



Gambling on Credit:

Exploring the Link Between Compulsive Gambling and Access to Credit

A Think Tank to devise strategies for mitigating the financial impact of credit use by compulsive gamblers on individuals, families and communities.

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Background

This report summarizes the findings and recommendations of a national Think Tank convened in May 2006 by the Florida Council on Compulsive Gambling (FCCG), with financial support from the Florida Lottery. The Think Tank followed FCCG's one and one-half day annual conference - *The Culture of Gambling: Financial Implications and Societal Impact* - during which a number of nationally prominent experts presented their research, experiences and recommendations related to the physical, emotional and financial effects of access to credit and compulsive gambling on individuals, families, communities, and society as a whole.

Established in 1988, the FCCG's mission is to help persons affected by problem and compulsive gambling. A not-for-profit, 501(c)3 education and advocacy, resource referral and training organization, the FCCG is a member of the National Council on Problem Gambling and receives funding under contract with the State of Florida, as well as membership dues, training fees and donations. The organization maintains a neutral stance on legalized gambling.

Defining Problem and Compulsive Gambling

Problem gambling is defined by the National Council on Problem Gambling as a behavior which causes disruptions in any major area of life: psychological, physical, social or vocational, and includes, but is not limited to, "pathological" or "compulsive" gambling. The latter is a progressive disorder characterized by growing preoccupation with gambling, the need to bet more money more frequently, irritability when attempting to stop the behavior, "chasing" losses, and the loss of control demonstrated by continued gambling in the face of serious and growing negative consequences. Pathological, or as it is referred to in this report, compulsive gambling, was first recognized by the American Psychiatric Association in 1980 as a progressive mental health disorder of impulse control and is defined in the APA's Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) as a "persistent and recurrent maladaptive gambling behavior."

The progression from social gambling to compulsive gambling is similar to the progression from social drinking to alcoholism in that not all individuals progress to levels that have significant negative consequences, and for those who do it is common to deny having a problem, sometimes in the face of overwhelming evidence to the contrary. Compulsive gambling is distinct, however, in one critically important way: the ability to gamble is fueled directly by the gambler's access to money and gambling can continue as long as the supply of money lasts, without an overdose or saturation point. Ironically, when the compulsive gambler loses a bet or accumulates debt, money also provides the answer to the 'problem.' The compulsive gambler's relationship with money is at once the cause and the solution.

Problem and compulsive gamblers are at increased risk for mental health problems, including depression, anxiety, suicide attempts and substance abuse. Research has shown that from 30% to

50% of the problem gambling population have drug or alcohol problems, and there are significant physical health consequences associated with the financial, relationship, career and other pressures that result from compulsive gambling. Many of these negative consequences are not limited to the gambler, but are also serious for family members who are providing emotional and financial support. The children of compulsive gamblers, for example, are more likely to develop problems with gambling, substance abuse and other addictive behaviors.

There is also a significant relationship between compulsive gambling and crime: nearly 30% of callers to the FCCG's 24-hour Problem Gambling HelpLine report they have committed illegal acts in order to pay gambling-related debts or to continue gambling. One third of problem and compulsive gamblers have been arrested at some point in their lives, while 10% of problem gamblers and 23% of compulsive gamblers have been incarcerated.¹ The FCCG's 2005 Think Tank on Problem Gambling and Crime explored this relationship in depth and issued a series of recommendations for changes in public policy, education and treatment approaches to recognize and address the impact that compulsive gambling has on the criminal justice system.²

Overall, compulsive gambling is a costly addiction with a serious financial impact on individuals, families, communities and the national economy. Data collected through the FCCG HelpLine confirms these impacts with a reported average debt for problem and compulsive gamblers standing at \$69,796. Many problem gamblers have relied on social services for themselves or family members. While the cost to their families is dramatic and often devastating, the non-payment of debt affects the entire national economy. It is estimated that problem and compulsive gamblers cost society \$5 billion per year, and an additional \$40 billion in lifetime costs for productivity reductions, social services and creditor losses.³ The magnitude of these costs and the role that credit plays in the progression of compulsive gambling suggests the need for more focused attention on this issue.

The FCCG Conference: Critical Learning for the Think Tank Discussion

FCCG's 2006 Conference, *The Culture of Gambling: Financial Implications and Societal Impact*, provided an in-depth exploration of the socio-economic issues related to problem gambling from diverse perspectives. Brief summaries of the conference presentations, all of which provided valuable background information to Think Tank participants, are provided below, along with a full listing of conference presenters. In an effort to present a balanced picture of the factors that influence access to credit and compulsive gambling and to develop productive working relationships that will support long term solutions, FCCG invited experts from the medical, legal, addictions, education, research, gaming, credit-counseling, banking and

¹ "Gambling Impact and Behavior Study," A Report to the National Gambling and Impact Study Commission, National Opinion Research Council, April 1, 1999.

² "Problem Gambling and Crime: Impacts and Solutions," A Proceedings Report on the National Think Tank, Florida Council on Compulsive Gambling, Inc., and University of Florida Fredric G. Levin College of Law, May 2005.

³ "Gambling Impact and Behavior Study," A Report to the National Gambling and Impact Study Commission, National Opinion Research Council, April 1, 1999.

credit card industries to participate as speakers and panelists. The banking and credit card industries did not participate.

Conference Presentations

Paul Ashe, Esq., FCCG Board President, opened the conference with a welcome to participants. He described the focus of the conference, noting that scheduled presentations feature knowledgeable and acclaimed experts on problem and compulsive gambling and related issues, with a special focus on the impact of easy credit as it relates to individuals with a gambling problem and financial impacts on families, communities and the state. After reviewing the major speakers and the focus of their presentations, Mr. Ashe recognized conference sponsors and the FCCG Board of Directors, and introduced Pat Fowler, Executive Director.

Ms. Fowler delivered remarks entitled “Getting a Handle on Where Things Stand,” commenting on FCCG’s experience working with problem gamblers in Florida, on today’s culture of gambling, and on some of the critical financial and social issues that would be major themes throughout the conference.

Ms. Fowler noted that FCCG, through the 15 years that it has operated the Problem Gambling HelpLine, has learned a great deal about problem gamblers – from their age, gender, relationship status, ethnicity, religion and county of residence to their income, where and on what they are gambling, the amount of their gambling debt and to whom it is owed, whether they have filed bankruptcy, and if so, the number of times. FCCG also knows the types of emotional, financial, legal, family and workplace problems that their gambling has caused, their experiences with other addictions and mental illness, and in many cases, their contemplation of or attempt at suicide.

This year’s conference and Think Tank is based on a culmination of the information that has been compiled through the years and is the direct result of a significant concern that has been identified by HelpLine callers: the impact of easy credit on problem and compulsive gamblers.

In past years, according to Ms. Fowler, the way to gamble on credit was to establish a credit line at a casino or bet with an illegal bookie. Both of these methods required that the debt be paid down in order for the gambler to be extended further credit. The availability of credit cards, often with no verification of an individual’s ability to repay debt, has created a situation that is out of control, from FCCG’s perspective. Problem gamblers are accumulating enormous debt – debt resulting in family deprivation, loss of property, unpaid debt, bankruptcy and even the commission of crimes.

