports wagering activities, both retail and online, clearly have the legal age as 21 years. It would be beneficial for all gaming advertisements to identify applicable age restrictions.

All gaming operators also should be required to adopt policies that preclude advertising in forums where the primary demographic is underage, as currently required by DCA and DGE. The Task Force recommends that statutory provisions and resulting regulations should require disclosures whenever influencers or social media content creators are compensated to endorse or promote gaming products, as well as the inclusion of RG messaging. These disclosures should be explicit and clearly indicate that the endorsement or promotion is a paid advertisement. This transparency would help consumers better understand the nature of the endorsement and make informed decisions about gambling products. Paid influencers should not be those that appeal to, or target, primarily underage persons.

In an effort to standardize bingo and raffle events, the Task Force recommends that the bingo regulations be modified to include the same 1-800-GAMBLER disclosures currently applicable to raffles, or an updated disclosure referring consumers to a centralized RG information hub. Moreover, for fantasy sports, radio or TV ads should be required to have the same 1-800-GAMBLER disclaimer, in the same way sports wagering ads do.

Strengthen KYC Requirements

Currently, only Internet gaming and online sports wagering have strong KYC regulatory requirements. The Task Force recommends that each gaming agency be given specific statutory authority to promulgate regulations regarding RG requirements and KYC standards. Such authority should provide all regulatory agencies with the ability to adapt RG requirements as additional research becomes available. Strong and consistent KYC standards will safeguard against a self-excluded or underage person from creating an account and enhance consistency across gaming products. Moreover, implementing consistent KYC policies across all forms of gaming would enhance patron identification processes, ensuring uniform safeguards for all players.

Universal Self-Exclusion List

The introduction of a universal self-exclusion list would allow individuals to self-exclude from all forms of gaming when they self-exclude from any such form. The Task Force recommends further exploring a universal self-exclusion list. Although requiring legislative action, introduction of a universal self-exclusion list would also begin to close the gap by ensuring that individuals who self-exclude from one form of gambling could be automatically excluded from all forms of gaming in the State. In its presentation to the Task Force, IC360 advocated for better integration of self-exclusion across multiple forms of gaming and the creation of a statewide voluntary self-exclusion list. The findings from the 2023 Prevalence Study also underscore the need to develop a single statewide self-exclusion process that would allow a bettor to self-exclude from multiple forms of gaming in a single transaction. Such a system would benefit horse bettors, based on the finding in that they are more likely to engage in multiple gaming activities. Currently, as discussed above, self-exclusion lists

are offered as an RG tool for casino gambling (online and brick-and-mortar), sports wagering, pari-mutuel wagering, and fantasy sports.

While fantasy sports operators must give participants the ability to self-exclude on a site-by-site basis, the process could be streamlined. The Task Force supports amendments requiring fantasy sports operators to provide a prominently displayed link or button on their homepages where participants could easily opt-in to excluding themselves from fantasy sports activities for specified periods of time.

The Division of the State Lottery could be part of a broader universal self-exclusion list, but has unique difficulties with self-exclusion. As lottery purchases at retail locations are required to be made in cash, they are, essentially, anonymous purchases. Self-exclusion would mainly impact players who win larger amounts subject to IRS reporting (greater than $600), and who actually file claims. Self-exclusion for the Division of the State Lottery would be a more useful and valid tool if online sales of lottery games are offered in the future, where players would not be anonymous.

Counseling Sessions for Self-Exclusion Removal

To strengthen RG protections and ensure that individuals seeking removal from the self-exclusion list are fully informed and prepared, the Task Force recommends that self-excluded individuals undergo an educational session before they are removed from the self-exclusion list. While ideally this session would be conducted by a licensed mental health or addiction professional who would provide education on risks associated with gaming, coping strategies, and resources available for continued support, such a requirement is not feasible. Therefore, the Task Force recommends that statutory changes be made to require the individual seeking removal to review educational video components prior to removal from the self-exclusion list. By requiring this step, New Jersey can help mitigate impulsive

decisions to resume gaming, reduce the likelihood of relapse, and encourage long-term RG habits.

