



## Gambling With Lives: COVID 19, Casino Reopening, Cashless Payments, Cumulative Risk, and Comprehensive Solutions

October 8, 2020  
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### ABSTRACT

The US was in the midst of the largest and fastest expansion of legalized gambling in our history when COVID 19 struck. Brienne and Keith will discuss the impact of the pandemic of people with gambling problems as well as the gambling industry, including dramatic declines in some gambling but huge surges in other forms. These and other legislative, regulatory and gambling industry trends, such as the introduction of cashless payments and a renewed push for online gambling, will be examined. The cumulative impact of these developments is likely to increase nationwide risk, rates and severity of gambling problems. Finally presenters will review the implications of all these issues and provide recommendations and solutions.

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### PRESENTERS





**Keith Whyte** is Executive Director of the National Council on Problem Gambling (NCPG) in Washington, D.C. He has over twenty-five years of national experience in responsible gaming and problem gambling issues. Recognized widely for his work on gaming policy, Mr. Whyte has presented on gambling issues in 44 U.S. States and 24 countries. He has testified before the United States Congress and appeared before numerous state legislative and regulatory bodies. Keith is frequently quoted in the national and international media.





**Brienne Doura-Schawohl** serves as Vice President of US Policy & Strategic Development for EPIC Risk Management. Her experience includes a decade of leadership in advocacy, public policy, government affairs, communications, and member relations. Her experience 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. Additionally, she has been featured in numerous local, state, national, and international media.

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### AGENDA

1. COVID Impacts on People
2. COVID Impacts on Gambling
3. Recommendations Going Forward



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### DURING COVID CRISIS

- Problem Gamblers less likely to have health, financial, and recovery capital.
- Job loss, furloughs, financial pressures, & lost income may lead to more gambling to “try to win money”.
- Closures & quarantines may exacerbate social isolation, anxiety, stress and depression & add further barriers to services, particularly traditional individual and group counseling, and self-help group meetings.
- Shift of new gamblers, recreational gamblers, heavy/at-risk gambling, and problem gamblers to online.
- Possible protective factor: casino closure/sports blackout may reduce participation for those who don't shift online?



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### GAMBLING DURING COVID-19: A GLOBAL PERSPECTIVE (Canada)

“Findings highlight that 25% and 12% of Ontarian gamblers are experiencing high levels of anxiety and depression, respectively. Although self-reported well-being and life-satisfaction was generally high, overall (8 on a scale of 1 to 10), 18-24-year olds noted much lower life-satisfaction (6/10). Past research indicates that mental health concerns and low life-satisfaction (and youth) are risk factors for gambling problems.”

“Compared to the overall sample, online gamblers had significantly higher prevalence of moderate (8%) and high-risk gambling (13%). The most significant predictive factors associated with risky online gambling in the survey included:






- Being influenced by COVID-19 and emergency measures to gamble online
- Negative impact of COVID-19 on household income
- High levels of anxiety and depression
- Gambling under the influence of alcohol and cannabis
- Being motivated to gamble because it helps when feeling nervous or depressed, to win back money lost gambling, and to earn income”

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### GAMBLING DURING COVID-19: A GLOBAL PERSPECTIVE (UK)

Total number of bets placed by product during March 2020 (year-on-year change)

|   |   |  |  |   |
|---|---|--|--|---|
|  Slots |  Other gaming (incl. casino) |  Betting (virtual) |  Betting (real event) |  Poker |
| +25%  | +3%   | +40%   | -31%   | +38%  |

“The increased time engaged gamblers have to spend in a home is dedicated towards gambling activity with increased frequency in a session of over an hour which can indicate an increased risk to further from moderate-risk to problem gambling in the surveyed population.”

“Overall gamblers are playing products at the same rate or less, but a majority of those who have participated in 3 or more gambling activities in the last 4 weeks are spending more time or money. We are also seeing an increase in the number of sessions over an hour.”