Ms. Fowler cited FCCG Problem Gambling HelpLine data indicating that the primary source of gambling funds, and gambling debts, are credit cards. HelpLine callers confirm that on average, 65% of gambling-related debt is due to credit cards, and fiscal year 2004-2005 data reveals that 20% of HelpLine callers have gambling debt greater than \$20,000, with some owing hundreds of thousands. She also noted that 21% of HelpLine callers have filed bankruptcy at least once, and 24% acknowledge that they have committed a crime as a result of their gambling.

When a gambler does seek assistance, Ms. Fowler described the enormous debt that is usually owed on credit cards, and discussed the consequences of this debt for the gambler and for his or her family. She pointed out the complex questions that must ultimately be answered if we are to assist problem gamblers effectively, regarding the role of bankruptcy, the importance of addressing a gambler's debt as part of effective treatment, and the responsibility of the banking industry and credit card companies to engage in a dialogue that seeks to address significant problems in the current system. In closing, she invited conference participants to learn from experts in the financial, gaming and problem gambling fields and to participate in developing ways to mitigate the damage that is being caused by easy access to credit for those experiencing a gambling problem.

“And the Drinks are Always Free: NOT!! The Costs of Troubled Gambling with Co-Morbidities,” *William Thompson, Ph.D., Author and Professor of Public Administration, University of Las Vegas, Las Vegas, Nevada. Dr. Thompson served as a gaming consultant to the President's Commission on Organized Crime and has coauthored, The Economic Impact of Native American Casinos in Wisconsin (1995), The Social Cost of Gambling in Wisconsin (1996) and Crime and Casinos in Wisconsin (1996).*

Dr. Thompson introduced the term “Win-Win game,” noting that any public perception about dishonest games, exploitation, excessive alcohol consumption, and troubled gamblers works against the industry's interests. Based on the National Gambling Impact Study Commission statistics that demonstrate a doubling of prevalence rates in the 50 mile radius around a casino, Dr. Thompson hypothesized that, if a casino were to open in Orlando (population 1,861,707), an estimated 8,043 new compulsive gamblers and 9,383 new problem gamblers would result. He described the social costs of compulsive gambling, based on his research and that of other researchers, including costs related to missed work, quitting jobs, firing, unemployment compensation, debt and bankruptcy, thefts, civil suits, criminal prosecutions (arrests, trials, jail and probation), welfare and food stamps, and treatment or counseling. Conservative estimates indicate a cost per compulsive gambler to society of \$10,053 per year, and Dr. Thompson linked these costs to the hypothetical casino opening in Orlando, estimating that the cost to the Orlando community would exceed \$127,000,000.

Dr. Thompson also reviewed co-morbidity data, pointing out the strong links between problem gambling and alcohol, which can exacerbate the negative impacts of both addictions and raise the social costs of problem gambling up to 30%. He also pointed out that substance abuse can reduce a gambler's social cost because the two activities are not pursued concurrently.

Dr. Thompson closed his presentation with recommended steps to lessen the impact of alcohol on gambling, such as separating venues for gambling and alcohol consumption, and putting policies and programs in place assigning liability for the actions of drunken patrons to casinos and other gambling venues that serve alcohol.

“Problem Gambling’s Physical and Emotional Impacts Affect Young and Old,” Colonel Brian K. Unwin, M.D., American Academy of Family Physicians, LTC, MC, USA, Vice-Chair for Education and Assistant Professor, Department of Family Medicine, Uniformed Services University of the Health Sciences, Bethesda, Maryland. Colonel Unwin is the author, with Mark K. Davis, LTC, MS, USA; and Jason B. De Leeuw, CPT, MS, USA; of an article titled “Pathologic Gambling,” published in the February 2000 edition of *American Family Physician* by the American Academy of Family Physicians.

Colonel Unwin, a family physician serving active duty and retired military members and their dependents, described his own experience with an increasing number of patients whose physical and emotional problems relate to problem gambling, and his efforts to incorporate this knowledge into his work with medical students so that they will be prepared to recognize and understand the addiction and provide appropriate treatment or referrals. Colonel Unwin pointed out that slightly less than 1% of the general U.S. population is estimated to be pathological gamblers according to the National Research Council, but that the prevalence of pathological gambling is more than double that number among military personnel – in fact, a Department of Defense Worldwide Survey in 2002 indicated that 6.3% of Department of Defense personnel demonstrated at least one of the criteria for pathological gambling. Gambling and risk-taking is embedded in military culture, according to Colonel Unwin. He also noted the overall growth in gambling, a \$60 billion industry now operating legally in forty-eight (48) U.S. states in some form, and is the third most common recreational activity for Americans.

Colonel Unwin pointed out that many of the variables that contribute to gambling behavior, including attitudes toward seeking professional help, are heavily influenced by an individual’s cultural background and experiences, and that these issues have not been thoroughly addressed in the medical literature. Although the literature does address the impact of cultural differences in mental health and drug addiction, more research is needed that describes the impact of culture on gambling, and there is a particular need for data specific to the impact of cultural differences on gambling in the military.

Colonel Unwin then spoke to the relationship between gambling, depression, substance abuse, and risky behavior in young people, citing a Vermont survey of 8th - 12th graders that demonstrated associations of gambling with alcohol use, illegal drug use, non-use of seatbelts, drinking and driving, being threatened, carrying a weapon and being sexually active. He noted that 76% of compulsive gamblers have had a major depressive disorder event. Based on the strong relationship between compulsive gambling and depression, as well as the co-morbidity rates for compulsive gambling and substance abuse, Colonel Unwin pointed out that medical students need to understand co-morbidity, its costs and treatment implications. According to Colonel Unwin, depression costs society \$83 billion dollars annually and is the leading cause of disability behind heart disease.

Colonel Unwin encourages medical students to consider screening for problem gambling in cases of depression, substance abuse, bipolar disorder, other impulse control disorders and when treating Parkinson’s patients. He recommends the South Oaks Gambling Screen, the Gamblers Anonymous 20 Questions, the Lie/Bet questionnaire and/or family surveys to his students.

Colonel Unwin also emphasizes that it is critical to enlist the aid of family members in treatment, telling his students that key components of problem gambling treatment include the treatment of co-morbid disorders such as depression and substance abuse, support resources including self-help groups, and focusing the gambler and family on restoring a normal way of living and thinking. Colonel Unwin closed by noting that physicians need to be aware that compulsive gambling is treatable with 2/3 of patients reducing their gambling or becoming abstinent and demonstrating improved psychosocial functioning.

“Research Shows, It’s Time to Get on Board,” *a panel discussion including Louis Lieberman, Ph.D., Professor Emeritus of Sociology at John Jay College of Criminal Justice, City University of New York, New York, New York and Researcher, Addictions Research Consulting, Tellevast, Florida; Mary Cuadrado, Ph.D., Associate Professor of Criminology, University of South Florida, Tampa, Florida; and John Shukie, Assistant Director of Agents, Gambling and Amateurism Activities, The National Collegiate Athletic Association, Indianapolis, Indiana; and moderated by Gail Sasnett-Stauffer, Esq., Associate Dean for Students, University of Florida, Frederic G. Levin College of Law, Gainesville, Florida and Member, Florida Council on Compulsive Gambling Board of Directors.*

Drs. Cuadrado and Lieberman contributed to a presentation on the prevalence of gambling among Florida youth, referencing their secondary analysis of data collected in a survey sponsored by the Florida Department of Children and Families (DCF). The survey was done with a representative sample of middle and high school students throughout the state of Florida. The resulting DCF state report titled “2005 Florida Youth Substance Abuse Survey,” is mainly concerned with assessing the prevalence of alcohol, tobacco and other drug (ATOD) use and measuring the degree to which risk and protective factors exist in the community, family, school, and peer and individual environments. Upon request of the Florida Council on Compulsive Gambling two questions relevant to gambling among youth were added to the survey, and Drs. Cuadrado and Lieberman focused their analysis and presentation on the ATOD questions as they relate to the two additional questions concerning gambling.

