



# Gambling Environment

## WHAT IS THIS FACTOR ABOUT?

The social and political environment influences people's opportunities to gamble, their gambling behaviour, and the extent to which gambling-related harm may occur. There are numerous features that make up the gambling environment; examples of features for land-based gambling are venue locations, number of venues, and type of gambling activity offered.

## WHY IS THIS FACTOR IMPORTANT?

Most gambling research focuses on the individual rather than the surrounding environment or community. It is important to understand the environment in which gambling occurs since it is controlled and regulated by governments and influenced by consumer demand. This summary will describe elements contributing to the gambling environment.

## WHAT IS INCLUDED IN THIS FACTOR?

### Economics

Macroeconomics refers to the analysis of economic factors for a large group of people or an economy. Some studies report predictions for the impact that casinos have on employment, wages, and tax revenue. This evidence is mixed, but it generally shows that casinos have some positive influence on local and regional economies. Research from the United States indicates that policy makers will approve new casinos in times of financial stress as a way to create revenue. Research on the economic impact of other gambling activities is sparse.

Microeconomics refers to the analysis of economic factors for individuals. Gambling

researchers who study these factors usually focus on social costs, specifically crime and bankruptcy. The evidence suggests that people who have gambling problems are more likely to commit a crime so that they can continue to have money to gamble. Research also shows that casinos can contribute to higher bankruptcy rates. Other studies have tried to attribute a dollar value to the social costs of gambling; however, there is no agreement about the definition of social costs, so these cost estimates could be much lower than what the actual cost may be. It is important to consider the social costs since the focus has so often been on the potential of gambling revenue for economic benefits.

### Socio-Political Environment

The gambling industry is responsible for supplying and marketing gambling products. Consumers sustain this supply when they use the gambling products. Politics, among other factors, influence the supply and demand relationship. Governing bodies regulate where, when, and how gambling products exist. By legalizing certain forms of gambling, they also influence societies to consider gambling as acceptable behaviour. Governing bodies as well as other organizations and businesses can become dependent on the revenue. This is concerning since most revenue from gambling comes from people who have gambling problems.

### Public Policy

As a public health strategy, some governments create policies to regulate the gambling industry and prevent gambling-related harm; however, most policies focus on the individual rather than the health of the whole community. There is also concern that because the government profits from the gambling industry, their policies may be biased. A similar bias could apply to researchers, since some of them receive funding from the gambling industry. A way to minimize this

potential bias would be to have a third-party organization act as an intermediary between researchers and the gambling industry. Gambling Research Exchange Ontario is one such organization. It works directly with the gambling industry to arrange access for researchers, who want to collect data, to the venues where people are gambling. This helps to keep researchers and the gambling industry separate.

Gambling policies should establish goals to reduce harm and provide support to all people who gamble. Specifically, policies could include monitoring standards and placing limits on aspects of the gambling environment, such as the venue location and types of gambling activity.

### Culture of Social Responsibility

Corporations that play a role in the gambling industry have an ethical mandate to use harm-reduction practices. This includes campaigns to promote responsible gambling. Corporations also have a social responsibility to identify excessive gambling and to intervene, when necessary, to minimize financial loss.

### Responsible Gambling

There are various approaches to promote responsible gambling. Some examples are education campaigns, behaviour monitoring, helpline services, and environmental modifications. The effectiveness of these approaches, however, is unclear.

Many research articles discuss the Reno Model. The Reno Model provides a framework to guide harm-reduction practices. It emphasizes that governing bodies and the gambling industry should promote responsible gambling. It also emphasizes that people who gamble should learn about gambling and only bet what they can afford to lose. However, it is unclear the extent to which the Reno Model has an impact on responsible gambling behaviours. Some researchers also believe the model has a narrow focus, and that harm-reduction activities should consider other factors such as economic disparities and level of education.

### Social and Economic Impacts

Studies that determine social and economic impacts of gambling often focus on examining the effectiveness of a new policy or intervention. These studies identify the negative and positive economic impacts of introducing gambling. Positive impacts can include government revenue, enhanced public services, and an increase in entertainment options. Among the potential negative impacts are an increase in the number of people who have gambling problems and an increase in gambling-related harm. There is mixed evidence regarding the impact on crime, income level, quality of life, and attitude towards gambling. More research could be done in this area.

The positive and negative outcomes of gambling depend on many factors, including the type of gambling activity. For example, casinos and race tracks can be a good source of employment for communities. Further, casinos, electronic gaming machines (EGMs), and lotteries are a reliable source of revenue for governments and public services; but, they also create the most administrative costs and more often take business away from other local activities when compared to other types of gambling. Continuous forms of gambling (e.g., EGMS, Internet gambling) are more closely linked to problem gambling, while casinos have the strongest potential to increase crime.

Destination casinos have many features (e.g., entertainment, food, and shopping) that provide a benefit by bringing in revenue from outside communities. However, non-destination casinos, as well as EGMs, have the greatest potential to negatively impact individual quality of life. People who gamble on EGMs or Internet games are more likely to develop gambling problems and to have a negative attitude towards gambling.

This is a summary of the Gambling Environment Factor, one of eight interrelated factors that comprise the Conceptual Framework of Harmful Gambling. To learn more about this factor, please refer to the [full report](#) or visit the [gambling environment factor webpage](#) on the GREO website.