

# WEB LETTER



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## GAMBLING UNDER THE GUISE OF INVESTMENT: THE STOCK MARKET DAY TRADING CRAZE

Gambling is the act of risking anything of value on an activity that has an uncertain outcome. Though not often recognized as such, day trading on the stock market constitutes a form of gambling, and today's trading apps and websites make it easier than ever. At the end of January, a thread on Reddit fueled an unexpected meteoric rise in the share price of Gamestop, which surged more than 2,300% [1], and moved the country to pay attention to the stock market. Even those who had never traded before were moved to make buys to get ahold of the excitement. Many began to step into this "unknown realm" of stocks in the hope of making it big, because of what they heard on Reddit or social media. It's imperative to understand the definition of gambling, to know the risks if you decide to gamble and to recognize that day trading on the stock market is a form of gambling.

For some, gambling can become an addiction that too often leads to debilitating life impacts, including financial distress, relationship problems up to and including divorce, legal problems, homelessness, and even crime, suicidal ideation, and suicide attempts, among others. While some have made the choice to avoid gambling, whether through personal discretion or because they are already in recovery for problem gambling, not being able to recognize day trading as a form of gambling could lead to the beginning of a problem or relapse.

*The online day trader with problems is indistinguishable from the online gambling addict," said Keith Whyte, the Executive Director of the National Council on Problem Gambling, pointing to graphics like the iconic green confetti that displays on a user's phone when a Robinhood trade executes. "A lot of this is directly taken from the user experience of casinos: It encourages immediacy and frequent engagement" [2].*

One does not have to look far to see that problematic gambling can escalate quickly, and that the consequences can be deadly. In June of 2020, a young trader committed suicide after thinking he racked up significant losses on the popular trading app Robinhood and was left with a negative \$730,165 cash balance [4]. Feeling like there was no escape, his problem became a tragedy. Understanding that day trading constitutes a form of gambling and setting limits on time and money spent, if you choose to participate, are essential in preventing the development of a gambling addiction.

**Join us this March for Problem Gambling Awareness Month, and Shine the Light on Problem Gambling! Together, we can get those in need connected to help and hope available through the 888-ADMIT-IT Problem Gambling Helpline. Treatment is possible for gambling disorder, and no one suffering from this hidden addiction should have to go it alone.**

**IF YOU SEE YOURSELF OR A LOVED ONE SPENDING MORE TIME OR MONEY THAN INTENDED, EXPERIENCING A LOSS OF CONTROL, AND CHASING LOSSES, THESE ARE SIGNS OF PROBLEM GAMBLING. CONTACT OUR FREE, CONFIDENTIAL, AND MULTILINGUAL PROBLEM GAMBLING HELPLINE 24/7 BY CALLING 888-ADMIT-IT (888-236-4848), TEXTING (321) 978-0555, EMAILING [FCCG@GAMBLINGHELP.ORG](mailto:FCCG@GAMBLINGHELP.ORG), INITIATING A LIVE CHAT AT [GAMBLINGHELP.ORG](http://GAMBLINGHELP.ORG), OR BY REACHING OUT TO US ON SOCIAL MEDIA PLATFORMS, SUCH AS [FACEBOOK](https://www.facebook.com) AND [TWITTER](https://twitter.com).**

# REFERENCES

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