The two gambling questions that were used in the DCF study reflect the two main dimensions of the definition of problem or potential problem gambling: intensity and consequences. The opportunity to add only two gambling questions to the DCF study necessitated using items that have shown productivity in past research, including number of times gambled in a specified time period (intensity) and arguments with family or friends about gambling (consequences). This latter variable is often an indicator of the progression of problems to the point where the gambler’s social contacts have become cognizant and concerned over his or her gambling.

For purposes of the analysis, the researchers combined the two gambling questions into a single variable called the Gambling Risk Index. Validation of this Index with several ATOD questions indicated that the Index showed greater discrimination ability than either gambling question did separately. Dr. Cuadrado pointed out that the present study cannot determine the prevalence of gambling pathology directly, but relies on the relationship of different degrees of at risk gambling to other variables in the DCF study.

Clearly, the findings show that there is a large population of students who may benefit not only from preventive education programs on gambling, but who may be in need of treatment. More than half of the students surveyed reported gambling during the last 12 months. Those who gambled were more likely than non-gamblers to use each of the drugs, engage in each of the antisocial behaviors, and have trouble in school. The top three antisocial behaviors cited for student gamblers were:

- Suspended from School;
- Physical Violence; and
- Drunk or High in School.

In addition, the greater the gambling risk, as measured by the Gambling Risk Index, the greater the likelihood of using drugs more extensively, the greater the likelihood of engaging in more antisocial behaviors, and having trouble in school. Gamblers were nearly six times as likely to carry a gun at some time during the past 12 months as were non-gamblers.

John Shukie presented an update on strategies to counteract sports wagering among student-athletes now being developed and acted on by a national task force in response to the 2003 NCAA Study on Sports Wagering and Associated Health Risk. He described the formation of three subcommittees – Awareness, Education and Treatment, Compliance and Policy, and Law Enforcement and Coalition Building – and their recommendations and progress during the three years since the study was completed.

He reported that the Awareness, Education and Treatment Subcommittee has proposed creating interactive technology to educate student-athletes, coaches and athletics administrators, providing educational programming at more NCAA events and conferences, and developing a comprehensive sports wagering educational program (“tool kit”) for institutions to use on campus. These recommendations have resulted in the “Don’t Bet on It” interactive website, educational programming at a number of NCAA events throughout the year and development of a web-based “tool kit” including a list of Institutional Best Practices, a video summary, a gambling crossword puzzle, the top 10 warning signs of problem gambling behavior for a college athlete, division and sport specific sports wagering presentations and month-by-month calendar.

The Compliance and Policy Subcommittee initiatives included the provision of a list of institutional best practices related to on-campus monitoring and expanding background checks of game officials in the sports of men’s ice hockey and baseball. Best practices include discouraging sports wagering advertisements in stadiums, arenas, media guides, game day programs and institutional news publications; discouraging use of "Las Vegas Nights" for athletic department fundraisers; and encouraging institutions to consider housing their teams at properties that do not have casino gambling on the premises. Expanded background checks of ice hockey officials have begun and will begin in the fall for baseball officials.

Finally, the Law Enforcement and Coalition Building Subcommittee has proposed developing and cultivating relationships with federal, state and local agencies and associations (i.e., law

enforcement, government relations, higher education associations and consumer protection groups) and devising a sports wagering educational curriculum for student-athletes and student populations that would incorporate organizations such as law enforcement, government and higher education. Relationships have been established with FBI Special Agents and Analysts, Campus Law Enforcement and Big Ten Chiefs of Police, NFL Security Department, US Attorneys Office, IRS Criminal Division and various state and local law enforcement agencies. Further, the FCCG was asked by the NCAA to prepare a sports wagering educational curriculum and is now working with the NCAA and National High School Federation in its finalization, distribution and implementation nationwide.

Mr. Shukie closed by mentioning several other initiatives being undertaken as a result of the task force's review including the development of the "Don't Bet On It" logo, monitoring of point spreads, developing agent and gambling affidavits and reestablishing relationships with members of the sports wagering industry in Las Vegas.

"The Rise of Easy Credit and the Marketing of Yuppie Food Stamps: Americans' Changing Attitudes and Behaviors Toward Spending, Savings and Leisure Activities in the Credit Card Nation," *Robert Manning, Ph.D., Research Professor of Consumer Financial Services, Rochester Institute of Technology, Rochester, New York. In addition to his widely acclaimed book, Credit Card Nation: The Consequences of America's Addiction to Credit, Dr. Manning's extensive research in the field is the basis of the featured documentary film In Debt We Trust, currently premiering at selected film festivals prior to its national distribution in the fall of 2006.*

Dr. Manning's keynote address provided an historical perspective on savings, spending and the use of credit in the United States, and warned of our society's increasing dependence on credit and complacency about growing debt. He pointed out many of the major cultural manifestations of the shift from our national roots as a society of scarcity, to the culture of savings expressed in Benjamin Franklin's phrase, "a penny saved is a penny earned," to the decreasing emphasis on savings and the increasing dependence on spending and the use of credit that has developed in the post-World War II years. His remarks also included references to the far-reaching societal consequences of the "immediate gratification" that is promised by easy access to credit.

The emergence of the "Credit Card Nation," a term coined by Dr. Manning and used as the title of his 2000 book, *Credit Card Nation: The Consequences of America's Addiction to Credit*, began during the late 1970's, and was influenced by the restructuring of industry and the deregulation of U.S. financial services. National economic growth, linked with household spending, has produced sophisticated mass marketing campaigns for consumer products and personal credit.

The availability of credit and the cost of debt have affected various social groups differently. Dr. Manning noted that, as our society has become more dependent on credit, actual economic inequalities have been exacerbated, even as differences in social status have been masked by the access of individuals with and without resources to easy credit. Across social groups, however,

debt is an accepted part of life, while savings is no longer a financial priority. Dr. Manning noted that three out of five households in the U.S. have credit card debt, and that the average household's debt is over \$13,000, while the savings rate has declined steadily during the past sixty years from a high of over 25 percent in 1943 to a negative 0.5% in the past ten months.

Dr. Manning pointed out that the highest consumer debt burdens are borne by the lowest wage-earning households. In families with an annual income of less than \$12,940, the level of consumer debt is equal to 52.8% of the mean family income. The working poor are the most debt-dependent households, and because of their need for second-tier financial services (pawnshops, payday cash advances, rent-to-own sellers etc.); they are often paying interest rates of 20% to 70% per month. Across the system, those who need credit the most ultimately subsidize the low-cost of credit of those that need it least.

