GAMING, FANTASY SPORTS, AND GAMBLING IN IOWA

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Alivia Zubrod

1
BACKGROUND

Highlights of events leading to first gambling prevalence study in 1989.
1973: Low-stakes games of chance legalized in Iowa
1983: Legislature approved pari-mutuel gambling
1985: Dog racing and state lottery begins
1986: State funded gambling and treatment services
1989: Horse racing begins in Iowa

2000 to 2015:
- Referendum approved: 22 counties without gaming facilities,
- Approved referendum: 11 counties
- New licenses issued: 7 casinos
- A casino (Sioux City) opens in 2014
- A casino (Jefferson) opens in 2015
- A casino (Sioux City) closes in 2015

1990’s:
Casinos opened by licensed private interests and independent groups of Native Americans (10 casinos)

2017: Iowa Racing and Gaming Commission denied the application of Cedar Rapids Development Group, LLC and Wild Rose Casino and Resort
The primary purpose of this study was to collect data from adult Iowans to assess:

- Prevalence of problem gambling
- Attitudes toward gambling and publicly-funded gambling treatment services
- Types and frequency of gambling activities
CORE QUESTIONS IN 2018 PREVALENCE STUDY

Gambling type and involvement

Problem gambling assessment (PGSI & CPGI)

Attitudes regarding to gambling and treatment

Co-morbid conditions

Demographics

- Fantasy Sport & Daily Fantasy Sport
  - 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
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 (FS): A SPECIAL INTEREST TOPIC 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.
- **2017 Session:** HSB 52/SSB 1183 introduced to define and authorize fantasy sports contests for those 21 and older. Regulated/managed under the Iowa Racing and Gaming Commission.

- **All failed to gain approval by the Legislature**
- **2018 Session:** SF 617 introduced to provide for sports wagering and fantasy sports contests, providing for taxes and fees. If signed, enacts July 4, 2019.

- **PASSED LEGISLATURE - CURRENTLY PENDING GOVERNOR’S SIGNATURE**
GAMING (GM), FANTASY SPORTS, AND GAMBLING

- 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
GAMING AND FANTASY SPORTS

**Candy Crush Saga**

- **Version**: 1.149.0.4
- **Requirements**: Android 4.1 and up
- **Content Rating**: Everyone
- **In-app Products**: $0.99 - $149.99 per item

Switch and match your way through more than 100 levels in this delicious and addictive puzzle adventure. Ain’t it the sweetest game ever? **PLEASE NOTE:** This app contains in-app purchasing, which allows you to buy items within the app using actual money. On Android devices, you can configure in-app purchasing parental controls from the settings menu within the Amazon Appstore.

- **Developer**: King
- **Website**: candycrush.techhelp@king.com
- **Privacy Policy**: King.com Limited Aragon Business Centre, Level 4, Dragonara Road, St Julian’s STJ3140, Malta

