



## Social costs of gambling harm on Italian public finances in 2014

### What this research is about

There are several types of social costs associated with gambling harm. Direct costs include the costs for treatment. Indirect costs include the costs associated with unemployment and divorce, amongst others. Several approaches have emerged to measure these costs. The cost-of-illness approach looks into the costs of high-risk gambling versus when it is absent. The economic approach considers both the costs and benefits of gambling. The public health approach includes the costs of prevention, harm reduction, and quality of life. The aim of this study was to estimate the social costs of gambling harm in Italy in 2014. The estimates focused on people with high-risk gambling.

### What the researchers did

The researchers estimated the prevalence of gambling harm in Italy using the 2014 CIRMPA study. The CIRMPA study surveyed a representative sample of the adult population who had gambled in the past 12 months. A total of 2,030 participants completed the Problem Gambling Severity Index and the South Oaks Gambling Screen. Around 2.43% of participants scored as at-risk or high-risk gambling. Based on the ISTAT – National Institute of Statistics (2014), the adult population had around 50.62 million people. That would project around 1.23 million people with at-risk or high-risk gambling. These figures were used in the calculation of the social costs of gambling harm.

### What the researchers found

#### *Health and social care costs*

The researchers used the lump sum spent by the Italian government to calculate health and social care costs. In 2014, the public addiction services devoted an average of 15 hours to each patient with gambling

### What you need to know

The aim of this study was to estimate the social costs of gambling harm in Italy in 2014. The researchers focused their estimates on high-risk gambling. They included the costs of treatment and prevention, unemployment and productivity loss, suicide, divorce/separation, and crime and legal proceedings. In sum, the social costs of gambling harm in Italy were 2.32 billion in 2014. These costs did not consider lower-risk gambling and people affected by another person's gambling. Thus, the costs were likely to be underestimated.

problems. Patient cost per hour was EUR 51.60. There were 13,136 patients at the beginning of 2015. Thus, the costs of treatment were around EUR 10.2 million. In addition, the Law 208 in 2015 established a yearly lump sum of EUR 50 million in the Problem Gambling Fund for prevention. The costs of treatment and prevention together were EUR 60.2 million.

#### *Costs of unemployment and productivity loss*

In a previous study, the researchers estimated a 6% higher probability of being unemployed for people with high-risk gambling. In this study, they applied a 20% markdown in their estimates to account for uncertainty in whether gambling is the cause. The researchers estimated 59,049 persons were unemployed in 2014 due to gambling. Based on the National Institute of Social Security (INPS) data, the cost of unemployment per person was around EUR 6,491. Therefore, the costs of unemployment due to gambling harm were EUR 383.3 million.

The average gross yearly income was EUR 29,472 in 2014. Taken the length of unemployment to be

around 180 days, each person lost EUR 14,736 due to gambling. Thus, the costs of productivity loss were EUR 870.1 million. The total costs of unemployment and productivity loss were EUR 1,253.4 million.

### *Suicide costs*

Based on the CIRMPA study, high-risk gambling would lead to an average loss of 36.64 years in life. Taken the average yearly income to be EUR 29,472, the value of a lost human life due to gambling harm was almost EUR 1.08 million per person. An Australian study in 1999 found that the rate of suicide was five times higher with high-risk gambling. Using this conservative rate, the researchers calculated the incidence of suicide in people with high-risk gambling to be about 0.00027. This suggested 338 suicides, using the 2.43% prevalence rate. Applying the 20% markdown resulted in 270 suicides. Thus, the costs of suicide due to gambling harm were EUR 291.6 million.

### *Family costs*

The CIRMPA study reported divorce and separation were four times higher among people with high-risk gambling (8.9%) than the general population (2.2%). In 2014, there were 160,859 cases of divorce and separation based on data by the Ministry of Justice. The annual cost of each proceeding was EUR 1,150. Applying the 20% markdown, the researchers estimated 7,826 cases were related to gambling. Thus, the total family costs equalled to EUR 9 million.

### *Crime and legal costs*

Based on data by the Ministry of Justice, the number of legal cases was 6.28 million among adults in 2014. The annual cost of each proceeding was EUR 1,150. The researchers estimated 12.9% of the adult population had a legal problem. The CIRMPA study found that people with high-risk gambling were 2.18 times more likely to have a legal problem. Applying the 20% markdown resulted in 258,546 cases. The costs were EUR 297.3 million to the judicial system.

The daily cost of prison was EUR 190,21 per person in 2013. The number of adults in prison were 53,623 in December 2014. The researchers calculated the number of people with high-risk gambling in prison. They applied a 35% markdown, considering about

65% were in prison specifically due to gambling. This resulted in 5,940 people, with the costs of EUR 412.5 million to the penitentiary system. Together, the crime and legal costs were EUR 709.8 million.

In sum, the social costs of gambling harm in Italy were 2.32 billion in 2014. These costs were likely to be underestimated since they did not consider lower-risk gambling and people affected by another's gambling.

### **How you can use this research**

This study could inform public health, policy makers, researchers, and other stakeholders.

### **About the researchers**

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### **Citation**

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