The credit card nation also affects people differently across age groups, according to Dr. Manning. Much of his research and writing has focused on what he described as the most profitable niche of the credit card industry, the college student population, and the aggressive marketing on college campuses to individuals who are often not yet employed, and have not demonstrated an ability to repay debt. In contrast, older adults who have grown up during the years when savings was more highly valued are the least likely to have bank or universal credit cards and the most likely to pay off their monthly charges. This pattern of credit behavior makes older adults a much less attractive market for the credit card industry. However, Dr. Manning noted that an increase in the use of bank credit cards by the elderly will occur over the next two decades, primarily because of the aging of the "baby-boom" population who already rely on the convenience of bank cards or have become credit-dependent for their lifestyle needs.

This growing comfort across age groups with the use of credit has serious consequences for the many Americans who are living beyond their means to repay credit card debt. Dr. Manning pointed out that Americans charged \$1.2 trillion to credit cards last year, and received \$230 billion in cash advances, creating an outstanding credit card debt, nationally, of \$800 billion. Of the three out of five households with credit card balances, 38% pay the balance monthly, however Dr. Manning pointed out that many of these households rely on home equity loans to repay credit card debt, replacing one debt with another. During the last seven years, Dr. Manning noted, hundreds of millions in home equity loans have been used to pay off credit card debt. In addition, unmanageable debt has caused a total of 17 million people to file bankruptcy during the last decade.

“Credit Policies: The Gambling Facility Perspective,” *Elizabeth Behan, Senior Director of Legal Affairs, Isle of Capri Casinos, Inc.*

Elizabeth Behan presented the components of Isle of Capri Casinos' company-wide policy related to compulsive gambling, alcohol use and underage gambling, a policy that she described as more stringent than what is mandated by the American Gaming Association and by the Gaming Associations in some states. There are four policy components:

1. Annual training for all staff members on compulsive gambling, alcohol use and underage gambling.
2. Week-long education programs in these areas provided by the American Gaming Association.
3. A self-exclusion policy that, once an individual self-excludes, applies to all Isle of Capri Casino facilities and to all forms of credit, check-cashing, and direct mail marketing.
4. Team training within regional markets, focusing on staff ability to recognize the signs of problem gambling.

Ms. Behan also described the process by which individuals apply for Casino credit at Isle of Capri Casino facilities, noting that an individual completes an application that includes a signed release, and that the application is then run through one of the three major credit reporting companies and the list of poor credit risks (maintained by the casinos) before approval. She reiterated that anyone on the self-exclusion list is not extended credit. Regarding monitoring the use of credit within the Isle of Capri Casino facilities, a Credit Review Committee meets monthly to look at outstanding accounts and hear reports from floor staff members. Ms. Behan closed by explaining the legal status of a casino marker, noting that a marker is considered to be a promissory note that carries a legal obligation for repayment, and that an unpaid marker identified through the casino's credit review process can be treated as a bad check by a local District Attorney.

“Bankruptcy and Financial Responsibility: Gambling Specific Issues,” *Robert C. Furr, Esq., Trustee in Bankruptcy, Furr & Cohen, Boca Raton, Florida, and Christopher W. Anderson, M.S., L.M.F.T., Director, Gambling Recovery Center, Evanston, Illinois and former Executive Director of the Illinois Council on Problem and Compulsive Gambling.*

Christopher Anderson presented on the role that two critical factors play in the treatment process: the practical need for the gamblers to address their current financial situation, and the metaphoric need for individuals to address unresolved grief and the reasons that they have created deprivation in their lives. To this point, he noted that understanding the reality of the gambler's financial situation and disordered thinking is critical for the clinician interested in facilitating recovery, but that it is also imperative to develop an understanding of the metaphorical underpinnings that the client is struggling with in their addiction. In commenting further on the role that money plays in the compulsive gambler's life, Mr. Anderson pointed out that if an individual does not have a gambling problem, that individual does not need to gamble with borrowed money.

On the pragmatic level, common thinking in the training of gambling counselors is that gambling is not about the money. Mr. Anderson stated that this statement is both true and false. Without addressing financial issues very specifically, there can be no recovery. The therapist must be able to comfortably pursue the issues of how much money there is, who is managing the money,

how is it being managed, and other issues that pertain to the practical financial situation with which the gambler is dealing. These are critical issues, and the very ones the gambler does not want to see raised in a session.

Unlike other addictions, the reality of gambling is that the next bet may be a win, and as such, may solve a whole host of very real, tangible life problems. This is the seduction – at any point, a win may resolve all of the gamblers consequences, even if only temporarily. The very thing that gets the individual into trouble (gambling) is the same thing that can resolve all of the trouble. For instance, in state court there is an incentive to continue gambling even while under indictment – if a gambler can repay the money, there is a reduced penalty or sentence. In the gambler’s mind, gambling under these circumstances could not make the situation substantially worse, and with a win, it may significantly improve the situation.

To help the compulsive gambler, however, it is also important to understand his or her gambling metaphorically. Mr. Anderson suggested that unresolved grief, and an unconscious need to deprive oneself of a good life lies at the bottom of the gambling. Gambling gives the individual a chance to finally undo a loss. It may happen quickly, or it may never happen, but the chance to undo a previous loss is always in the next wager. He also emphasized that the compulsive gambler experiences self-hatred related to the impact that his gambling has on his own life and the lives of others as the addiction progresses.

A wager, by its very nature, consists of two elements: 1) the player either wins or loses; and 2) the outcome of the bet is beyond the player’s control. A gambler can never control the bet, and in effect, becomes the victim of the wager. Mr. Anderson explained that these elements are reflected in the behavior of an individual intolerant of ambiguity and at the same time, one who views himself as a victim to probability, passively waiting for life to happen to him. The goal of treatment is therefore to assist the gambler in taking full responsibility for his or her life, on both the practical and metaphorical levels.

Robert Furr, Esq. spoke to gambling-specific issues that are related to bankruptcy and financial responsibility, from his perspective as a Trustee in Bankruptcy. He traced the early history of American attitudes toward debt back to the debtors’ prisons in England and its commonwealths, before the American Revolution. If an individual had debts which could not be paid, he and his family could be imprisoned for nonpayment of the debts. Many times a man might, in effect, sell his children in order to relieve some or all of the debt. In some parts of the world that still happens today.

Bankruptcy was developed to prevent people from going to debtors’ prisons, and the authority to establish bankruptcy law rests with the U.S. Congress. The federal bankruptcy code has been amended several times, including the major amendment which went into effect in October 2005, titled “The Bankruptcy Abuse Prevention and Consumer Protection Act.” This most recent amendment of bankruptcy law was intended to reduce the number of Chapter 7 bankruptcies, however, according to Mr. Furr, 95% of people who could file Chapter 7 previously still can. The primary determining factor is a means test based on the ability to potentially repay the debt.

Mr. Furr also spoke to the issue of debt dischargeability, referencing one case in 1991 that found gambling debt would not be dischargeable. However, since that time most bankruptcy judges have found that if the credit card company is willing to provide the credit, if the casino operator allows the person to play, and if the person had a “hope” of winning rather than losing, the debt would be dischargeable in a bankruptcy procedure.

Gambling rates are twice as high in counties with casinos, and according to one university study cited by Mr. Furr; personal bankruptcy rates are twice as high in counties with casinos. Twenty percent of compulsive gamblers file for bankruptcy. The American Bankruptcy Institute has reported a 34% increase in filings in casino areas and there was a 19% increase in Chapter 13 filings in Missouri involving gambling debt when casinos opened there.