Multi-jurisdictional self-exclusion

The Task Force also recommends that legislative changes be explored to facilitate the sharing of self-exclusion information, with user consent, across state lines. This would prevent individuals self-excluded in New Jersey from gambling in neighboring states such as New York or Pennsylvania, which essentially undermines the effectiveness of the self-exclusion process. However, implementing a multi-jurisdictional self-exclusion list raises important concerns, including legal and regulatory differences between states, data privacy, security risks, and the operational challenges of ensuring consistent enforcement. Additionally, companies seeking to manage and operate such a list are doing so at a cost, raising questions about funding and whether the cost associated would limit the reach and effectiveness of the program. Any coordinated system for sharing self-exclusion data must address these complexities while ensuring individuals who take the proactive step to limit their gaming activity in one state are protected across state borders. By balancing these considerations, a well-structured approach could enhance the overall impact of RG measures and ensure a more comprehensive safety net for those at risk.

Third-Party Exclusions

At least two operators[300] currently allow third-party exclusions by family members of problem gamblers, but this is generally limited to the daily fantasy sports products. Third parties can request exclusion for a patron by providing specific documentation, including: (1) proof of the third-party's sole or joint financial responsibility for funds deposited, (2) proof

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[300] *FanDuel and DraftKings each include information related to third party exclusion for their DFS product on their websites.*

that the third-party is jointly obligated on the consumer's credit or debit card, (3) proof of legal dependency of the consumer on the third-party, (4) evidence of a court order making the third-party responsible for the consumer's debts, or (5) evidence of a court order requiring the consumer to pay unmet child support obligations. The operator may also request additional verification documentation to confirm the relationship between the third-party and the daily fantasy sports consumer.

The Task Force recommends the exploration of further third-party exclusion processes. Currently, DGE and CCC are looking to establish a third-party exclusion process through legislation and then regulations to allow concerned and affected individuals to petition for the exclusion from gambling activities of certain persons with problem gambling disorders who are unwilling to seek help.

Uniform Gambling Age

Other stakeholders advocated for increasing consistency across gambling products and, relatedly, for legislative amendments that would make 21 the age of majority for all forms of gaming. Those stakeholders suggested that raising the legal age for all forms of activities to 21 would provide critical protection for younger individuals, significantly reducing their exposure to gambling risks during a formative period in their lives. They explained that it has been recognized that due to continuing brain development in youth, gambling at earlier ages is particularly psychologically dangerous, with likely lifelong repercussions.[301] Alternatively, Bill Pascrell, III advocated against this proposition, arguing that raising the gaming age may push younger audiences to the unregulated/illicit

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[301] Sohn, supra note 221.

operators. Rather, Mr. Pascrell argued for RG tools that change a player's behavior and integrate digital wellness mechanisms.

Currently, certain forms of gaming in New Jersey, such as bingos, raffles, amusement games, lottery, horse racing, and fantasy sports,[302] allow patrons under the age of 21 to participate. The age for all casino gaming and sports wagering activities is already 21. The differences in age requirements across the forms of gaming creates a fragmented regulatory framework where younger individuals are exposed to gaming activities that could normalize risky behaviors and potentially lead to future gambling problems.

Research suggests that gambling at a young age is a risk factor for developing a gambling disorder.[303] The 2023 Prevalence Study's findings also offer support for establishing 21 as the universal age for all forms of gaming (with perhaps an exception for amusement games, such as those played on the boardwalk and in arcades). The similarities identified in the profiles of a horse bettor and sports bettor suggest the same legal age of majority should apply to both.[304] For horseracing, the findings are especially concerning, in light of the anticipated expansion of the account wagering system to multiple online platforms. Given the elevated engagement of young people on social media and online

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[302] At least 22 other states have a minimum age requirement for participation in fantasy sports. Participants must be 21 in six states (AZ, CT, IA, LA, MA and MS); they must be 19 in one state (AL); and they must be 18 in fourteen states (AR, CO, DE, IN, ME, MD, MI, MO, NH, NY, OH, TN, VT and VA).In Pennsylvania, participants must be 18, unless they are playing through a casino licensee, in which case they must be 21.

