

888-ADMIT-IT HelpLine Resource:

Financial Strategies for the Loved Ones of Problem Gamblers

For Loved Ones

Gambling addiction can have long-term effects on your family's finances. Here are ways you can protect yourself and repair the damage caused when a loved one has a gambling problem.

Though visiting a casino, sports betting, and other sorts of gambling can be fun activities for some people, for others, these activities may trigger a lifetime of financial problems.

Due to the chemical release that occurs when someone is able to gamble successfully, gambling is an activity that is extremely likely to result in addiction. In fact, according to the National Council on Problem Gambling (NCPG), roughly 2 million Americans (0.6% of the population) qualify as problem gamblers.

Problem gamblers often justify continuing their activity despite knowing that, statistically, they are always likely to continue losing money by claiming they are “one hand away” from turning things around.

Naturally, a lifetime addiction to gambling can leave both emotional and financial strains on even the most stable of families.

How do I know if someone I love has a gambling addiction?

One of the problems with identifying a gambling addiction is that it may take a significant amount of time for the disorder to actually materialize. Your spouse or other loved ones may begin by visiting a casino every few weeks, even understanding that this is a recreational – not a financially lucrative – activity, and appear to have things under control. If they are one of the few individuals who is actually winning (at first), then they will likely have an even more difficult time knowing that a problem is beginning to formulate.

There is no universally accepted “line” where a gambling addiction has actually begun. However, some psychologists describe this condition as a “compulsive need” existing despite harmful consequences or even an internal desire to stop. As gambling continues to create damaging financial consequences, the “one hand away” fallacy mentioned above will likely cause the gambler to counterintuitively view the cause of their financial problems as their only reasonable solution.

The financial costs of a gambling addiction

There are many different varieties of gambling, including online gambling, sports betting, card games, casinos, lotteries, and even the trading of various financial and digital assets. Other than some types of trading, all of these are designed where “the house” will always end up on top. For example, a casino will gladly program a slot machine to issue periodic \$100 payouts if it means that during the course of time between each payout they are able to receive \$200 in earnings.

This strategy can lead to gamblers feeling the high of those payouts without fully realizing the debts they're getting into in between. Once a gambling addiction has formulated, debts may begin to accumulate, and many gambling addicts will seek additional lines of credit wherever they can find them.

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According to Debt.org, “as many as 23 million Americans go into debt because of gambling, and the average loss is estimated to be around \$55,000.” Compulsive gamblers may be tempted to hide their debts from family and friends, leading to a “cycle of debt” where new lines of credit are opened for the sole purpose of paying off others.

In some cases, gambling addicts might start borrowing from “secure” savings accounts such as college funds, retirement accounts and more.

Long-term financial effects of gambling addiction

Large debts from a gambling problem can have a lasting effect on your finances. Maxing out lines of credit, missing payment deadlines and constantly opening new accounts can harm your credit score – which is a key factor in determining loan approval, mortgage terms, interest rates and more.

How can I protect my family’s finances from the damages of gambling?

If you have a loved one who is addicted to gambling, the first thing you should know is that there are resources and supports available for YOU, independent of the gambler’s willingness to stop gambling or recognize the problem. There are many different clinical programs, group programs (such as Gamblers Anonymous), and other self-help resources (such as the FCCG’s A Chance for Change Recovery Workbooks, or Peer Connect Budget Tool), that can help you, and them, begin the recovery process.

Overcoming a gambling addiction will certainly take time, but in the meantime, there are steps you can take in order to rebuild or restore your family’s financial security.

Addressing financial impacts caused by a gambling addiction is often the first necessary step. Once you have begun this process you can focus on making long-term recovery your family’s top priority.

- **Lock your credit.**

Though “locking” a shared credit account may temporarily prevent you from having access to your own funds, it will help prevent the situation from getting any worse than it already has.

- **Open a new credit card and bank account in your name only.**

There are plenty of married couples who manage their finances entirely separately. By detaching your name from damaged accounts and creating new accounts that only you will have access to, you can prevent your loved ones from draining your funds while also assuring that your credit score is protected.

- **Lock or transfer any of your long-term accounts.**

Gambling addicts are especially likely to focus on long-term assets – college savings, retirement funds, vacation savings – because they will not have to face the consequences of these actions until much further down the road.

- **Speak with a financial advisor.**

Experienced financial advisors have likely worked with people in situations similar to yours in the past. They may have expert advice regarding other actions you can take.

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If you are someone who is financially connected to an individual with a gambling problem, it is important to make sure they do not have access to the resources that will make their problem worse. Many of these actions can be functionally “undone” in the future, if necessary. In the meantime, damage control needs to be a top priority.

How can I repair the financial losses inflicted by gambling?

The steps mentioned above will help prevent the situation from getting any worse. However, if the gambling problem has been persisting for years, then there are likely other damages that will need to be retroactively resolved. Here are a few of the things you can do to help get your financial situation back in order:

- **Organize all of your debts and consolidate if necessary.**

Debt consolidation can help make your debts more manageable. If you are able to pay everything back on time, then you may be able to eventually reduce your monthly interest rates.

- **Refinance any debts that are not particularly urgent.**

Anytime you are confronted with an unexpected source of financial obligations, the possibility of refinancing is certainly worth considering.

- **Help rebuild your credit with a zero interest credit card.**

If faced with a problem gambling situation, your credit may be in dire need of being repaired. Even if you only use the card for something as simple as a pack of gum each month, consistently settling these financial obligations will help improve your creditworthiness.

- **Look for other sources of support.**

Personal loans, government assistance and additional sources of income (entering the workforce or picking up a second job) are just a few of the ways that you can improve your family’s monthly cash flow. Furthermore, it may help you in various refinancing situations.

- **Most lenders and credit card companies want to have you as a client.**

Even if your current financial situation is less than ideal, as long as you can manage your debts responsibly, then there are likely some options that are well within your reach.

The bottom line:

Having a loved one suffer from gambling addiction is certainly no easy task and recovery will be an ongoing process. However, there are many valuable resources available that can help your family, both emotionally and financially.

The FCCG’s Peer Connect Program can help you begin the financial restoration process and sustain a detailed financial plan that will help you begin your path down the road to recovery.

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