SEIGMA SOCIAL AND ECONOMIC IMPACTS OF GAMBLING IN MASSACHUSETTS

UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

Gambling in Massachusetts: From Table Games to Sportsbooks

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Raschkowan Lecture

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Disclosures

- The SEIGMA study is funded by the Massachusetts Gaming Commission (MGC).
- I have no current or past affiliation with the gambling industry.
- In the past 10 years, I have received research funding from government agencies in Australia, Britain, Canada, and Sweden and from non-profit agencies in Canada, Connecticut, New Jersey, Oregon and Washington State.
- I have received honoraria and reimbursement for travel costs to present at conferences.

Overview

- Introduction of casinos in MA
- Features of the SEIGMA study
- Comparing the impacts
  - Casino host community characteristics
  - Gambling behavior
  - Gamblers at risk
- Introduction of sports betting in MA

Expanded Gaming Act

- Allows for resort style casinos in three geographically diverse regions
- No more than one casino in each region
- Allows for one slot parlor statewide (not geographically restricted)

Concerns about Casinos

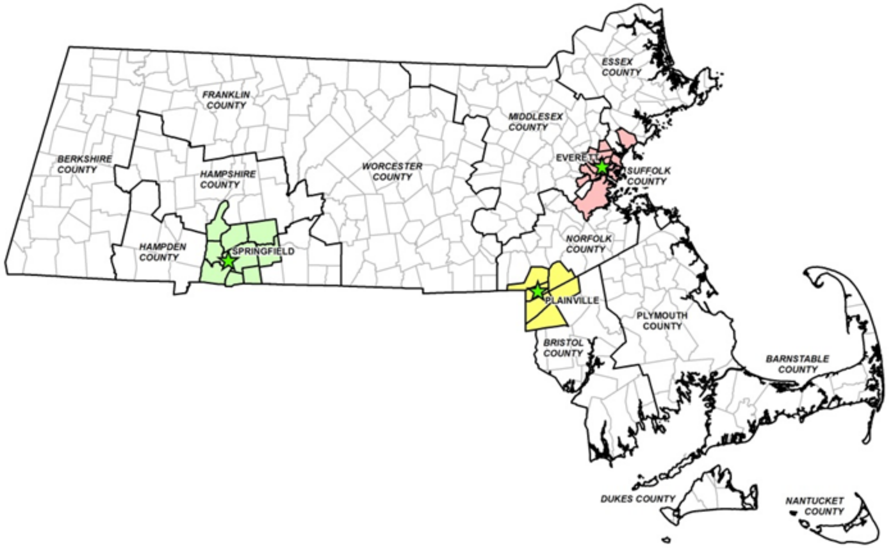
- Recapture of dollars going to out-of-state casinos
- Need for jobs in wake of Great Recession
- Possible increase in problem gambling due to easier access to casinos
- Possible increase in crime, changes in public safety
- More traffic

Western MA Casino Health Impact Assessment, 2014

Key Components of the Act

- Regulators required to give equal importance to
  - establishing a viable casino industry
  - minimizing and mitigating negative impacts
- Host communities given a strong voice
- Problem gambling framed explicitly through a public health lens
- Central role of research to enhance responsible gambling and minimize/mitigate problem gambling
- Funds to conduct research and provide services to problem gamblers and their families ensured

Host & Surrounding Communities (H&SC)



An Evolving Research Plan

- Planned as before-after study
  - Assess conditions prior to casinos
  - Assess conditions after casinos operational
  - Compare to identify changes/impacts
- Licensing & construction took 7 years
- Just as casinos fully operational…

  COVID-19 pandemic!
- Now a monitoring/surveillance study

Social & Health Impacts

SOCIAL & HEALTH IMPACTS (i.e., impacts that are primarily non-monetary)	
Problem Gambling and Related Indices	Prevalence and Incidence
	Treatment Seeking
	Personal Bankruptcy
	Family Impacts (Divorce, Separation, Domestic violence; Child abuse and neglect; Other family impacts)
	Suicides (Number; Attempts; Ideation)
Crime	Overall Crime Rates (Property; Violent; Gambling Enforcement Infractions)
	Illegal Gambling
Population Health	Level of Happiness
	Attitudes toward Gambling
	Leisure Activity (% of people who gamble; Rated importance as leisure activity)
	Social Capital
Demographic Impacts	Demographic changes attributable to new gambling venues
Environmental Impacts	Traffic (Volume, Accidents)
	Noise

