

Responsible Gaming: Grounded in Science, Driven by Collaboration

Presentation by

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**Nova Scotia Gaming Corporation's Responsible
Gaming Conference**

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Comparing Gaming Systems

- **Canada** - Gaming markets are largely government-operated
- **United States** - Gaming establishments (except state lotteries) are business entities, with a majority owned by publicly-traded companies
- Different systems with a shared commitment to responsible gaming

U.S. Gaming History - Nevada

- **1931-** Gaming first legalized in Nevada
- **1966-1970** – Howard Hughes purchases casinos, other investors follow; gave legitimacy to industry
- **Late 1960's – Corporate Gaming Acts**
 - Removed barriers for corporate involvement in and ownership of casinos
 - Expanded access to financial capital through debt and equity markets
 - Increased public information on casino ownership and profitability

American Gaming Association



AMERICAN
GAMING
ASSOCIATION

- Created in 1995
- Represents the commercial casino industry on federal legislative and regulatory issues
- Consists mostly of members that are publicly held casino and gaming manufacturing companies

5 Types of Legal Gambling in the United States

- Commercial casinos (*12 states with 8 additional “racino” states*)
- Native American casinos (*28 states*)
- Lotteries (*43 states plus D.C.*)
- Pari-mutuel (*40 states*)
- Charitable gaming (*47 states plus D.C.*)
- Only Utah and Hawaii have no form of legalized gambling

Overview of U.S. Commercial Casino Industry

2008 statistics

- Operates 445 casinos in 12 states
- Generated more than \$32 billion in gross gaming revenues
- Paid \$5.7 billion in direct gaming taxes
- Provided more than 357,000 jobs with wages of more than \$14.0 billion

Praise from Leaders

“We’ve been able to improve our quality of life, which was one of the promises made when gaming was legalized... [it has] contributed more than \$871 million in gaming taxes to the state alone, which is money that the legislature can use to improve the lives of residents across the state, whether their community has gaming or not.”

- *Mayor A.J. Holloway*
Biloxi, Mississippi

Misrepresented Social Costs

Bankruptcy

A 2007 American Bankruptcy Institute study shows that none of the three biggest gaming states (N.J., Nev., Miss.) are in the upper echelon in categories that determine relative bankruptcy rates

Misrepresented Social Costs

Crime

“The majority of the information collected during the past decade indicates there is no link between gaming, particularly casino-style gaming, and crime.”

- Public Sector Gaming Study Commission (2000)

Misrepresented Social Costs

Suicide

“The risk for gaming area residents is no higher than the risk faced by residents of nongaming areas...the risk of suicide for visitors to gaming areas is no higher than the risk faced by visitors to nongaming areas.”

-Drs. R. McCleary and K. Chew (1998)

-University of California, Irvine

Misrepresented Social Costs

Gambling Disorders

- Despite the expansion of gambling in recent years, the prevalence rate of pathological gambling, approximately 1 percent of North Americans, has remained steady for 30 years
- After a temporary spike, once people adapt to new casinos, problem gambling rates return to normal (LaPlante and Shaffer, 2007)

One Problem Gambler Is One Too Many

U.S. commercial casinos are trying to educate employees and patrons about the importance of responsible gaming

- Harrah's Operation Bet Smart and Operation 21
- AGA's Responsible Gaming Education Week
- AGA Code of Conduct for Responsible Gaming

National Center for Responsible Gaming

- AGA's affiliated charity
- The first national organization devoted exclusively to funding independent, peer-reviewed scientific research on pathological and youth gambling
- Since 1996, more than \$22 million has been committed to the NCRG from the commercial casino gaming industry, equipment manufacturers and others



National Center for Responsible Gaming

NCRG has funded more than 150 research projects at more than 30 institutions

- Boston University Medical School
- Harvard University
- Johns Hopkins University
- McGill University
- University of Calgary
- Laval University

Institute for Research on Gambling Disorders

- Manages the NCRG's grant-making activities
- Independent review panels and a scientific advisory board guide the research and Institute



Key Research Findings - Addiction

- Similarly to those with substance abuse problems, pathological gamblers can experience changes in their neural circuitry that perpetuate excessive behavior
- Addiction results, not from a object like a drug or slot machine, but from the relationship between a vulnerable person and the object of addiction

