Gaming, Fantasy Sports and Relationships with Gambling in Iowa

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Ki H. Park
Mitchell Avery, and
Neal Pollock
Background
The primary purpose of this study was to collect data from adult Iowans to assess:
- types and frequency of gambling activities
- prevalence of problem gambling
- awareness and opinions of publicly-funded gambling treatment services
Core questions in 2015 Prevalence Study

- Gambling behavior
- Gambling disorder assessment tool (NODS and CPGSI)
- Attitudes regarding to gambling and treatment

- Gaming & Fantasy Sport (new questions)
  - To address growing need of data
  - To inform state legislators
  - To understand better the growing market of Gaming and Fantasy Sports and its potential relationship with gambling behaviors
Fantasy Sports and Iowa

- Iowa is currently one of ten states that have not authorized or have blocked fantasy sports contests.
- According to Fantasy Sports Trade Association (FTSA):
  - In 2015, there are 56.8 million people playing fantasy sports in the USA and Canada.
    - On average, fantasy sports players (age 18+) spend $465 on league-related costs, single-player challenge games, and league-related materials over a 12-month period.
  - The fastest growing demographic is under 18 [year-old] players.
  - Teen participation is outpacing adult play by a wide margin.
    - 13% of all adults (both genders, age 18+) played fantasy sports in the last year, whereas 20% of all teens (age 12-17) played.
Fantasy Sports in US

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- In 2015, there are 56.8 million people playing fantasy sports in the USA and Canada.
  - On average, fantasy sports players (age 18+) spend $465 on league-related costs, single-player challenge games, and league-related materials over a 12-month period.
- The fastest growing demographic is under 18 [year-old] players
- Teen participation is outpacing adult play by a wide margin
  - 13% of all adults (both genders, age 18+) played fantasy sports in the last year, whereas 20% of all teens (age 12-17) played.
Fantasy Sports (FS): A Special Interest Topic in Iowa (cont.)

History of Fantasy Sport Legislation proposals in Iowa

- **2013 Session**: HF378 was introduced to specifically authorize fantasy sports games between individuals as a “bona fide social relationship”. The maximum per event win or loss would increase from $50 to $500.
- **2014 Session**: HF2383 was to authorize fantasy or simulation sports contests as “bona fide contests” and allow for the payment of awards to participants in fantasy or simulation sports contests.
- **2015 Session**: HSB 47/SB166 were introduced to authorize fantasy or simulation sports contests as “bona fide contests” and allow for the payment of awards to participants in fantasy or simulation sports contests.
- **2016 Session**: SSB 3181 was introduced to define and authorize fantasy or simulation sports contests for those 21 and older. Regulated/managed under the Iowa Racing and Gaming Commission.

- **All failed to gain approval by the Legislature**
- **Expect FS Legislation to be reintroduced for the 2017 Legislative Session**
Growing concern about relationship between gaming, fantasy sports, and “at risk” and problem gambling
  • Compounded by social acceptance and lack of information

• Similar Warning Signs of a Problem
  • Physical health becomes a concern
  • Can consume hours
  • Pre-occupies the mind
  • Separation from other activities, friends, and family members
  • Obsession, compulsion, euphoria-chasing
  • Anxiety, pain and disappointment
  • Denial and the illusion of control
Dear Ki H. Park,

is now in the Amazon Appstore! To celebrate, we've awarded you an Amazon exclusive starter pack (limited time offer). This includes 50 Gold Bars and 6 Lollipop Boosters - an $8.99 value - to aid in your quest to defeat the jiggling Jelly Queen. **You have until May 12, 2018 to redeem your starter pack.** To begin the saga, follow the steps below.
The über-popular strategy game is as well-made as it is addicting to play.

**ADDITIONAL INFORMATION**

- **Updated**: May 3, 2016
- **Size**: 91M
- **Installs**: 50,000,000 - 100,000,000
- **Current Version**: 1.3.2
- **Requires Android**: 4.0.3 and up
- **Content Rating**: Everyone 10+
- **Platforms**: Fantasy Violence
- **Interactive Elements**: Users Interact, Digital Purchases
- **In-app Products**: $0.99 - $99.99 per item
- **Permissions**: View details
Call of Duty World League aims to serve more fans globally

Members of Optic Gaming hold up their $20,000 check from the Electronic Sports World Cup (ESWC) Call of Duty event in Paris last month. Activision hopes to continue to expand its fledgling CoD World League outside of North America.