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## Responsible Gambling Concerns



- New gamblers may have low Responsible Gambling literacy and be at higher risk.
- Those shifting to online gambling may be at higher risk for problems.
- Increased advertising & irresponsible affiliates may adversely impact those at-risk, problem gamblers and those in recovery.



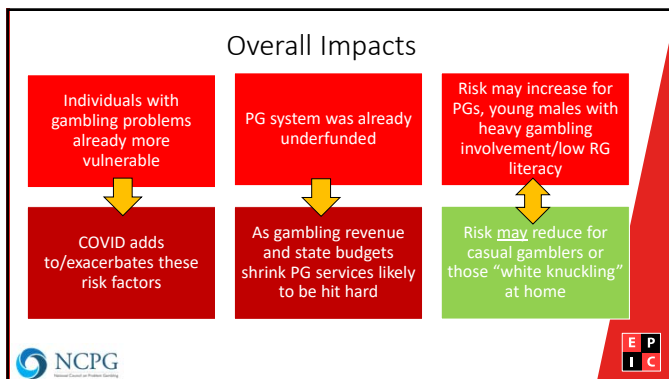

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## POST COVID

- Anticipated cuts 20-25% across state budgets, existing health funds diverted to COVID.
- Many states fund PG as a % of gambling revenue, so as revenue drops so do PG funds.
- Many states now allowing PG providers to bill for teletherapy, but only on temporary waivers.

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## GAMBLING in the USA during COVID-19

**New Jersey** closed its brick-and-mortar casinos on March 16, 2020. Revenues for its casinos fell 61.7 percent that month compared to March 2019, but its online gaming revenues over the same period **increased 65.7 percent**.



**Pennsylvania** tax revenues from brick-and-mortar gambling declined to \$50.5 million in March 2020 from \$67.5 million in March 2019. The state reported **earning \$24.3 million** from online gaming since the summer of 2019.

**Texas Lottery** 2020 fiscal year, the Lottery reported a whopping **\$6.704 billion in sales**, a \$452.5 million (7.2%) increase over the 2019 fiscal year.

**Georgia Lottery** "initially saw a dent in sales due to the pandemic in March. The Lottery combated this by pushing online play on its website and mobile app. In the last quarter, the Lottery bounced back and finished up the fiscal year with **over a billion dollars in profits** and saw the ninth consecutive year in growth."

**Kentucky Lottery**, which posted record sales for the 2020 fiscal year of **\$1.203 billion**, \$73.8 million (6.2%) more than last year.

The **Arizona Lottery** boasted an exceptional performance, recording its second consecutive record-breaking fiscal year. Total sales for the state Lottery reached more than **\$1.09 billion**.

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**THE WALL STREET JOURNAL**

### Gamblers Drive Hours and Wait in Lines, as Casinos Reopen Amid Coronavirus



Louisiana and Mississippi, among the biggest gambling markets in the U.S., are opening their casino doors after two-month closures

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## REDUCING REOPENING RISK

“As the state begins to address the critical health and safety protocols of reopening, we urge all gaming commissions to recognize the importance of including problem and responsible gambling provisions to protect the state, operators, and customers. **It is imperative that operators are cognizant of their customers more than ever, as many are likely more vulnerable and perhaps more desperate.**”

<https://www.ncpgambling.org/covid/>



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## NEVADA & PENNSYLVANIA REOPENING

NV: “Plans must include the licensee’s commitment to and implementation of responsible gaming measures. Licensees are encouraged to enhance their responsible gaming measures, including, without limitation, providing enhanced training to employees and creating specialized messaging for patrons.”

PA: prior to re-start.

- Review of the Self-Exclusion Database and casino’s internal systems and lists to ensure all self-exclusion and exclusion information is up to date.
- Ensure all CPG brochures and handouts are in each approved location listed within CPG Plan.
- Ensure all employees have received the current RG/PG employee training/annual RG/PG reinforcement training within the past year.
- Plans to modify or enhance PGCB Self Exclusion areas to ensure social distancing in accordance with applicable CDC guidelines.