Economic & Fiscal Impacts

ECONOMIC & FISCAL IMPACTS (i.e., impacts that are primarily monetary)	
Direct Casino Impacts	Plainridge Park Casino (Employment, Revenue, Expenditure)
	MGM Springfield (Employment, Revenue, Expenditure)
	Wynn Boston Harbor (Employment, Revenue, Expenditure)
Employment	Labor Force Participation; Unemployment
Personal Income	Wages
	Poverty Rate
	Gambling Participation as a Function of Income
Business Establishments	Total Number
	Commercial Bankruptcy
	Changes in Industry Mix
	Impacts on Other Types of Gambling (Lottery, Charitable, Horse Racing)
Real Estate and Housing	Property Values
	Rent
Government and Fiscal	Expenditure
	Revenue

SEIGMA Activities

	Secondary Data Collection & Analysis	PG Services	Venue & Gov't Data	Employee Survey	Population Survey	Online Survey	Targeted Survey	Patron Survey	Key Informant Interviews	Focus Groups	
Prior to 2013											Baseline
2013											
2014					BGPS	BOPS	TPS-P				
2015											Construction
2016											
2017											
2018											
2019							TPS-S				Casino Operations
2020											
2021											
2022					FGPS	FOPS	TPS-E				
2023						OPS23		GPS data			Sports Betting
2024						OPS24		GPS data			
2025						OPS25		GPS data			

Assessing Impacts

Baseline

2013 - 2015

- Statewide general population survey (2013)
- Targeted surveys in Plainville (2014), Springfield (2016)

Follow-up

2016 - 2022

- Targeted surveys in Plainville (2016), Springfield (2019)
- Statewide general population survey (2022)
  - Includes targeted sample from Everett (2022)

Economic impacts

- Job quality (new employee survey)
- Casino operations (employee wages, employee benefits, vendor spending)
- Recapture & reallocation of gambling spending (patron surveys)
- Impact on lottery sales
- Impacts on real estate

Comparing Host Communities

Everett Baseline Economic Profile; *Plainville Baseline Economic Profile*; *Springfield Baseline Economic Profile*

2013	Plainville	Everett	Springfield	MA
Annual Wage	$35,672	$53,713	$51,480	$61,776
≤ High School	25.9%	59.4%	55.7%	36.4%
Limited English Proficiency	0.4%	17.5%	12.8%	5.8%
Unemployment Rate	8.4%	7.3%	11.1%	7.1%
Poverty Rate	5.5%	13.2%	29.4%	11.4%

Comparing Gambling Rates

Baseline Targeted Population Surveys of the 3 H&SCs

	Plainville H&SC	Everett H&SC	Springfield H&SC
Non-Gambler	19.8%	31.7%	25.3%
Recreational Gambler	70.9%	56.5%	62.3%
At-Risk, and Problem Gambler	9.3%	11.8%	12.4%

Comparing Gamblers at Risk

Baseline Targeted Population Surveys of the 3 H&SCs

At-Risk & Problem Gambler Characteristics	Plainville H&SC	Everett H&SC	Springfield H&SC
Gender		male	male
Race/Ethnicity		Black or Hispanic	
Education	≤ high school	≤ high school	< graduate school
Income		< $50K HH income	
Age	18-34 & 35-49	35-49	18-34 & 50-64

Impacts through 2019

- Recapture seems to be working
- Patrons are primarily local/regional
- Number of jobs at casinos is lower than projected but quality of jobs is good
- Casinos are providing a high level of government revenue
- Casino participation has increased but primarily due to people adding local amenity to existing repertoire
- Problem gambling has not increased in Regions B and C
- MGC Public Safety Impact reports have found that the casinos' effect on crime was "mild"
- Some Increases in traffic collisions, traffic-related calls for service

Introducing Sports Betting

Post-PASPA developments

- 37 states & DC have legalized since 2018
- MA began legislative process in 2019
- House bill passed 2020, Senate bill passed 2022
- Signed into law August 2022

MA legislation

- 5 land-based licenses, 7 online licenses
- Projected annual tax revenues $8M - $63M
- Consumer protection measures

