Public Health Implications of Online Sports Betting in Canada

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Alex Price, PhD
Centre for the Advancement of Best Practices,
Responsible Gambling Council
Overview

What is single-event sports betting?

Why is this an important PH issue?

What are some policy options supporting PH?
Sports Betting: What is it?
Defining Sports Betting

- Wager(s) on the outcome(s) (win, loss, tie, etc.) of one or more sporting event (race, fight, game)

- **Parlay betting:** A wager on the outcome of 2 or more events

- **Single event betting:** A wager on a single sporting event

<table>
<thead>
<tr>
<th>Parlay Wagers</th>
<th>Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2.5x</td>
</tr>
<tr>
<td>3</td>
<td>6x</td>
</tr>
<tr>
<td>4</td>
<td>10x</td>
</tr>
<tr>
<td>5</td>
<td>20x</td>
</tr>
<tr>
<td>6</td>
<td>40x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEB/Moneyline</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Team/Competitor A</td>
<td>3.60</td>
</tr>
<tr>
<td>Team/Competitor B</td>
<td>1.33</td>
</tr>
</tbody>
</table>
History of Online Sports Betting

- **1996**: First online sports betting website, *Intertops*, launches
- **2000**: *Betfair* website launches as a platform for customers to bet against each other
- **2002**: First live betting website is introduced
- **Since Inception**, there have been hundreds of online sportsbooks
Gambling Participation

- **Globally**: 10s of millions (?)
- **EU**: Over 12M Europeans involved in online gambling; Sports betting (40.3%) most popular form of online gambling
- **UK**: Sports betting is the most popular form of gambling after lottery; Online sports betting estimated at ~8% of adult population
- **Australia**: Nearly 10% of adult population place sports bets; 34.1% use mobile, 15.1% use computer
- **US**: Potentially millions in the first year of broad legalized sports betting
Economic Scale of Industry

- **Globally**: $39.7B USD generated from licensed sportsbooks; projected to reach $94B USD by 2024
- **EU**: Gross revenue from online gambling estimated at €19.6B
- **UK**: Online betting, £2B; Football, £1.04B (2018)
- **Australia**: Sports betting accounted for over $1B AUS (2017)

### Projected Gambling Related Revenue for Pro Sports Leagues (post-PASPA)

<table>
<thead>
<tr>
<th>Sport</th>
<th>Indirect Revenue</th>
<th>Direct Revenue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBA</td>
<td>$250M</td>
<td>$200M</td>
<td>$450M</td>
</tr>
<tr>
<td>MLB</td>
<td>$200M</td>
<td>$150M</td>
<td>$350M</td>
</tr>
<tr>
<td>NFL</td>
<td>$2,000M</td>
<td>$1,500M</td>
<td>$3,500M</td>
</tr>
<tr>
<td>NHL</td>
<td>$160M</td>
<td>$120M</td>
<td>$280M</td>
</tr>
</tbody>
</table>

American Gaming Association, 2018
Legalization in Canada
Sports Betting in Canada

- **1910** – Canadian Criminal Code amended to allow gambling on horse races
- **1970-1985** – Federal government amends CCC to allow provinces to govern gambling operations
- **1990s-Present** – rapid expansion of lotteries, casinos, and other forms
Attempts to Reform Policy

- **2011** – Bill C-627 proposed a repeal of paragraph 207 to allow provincial governments to license betting on races, fights or single sporting events or athletic contests.

  The effect of this bill would be to allow us to bet on individual events. There is a great deal of criminal activity that is going on, both inside and outside the country, where moneys are flowing out and Canadians are betting illegally on those activities.

  Joe Comartin, Windsor-Tecumsek, ON (NDP)

- **2016** – Bill C-221 repeated the proposed amendment of Bill C-627

  This bill would allow single-event sports betting, which is critical for the Canadian economy. Most important, it would take away $14 billion of money to organized crime and unregulated offshore betting taking place right now in a market that induces our youth…

  Brian Masse, Windsor-West, ON (NDP)
Current Policy Advocacy
Why is Sports Betting a PHP Issue?
A public health issue can be framed as any phenomena that affects or threatens the health of a population.