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## RECOMMENDATIONS SUMMARY

1. Review existing responsible gambling policies and programs.
2. Incorporate an additional COVID-19-specific responsible gambling message into all advertising.
3. Designate an executive-level position to oversee responsible gambling efforts.
4. Assess changes in potentially problematic gambling behavior by players.
5. Provide educational materials in print and in electronic form and make them easily accessible for all players.
6. Enhanced responsible gambling training to all staff.
7. Highlight responsible gambling tools.



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## RESPONSIBLE GAMBLING CONCERNS

- New gamblers may have low Responsible Gambling literacy and be at higher risk.
- Those shifting to online gambling may be at higher risk for problems.
- Increased advertising & irresponsible affiliates may adversely impact those at-risk, problem gamblers and those in recovery.
- Stimulus checks/increased unemployment benefits may be an unexpected big win for at-risk & problem & recovering gamblers.



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## Feldman: RG In The Time of Coronavirus

“Almost all of the factors that are believed to contribute to gambling harms now exist in enhanced or increased measures. ...Many people have reduced or no income. Beyond employment which by now may have been eliminated entirely, reduced dramatically or substituted by government assistance, investments, savings, and retirement accounts have fallen dramatically as stock markets have crashed around the world. All of this can lead to a dramatic increase in depression, boredom, and loneliness. Some may see online gambling as a “way out.” Others may be desperate to “make up” for lost income. It is not that online gambling products are dangerous, per se – it is just that during these unprecedented times, operators must recognize that many of their customers are more vulnerable to getting into trouble.”



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## INDUSTRY IMPACTS

- Massive job losses and financial impacts on employees and companies, including RG staff and programs.
- Fought hard for specific access to Federal stimulus—is the gambling industry “too big to fail?”
- Industry has resisted Federal role or funding for problem gambling programs—but every argument used to seek Federal funds now applies to seeking Federal problem gambling funds!



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## Pre-COVID

- In midst of the largest and fastest expansion of gambling in our nation's history.
- All 50 states have had at least one filed piece of legislation that dealt with gambling (yes, including Utah)
- In the two years since May 2018 SCOTUS decision, over 96% of states and territories have explored legalizing sports betting or introduced legislation to do so (Idaho and Utah have not)
- Current Status:
  - 18 states now have live and operational sports
  - Six states/jurisdictions are in the process of going live
  - Currently, three states seeking ballot approval in November – SD, MD, LA (NE – Class III gaming)
  - Expected to resume and perhaps gain more speed when legislatures return to session

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### EXPANSION

- Several advocates for online gambling are calling on states to legalize online gambling, even using emergency powers.
- To mitigate the Great Recession, more than half of states expanded gambling to bolster gambling revenues—will we see same post-COVID?
- Virginia, Missouri, and Ohio have all passed or considered expanding gambling to make up for COVID financial gaps.






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On The Horizon
PAYMENTS GUIDELINES

- Encourage people who gamble to set their own limits of time and money.
- Deliver personalized responsible gambling messages.
- Allow players to self-exclude from gambling platforms and venues.
- Allow players to synchronize their exclusions with venue & state exclusion lists.
- Research signs of problematic play.
- Utilize the payments data they collect to monitor performance.
- Develop models to help predict and prevent excessive usage.

Released February 3, 2020






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**On The Horizon** SOLUTIONS

**Cashless as a solution to:**



- Public Health Issue
- Better means of knowing your player
- Way of the future
- Increased security
- Data, data, data = more research
- Stronger consumer protections

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**THE BOTTOM LINE**

- Vast majority of casino reopening plans to date **do not** have any mention of additional RG measures.
- The risks associated with reopening casinos continue to be increased for various reasons.
- Must apply precautionary principle and evaluate data collected at select intervals after opening to assess changes (positive and negative) in both behavior and operations.

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**Q & A**

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**THANK YOU**

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