



**Statement of Brianne Doura-Schawohl
Campaign for Fairer Gambling**

House Ways and Means Committee

February 29, 2024

Chair Atterbeary and Members of the Committee:

I am honored to be here today on behalf of the Campaign for Fairer Gambling. The Campaign aims to advance a politically bipartisan and scientifically evidence-based practice to enhance consumer protections across the gambling sector. We strive to raise awareness of gambling related harm ultimately doing all that we can to prevent and reduce it. According to the National Council on Problem Gambling there are an estimated 7 million Americans that are struggling with problem gambling nationwide and of that there are an estimated 191,015 (4% of the adult population) Maryland adults. A 2022 Maryland prevalence study highlighted that the majority (65.7%) of disordered gamblers were aged between 35 and 64 years and disordered gambling was more prevalent in Blacks/African Americans (8.2%) compared to Whites (3.1%), Asians (2.9%) and Hispanics (0.2%). Additionally, the percentage of disordered gamblers who participated in sports betting was higher compared to other forms of gambling. Since the Supreme Court struck down the Professional and Amateur Sports Protection Act 2018 and states across the country have legalized sports gambling, problem gambling indicators among players have been on the rise. NCPG's National Surveys on Gambling Attitudes and Gambling Experience (NGAGE) revealed troubling trends between 2018 to 2021. For instance, the percentage of gamblers who answer "many times" when asked if they relied on others to pay their debts in the last year tripled between 2018 and 2021 (2% to 6%), and those answering "many times" when asked if they had lied to hide their gambling in the last year doubled in the same time period (3% to 6%). The survey also found that sports bettors tend to be of a younger and more impressionable demographic than other bettors and show more likelihood (2-3x the rate) of engaging in problematic play than the average bettor.

To put a further point on the matter, in 2023, NCPG's National Gambling Helpline received 6,045 calls, texts, and chats from Marylanders. We also know from research that anytime a new form of gambling is introduced within a jurisdiction the number of problems will also increase. Headlines continue to run rampant across the nation (almost weekly) highlighting the ever-increasing number of calls for help and policymakers asking for increased funding or regulatory

infrastructure to address problem gambling. While these numbers are indeed troubling, there are steps that can be taken to ultimately minimize and reduce the harm that already exists within the state and will continue to occur due to expanded gambling.

With the proliferation of sports betting it is not uncommon to see regulations ask that licensees provide problem gambling helplines on all advertisements, provide terms and conditions for promotions, and not be misleading in nature. However, with very few exceptions regulators are simply unable to monitor and enforce the sheer amounts of advertising that have been deployed within a market. According to the American Gaming Association's annual report sports betting achieved a record \$10.92 billion in revenue for 2023. This is a 44.5% year-over-year increase. Handle reached an astounding \$119.84 billion (a 27.8% year-over-year increase). Some of this has to do with new states offering legalized sports betting, much of this is, however, a result of the whopping estimated \$2 billion spent in marketing from the industry. That's an estimated 8% increase.

There have been several studies that have looked for answers as to why there is an increase in problem gambling rates within the sports betting demographic. Some studies attribute this to the younger average age of sports bettors. Other studies suggest that rates are higher because among sports bettors there are more men than women. Other studies speak about the fact that sports bettors are subject to 'more frequent impacts from gambling advertising and more aggressive promotions'. You've seen within the international sector start a response to these very concerns. Spain, Italy, Canada, and the UK have all made strides in banning sports betting ads on sports jerseys for example and even gone as far as to ban celebrities from endorsing the products. While saturation of advertising is a concern, the content of the ad's is also just as important.

A once popular advertising slogan 'risk-free bets' has prompted several class action lawsuits. Recently, a lawsuit was filed in Massachusetts 'over a signing bonus that was offered to new customers, which the lawsuit says had some misleading terms. The \$1,000 bonus at the heart of the lawsuit, filed in Middlesex Superior Court Friday by the Public Health Advocacy Institute at Northeastern University, had fine print that revealed it would only be paid out if customers made an initial deposit of \$5,000 and gambled \$25,000 within 90 days on bets with odds of -300 or longer.'

With already worrisome trends relating to the prevalence of problem gambling, evidence suggesting that sports bettors are uniquely vulnerable and struggling with problem gambling at 2-3x the rate of other gamblers, and sports bettors being inundated at disproportionate rates of advertising it is imperative that there are checks and balances to the advertisements being pushed within our communities.

The most prudent and responsible thing that the any state can do is ensure that a neutral third party not only validates and certifies the advertisements, including but not limited to influencers and other marketing agencies. This ensures that there is sufficient transparency in the sector and also prioritizes consumer welfare. While regulators in several states, Massachusetts, Ohio, Colorado, Pennsylvania, and New Jersey have banned use of the phrase "risk free" in connection with promotional sports betting advertisements, more must be done.

All those that profit from sports betting bear the responsibility to pay for the harms. This includes doing everything in their power to prevent harm from every happening. Ensuring that advertisements that very much sit at the heart of this industry are not targeting vulnerable populations or youth, are fair and transparent.

Thank you for the opportunity to submit our testimony to the record. I would be happy to answer any and all questions that you may have.

Sincerely,

Brianne Doura-Schawohl