[303] N. Will Shead, Jeffrey L. Derevensky, & Rina Gupta, Risk and protective factors associated with youth gambling, 22 INT'L J. ADOLESCENT MED. HEALTH 39 (2010), available at

https://youthgambling.mcgill.ca/en/PDF/Publications/2010/RiskandProtective.PDF.

[304] Dr. Nower stated that horse bettors, along with sports bettors, have the worst mental health backgrounds and the highest betting intensity. See Tables 41 and 42 of the 2023 Prevalence Study, supra note 2. The 2023 Prevalence Study also found that horse bettors and sports bettors were significantly more likely than others to use tobacco, alcohol, and/or illicit drugs; binge drink; and report problems with drug and alcohol use. Horse bettors and sports bettors also are more likely to engage in all types of potentially addictive behaviors. Based on a Patient Health Questionnaire, the Prevalence Study also found that horse bettors, along with sports bettors, reported significantly higher rates of moderate and severe mental health problems, anxiety, and depression, compared to others who gambled. Horse bettors and sports bettors bet at high frequency, compared to others who gambled. In addition, horse bettors were more likely to bet both online and in person. Horse bettors and sports bettors were more likely than other gamblers to endorse symptoms of moderate- and high-risk PG and to gamble on more activities.

spaces, any such expansion will undoubtedly increase their exposure to pari-mutuel wagering.

By increasing the legal gaming age to 21 across all forms of gaming, it is suggested that New Jersey would create a consistent standard that aligns with other age-restricted activities, such as purchasing alcohol or tobacco. This change would help safeguard younger individuals from the potential harms associated with early exposure to gaming, including the heightened risk of addiction, financial difficulties, and psychological distress.[305] Additionally, a uniform legal age would potentially simplify enforcement and regulatory oversight, ensuring stronger protections for vulnerable populations statewide. At this time, the Task Force recommends further evaluation of the benefits and drawbacks of imposing a uniform gambling age of 21.

Address Unlicensed Operators

Several stakeholders expressed concern about unlicensed gambling websites. In a recent editorial, former DGE Director David Rebuck expressed concern about social gaming apps, sweepstakes games, video gambling games, skill-based games, or illegal slot machines that may be offering gambling with no RG safeguards and limited consumer protections.[306] Mr. Rebuck advocated for legislative amendments to New Jersey's criminal statutes. Both the Responsible Online Gaming Association and IC360, as well as the Casino Association of New Jersey, expressed similar concerns about unlicensed gambling websites

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[305] Amelia Rizzo, Valentina Lucia La Rosa,, Elena Commodari, Dario Alparone, Pietro Crescenzo, Murat Yıldırım, & Francesco Chirico,, Wanna Bet? Investigating the Factors Related to Adolescent and Young Adult Gambling, 13 EUR. J. INVESTIGATION IN HEALTH, PSYCHOL. AND EDUC. 2202 (2023), available at https://www.researchgate.net/publication/374551348_Wanna_Bet_Investigating_the_Factors_Related_to_Adolescent_and_Young_Adult_Gambling..

[306] David Rebuck, It's time to tackle gambling addiction in New Jersey: David Rebuck, Oct. 2, 2024, available at https://pressofatlanticcity.com/opinion/column/article_f6ab228a-8003-11ef-a1b2-b7e4f2c16ece.html

and their failure to offer protections for problem gamblers, sophisticated underage gaming restrictions, or RG messaging.[307] He also advocated for increasing consumer awareness about the difference between legal and illegal websites.[308]

Statutory amendments modernizing gambling provisions are essential to combat unregulated and unlawful online gambling sites. With the support of the Legislature and executive branch, DCA, DCJ, DSP, and DGE are working to address these serious issues in a meaningful and coordinated manner in order to eliminate unregulated gaming operations and activities. These divisions are actively pursuing reforms through legislative bills introduced in the Senate (S4282) and Assembly (A5447) that, among other measures, refine Title 2C to clarify the definition of gambling and to enhance enforcement against illegal or unregulated operators, including civil enforcement authorities and mechanisms provided to DCA and DGE, as detailed therein. The Task Force supports legislative reforms in this area and sees these efforts as critical in order to protect the legalized gaming industry, patrons, and the policies and interests of the State of New Jersey.

