

Impacts of Advertising on Gambling Behavior in Massachusetts



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EXECUTIVE SUMMARY

SEIGMA  SOCIAL AND ECONOMIC IMPACTS
OF GAMBLING IN MASSACHUSETTS

UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

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Executive Summary

The purpose of this report is to assist the Massachusetts Gaming Commission to understand the likely impacts of gambling advertising, determine the extent to which gambling behavior and gambling problems in Massachusetts are influenced by gambling advertising, and provide recommendations for how to prevent or mitigate harm resulting from gambling advertising in Massachusetts. The information presented in this report is important given the recent legalization of sports betting in the Commonwealth and its rapid implementation.

Much of the material in this report distills lessons from the extensive literature that already exists on the impacts of advertising generally, and what is known specifically about the impacts of advertising on gambling behavior. Data from three online panel surveys carried out in Massachusetts between 2014 and 2023 is useful in highlighting the potential impacts of gambling advertising in Massachusetts. Readers are cautioned that the results of online panel surveys, which typically include high proportions of regular gamblers, cannot be generalized to the population but are informative regarding the direction of changes of behavior in populations.

Advertising regulations exist to prevent known or assumed harm caused by use of the advertised products. Many jurisdictions have implemented tobacco and alcohol advertising restrictions to control exposure to these types of advertising. An abundance of research into the impacts of alcohol and tobacco advertising exists but relatively few studies have examined the relationship between gambling advertising and the potential impacts on gambling behavior that may lead to increased harm. This is an increasing concern given the rapid introduction of sports betting in the U.S. and a quickly evolving shift of both gambling and advertising to predominantly online platforms.

Advertising has undergone profound changes since the advent of the Internet in the 1990s. Prior to the 1990s, advertising outlets included print media, location advertising such as billboards, and radio and television broadcasting. In the 21st century, numerous forms of online advertising and marketing have emerged, with profound implications for the effectiveness of advertising campaigns as well as potential impacts on vulnerable groups in the population.

Within this new ecosystem, spending on sports betting advertising expanded dramatically in the U.S. following the demise of the Professional and Amateur Sports Protection Act (PASPA) in 2018. In 2019, the first full year of expanded regulated sports betting, spending on national **television** advertising by sportsbook operators totaled \$21.4 million; in 2022, that figure had increased by 1,300% to \$314.6 million. Spending on **online** advertising of gambling in the U.S. nearly doubled from a total of \$1 billion in 2021 to \$1.8 billion in 2022 and an estimated \$1.9 billion in 2023. This spending was intended to enable sports betting operators to quickly acquire as many new customers as possible. Despite widely voiced concerns, there are few restrictions on the volume or placement of sports betting advertisements and even fewer instances of regulators punishing companies for violations. Other countries, primarily in Europe, have been more aggressive in protecting consumers by strictly regulating gambling advertising.

As of March 2024, 38 U.S. states and the District of Columbia offered sports betting through a variety of platforms from retail only to online sportsbooks. The majority of states with legal sports betting have some type

of advertising restrictions in place. The most common requirement is that gambling advertisers feature a toll-free problem gambling helpline number across different media. Most states also restrict gambling advertisers from targeting individuals under the legal gambling age or those on gambling self-exclusion lists. Beyond these measures, there are few restrictions on advertising by sports betting operators. Several organizations in the U.S., including the American Gaming Association and the newly formed Coalition for Responsible Sports Betting Advertising, have proposed voluntary industry guidelines to encourage responsible sports gambling advertising.

An important part of the mission of the Massachusetts Gaming Commission (MGC) is to minimize and mitigate potentially negative or unintended consequences of casino gambling, horse race gambling and, since 2022, sports betting including through requirements for responsible advertising. In support of the MGC's mission, this report assesses evidence on whether and how gambling advertising has an impact on gambling behavior and makes recommendations to minimize gambling-related harm in Massachusetts associated with the introduction of sports betting. Much of this analysis distills lessons from the extensive literature that already exists on the impacts of advertising generally, and what is known specifically about the impacts of advertising on gambling behavior. Available primary data from the 2014, 2022 and 2023 SEIGMA online panel surveys was mined for empirical evidence of impacts that have occurred in Massachusetts.

Based on the research, it is clear that advertising has substantial impacts on attitudes toward and consumption of addictive products, including gambling. Advertising of these products generally emphasizes the positive experiences of use while downplaying the potentially negative aspects; further, the amount of advertising of such products far outstrips the amount of advertising about the risks of consumption or the availability of help for problems associated with consumption. The recent and rapid shift in advertising to digital channels and the evolution of highly targeted approaches to individual consumers raises further concerns about the potential negative effects of widespread gambling advertising.

While the results of online panel surveys cannot be generalized to the population, the data are useful in the early detection of possible negative impacts. The panel surveys carried out in Massachusetts included much larger numbers of gamblers, including gamblers at risk of and experiencing problems, than the general population surveys conducted contemporaneously. While past year sports betting participation declined in the general population between 2013 and 2021, past year sports betting among the online panelists increased from 2014 to 2022 and rose again in 2023. It is also notable that the proportion of past year sports bettors in the online panels who participated at least monthly or weekly also increased, from 51% in 2014 to 71% in 2022 and to 80% in 2023. With respect to the impacts of gambling advertising, only a small proportion of online panelists in Massachusetts in 2023 (7.1%) felt that such advertising or news coverage had caused them to gamble more. It is notable, however, that online panelists at risk of or experiencing gambling problems were more likely to recall substantial amounts of advertising and news coverage and more likely to believe that this exposure had led them to gamble more.

Taken together, review of the research literature and consideration of the online panel data from Massachusetts raise concerns about the impact of gambling advertising on vulnerable groups in the population. While many jurisdictions have implemented regulations to limit the exposure of underage individuals to gambling advertising, few have addressed the vulnerability of individuals in recovery from gambling problems and their susceptibility to relapse in response to gambling advertising or news coverage. Another concern is the dearth of population-level approaches to minimizing and mitigating gambling harms and the nearly exclusive focus on individual responsibility for gambling behavior.

The MGC published a report on advertising and gambling in 2022 that included specific recommendations to strengthen current gambling advertising regulations in Massachusetts. These comprise:

- Strengthening protections of underage populations;
- Restricting advertising campaigns that target vulnerable groups;
- Requiring inclusion of messages about where to obtain help in all advertising and marketing materials;
- Limiting the intensity and frequency of advertising;
- Ensuring that restrictions include digital media and third parties;
- Prohibiting false or misleading advertising; and
- Restricting communications about inducements, bonuses and credits.

We strongly concur with all of the recommendations in the MGC's White Paper and, based on a recent international review, have several additional recommendations to propose for the MGC's consideration:

- Limiting advertising of higher-risk games;
- Limiting advertising focused on specific purposes (e.g., gambling as entertainment, gambling to support good causes);
- Requiring that inducements not create a sense of urgency, be limited in value, and be offered only when customers are opening an account;
- Restricting celebrity endorsements as these:
 - Tend to promote subsequent gambling involvement by young people;
 - Precipitate relapse in recovered addicts; and
 - Counteract the effectiveness of public health messages advocating limited use.

Finally, given the rapid evolution of advertising beyond conventional formats to encompass online marketing, we recommend that consideration be given to monitoring emerging forms of gambling advertising, including:

- Regularly obtaining information about trends, tactics and engagement with gambling-related advertising, marketing and influencer promotion strategies;
- Measuring the potential reach of gambling-related posts on social media platforms; and
- Assessing the prevalence and effectiveness of gambling prevention and treatment messages within the broader social media landscape.