**Exposure ➔ Risk ➔ Outcome**

*Policy:* A formal institutional response characterizing an issue as a problem and providing an indication of how it may be addressed.
Quick Examples of PHP Issues

- **Issues**: Tobacco, alcohol, physical injury, food safety, etc.
- Social and economic characteristics that make abstinence unlikely
- Policy ‘solutions’ that aim to manage risk and harm

(Alam et al. 2019; MOHLTC 2018)
Gambling Harm
General Characteristics of Harm

- Online sports betting is a risky form of gambling
- Live action sports betting is an independent predictor of PG severity
- Daily fantasy sports associated with risk of gambling problems; suicidal thoughts

Abbott, Stone, Billi, & Yeung, 2016; Chagas & Gomes, 2018; Gainsbury, 2015; Killick & Griffiths, 2018; Dwyer, Shapiro, & Drayer, 2018; Lopez-Gonzalez, Estévez, & Griffiths, 2018c; Marchica, Zhao, Deregansky, & Ivaska, 2017; Nower, Caler, Pickering, & Blaszczynski, 2018; Nower et al., 2018
Gambling Risk Factors
Youth and Young Adults

- Young adults 18-34 year olds (especially males) most engaged and at highest risk of gambling problems and harms
- Youth 8-17 years old are considered to be at-risk for developing problems assoc. with sports betting

(Abbott et al., 2016; Hing, Russell, & Browne, 2017; Hing, Russell, Vitartas, & Lamont, 2016; Lamont & Hing, 2018; Nower et al., 2018; Russell, Hing, Li, & Vitartas, 2018; Hing et al., 2016; Jenkinson et al., 2018; Elton-Marshall, Leatherdale, & Turner, 2016; Marchica et al., 2017; Zhao, Marchica, Derevensky, & Ivoska, 2018; Marchica et al., 2017)
Marketing and Advertising

- Sports betting advertisements and marketing disproportionately appeal to and influence moderate and high risk gamblers.
- Advertised gambling inducements can promote impulsive gambling behaviours, excessive betting.
- Integration of sports betting ads and expert commentary, celebrity endorsements, etc. are highly influential.

(Hing, Cherney, et al., 2015; Hing, Lamont, et al., 2015; Hing, Russell, et al., 2018; Hing, Sproston, Brook, & Brading, 2017; Newall et al., 2019; Nyemcsok et al., 2018; Parke & Parke, 2019; Pitt, Thomas, & Bestman, 2016; Thomas, Pitt, Bestman, & ...; Binde & Romild, 2018; Hing, Lamont, Vitartas, & Fink, 2015; Hing, Russell, Li, & Vitartas, 2018; Lamont & Hing, 2018; Hing, Browne, et al., 2018; Jenkinson et al., 2018; Lopez-Gonzalez, Estévez, & Griffiths, 2017; Lopez-Gonzalez & Griffiths, 2018b)
Betting Features

- **In-play betting**: Ability to place wagers on sporting events during matches
- **Micro-event betting**: Wagering on minor aspects of match progress
- **Cash-out features**: Allows players to recycle funds and place further bets
- **Instant depositing**: Ability to fund accounts instantly or wager using credit

(Gainsbury, 2015; Hing, Russell, et al., 2018; Killick & Griffiths, 2018; Lopez-Gonzalez, Estévez, & Griffiths, 2018c; Lopez-Gonzalez & Griffiths, 2017, 2018a; Lopez-Gonzalez, Griffiths, & Estevez, 2018; Parke & Parke, 2019; Russell, Hing, Browne, Li, & Vitartas, 2018)
Sports and Culture

- Sport has deep cultural value in societies around the world
- Sport can have a sanitizing effect on gambling
- Sports betting operations leverage the social and cultural values inherent in sport

(Hing, Russell, et al., 2017; Lopez-Gonzalez, Griffiths, et al., 2018; Nower et al., 2018; Lopez-Gonzalez, Estévez, Jiménez-Murcia, & Griffiths, 2018; Jenkinson et al., 2018)
Substance Use