Finally, DCA frequently receives complaints about illegal amusement games (coin pushers and cranes, for example) operated outside of permitted amusement parks. For example, they can be found in the lobbies of diners, restaurants, or laundromats. The AGL does not authorize LGCCC to enjoin this activity or to fine the operators, as their operation presently is solely a criminal matter. The Task Force recommends amending the AGL, along the lines of the Raffle Licensing law, *N.J.S.A.* 56:8-57.1-57.2, to close this gap.

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[307] *Id*.
[308] *Id*.

Prevention & Education
RG Education

Young people and educators need more information on RG, the problems with underage gambling, and treatment options. Administrators and teachers need help in learning and recognizing PG signs, and state policies must be in place that allow them to address the problem. There is an opportunity to collaborate with education institutions to integrate RG education into curricula to foster healthy risk assessment and coping strategies in youth.

Multiple stakeholders offered feedback to the Task Force on this issue. CCGNJ and IC360 advocated for including gambling addiction education in schools. MoneyStack, Inc. and GamFin suggested that an educational module on gambling could be added to the financial literacy education curriculum for New Jersey high school students.

The Task Force recommends that there be more partnering with schools and community-based organizations to raise the level of awareness of PG resources. To address the growing concerns about gambling-related harm and foster early prevention, New Jersey should integrate educational programming about gambling and its risks into K-12 school curriculum. The Task Force recommends New Jersey integrate this programming through partnerships with the CCGNJ's school program, Drug Abuse Resistance Education ("D.A.R.E.")[309] or Law Enforcement Against Drugs ("LEAD")[310] program. Such programs would empower students with the knowledge to make informed decisions and understand the potential risks of gambling. This initiative is especially critical given that many students

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[309] *D.A.R.E. America, www.dare.org (last visited Mar. 20, 2025).*
[310] *Law Enforcement Against Drugs and Violence, www.leadrugs.org (last visited Mar. 20, 2025).*

are already participating in video games and purchasing loot boxes,[311] a practice that can desensitize them to the concepts of chance, risk, and reward, which are fundamental to gambling.[312] Moreover, the integration of gambling education could help demystify the concept of gambling, making students aware of the psychological and financial risks involved. This would not only reduce the likelihood of underage gambling but also raise awareness about behaviors that could lead to PG in adulthood.

Educational programming should also address financial literacy, at-risk behaviors, and positive play. Additionally, RG programs should include methods to educate players and families about the difference between regulated and unregulated markets and "red flags" of problematic play. The URGE Board could further explore and recommend legislation changes to ensure there is uniform guidance from the State to curriculum directors.

Other stakeholders advocated for raising awareness through other means. Birches Health suggested mandatory RG education around at-risk behaviors could be implemented either as part of the account creation process or shortly thereafter. CCGNJ suggested warning labels for brick-and-mortar casinos and online gambling websites that alert the public about the potentially addictive nature of gambling. Both the Responsible Online Gaming Association and CCGNJ expressed concerns about the misperception of RG tools as being for problem gamblers. They advocated for increasing public awareness that RG is for everyone.

