Social Costs of Problem Gambling

Problem [PG] and pathological [PAG] gambling result in considerable expenditures to the gamblers, their families, employers, taxpayers, and multiple institutions. While the economic impacts are great, social costs are immeasurable. Direct and indirect costs related to problem gambling could be minimized if this issue were adequately addressed. There is a need to screen those who have indicators of problem gambling, and to provide treatment, thus saving valuable resources and minimizing the costs of this problem.

Total Cost in US

- $40 - $53.8 Billion: The estimated lifetime costs of pathological and problem gamblers in the US
- $5 Billion: The estimated annual costs of pathological and problem gamblers in the US
- $11,304: The estimated lifetime cost per pathological gambler ($1,200 annually)
- $5,130: The estimated lifetime costs per problem gambler ($715 annually)
  - Compare to annual costs per: Smoker: $1,500; Car crash: $3,600; Person with mental illness: $2,300

Costs in the State of Georgia

- $336,205,000: The estimated annual costs of pathological and problem gamblers in Georgia
  - Assuming an adult population of 9.5 million in GA, this equates to 247,000 PGs and 133,000 probable PAGs

The cost of problem gambling in the US is 40% of costs related to drug problems

Bankruptcy

- 20% to 30% of PAGs have declared bankruptcy, compared to 4.2% of low-risk and non-gamblers
  - $39,000: The average cost to creditors per personal bankruptcy
  - $3,300: Excess lifetime costs of bankruptcy per pathological gambler
  - $1,600: Excess lifetime costs of bankruptcy per problem gambler

Debt/Spending patterns

- 90% of pathological gamblers gambled with their paychecks or family savings
- 30% of pathological gamblers reported gambling debts ranging from $75,000 – $150,000
  - Over 60% of pathological gamblers reported borrowing money from friends/relatives to avoid credit problems; while 20% borrowed money from loan sharks

Abused dollars

Money “improperly” obtained, but not reported as a crime (stolen from friend; using another’s credit card)
- $2,880: Estimated amount abused by each PAG
- $968: Estimated amount abused by each PG

Correctional costs

- $249,159,000: Estimated lifetime correctional costs of problem gamblers in Georgia
- $2,950: Lifetime correctional costs per PAG in the US
- $2,210: Lifetime correctional costs per PG in the US

Costs of property crimes related to gambling are in the millions

- $30 million: The amount stolen by fewer than 230 Gamblers Anonymous [GA] members
  - Of nearly 400 GA members: the majority (57.0%) reported having stolen to finance gambling
- $135,000: The average amount stolen per person who reported stealing (money and/or property)
Work related costs

- $45 million: Estimated costs to employers from gambling related absences
  - The majority of PAGs reporting missing work to gamble (61%), half of them did so over 5 times per month (Estimate based on wage of $30,000 a year, assuming 50% of PAGs are late for work 5 hours per month)
- $520: Estimated annual costs to employers from firing pathological and problem gamblers
  - 50% of PAGs reported almost losing their jobs due to gambling, while 36% had lost their jobs
- $85 and $65: Excess annual cost of unemployment per PAG and PG, respectively
  - 15% of PAGs, and over 10% of PGs reported receiving unemployment benefits in the past year, compared to less than 5% of low-risk and non-gamblers
- $150: Excess cost of welfare benefits per PG and PAG annually
- Stealing from workplace: reported by 37% of PAGs
  - (of which almost 50% reported such theft on more than one occasion)
- Decreased productivity: 59% of PAGs reported difficulty concentrating at work due to a preoccupation with gambling and gambling debts

Financial burden to the health care system

PAG has been associated with negative health outcomes and increased utilization of health care services

- PAGs: 98% more likely to have received emergency room treatment in the past year than non-PAGs
- PAGs were significantly more likely to have angina, cirrhosis, and other diseases than non-PAGs (these associations were significant after statistically controlling for age, gender, ethnicity, marital status, education, income, regional differences, bmi, alcohol abuse/dependence, nicotine dependence, mood & anxiety disorders)
- $700: Estimated annual excess medical costs to insurance companies per PAG
- $350: Estimated annual excess mental health treatment cost per PG and PAG

Divorce

The rate of divorce among PAGS and PGs is significantly higher (53.5% and 39.5%, respectively), than the rate among low-risk gamblers (29.8%) and non-gamblers (18.2%)

- PAGs have excess legal costs related to divorce of $4,300; while PGs have excess legal costs of $1,950
- This does not include direct (TANF, food stamps, housing assistance, child support enforcement, etc.) and indirect (domestic violence, addictions, etc.) costs of divorce, estimated at $33.3 billion annually

Cost of gambling treatment

- More than 20:1-Benefit to cost ratio of gambling treatment. PAG is one of the most expensive illnesses to society, yet it is also one of the least expensive to treat and the most “cureable”
- Roughly 3% of PAGs seek gambling treatment each year (excluding Gamblers Anonymous)
- $1,000: Estimated annual cost of gambling treatment per PAG who obtains treatment
- $30: the annual cost of gambling treatment per PAG

For more information visit the GSU Problem Gambling Research and Intervention Project web site: www.GeorgiaGamblingHelp.org

This site offers resources related to problem gambling prevention and treatment. For additional help or technical assistance contact Jennifer Zorland at psyjlz@langate.gsu.edu

6 Morasco, B., Pietrzak, R., Blanco, C., Grant, B., Hasin, D, & Perry, N. (2006). Health Problems and Medical Utilization Associated With Gambling Disorders: Results From the National Epidemiologic Survey on Alcohol and Related Conditions. Psychosomatic Medicine, 68.