Share this app
# Gaming and Fantasy Sports

## Largest Overall Prize Pools in Esports

<table>
<thead>
<tr>
<th>Rank</th>
<th>Event</th>
<th>Prize Pool</th>
<th>Game</th>
<th>Teams</th>
<th>Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The International 2018</td>
<td>$25,532,177.00</td>
<td>Dota 2</td>
<td>18</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>The International 2017</td>
<td>$24,987,919.00</td>
<td>Dota 2</td>
<td>18</td>
<td>90</td>
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<tr>
<td>3</td>
<td>The International 2016</td>
<td>$20,770,460.00</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>4</td>
<td>The International 2015</td>
<td>$18,429,613.05</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>5</td>
<td>The International 2014</td>
<td>$10,931,103.00</td>
<td>Dota 2</td>
<td>14</td>
<td>70</td>
</tr>
<tr>
<td>6</td>
<td>LoL 2018 World Championship</td>
<td>$6,450,000.00</td>
<td>League of Legends</td>
<td>24</td>
<td>130</td>
</tr>
<tr>
<td>7</td>
<td>LoL 2016 World Championship</td>
<td>$5,070,000.00</td>
<td>League of Legends</td>
<td>16</td>
<td>86</td>
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<tr>
<td>8</td>
<td>LoL 2017 World Championship</td>
<td>$4,946,969.00</td>
<td>League of Legends</td>
<td>24</td>
<td>128</td>
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<tr>
<td>9</td>
<td>Fortnite Fall Skirmish Series - Clubs Standings</td>
<td>$4,000,000.00</td>
<td>Fortnite</td>
<td>5</td>
<td>498</td>
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<tr>
<td>10</td>
<td>DAC 2015</td>
<td>$3,057,521.00</td>
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<td>20</td>
<td>100</td>
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<tr>
<td>11</td>
<td>The Boston Major 2016</td>
<td>$3,000,000.00</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
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<tr>
<td>12</td>
<td>The Frankfurt Major 2015</td>
<td>$3,000,000.00</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>13</td>
<td>The Kiev Major 2017</td>
<td>$3,000,000.00</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>14</td>
<td>The Manila Major 2016</td>
<td>$3,000,000.00</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>15</td>
<td>The Shanghai Major 2016</td>
<td>$3,000,000.00</td>
<td>Dota 2</td>
<td>16</td>
<td>80</td>
</tr>
<tr>
<td>16</td>
<td>The International 2013</td>
<td>$2,874,381.00</td>
<td>Dota 2</td>
<td>8</td>
<td>40</td>
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<tr>
<td>17</td>
<td>Smite World Championship 2015</td>
<td>$2,612,259.00</td>
<td>SMITE</td>
<td>8</td>
<td>40</td>
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<tr>
<td>18</td>
<td>Halo World Championship 2016</td>
<td>$2,500,000.00</td>
<td>Halo St Guardians</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>19</td>
<td>LoL 2014 World Championship</td>
<td>$2,130,000.00</td>
<td>League of Legends</td>
<td>16</td>
<td>82</td>
</tr>
<tr>
<td>20</td>
<td>LoL 2015 World Championship</td>
<td>$2,130,000.00</td>
<td>League of Legends</td>
<td>16</td>
<td>85</td>
</tr>
</tbody>
</table>
GAMING AND FANTASY SPORTS

Aaron Jones Wins the $5m First Prize on the DraftKings 2015 Fantasy Football $15 Million World Championships

BY Lee Davy ON January 20, 2016

Meet A Bostonian Who’s Made $3 Million This Year Playing Daily Fantasy Sports

November 23, 2015
GM, FS, DFS AND RESEARCH

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

• Examples:
Candy Crush Saga, World of Warcraft, Call of Duty, Clash of Clans, etc. Non-electronic version of games such as board games, card games, puzzles, etc. are not included.
GM, FS, DFS AND RESEARCH (CONT.)

• Fantasy Sports:
“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, racing, etc.
This definition was not specific to Daily Fantasy Sports or DFS.
Daily Fantasy Sports:
“a subset kind of Fantasy Sports that is concluded in a very short time period, usually in a single day of competition as opposed to the seasonal competition”

Example: DraftKings & FanDuel
METHOD

2018 PREVALENCE STUDY METHODOLOGY

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

A total of 1,761 interviews
- 190 landline
- 1,571 cell phone

Overall response rate of 26% (13% landline, 30% cell)

From September 12th, 2018 to January 16th, 2019

The 2018 data have been weighted in order to obtain point estimates to allow generalization to the population of Iowans

- weighting variables included age, gender, race/ethnicity, education, place of residence, and telephone status
QUESTIONS

Gambling
- A list of 21 types of gambling (e.g. lottery, slots, sport betting, etc.)
- How often they played (last 30 days, year, or ever)

Gambling Disorder
- Problem Gambling Severity Index (PGSI)
- Canadian Problem Gambling Severity Index (CPGSI)

Go to [http://idph.iowa.gov/igtp/reports](http://idph.iowa.gov/igtp/reports)
Select “Gambling Attitudes and Behaviors: A 2018 Survey of Adult Iowans”
QUESTIONS (CONT.)

Gaming
- If they ever played
  - Frequency of play (ever & past 12 months)
  - Device type
  - In-app purchases (ever & past 12 months)
  - Wagered on games (ever & past 12 months)

Fantasy Sports
- If they ever played
  - When they last played (ever & past 12 months)
  - Wagered on Fantasy Sports (ever & past 12 months)
  - Wagered on Daily Fantasy Sports (ever & past 12 months)
RESULTS

GAMBLING PREVALENCE

Representation of all adult Iowans with 100 hexagons

About 23,000
RESULTS

GAMBLING PREVALENCE (CONT.)