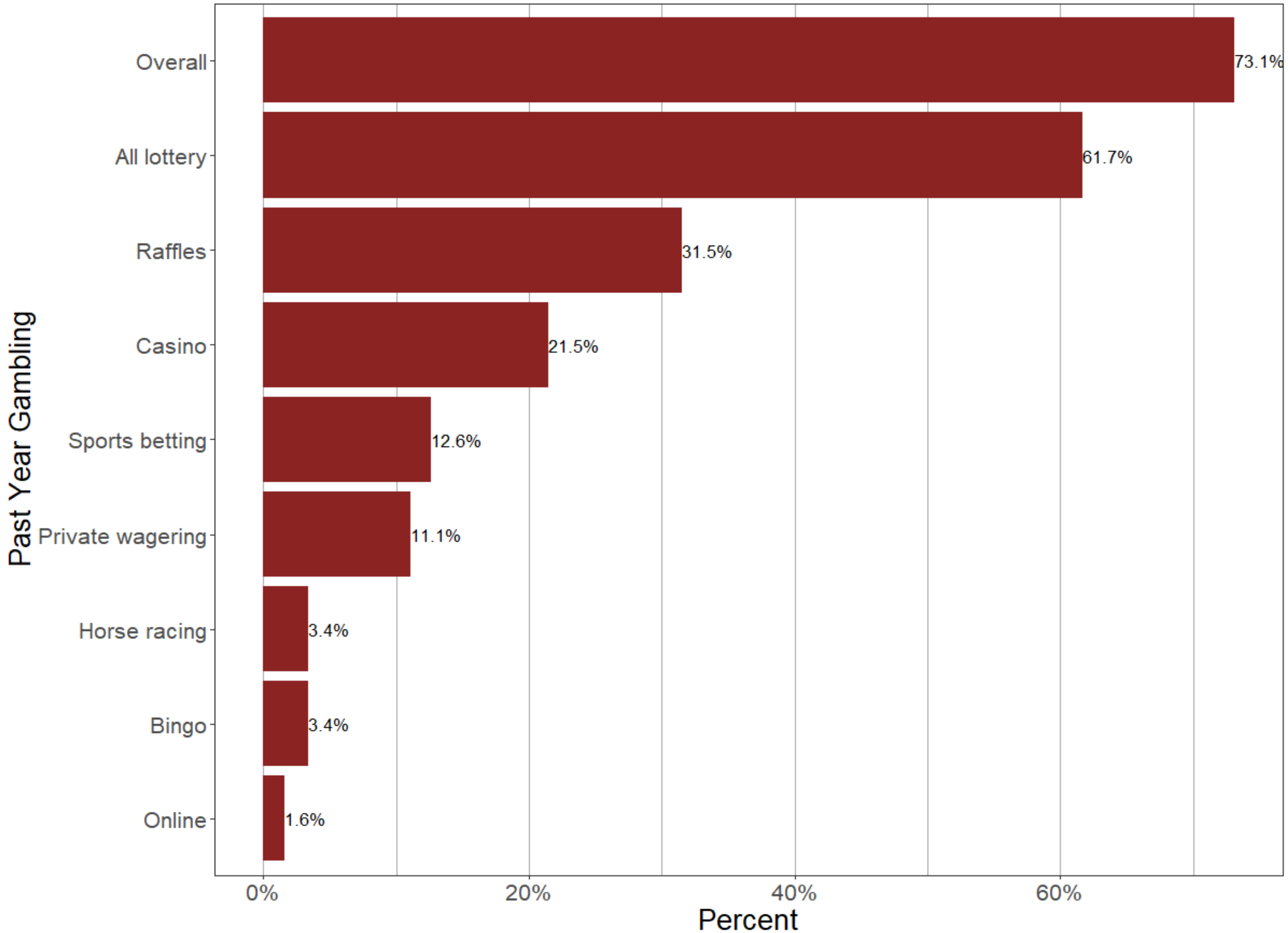
Surveillance

- Required research (Sections 20, 23, 25)
- Self-exclusion provisions
- New populations at risk