Speaking to the fact that non-payment of casino markers is considered a civil matter in most states, Mr. Furr noted that in Nevada casino markers are treated as checks and people can be prosecuted for non-payment of markers as if the gambler had written bad checks.

Bankruptcy is not without negative consequences, including increases in the cost of credit through higher interest rates and being forced to use 2nd tier financial institutions (payday loans, pawnshops, etc.) as well as discrimination in housing and employment. Since 2005, bankruptcy can only be refiled every 8 years. Currently, 20% of people filing for bankruptcy have filed before.

Mr. Furr closed by recommending that credit card companies and gaming facilities examine their policies regarding credit to see if they are exacerbating gambling problems. At a minimum, more monitoring is needed, because bankruptcy trustees are seeing increased numbers of bankruptcies due to gambling debts. According to Mr. Furr, gambling on credit leads to increased debt, usually consumer debt, which leads to increasing numbers of bankruptcies.

“Aiding the Gambler and Family – Special Considerations,” *Christopher W. Anderson (above), and Stephen Ferrante, M.S.W., Director, Broward County Elderly and Veteran Services Division, Fort Lauderdale, Florida.*

Christopher Anderson, in this discussion of special considerations relating to helping gamblers and their families, addressed “the lie” and its relationship to a gambler’s progress in therapy. He explained that gambling is a cognitive disorder. Gamblers need to connect. A game of poker in which the one who lies best wins is a metaphor for the gambler’s approach to the addiction. With alcoholics you can tell if they’ve been drinking, but with a gambler, how does one know? The primary challenge is determining the truth because the problem is the lie – it is an escape from reality into a fantasy world. The primary goal of the therapist, according to Mr. Anderson, is to help clients name the truth about themselves so that their own truth confronts the lie, because this confrontation cannot be done by the therapist or by other individuals in the gambler’s life.

Gambling creates huge problems in relationships regarding trust, but Mr. Anderson described the foundation of recovery as maintaining a healthy degree of mistrust, recognizing that trust must be rebuilt over time. Restructuring the finances is one route to restoring trust, but there is no foolproof system to ensure that the gambler won't gamble again. The clinician must accept his or her level of powerlessness. Mr. Anderson pointed out that gamblers' lies are often not malicious but benevolent, and that therapists are very susceptible to being conned because they want to help. The gambler has to see his destruction and decide to change – the therapist cannot make him see it, but can only help him to connect with the reality of his choices.

Stephen Ferrante's presentation spoke to the prevalence of problem and compulsive gambling among seniors in Florida and treatment issues that are specific to this population.

Broward County Elderly and Veterans Services Division has a long relationship with the FCCG, working together on a number of projects including studies of older adult gamblers in South Florida, a joint conference, and a joint pilot project for prevention and awareness of problem gambling among seniors in South Florida.

Mr. Ferrante pointed out that seniors frequently participate in gambling activities, and that this leads to increased rates of problem or pathological gambling among Florida's senior population. The FCCG prevalence study of older adults in Florida indicates that the rate of problem and pathological gamblers is almost double the rate among seniors in other parts of the country. Broward County offers screens for problem gambling to its seniors and veterans, and of the screens performed in 2004, 10% of the respondents were identified as problem or pathological gamblers and 33% had co-occurring behavioral health issues. Mr. Ferrante noted the critical importance of prevention among senior populations, particularly by raising awareness of the problem among caregivers for the elderly and by educating them and their clients about ways to keep gambling recreational.

Mr. Ferrante described a number of risk factors associated with older adult compulsive gambling including physical health problems (cardiac problems, stomach problems and insomnia), mental health problems (affective disorders, risk of suicide, alcohol or substance abuse) and social problems such as lack of money, lack of food and shelter, no ability to obtain medication and lack of support systems. Many older problem gamblers experience psychosocial reactions such as stress, shame, guilt, anxiety, depression, de-motivation, irritability, panic and powerlessness, and the stress of problem gambling often leads to physical reactions including sleep problems, eating problems, headaches or body aches, tension, exhaustion and vision problems. In addition, the stress may lead to medication mismanagement, a great risk to seniors who are taking several medications.

In addition, senior problem gamblers are likely to be in denial of the problem in order to avoid unpleasantness and to preserve self-worth and roles in the family. Mr. Ferrante described seniors as being less willing to change behaviors and less emotionally prepared to deal with the stressors, pointing out that, ultimately, it is important for the treatment provider to understand their resistance and make every effort to help the patient compensate for their decline of autonomy and accept that treatment is a sign of strength, not of weakness.

There are a number of therapeutic intervention options available including peer support, counseling, cognitive behavior therapy, motivational interviewing, self management training, coping skills training, harm reduction and relapse prevention training. It is very important that the therapeutic intervention be individualized and include adjustments for ethnic cultural differences. In addition, it is important to include the senior's family in the treatment. In closing, Mr. Ferrante emphasized that treatment providers dealing with senior problem gamblers – like all problem gamblers – must address the issues of financial resources, developing a realistic budget and limiting the gambler's access to funds and assets.

“Getting at the Root of the Problem,” *Michael Schiano, Vice President for Outreach, InCharge Education Foundation, Orlando, Florida, Robert Manning, Ph.D., Research Professor of Consumer Financial Services, Rochester Institute of Technology, Rochester, New York, and Malcolm Kahn, Ph.D., Director of Counseling, University of Miami, Miami, Florida.*

Michael Schiano introduced the InCharge “family” which includes InCharge Debt Solutions, a provider of professional credit counseling and education services, and InCharge Education Foundation, provider of award-winning products and materials that support the personal financial literacy needs of consumers worldwide. The mission of this not-for-profit corporation is to help financially distressed families and individuals pay off their debts and learn to use credit responsibly. Mr. Schiano described the developing partnership between InCharge and FCCG, noting that the two organizations are working together to combine InCharge Debt Solutions' expertise in helping consumers manage and eliminate debt through their Debt Management Program and financial education resources with FCCG's prevention, education and outreach programs to provide a complete approach to assisting the problem gambler move out of debt and away from compulsive gambling.

FCCG experts have provided hands-on training for InCharge counselors on the specific issues that a problem gambler faces, and InCharge Credit Counselors have been trained to understand and respond appropriately to the unique needs of the compulsive gambler, understanding the "triggers" that exist for this group. Mr. Schiano stated that InCharge Credit Counselors had worked with thousands of people with financial problems; but that it was not until the FCCG trained some of their counselors did they understand the issues associated with gambling or know what to look for in an individual's financial history.

Mr. Schiano spoke to the impact of debt on Americans, noting that the cost of gasoline alone has added great financial pressure on consumers with what would be considered normal debt loads. A compulsive gambler faced with the costs of basic living expenses for themselves and their families, on top of repaying gambling debts which may be secret from the family, is under even greater stress. Thirty million Americans who are experiencing financial stress also suffer from poor health, including lack of sleep, disagreements with friends, family members and co-workers, restricted social lives and reduced job productivity. Thirty to 80 percent of financially distressed workers spend time at their place of employment worrying about personal finances and dealing with financial issues instead of working. All of these stressors, Mr. Schiano noted, may be experienced at any time by a compulsive gambler.

