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The social harm of new betting houses on high school students' academic performance

What this research is about

Gambling is increasingly recognized as a social problem. More gambling opportunities are being available, which can be a key driver of problem gambling behaviour. Research has looked into individual characteristics that draw people to addictive behaviours like gambling. Evidence suggests that age is an important factor. Adolescents are more vulnerable to problem gambling than adults. A growing number of studies have examined the individual consequences of gambling. However, the societal effects of gambling remain largely unclear.

In Spain, there are large differences between regions on gambling regulations and protections offered to vulnerable groups. More betting houses had been opened over the last two decades in Madrid. In particular, the number of new betting houses peaked from 2015 to 2017. Most of the betting houses are devoted to sports betting. Some also include games of chance such as slot machines.

It had been estimated that the prevalence of gambling among adolescents in Spain rose from 21% in 2015 to 30% in 2019. About 10% of Spanish adolescents gambled during 2019. In this study, the researchers used the case of Madrid to examine if the academic performance of high schools declines after the opening of a new betting house nearby.

What the researchers did

The researchers selected high schools that offer academic track. Students who attend these schools seek to attend university later on. They must finish a two-year academic training and pass a standardized state-level exam for university entry. To measure schools' academic performance, the researchers used

What you need to know

This study explored if the academic performance of high schools in Madrid declines after the opening of a new betting house nearby. The researchers compared between schools with and without a new betting house located within 500m. The outcome is schools' average grade at the standardized state-level exam for university entry. The researchers looked into whether the effect of betting houses is uneven across school types and neighbourhood income levels. The results show that the presence of a new betting house nearby harms the academic performance of public high schools in low-income neighbourhoods. There is no effect on charter schools or public schools in high-income neighbourhoods. This study suggests betting houses increase inequality in education.

administrative data detailing the average grade of each school at the state-level exam. The data covered the period from 2014 to 2017. There are 89 public schools and 188 charter schools.

Compared to public schools, students in charter schools have more lessons in the afternoon. They are also offered more extra-curricular activities after their lessons. Therefore, students in charter high schools have more supervision and less exposure to leisure activities outside of school. In addition, schools located in high-income neighbourhoods tend to have more leisure activities and commuting patterns. Students attending these schools also tend to have greater parental monitoring. The researchers looked into whether the effect of betting houses is uneven across school types and neighbourhood income levels.

The researchers compared the change in academic performance of schools that were exposed to a new betting house and schools that were not exposed to a new betting house between 2015 and 2017. They confirmed that the schools had similar trends in performance before some schools were exposed to a new betting house.

Using survey data on commuting patterns, the researchers estimated that the average students' distance to their schools is 500m. They then determined which high schools are less than 500m away from the closest betting house. The researchers looked at the impact of distance from the closest betting house on schools' performance at the state-level exam. They then compared between public and charter high schools, and between public schools in low- and high-income neighbourhoods.

What the researchers found

On average, schools' performance at the state-level exam dropped by 0.25 points (on a scale from 0 to 10) after a betting house opened less than 500m away. The presence of a new betting house nearby did not affect charter high schools and public high schools located in high-income neighbourhoods. In contrast, the performance of public high schools in low-income neighbourhoods dropped by 0.5 points. Over the first full academic year after a betting house opened, the performance of public high schools in low-income neighbourhoods dropped by 0.7 points.

The researchers checked that their findings are robust to alternative explanation. They looked into the opening of new Starbucks cafes to confirm that it was gambling, and not the presence of any new leisure activity, that affected schools' performance. The researchers found no evidence that new Starbucks affected the academic performance of high schools in either poorer or richer neighbourhoods. They also found no evidence that the number of students who sat in for the state-level exam differed between schools with and without a betting house nearby. There was also no evidence that gambling companies targeted poorer neighbourhoods to open betting houses. Furthermore, betting houses did not devalue neighbourhoods' rental prices in the short term.

How you can use this research

The results of this study can inform gambling policies. The researchers expected that their results should hold all over Spain, especially in big cities. The results may also be relevant outside of Spain. More research is needed to understand how new gambling supply may increase inequality in education.

About the researchers

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