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[311] Soichiro Ide, Miharu Nakanishi, Syudo Yamasaki, Kazutaka Ikeda, Shuntaro Ando, Mariko Hiraiwa-Hasegawa, Kyoto Kasai, & Atsushi Nishida, Adolescent Problem Gaming and Loot Box Purchasing in Video Games: Cross-sectional Observational Study Using Population-Based Cohort Data, 9 JMIR SERIOUS GAMES 1 (2021), *available* at https://www.researchgate.net/publication/349158055_Adolescent_Problem_Gaming_and_Loot_Box_Purchasing_in_Video_Games_Cross-sectional_Observational_Study_Using_Population-Based_Cohort_Data

[312] David Zendle, Rachel Meyer, & Harriet Over, Adolescents and loot boxes: links with problem gambling and motivations for purchase, 6 ROYAL SOC'Y OPEN SCI. (2019), available at https://royalsocietypublishing.org/doi/pdf/10.1098/rsos.190049.

The Task Force recommends that the gaming agencies, through funds provided by regulated industries, launch an integrated statewide public awareness campaign to educate New Jersey citizens about all gambling activities and the RG resources available to support individuals with PG. Such a campaign could educate residents about the universe of legal gaming and fantasy sports options in New Jersey, including the lottery, horse racing, sports wagering, and casinos, while highlighting the availability of RG resources, counseling services, and support programs. This campaign would focus on educating individuals on the difference between legal and illegal gaming websites, promoting healthy gaming habits, setting forth signs to recognize PG, and encouraging the use of available RG tools.

Additionally, websites offering "free-to-play" fantasy sports, which are often available to teenagers (or even younger consumers) can be a gateway to paid contests and gambling. DCA proposes engaging with the companies offering these products to discuss ways they can educate young users about the dangers of gambling generally through links or postings on the platforms. DCA could also consider working with certified fantasy sports operators to post educational information or resources related to RG on their platforms.

The Task Force will endeavor to create documents and resources that can be shared with the public, including DCA's substantial library of consumer alerts and briefs. The Task Force further recommends that resources be posted on the central RG website and a joint social media campaign by the relevant State agencies be created to raise awareness about the issues and resources available. DCA can also disseminate materials via an email blast to mental health professionals and to primary care providers advising them about screening and referral programs for gambling or gaming disorders.

Underage Gambling Education Programs

To further enhance the State's RG initiatives, individuals under the legal age found to be engaging in gambling should be required by legislation to participate in educational programs specifically designed to address their behavior. These programs would not only educate minors about the risks and consequences of gambling but also include counseling services to help them understand the underlying factors that may have led to their behavior. A critical component would be the financial impact and consequences of PG, including the loss of driving privileges as a penalty. Pending legislation in the State legislature (A5086/S3972) proposes changing underage gambling from a criminal offense to a civil penalty. The Task Force recommends expanding these bills to require participation in an educational program as part of the penalty, to address screening processes for PG, and to include the suspension of driving privileges for a period of time as an additional deterrent. This approach ensures that early intervention occurs, addressing potential problems before they escalate.

Accessible Resources

In addition to education, New Jersey should prioritize providing accessible resources to residents affected by gambling, including free access to RG tools and recovery services. Tools such as gambling website blockers, financial counseling services, and cognitive behavioral therapy apps can be effective in mitigating gambling-related harm and offering support to those in need. Gambling has been transformed significantly, and innovative interventions that are meaningful and relevant to those experiencing gambling addiction must be advanced and be in the forefront. The majority of patrons play online and they should be met there.

The State also should consider partnerships with treatment providers to improve access to treatment and services for all residents affected by gambling. While funds, almost exclusively provided by casino gaming, Internet gaming, and sports wagering, are currently allocated through DMHAS to CCGNJ, as discussed in detail in this report, directly partnering with a provider could streamline the process and offer more efficient, direct services to individuals in need. By establishing a direct relationship with treatment providers, the State can ensure more timely and comprehensive support, enhancing the effectiveness of its RG initiatives, as well as the assessment, measurability, and accountability of its programs. While many of these tools may require State funding from all sources of gaming activity in the State, the investment would significantly benefit individuals and families impacted by PG, reducing long-term societal costs related to addiction and financial distress.