Jun 18, 2016

Largest Overall Prize Pools in eSports

1. The International 2015 $16,429,615.05 Dota 2
2. The International 2014 $10,931,193.00 Dota 2
3. DAC 2015 $3,057,821.00 Dota 2
4. The Frankfurt Major 2015 $3,000,000.00 Dota 2
5. The Manila Major 2016 $3,000,000.00 Dota 2

16 Teams 80 Players
14 Teams 70 Players
20 Teams 100 Players
16 Teams 80 Players
16 Teams 80 Players
Daily fantasy sports firms FanDuel, DraftKings in merger talks: sources

BY LIANA B. BAKER AND DIANE BARTZ

Skill vs. Gambling
Defining Gaming

- Gaming:
  “any type of game including those played on mobile devices, gaming consoles, computers, or on social media websites”

- Examples:
  Candy Crush, World of Warcraft, Call of Duty, Farmville, etc.
  Non-electronic version of games such as board games, card games, puzzles, etc. are not included.
GM & FS and research (cont.)

Defining Fantasy Sports

- Fantasy Sports:
  “as games in which people can draft professional league players onto teams that compete in online leagues, where scoring points is determined by the actual performance of those players”

- Example:
  fantasy football, baseball, basketball, golf, etc.
  This definition was not specific to Daily Fantasy Sports or DFS.
2015 Prevalence Study Methodology

METHOD

• Dual-frame (land and cell) random digit dial (DF-RRD) telephone sampling methodology

• A total of 1,825 interviews
  • 549 landline
  • 1,276 cell phone

• From September 10th, 2015 to December 8th, 2015

• The 2015 data have been weighted in order to obtain point estimates to allow generalization to the population of Iowans
  • weighting variables included age, ethnicity, race, education, location of residence, and telephone status
Questions

• Gambling
  • A list of 19 types of gambling (e.g. lottery, slots, sport betting, etc.)
  • How often they played (last 30 days, year, or ever)

• Gambling Disorder
  • DSM-5 criteria using NODS
  • CPGSI

Go to [http://idph.iowa.gov/igtp/reports](http://idph.iowa.gov/igtp/reports)
Select “Gambling Attitudes and Behaviors: A 2015 Survey of Adult Iowans”
Questions (cont.)

• Gaming
  • If they ever played
    • Apps: if they have made any in-app purchases (e.g. power ups, extra lives)
    • Game console/PC: if they have bet on the outcome of a game

• Fantasy Sports
  • If they ever played
    • If they have spent money
RESULTS

Gambling prevalence

Representation of all adult Iowans with 100 hexagons

100% Adult Iowans
Pop. Est. 2,334,890

About 23,000
Gambling prevalence (cont.)

- 31.9% Did not gamble in the past 12 months
  - Pop. Est. 745,015
- 12.6% Gambled in the past 12 months (at-risk)
  - Pop. Est. 294,222
- 68.1% Gambled in the past 12 months
  - Pop. Est. 1,590,456
- 1.2% Problem Gambler
  - Pop. Est. 29,155

About 23,000
- Muscatine
- Fort Dodge
<table>
<thead>
<tr>
<th>% Gaming</th>
<th>Pop. Est.</th>
<th>Gaming Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>67.4%</td>
<td>1,572,623</td>
<td>Gaming in the past (ever gaming)</td>
</tr>
<tr>
<td>57.4%</td>
<td>1,339,854</td>
<td>Gaming in the past 12 months</td>
</tr>
<tr>
<td>47.8%</td>
<td>1,116,015</td>
<td>Gaming in the past 30 days</td>
</tr>
</tbody>
</table>

About 23,000
Gaming (cont.)

<table>
<thead>
<tr>
<th>Demographic Category</th>
<th>Gamers %</th>
<th>State %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>45</td>
<td>49</td>
</tr>
<tr>
<td>Female</td>
<td>55</td>
<td>51</td>
</tr>
<tr>
<td>Children in the household*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>46</td>
<td>36</td>
</tr>
<tr>
<td>No</td>
<td>54</td>
<td>64</td>
</tr>
<tr>
<td>Age group*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-34 years</td>
<td>44</td>
<td>30</td>
</tr>
<tr>
<td>35-54 years</td>
<td>35</td>
<td>32</td>
</tr>
<tr>
<td>55 years or older</td>
<td>21</td>
<td>38</td>
</tr>
<tr>
<td>Employment status*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>70</td>
<td>63</td>
</tr>
<tr>
<td>Not currently employed</td>
<td>30</td>
<td>38</td>
</tr>
<tr>
<td>Education*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school graduate or less</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>College 1 year to 3 years</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>College 4 years</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Graduate or professional school</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Place of residence*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On a farm or rural setting/small town</td>
<td>38</td>
<td>42</td>
</tr>
<tr>
<td>Large town (5000-25,000 people)</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>City (25,000-150,000 people)</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>In a city of 150,000 or more</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
Gaming (cont.)