Sports Betting in MA

Survey	Sample Size	Year
Baseline General Population Survey (BGPS)	9,578	2013/2014
Baseline Online Panel Survey (BOPS)	5,046	2013/2014
Targeted Surveys (Plainville, Springfield)	~1,000	2016, 2019
Follow-up Online Panel Survey (FOPS)	3,041	2022
Follow-up General Population Survey (FGPS)	~6,200	2022 Results in 2023
MA Gambling Impact Cohort (MAGIC) – 5 waves	3,139	2013 - 2019

Past Year Gambling Participation
(BGPS – weighted)



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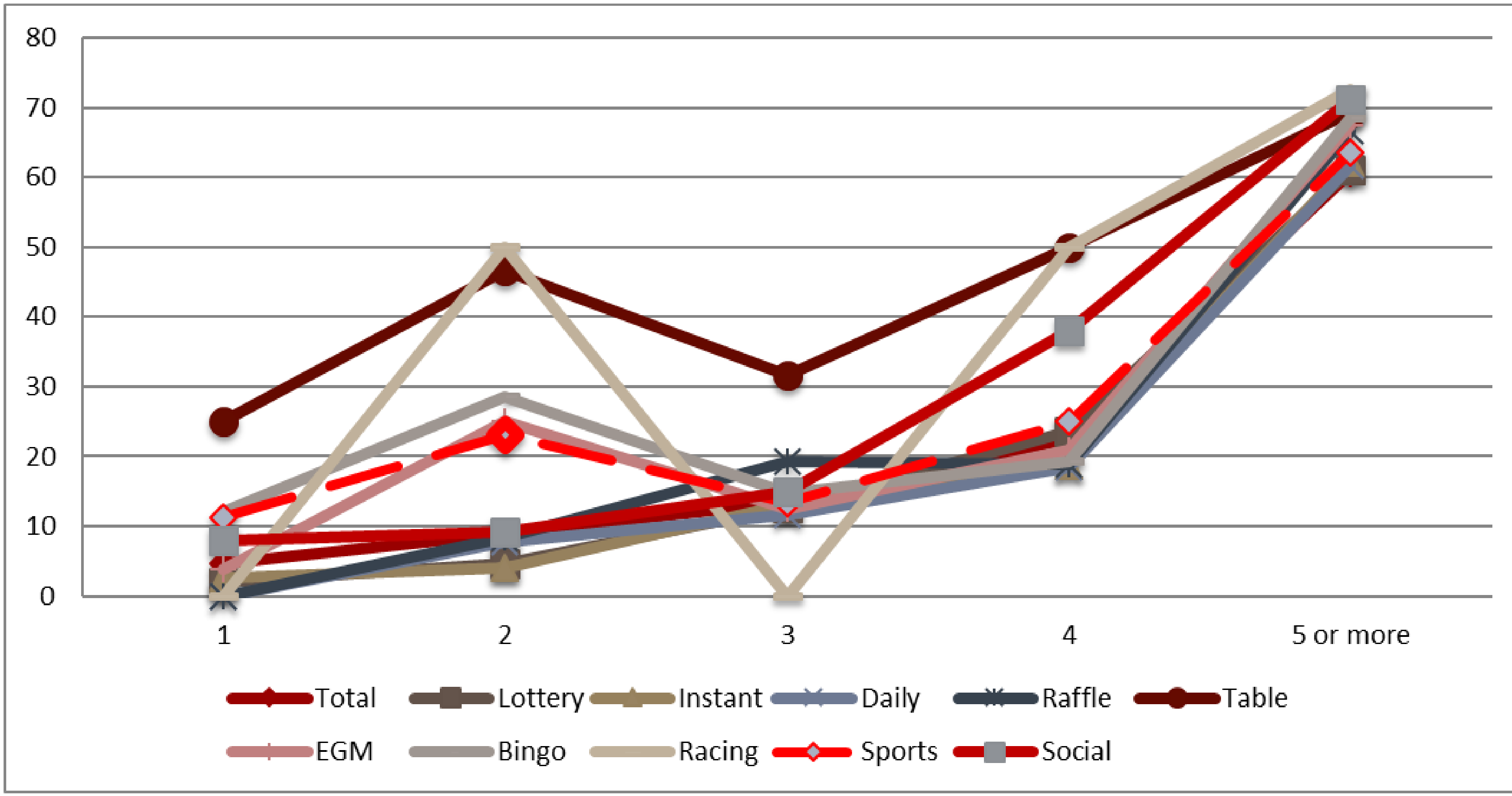
Past Year Gambling Participation
(BGPS & BOPS – unweighted)