InCharge knows that even the non-gambling consumer is known to seek fast fixes to try to satisfy debts, from outright stealing to using high interest fixes like Pay Day loans and Cash for Title loans. Mr. Schiano suggested that a recovering compulsive gambler would be more likely to seek these fixes to generate fast cash that will satisfy aggressive collection agents or keep current on house and car payments, credit card bills, utilities, school costs, health care, food and other expenses.

With the enormous growth of online gambling sites giving access to ever-younger age groups, including high school and college-age boys and girls who only need a credit card in order to participate, InCharge is talking to more people with debt problems who are less able to earn their way out of debt. For a compulsive gambler, if the debt and other financial issues are not dealt with in a proper and structured way, the problem gambler is left to face overwhelming debt and other financial issues without professional assistance. According to Mr. Schiano, InCharge gives problem gamblers a plan that will lead to debt reduction and eventual debt elimination. InCharge Debt Solutions Counselors spend a great deal of time getting to understand the debt situation, including creating a budget and working out a spending plan, developing affordable repayment amounts for the client and proposing the repayment plan to the creditors. InCharge then disperses the payments to creditors. The importance of putting debtors and especially problem gamblers on a monthly repayment program is understood to be a very important part of the recovery process.

Mr. Schiano closed his presentation with comments on bankruptcy, which has been a commonly suggested option for dealing with overwhelming debt in the past. Through its association with FCCG, InCharge has learned that giving a gambler a "clean slate" or "bail-out" through a bankruptcy filing can do more harm than good. He stated, in closing, that InCharge is committed to providing credit counseling as part of an overall plan supported by counseling and support group participation to guide the problem gambler toward a successful long term recovery.

Dr. Manning discussed the role that credit plays in the life of college students, the relationship between access to credit and gambling on campus, and the increasing risk that these activities represent for students. The societal trend toward conspicuous consumption among young people, coupled with the expansion of student access to credit, according to Dr. Manning, raises the stakes for this population. It is a powerful feeling to use the credit that is extended to them, and yet they do not understand the true cost of credit, and have no means for paying the debt. Universities have traditionally provided a safe place for young people experimenting with risk-taking, ensuring that boundaries are in place to protect the student from any serious consequences. Dr. Manning contends that universities are now more selective in affirming their en loco parentis responsibilities, and that greater access to consumer credit means less university control over student activities. Parents, however, are still operating as though the personal experiences and social consequences of immature and naïve actions of their children are mediated in the safe haven of the college campus.

Where the university and parent controls once provided a supportive context for students working their way through adolescent anxieties and developing into adulthood, easy access to

large amounts of credit has replaced adult approved assistance as the solution to problems. Dr. Manning pointed out that, instead of going to university officials or parents when confronted with a problem, today's students can avoid that discomfort by securing the necessary credit to deal with the situation. He related the story of a student's suicide, and his parents' shock at learning the degree of the young man's debt after his death. This access to large amounts of credit can postpone the opportunity to intervene in high risk behavior as adults in the student's life are not aware of what is happening until very late.

Dr. Manning described student gambling as both a means for the student to support a certain lifestyle, and a lifestyle in itself. He pointed out that internet gambling is an asocial activity, and noted that young people trust technology, believing that their understanding and access to expanding technological advances will insure that they can solve any issue. In closing, he suggested that university trustees have a responsibility to act on the new social problems that are fostered by the zealous marketing of credit cards on campus.

Dr. Kahn's presentation focused on the causes of problem gambling and its prevalence among college students. Dr. Kahn began by describing the combination of biologic and psychologic factors that are believed to cause compulsive gambling, stating that compulsive gambling has biological causes in an abnormality of the nervous system involving dopamine and various brain structures, and that psychological factors may include a materialistic background while growing up, absent parents, competitiveness, sensation seeking, low impulse control, low frustration tolerance, extroverted personality traits, pessimism, self-centeredness and dependence. Cognitive psychologists focus on the gambler's erroneous thinking about the possibility of winning. Behaviorists focus on the partial reinforcement of wins or near wins.

Dr. Kahn emphasized that compulsive gambling affects all ages, races, ethnicities and cultures, and that while men have higher rates, rates among women are catching up. In addition, there do seem to be higher rates of prevalence among some ethnic groups including African Americans, Asians and Hispanics. There are also high incidences of co-morbidity with alcoholism (40-60%), with substance abuse (10-30%) and with nicotine (85%). Other mental health disorders, including mood disorders, obsessive compulsive disorders, attention deficit disorders and anti-social personality disorders, also occur at higher rates among compulsive gamblers. Dr. Kahn cautioned that the rate for suicide is four times higher among compulsive gamblers than among others.

As the director of the University of Miami Counseling Center, Dr. Kahn sees the high prevalence of gambling and problem gambling among college students. One study at a university reported a 4% rate of compulsive gambling among the women, 7% among the men and 12% among the fraternity men. This is significantly higher than the rates of compulsive gambling among the general population.

On college campuses today, Dr. Kahn noted that the phenomenon called "Texas Hold 'Em" has become extremely popular due to the glamorization of the game on television. Sports Illustrated has called this game "the most popular past time in the halls of higher education since procrastination." Poker is very attractive for all students because it is open to all students on

campus, including groups such as “nerds,” “so-so” students, and minorities. Not only are large numbers of students playing this and other poker games, colleges and universities are sanctioning that play by hosting or sponsoring card tournaments.

College students are particularly vulnerable, according to Dr. Kahn, because they have easy access to credit and to the internet, a need and desire to make money, not enough other activities and quite a bit of free time. He also pointed out that some colleges are sanctioning card tournaments, and that poker is open to all students, regardless of their athletic abilities, racial or ethnic background, or academic standing.

Dr. Kahn listed a number of negative consequences associated with problem and compulsive gambling, including withdrawal from activities, family and friends, decreases in academic performance and grades, depression and anxiety and financial problems. He pointed out that, unfortunately, many colleges have not accepted the risky nature of gambling, but are more focused on binge drinking and drug abuse. He closed by noting that the University of Miami forbids all gambling on campus and limits solicitations to students by credit card companies, both practices that are not necessarily widespread among colleges and universities.

Think Tank Findings: The Link Between Access to Credit and Compulsive Gambling

Participation and Purpose

At the close of the one and one-half day conference, the FCCG convened a invited group of prominent representatives from the medical, legal, addictions, government, education, credit-counseling, research, gaming and treatment fields (see Appendix A for participant list) to explore the impact of easy access to credit on compulsive gambling, review many of the ideas raised in conference presentations, and develop strategies that will address that impact from diverse perspectives.

Format

The Think Tank format consisted of structured discussion questions for consideration by two working groups, each configured to represent diverse expertise and/or experience related either to gambling or to the use of credit. Recommendations were then developed in a general session with all participants. These recommendations for action - by government policy-makers, treatment providers and other community-based organizations, educators, credit-counseling and other financial organizations and the public - are offered as priorities in the ongoing effort to address the negative effects of credit access on problem and compulsive gambling.

Findings

Access to credit allows an individual to continue gambling whether or not he or she has actual cash in hand. The very nature of compulsive gambling makes this transition from gambling with cash to gambling on credit a significant step with repercussions for the gambler and his or her family and friends, employers, creditors and other contacts. Think Tank participants focused on this “money trail” from credit issuer to compulsive gambler in their discussion of the impact

of access to credit on compulsive gambling and in their recommendations toward mitigating that impact.

