



Citizens Against Gambling Expansion

www.mncage.org

January 7, 2025

The Honorable John Marty
Chairman, Senate Finance Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 3235
St. Paul, MN 55155

Dear Chairman Marty:

Thank you for holding this important hearing on the myriad and extremely serious issues surrounding sports gambling. I write on behalf of CAGE – Citizens Against Gambling Expansion to share our opposition to the expansion of gambling in Minnesota, specifically electronic sports gambling.

CAGE is a volunteer group allied on gambling issues with several statewide organizations including the Minnesota Family Council, the Minnesota Catholic Conference, the Joint Religious Legislative Coalition and the Freedom Foundation of Minnesota. We were founded over 25 years ago by a group of citizens opposed to the proliferation of gambling in our state. We remain committed to that ideal and strongly oppose the legalization of mobile sports betting.

The addition of sports gambling will usher in a new era of gambling for our state, resulting in a massive expansion and unleashing negative consequences for the youth and those who become quickly addicted to the easy access to gambling. This isn't just fearful thinking: we have seen the negative consequences of sports betting since the sports gambling floodgates opened. According to the most recent figures, in the 38 states plus DC where sports betting is legal, "the U.S. has now seen more than \$437 billion in bets at legal sportsbooks since the Professional and Amateur Sports Protection Act (PASPA) was repealed in 2018."

Sports gambling is not to 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 to our citizens as it has in the other states and countries where it has been legalized.

When we talk about gambling in 2025, 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 dorm rooms or living rooms from the smartphone linked to bank accounts and credit cards.

Australia legalized sports betting in 2001 and provides a cautionary tale of that country's experience with these companies and their contests. It is especially comparable since 18 is the

legal age to legally place a wager in Australia as it is in Minnesota. Since 2001, 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.¹

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.²

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.”³

The rise in problem gambling evidenced around the world and here in the United States, is a clear indication of the financial toll sports gambling will have on our communities and families; and it likely will be devastating. While the financial toll is substantial, the social costs of problem gambling are even more 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.⁴ This translates to an average cost of \$20,000 per year per individual problem gambler.⁵ 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.⁶

¹ 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>

²

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

³ *Ibid.*

⁴ Psychiatry, Timothy Fong, MD, March 2005, The Biopsychosocial Consequences of Pathological Gambling.
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3004711/>

⁵ *Ibid.*

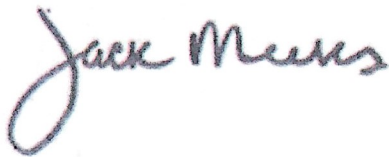
⁶ *Ibid.*

The consequences 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.⁷

The legalization of sports gambling has been a failed experiment that we would be wise to not import to Minnesota. To think that we can legalize sports gambling but not suffer the consequences lived by citizens around the world where sports gambling is legal, is a foolish bet with no upside except for the predatory companies that host the websites and use their proceeds to groom younger gamblers to try their luck.

We implore you to not bet with our future – please oppose any legalization of sports gambling.

Sincerely,

A handwritten signature in blue ink that reads "Jack Meeks". The signature is written in a cursive, flowing style.

Jack Meeks
Chairman

⁷ *Ibid.*