

research snapshot

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Economic recession affects gambling participation but not problem gambling

What this research is about

Three major banks in Iceland went bankrupt in October 2008. This started a major financial crisis for the country. In the first three years after the economic collapse (2008 to 2011), there were major changes in the society. For instance, living standards sharply declined while household debts and the prices of goods rose. There were more people who reported distress and sickness than before.

There are few studies on the effects of economic recessions on gambling behaviour. Those that do exist are based on comparisons of data collected from different people at different time points. Therefore, any changes might be explained by differences in the people involved at each study time point. It is important to examine the effects of the economics on gambling behaviour between different time points, following the same people. The current study examined potential changes in gambling participation and problematic gambling among people living in Iceland before (2007) and after (2011) the economic recession in 2008.

What the researchers did

Participants were 1,531 people living in Iceland between the ages of 18 and 70 years. They took part in a national gambling study, by telephone, before (2007) and after (2011) the economic crisis in 2008. At both time points, participants reported their gambling participation in the last 12 months. These included lotteries, scratch tickets, sports betting, bingo, casino games, and Internet gambling. If a participant had gambled at least once during the past 12 months in any gambling activity, he or she answered questions about problematic gambling behaviours and

What you need to know

The economic crisis that Iceland experienced in 2008 created a unique opportunity to examine the effects of economic recession on gambling behaviour. The current study found that, during the economic recession, there were more people buying lotteries and scratch cards, as well as playing bingo. But there was a decrease in participation in electronic gambling machines (EGMs). People experiencing financial difficulties were more likely to buy lotteries and scratch tickets. This suggested that people with financial difficulties were attracted to the possibility of winning a large jackpot with a low initial stake (i.e., lotteries) to improve their financial situation. The rates of problematic gambling did not change after the economic crisis.

motivations to gamble. Participants were also asked about the effects of the economic recession on their financial well-being.

The researchers analyzed for changes in gambling participation and problematic gambling from 2007 to 2011. They also analyzed the effects of the economic recession on gambling and problematic gambling.

What the researchers found

Gambling participation increased from 2007 to 2011. This was mostly due to increased participation in lotteries. An additional 16% of participants reported buying lottery tickets in 2011 compared to 2007. Participating in bingo, monthly lotteries and scratch tickets was also more common in 2011 than in 2007.

Only participation in electronic gambling machines (EGMs) declined after the economic crisis.

There were no changes in the rates of problematic gambling between 2007 to 2011. In 2007, 4.8% of the participants were low-risk gamblers and 1.2% were problematic gamblers. In 2011, 4.2% were low-risk gamblers and 1.1% were problematic gamblers. Thus, just over 1% of all participants were problematic gamblers in 2007 and in 2011.

Gambling and problem gambling did not remain stable over time. Less than a third of those who had gambling problems in 2007 were still problematic gamblers in 2011. However, over half of problematic gamblers in 2007 had either quit gambling or gambled without any problems in 2011. A few participants moved from non-problem or low-risk gambling to problematic gambling, though.

Participants who reported having financial difficulties during the economic recession were more likely to have gambled at least once in 2011. They were more likely to have bought lottery tickets and scratch tickets than those who did not experience financial difficulties. Thus, increases in gambling were found only for lottery-type of gambling. The results remained the same even after taking into consideration gender, age and education. Also, those who did not gamble in 2007 but did so in 2011 were more likely to report financial difficulties than those who did not gamble at all. These findings suggest that when people experience financial difficulties, they are more likely to see the possibility of winning a large jackpot with a low initial stake as a way to improve their financial situation.

How you can use this research

Clinicians and treatment providers should be aware that clients experiencing financial difficulties may increase their gambling behaviours. They should incorporate financial resources into their gambling treatment programs. Future research should replicate the current study's findings across a broader time frame and with different populations.

About the researchers

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Keywords

Gambling, problem gambling, prevalence, economic recession, longitudinal study

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