About 23,000

57.4% of the population (1,339,854) played games in the past 12 months.

76% gambled in the past 12 months.

Gambling type:
- 39% in casino
- 54% in lottery
- 56% in other

About 23,000
Gaming Apps (cont.)

- **Spent real money on games in the past 12 months**
  - 8.9% from a population of 207,949

- **At-risk gamblers**
  - Yes: 28%
  - No: 72%

- **Pop. Est. 1,339,854**
  - 57.4% played games in the past 12 months

- **About 23,000**

This is about 1.5 times more than among adults.
Gaming Console/PC (cont.)

- Played games in the past 12 months: 57.4% (Pop. Est. 1,339,854)
- Bet or wagered in outcomes of games in the past 12 months: 2.0% (Pop. Est. 46,635)

At-risk gamblers: 40%

This is more than 2 times than among adults

About 23,000
## Fantasy Sports

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Population Estimate</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.2%</td>
<td>307,742</td>
<td>Played fantasy sports in the past (ever played fantasy sports)</td>
</tr>
<tr>
<td>7.7%</td>
<td>178,730</td>
<td>Played fantasy sports in the past 12 months</td>
</tr>
<tr>
<td>6.6%</td>
<td>154,692</td>
<td>Played fantasy sports in the past 30 days</td>
</tr>
</tbody>
</table>

About 23,000
## Fantasy Sports (cont.)

### FS players % vs State %

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<tr>
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<th>FS players %</th>
<th>State %</th>
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<tbody>
<tr>
<td><strong>Gender</strong></td>
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<tr>
<td>Male</td>
<td>78</td>
<td>49</td>
</tr>
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<td>22</td>
<td>51</td>
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</tr>
<tr>
<td>Graduate or professional school</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Household income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $25,000</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>$75,000 or more</td>
<td>47</td>
<td>31</td>
</tr>
</tbody>
</table>
Fantasy Sports (cont.)

- 7.7% Played FS in the past 12 months
  - Pop. Est. 178,730
- 91% Gambled in the past 12 months
- 91% casino
- 60% lottery
- 78% other

About 23,000
Fantasy Sports (cont.)

- Played FS in the past 12 months: 7.7% (Pop. Est. 178,730)
- At-risk gamblers: 21%

About 23,000

This is about the same than among adults
Fantasy Sports (cont.)

- Bet on FS in the past 12 months: 3.6%
- Pop. Est. 83,853

At-risk gamblers

- Yes: 30%
- No: 70%

This is about 2 times compared to adults

About 23,000
• It seems that the relationship between GM and Risk Gambling is stronger than the relationship between FS and Risk Gambling. Gaming might be the underdog
• Gaming had a broad definition, yet there are many different ‘branches’ of gaming
• DFS is still illegal in Iowa, so under-reporting is possible. However, other illegal behaviors are regularly reported in survey research
• The timing of the survey and the DFS’s “insider trading” scandal
• The demographics of players
IGTP has provided Legislative Assessments and fiscal notes regarding the impact of proposed legislation (2013-2016).

For 2015, IGTP added questions to the Gambling Attitudes and Behavior survey to gain a better understanding of how FS/DFS impacts Iowans.

Resulted in a 1 Pager that was distributed to the Legislature.
Prevention and Treatment Implications

- **Treatment**
  - Educating Addiction Treatment network
  - Risk factors correlated with GM and FS
- **Reporting/Tracking**
  - Need to ask the question
  - Rarely one form of wagering method reported
- **Recovery planning and support services**

- **Prevention**
  - Raise awareness of social gaming and video gaming risks
  - Correlation to “gambling”
  - When something of value is put at risk – It’s gambling!
  - Responsible Gaming message
  - Younger the better!
Future Research Implications

• Need for better data (treatment and non-treatment) to understand how GM and FS impact Iowans
  • No current federal or uniform national data set
  • Numbers for GM and FS vary depending on source (research/industry)

• Out of the box thinking to develop and evaluate treatment and prevention strategies to reduce impact

• Potential to get lost in other funding priorities at the state level

• FS Legislation outcome will impact research priority
Here is a short video on YouTube about eSport (this is more of an emotional account of the variety of games in eSports, some content may be too violent for minors)
https://www.youtube.com/watch?v=cJAEDfPEdB4

This is a humorous take about the DFS
https://www.youtube.com/watch?v=Mq785nJ0FXQ

How the Daily Fantasy Sports Industry Turns Fans Into Suckers
By JAY CASPIAN KANG    JAN. 6, 2016
New York Times