Gambling Format	BGPS (n=9,578)		BOPS (n=5,046)	
	%	95% CI	%	95% CI
All Gambling	73.0%	(72.1, 73.9)	78.2%	(77.1, 79.3)
All Lottery	60.3%	(59.3, 61.3)	73.2%	(72.0, 74.4)
Raffles	57.2%	(56.2, 58.1)	69.7%	(68.4, 71.0)
Casino	36.1%	(35.2, 37.1)	50.5%	(49.1, 51.9)
Sports Betting	12.3%	(11.6, 12.9)	17.8%	(16.7, 18.8)
Private Wagering	36.2%	(35.3, 37.2)	21.1%	(20.0, 22.3)
Horse Racing	19.2%	(18.4, 20.0)	30.6%	(29.3, 31.9)
Bingo	10.7%	(10.1, 11.3)	13.2%	(12.3, 14.2)
Online	8.8%	(8.2, 9.4)	15.2%	(14.3, 16.3)

Comparing Sports Bettors in the BOPS & FOPS

Sports bettor in the past year		BOPS (n=5,046)		FOPS (n=3,041)	
		%	95% CI	%	95% CI
Any sports betting (total)		13.4%	(12.4, 14.3)	23.8%	(22.3, 25.4)
Total number of gambling types engaged in	1	4.2%	(2.7, 5.7)	2.9%	(1.7, 4.1)
	2	6.9%	(5.0, 8.8)	6.3%	(4.6, 8.1)
	3	12.4%	(9.9, 14.9)	9.1%	(7.0, 11.2)
	4	16.8%	(14.0, 19.6)	12.0%	(9.6, 14.4)
	5+	59.7%	(55.9, 63.4)	69.7%	(66.3, 73.0)
PPGM	Recreational gambler	55.8%	(52.0, 59.5)	40.3%	(36.7, 43.8)
	At-risk gambler	25.2%	(21.9, 28.5)	24.1%	(21.0, 27.3)
	Problem gambler	9.7%	(7.5, 12.0)	9.2%	(7.1, 11.4)
	Pathological gambler	9.3%	(7.1, 11.5)	26.3%	(23.1, 29.6)

Problem Gambling Prevalence
(FOPS – monthly gamblers)