Participants expressed the belief that easy access to credit accelerates the problem and process of a gambling addiction, increasing the likelihood that compulsive gamblers will gamble more often, incurring higher levels of debt, and ultimately inviting more severe personal and financial consequences when their resources are exhausted. Personal consequences may include new addictions, depression or suicide, while financial consequences may include higher levels of debt, ruined credit, and loss of a home, car or other property – all of which create a devastating situation for the compulsive gambler and his or her family. Participants noted that easy access to credit provides compulsive gamblers with the illusion of credit worthiness and a sense that they can manipulate the financial world. The ability to get cash on credit then enables the gambler to chase losses and become progressively more disconnected from the value of the money that is gambled or from any sense of personal responsibility for the debt that is incurred.

According to Think Tank participants, the easier the access to credit, the more dangerous credit is for the compulsive gambler. Credit cards allow easy access to cash in a variety of ways: through cash advances at an ATM; in blank checks mailed to a card holder by a credit card issuer; direct use of a credit card to purchase lottery tickets, or engage in internet gambling; or by securing a Pay-pal or other third party account; among others. While it is financially risky to any individual to be given a credit card or to have credit extended through some other means without demonstrating the ability to repay the debt, for a compulsive gambler, this represents a ready fuel that ultimately exacerbates the extent of the financial difficulty for the problem gambler and his/her family. Without easy access to credit, problem gambling activities and the associated accumulated debts become “public” problems much sooner with less serious financial consequences for the gambler and his or her family.

In this context, credit that is available while an individual is involved in a gambling activity represents the most significant threat to a compulsive gambler. Treatment providers and advocates for compulsive gamblers value the “break in play,” created whenever a gambler steps away from the computer, slot machine, card game or other gambling venue or device, as an opportunity for a compulsive gambler to reconsider his or her actions and decision to continue gambling. Think Tank members noted that access to credit in a gambling venue works against the “break in play,” offering the compulsive gambler the immediate ability to continue gambling without time for reflection. When credit card companies allow their cards to be used in internet gambling, casinos and other gambling venues that provide ATM machines to advance cash on credit cards, the “break in play” is compromised. The most extreme proposed example, gaming devices that directly accept a credit card, is of particular concern, as it does not even require that the gambler leave his or her chair.

Think Tank participants also pointed out that signs of compulsive gambling are visible in the pattern of an individual’s credit use, and that these patterns may provide information to family members, employers, creditors or other associates that support earlier intervention. Whether it is a pattern of cash advances on credit cards, the location (in or near a gambling venue) of the withdrawals, the inability to pay credit card bills, paying only the minimum payments on a

number of cards, an increased number of contacts from collection agencies or requests for advances on paychecks as bills mount, all are potential signals to family members, friends, employers, or creditors of a compulsive gambler that the situation is out of control. Among these signals, some are more easily recognized by a creditor than by family members and friends.

Recommendations

Think Tank participants identified three major areas in which actions by a collaboration of the FCCG, government policy-makers, treatment providers and other community-based organizations, educators, financial institutions, credit-counseling organizations and the public - are recommended. In each of these areas, recommended actions are presented below.

- A. **Raising the awareness of the public and educating specific populations** regarding the link between access to credit and compulsive gambling; and
- B. **Meeting the treatment needs of the compulsive gambler** in a manner that openly addresses the gambler's relationship with money, including credit counseling, budget assistance and financial education; and
- C. **Advocating for changes to statutes and regulations** that govern the credit and gambling industries.

A. Raising Awareness and Education

Think Tank Synopsis

Think Tank participants identified a number of broad, systemic factors that influence our thinking as a society about credit use and gambling. The glamorization of credit and the “get rich quick” mentality seen in advertising and media portrayals of credit use and gambling are viewed as powerful messages that are unchallenged by any similar media attention to the negative impact of credit use on problem and compulsive gambling. Access to credit has changed from a privilege, open only to banking customers who demonstrate the ability to repay their existing debt, to a marketing-driven effort that includes frequent mailed, emailed, web-site pop-up and other solicitations to individuals regardless of their prior credit history. These efforts are from the perspective of the card issuers, successful: Today Americans possess, on average, ten (10) credit cards, representing an average available credit limit of \$40,000 to \$50,000 (Manning, 2006).

The aggressive solicitation, however, has a disproportionate impact on compulsive gamblers and their families, and is also a significant force in hastening the debt accumulation of young people who have easy access to credit without an understanding of the hidden costs of credit, any established track record of debt repayment, or any ability to repay, since they are not employed. While a few colleges and universities have taken steps to protect their student bodies from aggressive marketing of credit card issuers, it is becoming a more common practice for card issuers to negotiate marketing contracts with universities that make upfront payments to the university, provide a percentage of all student charges to the university, or offer significant

financial support to student groups in exchange for their sponsorship of solicitation efforts on campus. In some cases, upfront payment amounts to large public universities in excess of \$1,000,000, making the credit card company a significant revenue source. College students' use of credit for gambling is a growing concern, and involves college and university policies related to internet use and aggressive credit card solicitation to students.

Actions for consideration:

1. Promote media attention to the link between credit and compulsive gambling:
 - Emphasize the premise that gambling on credit ***IS*** problem gambling, rather than a convenience for recreational gamblers, through a comprehensive media campaign.
 - Promote the distribution of articles such as the investigative article series “Out of Luck,” published in the University of Florida *Independent Alligator*.
 - Encourage media outlets providing information about point spreads, odds or favorites for sporting events to include notification that sports' betting is not legal in Florida and promote the problem gambling HelpLine with any such data.
2. Extend the reach of the existing FCCG prevention curriculum, targeting middle school students across the state.
3. Establish financial literacy programs in schools, community organizations and other arenas that target middle and high school-aged children around the state.
4. Expand educational programs on problem gambling and financial literacy, now offered in several of Florida's public universities, to all colleges and universities in the state.
5. Work with colleges and universities to promote administrative and student attention to the issue of problem gambling and credit.
6. Promote the awareness of problem gambling and its relationship to credit as a component of education for graduate and undergraduate business programs and in law schools.
7. Encourage use of the “Don't Bet on It” materials of the National Collegiate Athletic Association (NCAA) Sports Wagering Task Force.
8. Increase awareness among members of the media, the financial industry and policy makers about the adverse effects of gambling, with particular emphasis on the risks of wagering on credit.

B. Addressing the Treatment Needs of the Compulsive Gambler

Think Tank Synopsis

The primacy of money management in the progression of problem and compulsive gambling, and in the recovery from a gambling addiction is recognized as a critical issue to be addressed in public awareness efforts, education and training, and emphasized in treatment with compulsive gamblers and their families. Think Tank participants reiterated the need to “follow the money trail” in treatment as well as in advocacy efforts, addressing the compulsive gambler’s pathological relationship with money as part of a meaningful treatment approach. They also noted that it is critical for treatment providers to address the complex financial issues related to compulsive gambling, but that most treatment professionals lack the knowledge or skills to do so. In a similar vein, credit counseling organizations working with recovering gamblers as clients are not necessarily aware of the specific concerns associated with problem gambling (e.g. the importance of avoiding “bail outs”), nor will a compulsive gambler readily share all pertinent information about their relationship with money. It is paramount to provide education and training for retirement, financial and credit counseling professionals so that they are able to offer appropriate and effective assistance to compulsive gamblers and their family members.