- Adult Iowans
  - Gambled in the past 30 days: 45.8%
  - Gambled in the past 12 months: 73.8%
- Never gambled: 9.8%
- Ever gambled: 90.2%
RESULTS

GAMBLING PREVALENCE (CONT.)

<table>
<thead>
<tr>
<th>Prevalence</th>
<th>Description</th>
<th>Population Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td>73.8%</td>
<td>Gambled in the past 12 months</td>
<td>1,707,241</td>
</tr>
<tr>
<td>13.6%</td>
<td>At-risk gambler</td>
<td>315,141</td>
</tr>
<tr>
<td>0.8%</td>
<td>Problem Gambler</td>
<td>18,504</td>
</tr>
</tbody>
</table>
### Results

#### Gaming Prevalence

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Pop. Est.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>68.0%</td>
<td>1,573,572</td>
<td>Gaming in the past (ever gaming)</td>
</tr>
<tr>
<td>55.5%</td>
<td>1,284,294</td>
<td>Gaming in the past 12 months</td>
</tr>
<tr>
<td>46.3%</td>
<td>1,070,896</td>
<td>Gaming in the past 30 days</td>
</tr>
</tbody>
</table>

About 23,000
## RESULTS

### GAMING DEMOGRAPHICS

<table>
<thead>
<tr>
<th></th>
<th>Gamer %</th>
<th>State %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Female</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td><strong>Children in the household</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>41</td>
<td>35</td>
</tr>
<tr>
<td>No</td>
<td>59</td>
<td>65</td>
</tr>
<tr>
<td><strong>Age group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-34 years</td>
<td>41</td>
<td>30</td>
</tr>
<tr>
<td>35-49 years</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>50-64 years or older</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>65 years or older</td>
<td>12</td>
<td>21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Gamer %</th>
<th>State %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>70</td>
<td>65</td>
</tr>
<tr>
<td>Not currently employed</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married or cohabitating</td>
<td>50</td>
<td>56</td>
</tr>
<tr>
<td>Divorced, separated, never married, widowed</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school graduate or less</td>
<td>37</td>
<td>36</td>
</tr>
<tr>
<td>College 1 year to 3 years</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>College 4 years or more</td>
<td>28</td>
<td>30</td>
</tr>
</tbody>
</table>
RESULTS

GAMING FREQUENCY

- About every day: 44.6%
- One to three times a week: 31.6%
- Once or twice a month: 15.4%
- A few days a year: 7.3%
- Only one day in the past 12 months: 1.2%
RESULTS

GAMING DEVICES

- Smartphones, tablets or mobile devices: 69.6%
- Gaming consoles: 13.2%
- Computers: 15.9%
- Hand held gaming devices or other: 1.2%
RESULTS

GAMING AND SPENDING MONEY (2015-2018)
RESULTS

GAMING & GAMBLING BEHAVIOR

- 78.5% Did not gamble in the past 12 months
- 21.5% Gambled in the past 12 months

Gambling type:
- 39% in casinos
- 61% on lotteries
- 59% on other
RESULTS

GAMING & GAMBLING BEHAVIOR (CONT.)

Gamers

Gamers who spent money

At-risk gamblers
Not-at-risk gambler

At-risk gamblers
Not-at-risk gambler

16.3%
83.7%

25.8%
74.2%
RESULTS

GAMING & GAMBLING BEHAVIOR (CONT.)

- One or more times a week: 45.0%
- Once or twice a month: 22.0%
- A few times a year: 6.0%
- Only once in the past 12 months: 5.6%
- Did not purchase in the past 12 months: 21.4%
### RESULTS

**FANTASY SPORTS PREVALENCE**

<table>
<thead>
<tr>
<th>Played fantasy sports in the past (ever)</th>
<th>Pop. Est.:</th>
<th>10.0%</th>
<th>231,048</th>
</tr>
</thead>
<tbody>
<tr>
<td>Played fantasy sports in the past 12 months</td>
<td>Pop. Est.:</td>
<td>5.1%</td>
<td>118,209</td>
</tr>
</tbody>
</table>