Key Research Findings - Comorbidity

- Gambling disorders are often linked to other psychiatric and substance abuse problems
- Of the problem gamblers in a 2005 Harvard Medical School study:
 - 73 percent abused alcohol
 - 38 percent used illegal drugs
 - 60 percent were addicted to tobacco
 - Many others suffered from mood, anxiety or personality disorders

Key Research Findings - Comorbidity

- A large fraction of pathological gamblers suffer from an underlying “addiction syndrome”
- Therefore, treatments must take other behavioral disorders into account, and
- Simple remedies are unlikely to make any material impression

Key Research Findings – Population Studies

- Casino employees experience a higher prevalence rate of pathological gambling
- According to a 2008 study of young people:
 - 68 percent gambled in the past year
 - 11 percent gambled twice per week
 - 6 percent were at-risk problem gamblers
 - 2 percent were already pathological gamblers

Key Research Findings – Gaming Machines

- Many claim that slot machines create problem gamblers
- Despite wider access and continued machine evolution, prevalence rates have remained steady
- The effectiveness of responsible gaming features on electronic gaming machines has been mixed

Key Research Findings – Recovery

- There are many treatments for pathological gambling that have proven effective:
 - Gamblers Anonymous
 - Talk therapy
 - Drug intervention strategies
 - Natural recovery

A Growing Field

- The field of problem gambling research has grown dramatically in the past decade
 - Much of the growth was driven by Dr. Howard Shaffer at Harvard's Division on Addictions, which received the NCRG's largest ongoing research grant
- Field has expanded to other top-tier institutions
- Government funding is scarce
- Continued growth requires innovative approaches to funding research

NCRG Centers of Excellence in Gambling Research

- University of Minnesota
- Yale University
- Centers receive three-year grants to fund ongoing research programs
- Managed by the Institute for Research on Gambling Disorders
- Competitive individual grants for other research institutions

Public Perceptions of Gaming Entertainment

AGA's 2009 *State of the States* polling found that:

- 81 percent of Americans view casino gaming as acceptable for themselves or others
- 59 percent agree that going to a casino is just like going to a concert, sporting event or play.

The Industry's Approach

- The decision to gamble is one of personal choice and requires discipline and individual responsibility
- Focus responsible gaming efforts on education, rather than intervention
- Design efforts to help those who can gamble responsibly do so while helping those who cannot to get the help they need
- Focus education efforts on gaming employees and patrons

Responsible Gaming National Education Campaign

- “Keep It Fun” theme in all programs and outreach materials
- “Keep It Fun” guidelines
 1. Gambling entails risk and the odds of winning are with the house
 2. Responsible gaming is done socially with family, friends or colleagues
 3. Responsible gaming is done for limited amounts of time
 4. Responsible gaming has predetermined, acceptable limits for losses

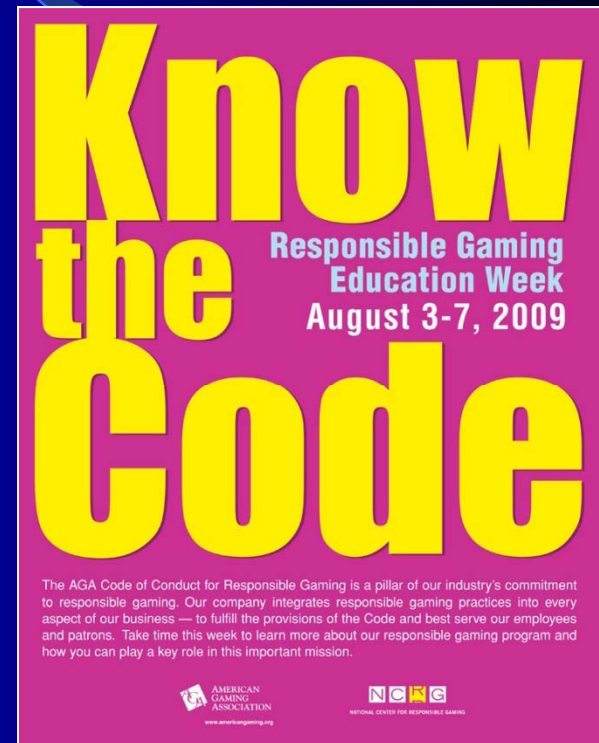
Responsible Gaming National Education Campaign