Actions for consideration:

1. Establish collaborative relationships between gambling treatment organizations and credit counseling organizations, toward a comprehensive approach to both treatment and credit counseling that respects the special needs of the compulsive gambler and his or her family.
2. Track recidivism and response to debt reduction work based on data acquired from credit counseling, financial and treatment resources.
3. Continue to encourage clinical counselors to participate in FCCG’s training program for gambling addiction treatment and to become nationally certified in gambling treatment. Such training and certification would include preparation for handling the financial issues faced by problem gamblers and/or their families.
4. Provide education and support to the family and friends of problem gamblers about the behavioral signals of personal financial distress and the impact of the gambling problem on the individual and the household.

C. Advocating for Changes to Statute and Regulation

Think Tank Synopsis

Policy making and related advocacy activities regarding credit use and gambling are complicated by jurisdictional issues. The gaming industry in Florida is subject to state regulation, while credit card issuers are regulated at the federal level. To further complicate the issue, credit directly extended to a gambler by a gambling facility may be regulated at the state level and gambling on college campuses is subject to college and university policies. Therefore, while the state of

Florida determines the allowable parameters of the activity of gambling, access to credit cards - one source of fuel for the problem or compulsive gambler - is controlled on the national level. Internet gambling, which is, to a great extent, dependent on the player's access to credit, is one gambling activity that falls under federal purview, but is problematic in terms of enforcement.

The Justice Department in both the Clinton and Bush administrations has expressed the view that the U.S. Wire Act of 1961 applies to all forms of internet gambling, and that therefore it is illegal under existing law. State and local level legislation has created exceptions in some cases, however, allowing the state or locality itself to sponsor internet gambling sites. The Internet Gambling Prohibition Act, reintroduced in February of 2006 by Congressmen Bob Goodlatte and Rich Boucher and recently approved by the Judiciary Committee, covers all forms of interstate gambling, accounts for the use of new technologies, and prohibits a gambling business from accepting credit cards, checks, and wire and internet transfers in illegal gambling transactions. To date, the use of credit cards in internet gambling has been restricted only by the card issuers themselves through the use of a transaction code system.⁴ Further, this restriction is easily circumvented by the use of third party payment companies. Proposed federal legislation to disallow any use of credit cards in internet gambling has not passed.

The opportunities to develop consistent public policy and regulation in Florida and advocate for federal statute and regulation in an informed and comprehensive manner are related to the clear assignment of responsibility for gambling policy, as well as for problem and compulsive gambling, at the state level as both a regulatory and public health issue. Currently, Florida's Department of Business and Professional Regulation's (DBPR) responsibility for gambling-related policy is limited to pari-mutuel gaming and racinos and does not include the "big picture" analysis that would allow a comprehensive assessment and response to the relationship between access to credit and compulsive gambling. A coordinated statewide effort, including analysis of public health implications, will have a greater impact on the national debate on the use of credit in gambling activities.

Actions for consideration:

1. Establish one state-level entity with comprehensive regulatory responsibility for gambling in Florida that is informed by a comprehensive analysis of the public health implications of problem and compulsive gambling.
 - Expand the purview of the DBPR to include regulatory responsibility for all forms of gambling in the state of Florida and identify another state level entity, such as The Office of Drug Control or the Department of Health, to take responsibility for problem gambling as a public health issue; or
 - Establish an independent entity with responsibility for both the regulatory and public health implications of gambling in Florida.

⁴ GAO-03-89 Report to the House Committee on Financial Services and Subcommittees on Financial Institutions and Consumer Credit, and Oversight and Investigations, 2002.

- Vest the DBPR or other regulatory body (above) with the ability to regulate the use of credit in gambling within Florida, including state chartered financial, retail, and entertainment entities that offer credit for the purpose of gambling related activities.
2. Advocate for changes to federal and state statutes and regulations that limit the availability of credit to compulsive gamblers:
- Support proposed legislation prohibiting the use of all credit cards in internet gambling.
 - Encourage sharing of credit abuse information among members of the gaming industry.
 - Make gambling debt in regulated settings reportable to the credit rating companies (Equifax, TransUnion and Experion).
 - Limit the availability of ATM machines that accept credit cards for cash advances, in gambling venues.
 - Ban the use of casino and other gaming devices in Florida that accept credit and debit cards.⁵
 - Support federal legislation limiting the availability of credit to college students.⁶
 - Seek and support state legislation forbidding use of state funds to provide internet access to students or others unless there is in effect a program on the internet preventing access to gambling sites.
 - Explore changes to state law to limit creditors' ability to use Florida courts to collect on debts or credit card obligations incurred via illegal internet gambling.
3. Continue efforts to build relationships between advocates for problem and compulsive gamblers and various members of the financial industry, such as banks, credit card companies, personal financial counselors and bankruptcy trustees.
- Develop working partnerships between FCCG and representatives of the financial industry that focus on raising the awareness of the financial industry about the credit-related signs of problem gambling.

⁵ On April 18, 2006, Cash Systems Inc., Bally Technologies Inc., and Scotch Twist LLC announced a joint venture to “develop products that can accept conventional credit cards, electronic check cashing and other cash sources at the gaming device.” (Kansas City Star, April 19, 2006).

⁶ Rep. Louise Slaughter (NY-28) introduced H.R. 1208 on March 9, 2005. The bill amends the Consumer Credit Protection Act to prevent credit card issuers from taking unfair advantage of college students and to protect parents of college student credit card holders.

- Establish a dialog with members of the gaming industry regarding the impact of credit on problem and compulsive gamblers.
- Continue the effort to engage the banking and credit card industries in discussions and partnerships to impact the misuse of credit for gambling.

Summary

In the opinion of Think Tank participants, the link between access to credit and compulsive gambling has serious implications for compulsive gamblers and for society as a whole, but is not well understood by the general public, health care professionals, the financial industry, the gaming industry, or public policy makers. The growing prevalence of problem gambling across age groups in Florida, and particularly the rise in numbers of high school and college students encountering difficulties with gambling, indicates that problem and compulsive gambling, and credit as “fuel” for the addiction, are issues that deserve a well-reasoned public policy response. The reliance of our culture on credit, and the contradiction between the real impacts of credit debt and the glamorization of gambling in the media, makes this a difficult issue.

The findings and recommended actions presented here provide insight regarding the impact of access to credit on problem and compulsive gambling, and call upon FCCG and its partners to raise public and policy awareness in an effort, ultimately, to decrease the social and financial costs of compulsive gambling. Think Tank participants acknowledge that these recommended actions will be most effective if they are undertaken in a public policy environment that recognizes the multiple impacts of gambling on the residents of Florida and addresses these effects from a comprehensive, evidence-based perspective.

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Think Tank Discussion Questions

Question 1:

How does easy access to credit (particularly credit cards) affect compulsive gamblers?

Question 2:

What can be done to mitigate the effect of easy access to credit on compulsive gamblers?

Question 3:

Please identify systemic factors that contribute to credit misuse by compulsive gamblers. Which factors are of highest priority as we work to build awareness of the link between credit misuse and compulsive gambling?

Question 4

What are the specific, credit-related signs of a gambling problem?

Question 5

Is it possible, in the process of getting/using credit, to identify individuals with compulsive gambling problems? If so, where in that process?