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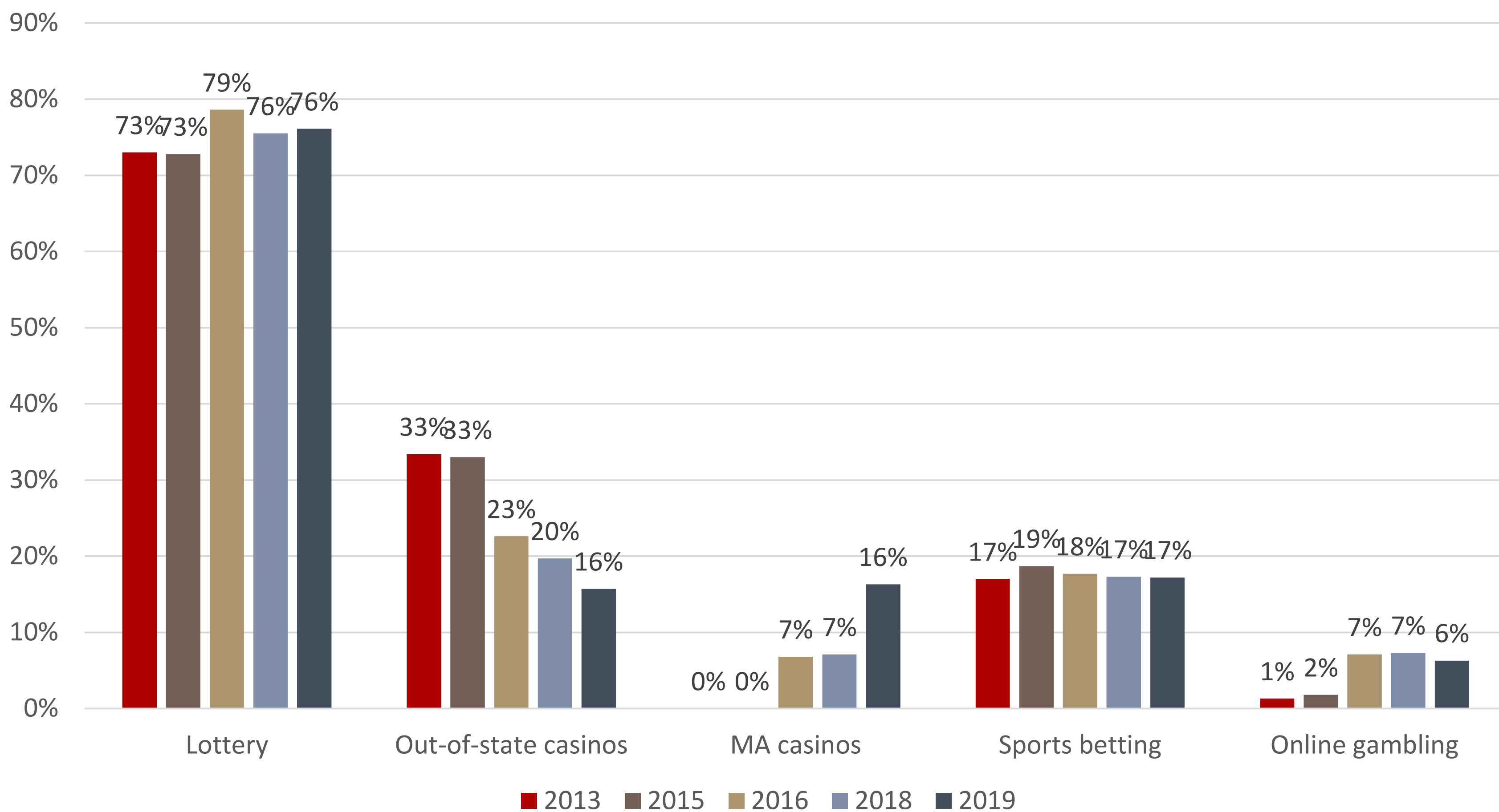
Changes in Gambling Participation

(MAGIC Waves 1-5 – unweighted)



Identified Economic Outcomes

Outcomes identified to date include:

- Mixed evidence regarding the question of substitution, or cannibalization, of other types of gambling when sports betting is introduced
- A notable lack of research on other economic impacts of sports betting, such as job creation, recapture of gambling dollars from the illegal sports betting market or from neighboring jurisdictions that have already legalized sports betting
- Significant potential for economic harm if:
  - Sports betting causes high rates of problem gambling
  - Significant portion of revenue from sports betting operations leaves MA

Identified Social Outcomes

- Sports betting occurs in all demographic groups but appeals most to young, well-educated men
- Nationally and in MA, there is evidence of an increase in sports betting participation since 2018
- Some evidence of increase in gambling harms
- Problem gambling is higher among sports bettors
  - Primarily because sports bettors tend to be involved with a large number of other gambling activities
- Legalizing sports betting in MA has potential to increase rates of gambling harm, problem gambling

Conclusions

- Revenue Maximization
  - Requires online operators
  - Variety of different online operators
  - Some land-based options
  - Not contingent on having collegiate sports betting
- Economic Benefits
  - Maximizing revenue is not the same as maximizing economic benefits
  - Sports betting will primarily re-distribute money already in the economy rather than attracting new money from outside MA
  - Benefits can occur by:
    - Redirecting money back to MA currently being spent on illegal sports betting out-of-state
    - MA-based job creation
    - Tax revenue

Conclusions

- Gambling harm & gambling problems likely to increase but magnitude likely to be modest
  - Current rate of sports betting in MA similar to states where it has been legal for some years
    - Due to lack of significant barriers to online access
  - Small proportion of MA population (13% - 20%) currently participates in sports betting
  - Even a high rate of gambling problems among sports bettors will have fairly small effect on overall rate in population
- Concerns remain about groups not previously involved in sports betting
  - Adolescents, young/emerging adults, women, immigrants, college athletes, individuals in recovery from gambling problems

Thank you!

For more information:

www.umass.edu/seigma/reports