- “Keep It Fun” brochure is available in casinos throughout the U.S.
 - Encourages personal guidelines
 - Directs people to the national problem gambling hotline
- “Keep It Fun” awareness wristbands for employees and patrons



Responsible Gaming Education Week

- Annual industrywide education event held in the first week of August and targeted to employees and patrons
- This year's theme, "Know the Code" focused on the AGA Code of Conduct for Responsible Gaming



AGA Code of Conduct

- Implemented by AGA members in 2004
- Serves as a guidelines for responsible gaming policies and procedures
- The industry's pledge to employees, patrons and the public to integrate responsible gaming practices into daily operations, including employee training, marketing, advertising and alcohol service

AGA Code of Conduct

Pledge to Employees

- Educate new employees about responsible gaming programs
- Routinely train existing employees
- Post responsible gaming signage with a toll-free help line in employee areas

AGA Code of Conduct

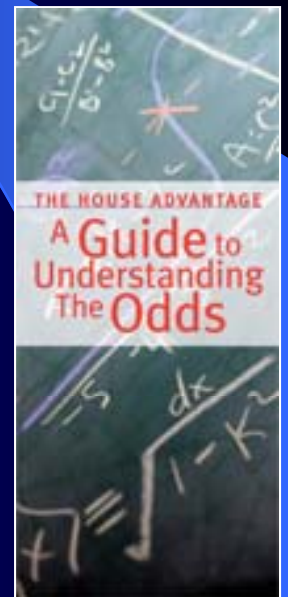
Pledge to Patrons

- Make available responsible gaming brochures with information on where to find assistance
- Create a self-exclusion program at each member company casino
 - Enables customers to be put on a list prohibiting them from gambling at a facility or receiving casino privileges or promotional mailings

AGA Code of Conduct

Pledge to Patrons (cont'd)

- Make patrons aware of the odds of winning and losing casino games
 - “The House Advantage: A Guide to Understanding the Odds” – an AGA brochure available at member casinos
- Make efforts to prevent underage gambling
- Serve alcoholic beverages responsibly
- Advertise responsibly
 - Include responsible gaming messages in marketing materials
 - No advertising targeted to minors



AGA Code of Conduct

Pledge to the Public

- Continue funding NCRG research projects
- Constantly review responsible gaming programs to ensure they are compliant with the Code of Conduct

Code as Living Document

- AGA is considering adding provisions to the Code that specifically apply to gaming equipment manufacturers

Guidelines for Children and Minors

- Created in 1997 through partnership with the National Center for Missing and Exploited Children
- List of suggested standards for casinos to follow regarding unattended children
- A template for others in the entertainment industry



Other AGA Resources

- Studies, news articles, reference materials, guidelines and best practices available on the AGA Web site, www.americangaming.org
- *Responsible Gaming Statutes and Regulations*
 - Compilation of state-level responsible gaming laws in the 20 commercial casino and “racino” states

NCRG Education Programs

- EMERGE
 - Science-based responsible gaming training program for casino industry employees
- “Talking with Children about Gambling”
 - Research-based guide designed to help parents, and others who work with youth, deter children from gambling and recognize warning signs of gambling problems and other risky behaviors



Task Force on College Gambling Policies

- Made up of administrative and academic professionals from U.S. colleges and universities
- Final report includes 10 topline recommendations covering:
 - Core prohibition and restriction policies
 - Recovery-oriented policies recognizing gambling disorders as a mental health issue
 - Policies on special events that involve gambling

NCRG Conference on Gambling and Addiction

- Forum for hundreds of treatment providers, gaming regulators, elected officials, industry executives, scientists and legal professionals from around the world
- This year's theme – “Money, Money, Money: Current Issues Affecting Research, Recovery and Responsible Gaming”
- November 15-16 at Mandalay Bay Resort and Casino in Las Vegas, Nev.
- Register now at www.ncrg.org. Early bird discounts expire tomorrow

Future of Responsible Gaming

- Industry collaboration
 - Sharing resources, best practices and a commitment to responsible gaming
 - Working together can help us achieve progress
- Base our efforts on sound scientific research
 - Gives guideposts and benchmarks for responsible gaming efforts

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