- PG sports bettors are significantly more likely to use substances (e.g., illicit drugs, alcohol)
- In-play betting associated with PG and alcohol use
- Marketing and advertising often feature alcohol consumption and junk food

(Lopez-Gonzalez et al., 2017; Lopez-Gonzalez, Estévez, & Griffiths, 2018a; Lopez-Gonzalez & Griffiths, 2018a)
Public Health Policy Options
<table>
<thead>
<tr>
<th>Date</th>
<th>Headline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 1</td>
<td><strong>UK:</strong> Gambling advert ban takes effect from start of Ashes</td>
</tr>
<tr>
<td>Aug. 2</td>
<td><strong>UK:</strong> Gambling poses one of the greatest mental health risks in elite sport, player associations warn</td>
</tr>
<tr>
<td>Aug. 6</td>
<td><strong>Portugal:</strong> Online gambling up 25%</td>
</tr>
<tr>
<td>Aug. 7</td>
<td><strong>US:</strong> Washington Redskins to offer gambling-focused pre-season telecast</td>
</tr>
<tr>
<td>Aug. 13</td>
<td><strong>Australia:</strong> Betting apps crafting personalized texts, increasing risk taking</td>
</tr>
<tr>
<td>Aug. 15</td>
<td><strong>Australia:</strong> Fan of micro-betting? Odds are you’re a problem gambler</td>
</tr>
<tr>
<td>Aug. 19</td>
<td><strong>UK:</strong> Students 'handing out £5 notes to their peers' to encourage them to use betting apps, report claims</td>
</tr>
<tr>
<td>Aug. 20</td>
<td><strong>UK:</strong> Thousands of children exposed to social media gambling ads, study finds</td>
</tr>
<tr>
<td>Aug. 22</td>
<td><strong>Sweden:</strong> Spelinspektionen fines four more gambling operators</td>
</tr>
</tbody>
</table>
Evidence-Informed Policy

- Research emphasizes youth, marketing and advertising, in-play betting, sports' cultural value, and substance use as key areas of concern.
- Mature industries have learned from evidence or experience and instituted key requirements.

<table>
<thead>
<tr>
<th>Country</th>
<th>Recent Ad Policy Measures</th>
</tr>
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<tbody>
<tr>
<td>EU</td>
<td>Illegal to market or advertise sports betting as a form of investment</td>
</tr>
<tr>
<td>Belgium</td>
<td>8pm TV ban on ads and no ads during live sports broadcasts; ban on celebrity endorsements</td>
</tr>
<tr>
<td>Australia</td>
<td>Ban on ads during daytime and targeting children; no ads during game and 30min before/after game; no gambling reps as part of commentary team</td>
</tr>
<tr>
<td>UK</td>
<td>Restrict ads around live sports events</td>
</tr>
<tr>
<td>Italy</td>
<td>Complete ban on sports betting ads</td>
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</table>
### Policy Options for Canada?

<table>
<thead>
<tr>
<th><strong>Prohibit</strong></th>
<th><strong>Restrict</strong></th>
<th><strong>Require</strong></th>
</tr>
</thead>
</table>
| - No ads targeting youth  
- No ads depicting substance use  
- No ads during live sports broadcasts (including uniform sponsors)  
- Use of credit to gamble online | - Ads aired immediately before/after live events  
- Gambling inducements in ads must detail cash-out details  
- Ads emphasizing skill over chance  
- Inducements and bonuses restricted to low, unrenewable amounts  
- Live-betting limited or restricted online | - Operators and promotions provide RG resources  
- Proportion of gross revenue for research and treatment  
- Operators meet RG accreditation standards  
- Operators implement behavior algorithms to detect and respond to high risk  
- All operator staff be trained in RG  
- Third-party (e.g., bank) or official ID age verification to activate accounts |
Closing Thoughts
Pressure is growing to fully legalize sports betting in Canada.

Such a change represents a significant economic gain for industry and governments alike.

Risk and harm is a serious public health concern.

Research and policy precedence provides useful evidence for informing domestic policy development.
Thank you!

Comments/Questions:
Alex Price, PhD
Senior Researcher
Centre for the Advancement of Best Practices
The Responsible Gambling Council
416.499.9800
alexp@rgco.org
References


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