State Agency Personnel Training

The Task Force further recommends that employees of State agencies regulating gaming, especially those involved in the self-exclusion process, receive specialized training in PG and interacting with individuals struggling with addiction. This training would ensure that State employees can respond with empathy, provide accurate information on available resources, and guide patrons through the self-exclusion process in a supportive manner. By equipping staff with the skills to handle sensitive situations, New Jersey would strengthen its commitment to RG and help foster a safer gambling environment.

Tools & Treatment

Treatment Recommendations

The Task Force recommends a statutory change to the licensure categories to bring PG treatment within the scope of practice of licensees of the ADC Committee (without co-

occurring alcohol or drug disorders), and the elimination of the oral exam for ADC Committee licensees to reduce bottlenecks in initial licensure. These changes would expand the availability of treatment providers.

The Task Force also supports encouraging other licensed behavioral health professionals to obtain a PG treatment certification. To that end, the Task Force supports promoting continuing education for mental health licensees related to RG. Both of these initiatives would enhance the quality of PG treatment available. DCA is able to reach out to licensees to alert them to continuing education opportunities that fulfill their existing biennial license renewal continuing education requirements. Once the statutory requirements are established, DCA can also educate licensees regarding PG treatment certification opportunities.

Standardizing Coverage

More than 96% of those with a gambling disorder have at least one comorbid mental health issue, including depression, anxiety and personality disorders.[313] It is well-established that while a gambling disorder may co-occur with mental health or SUD, a gambling disorder also is a standalone diagnosis for which specialized training, treatment, and commercial insurance coverage is available.[314]

Moving forward, DMHAS is exploring with NJ FamilyCare (aka Medicaid) to ensure that coverage for the treatment of gambling disorders is available, with or without co-occurring mental health or SUD conditions. The Task Force would be supportive of further exploring whether statutory changes are needed to this end.

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[313] *Rash, et al., supra note 208.*
[314] *DSM-5, supra note 231.*

Funding

Several stakeholders also advocated for increasing funding for PG services. Citing increased call volumes since the legalization of sports wagering, CCGNJ recommended increasing the budget for the CCGNJ to expand its services and outreach. IC360 recommended increasing funding to third-party suppliers to provide education, integrity, and monitoring solutions. They also advocated for the funding of additional in-patient treatment programs for PG, services for family members and loved ones impacted by PG, and multilingual help services. MoneyStack advocated for increased funding for financial counseling as a treatment and recovery resource.

The Task Force recommends that all forms of gaming contribute to fund RG efforts. In that regard, for horse racing, casino gaming, Internet gaming, and sports wagering, the Task Force recommends that the current amount and approach be re-evaluated. The Task Force specifically recommends that legislation be enacted which allows for a comprehensive assessment on an annual or other periodic basis and apportioned to each form of gaming in the State based on revenue. Additionally, DCA is already collecting an operational fee on a quarterly basis of 10.5% of fantasy sports gross revenues from fantasy sports operators.[315] These fees are deposited in the general fund of the State. The Task Force recommends that statutory amendments be adopted such that a portion of these fees be used to support RG initiatives. DCA could then allocate these funds towards RG geared toward fantasy sports or enable the regulation of clinicians treating gambling addictions.

The Task Force further recommends that statutory changes be enacted such that revenue from penalties associated with violations of bingo, raffle, amusement games,

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[315] *N.J.A.C. 13:45A-36.11.*

lottery, and fantasy sports laws be used to create an additional dedicated source of funding for RG initiatives. In addition, the Task Force notes that penalties for violations of the amusement games law and regulations have not been increased in decades, and are currently capped at $250 ($500 for second violation). Legislative changes should also encompass violation cap increases to enable the use of penalties to support RG efforts.

Conclusion

After a thorough review of existing RG efforts in New Jersey and across the globe, the Task Force submits this report to Governor Murphy with the suggested recommendations for needed changes to standardize and streamline RG initiatives, provide and implement prevention and education programs, make tools and treatment more accessible, and to strategically utilize existing funding and require funding contributions from each gaming industry. These recommendations will allow New Jersey to expand RG and PG innovations and actions.