- 5.1% Pop. Est. 118,209
- Played fantasy sports in the past 12 months
# Fantasy Sports Demographics

## Results

### Gender

<table>
<thead>
<tr>
<th></th>
<th>FS Players</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>88</td>
<td>48</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
<td>52</td>
</tr>
</tbody>
</table>

### Employment Status

<table>
<thead>
<tr>
<th></th>
<th>FS Players</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>90</td>
<td>89</td>
</tr>
<tr>
<td>Not currently employed</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

### Household Income

<table>
<thead>
<tr>
<th></th>
<th>FS Players</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>26</td>
<td>20</td>
</tr>
<tr>
<td>$75,000 or more</td>
<td>52</td>
<td>36</td>
</tr>
</tbody>
</table>

### Place of Residence

<table>
<thead>
<tr>
<th></th>
<th>FS Players</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>On a farm or rural setting/small town</td>
<td>42</td>
<td>45</td>
</tr>
<tr>
<td>Large town (5000-25,000)</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>City (25,000-150,000)</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>In a city of 150,000 or more</td>
<td>12</td>
<td>7</td>
</tr>
</tbody>
</table>

### Children in the Household

<table>
<thead>
<tr>
<th></th>
<th>FS Players</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>No</td>
<td>50</td>
<td>65</td>
</tr>
</tbody>
</table>

### Age Group

<table>
<thead>
<tr>
<th></th>
<th>FS Players</th>
<th>State</th>
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</thead>
<tbody>
<tr>
<td>18-34 years</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>35-49 years</td>
<td>31</td>
<td>24</td>
</tr>
<tr>
<td>55-64</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>65 years or older</td>
<td>4</td>
<td>21</td>
</tr>
</tbody>
</table>
RESULTS

DAILY FANTASY SPORTS

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
<th>Population Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.9%</td>
<td>Bet on daily fantasy sports in the past</td>
<td>20,847</td>
</tr>
<tr>
<td>0.3%</td>
<td>Bet on daily fantasy sports in the past 12 months</td>
<td>7,276</td>
</tr>
</tbody>
</table>
RESULTS

SPORTS BETTING

5.9% Bet on sports in the past 12 months
Pop. Est. 135,945
RESULTS

SPORTS BETTING & FANTASY SPORTS

- 44% only participated in SB
- 19% only participated in SB and FS
- 37% only participated in FS

9.2%
Pop. Est. 118,209
Sport betting and fantasy sports in the past 12 months

About 23,000
RESULTS

SPORTS BETTING, FANTASY SPORTS, & GAMBLING

9.2% Sports betting and fantasy sports in the past 12 months
Pop. Est. 118,209

1.0% Gambled in the past 12 months

99.0% Did not gamble in the past 12 months

Gambling type
59% in casino
79% on lotteries
88% on others
RESULTS

SPORTS BETTING, FANTASY SPORTS, & GAMBLING (CONT.)

9.2% Sports betting and fantasy sports in the past 12 months
Pop. Est. 118,209

23.3% At-risk gamblers
76.7% Not-at-risk gambler
Participants who bet or wager on sports or participated in fantasy sports were significantly more likely to report that they agree or strongly agree that they will engage in sport betting or wagering activities in the future if the Iowa legislation passes the law.
RESULTS

SB AND FS LEGALIZATION

Participants who bet or wager on sports or participated in fantasy sports were significantly more likely to report that they agree or strongly agree that they will engage in daily fantasy sports if the Iowa legislation passes the law.
RESULTS

MULTIVARIATE ANALYSIS - AT-RISK GAMBLERS

Adults who did the following were more likely to be at-risk gamblers:
- gambled in casinos (3x more likely),
- played lottery tickets (3x more likely),
- spent money on in-app gaming purchases (2x more likely),
- smoked tobacco (2x more likely), &
- scored low in the QoL assessment (4x more likely)
GM & FS - FINAL COMMENTS IN RESEARCH

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 similar demographics of players.
WORKING WITH LEGISLATORS

IGTP has provided Legislative Assessments and fiscal notes regarding the impact of proposed legislation (2013-2019).

For 2018, 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
REFERENCES


MULTIVARIATE ANALYSIS