

CAGE | *Citizens Against Gambling Expansion*

The Honorable Julie Rosen
95 University Avenue W.
Minnesota Senate Bldg., Room 2113
St. Paul, MN 55155

May 18, 2022

Dear Chair Rosen and Members of the Senate Finance Committee,

We submit this letter to you in opposition to H.F. 778, which would legalize sports betting in Minnesota.

A “buzz” that is “up there with sex and drugs and rock ‘n’ roll”; drug dealing to recoup money saved for a family vacation but squandered on gambling; neglect of children; “in debt to my eyeballs”; and suicide.

These are not predictions of future consequences. These are real life examples of what has occurred and been self-reported since sports betting took off in Britain according to research conducted by Dr. Darragh McGee of the University of Bath in *Beyond the Betting Shop: Youth, Masculinity and the Growth of Online Sports Gambling*.¹

The results of the study are breath-taking: young men unable to watch football unless they have multiple bets placed; marketing described as extremely effective, particularly “free” bets; and a sense that you weren’t losing real money because the bets are placed so casually on a phone.

What happens in England, stays in England? Not so fast. Minnesota, yet again, is faced with the prospect of expanding gambling and inflicting these consequences on our citizenry with the effort to legalize sports betting.

The legalization of sports betting in Minnesota will not result in a budgetary fix or produce revenue to stabilize our infrastructure shortages, but rather will be an unreliable source of revenue that could lead to long-term structural imbalances in our state budget according to new research by The Pew Charitable Trusts.²

What it will do, however, is usher in a new era of gambling for our state, resulting in mass expansion, potentially placing the integrity of the sports we love in peril, altering the framework of fan, and unleashing negative consequences for the youth of this state.

¹ <https://researchportal.bath.ac.uk/en/publications/beyond-the-betting-shop-youth-masculinity-and-the-growth-of-onlin>

² <https://www.pewtrusts.org/en/research-and-analysis/reports/2018/07/19/are-sin-taxes-healthy-for-state-budgets>

Sports gambling cannot be excused as an innocuous game of entertainment. Rather, it will fundamentally change the way we interact with sports and how it is presented. It is a bad bet for Minnesota and will cause untold harm on our citizens.

In 1992, former U.S. Senator and Hall of Fame basketball player Bill Bradley wrote, “Athletes are not roulette chips, but sports gambling treats them as such. If the dangers of state sponsored sports betting are not confronted, the character of sports and youngsters’ view of them could be seriously threatened.”

His words couldn’t be more poignant today, as the adoption of state-sponsored sports betting will replace passive fans cheering on their favorite team or player with active sports consumers who suddenly have a financial stake in the outcome of the game.

What this means is that televised Twins baseball games our children have been watching will now become full-blown gambling commercials, complete with in-game gambling parlance as part of play-by-play. This conditioning of our children will likely have long-term effects on their gambling habits and lead to a higher probability that many will become problem gamblers.

When we talk about gambling in 2019, we aren’t merely talking about picking the Vikings to beat the Packers, we are speaking of placing bets on almost any kind of contest you can image, including in-game “prop” bets, betting on video games or eSports; betting on who will get a rose on *The Bachelor* or who will win Best Actress at *The Oscars*, and much of it will happen in our living rooms from the smartphone in the palm of our child’s hand.

Similar to the studies from Britain, which have sounded the alarm to the dangers of sports gambling, the effects of sports gambling in Australia provide a cautionary tale. Australia legalized sports betting in 2001. Since that time, officials there have studied the impact of legalized sports gambling. At the onset of legalization of sports betting, the impact was minimal. However, by 2009 the landscape changed and broadcasts of sporting events moved from including minimal gambling talk to constant talk that overshadowed the sporting event.³

Conversations around sporting events were no longer focused on the player, the teams and the statistics but now focused on the odds, the prices, and value bets. The “gambilization” of sport was complete, and it has been disastrous for Australia’s citizenry.

In 2014 and 2015, Aussies bet \$7.1 billion and lost almost \$815 million on sporting events.

With the betting came the rise in problem gambling. According to Dr. Christopher Hunt of the University of Sydney Gambling Treatment Clinic in Australia, when he first began practicing he recalls seeing only a handful of troubled bettors every year. Now, after the “gambilization” of sports, sports bettors make up one-third of the clinic’s patients.⁴

³ Hannah Pitt et al., “It’s just everywhere!” *Children and parents discuss the marketing of sports wagering in Australia*, *Australia and New Zealand Journal of Public Health*, 480, 485 (Oct. 2016)
<https://www.ncbi.nlm.nih.gov/pubmed/27524502>

⁴ http://www.espn.com/chalk/story/_/id/17910253/the-future-sports-betting-go-wrong-sports-betting-was-legal-united-states

This experience and the academic data available have led many scholars to warn of the negative impacts. Michael K. Fagan, a former federal prosecutor and current adjunct professor at Washington University School of Law had this to say: “For the two-thirds-plus of Americans who rarely or never engage in commercial gambling, the change will be negative. Anyone fairly and comprehensively evaluating the unbiased, independent academic, health-care and economic evidence readily finds that it weighs in favor of continuing prohibitions on commercial sports gambling.”⁵

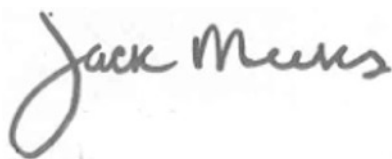
The rise in problem gambling evidenced in Britain and Australia, is a clear indication of the financial toll sports gambling will have on our communities and families; and it likely will be devastating. The financial and social costs of problem gambling are troubling. It has been estimated that close to \$54 billion is lost annually due to pathological gambling in terms of money, legal expenses, and lost productivity.⁶ This translates to an average cost of \$20,000 per year per individual problem gambler.⁷ Pathological gamblers have bankruptcy rates nearly five times higher than the general population and are more likely to use loan sharks and illegal tactics to fund ongoing gambling, including 57% of participants in a Gamblers Anonymous survey admitting to stealing in order to finance gambling.⁸

The consequence aren't limited to financial turmoil. Pathological gamblers have higher rates of divorce (53.5%) compared with non-pathological gamblers (18.2%); have been shown to have higher rates of spousal and child abuse; and family members experience substantially more physical and psychological difficulties.⁹

The legalization of sports gambling in Britain and Australia have been failed experiments that we would be wise to not import to Minnesota. To think that we can legalize sports gambling but not suffer the consequence lived by Britain and Australia, and predicted for the United States, is a foolish bet with limited, to no, upside.

We implore you to not bet with our children's future – please oppose the legalization of sports gambling.

Sincerely,



Jack Meeks
Chairman



Jake Grassel
Executive Director

⁵ *Ibid.*

⁶ Psychiatry, Timothy Fong, MD, March 2005, The Biopsychosocial Consequences of Pathological Gambling. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3004711/>

⁷ *Ibid.*

⁸ *Ibid.*

⁹ *Ibid.*