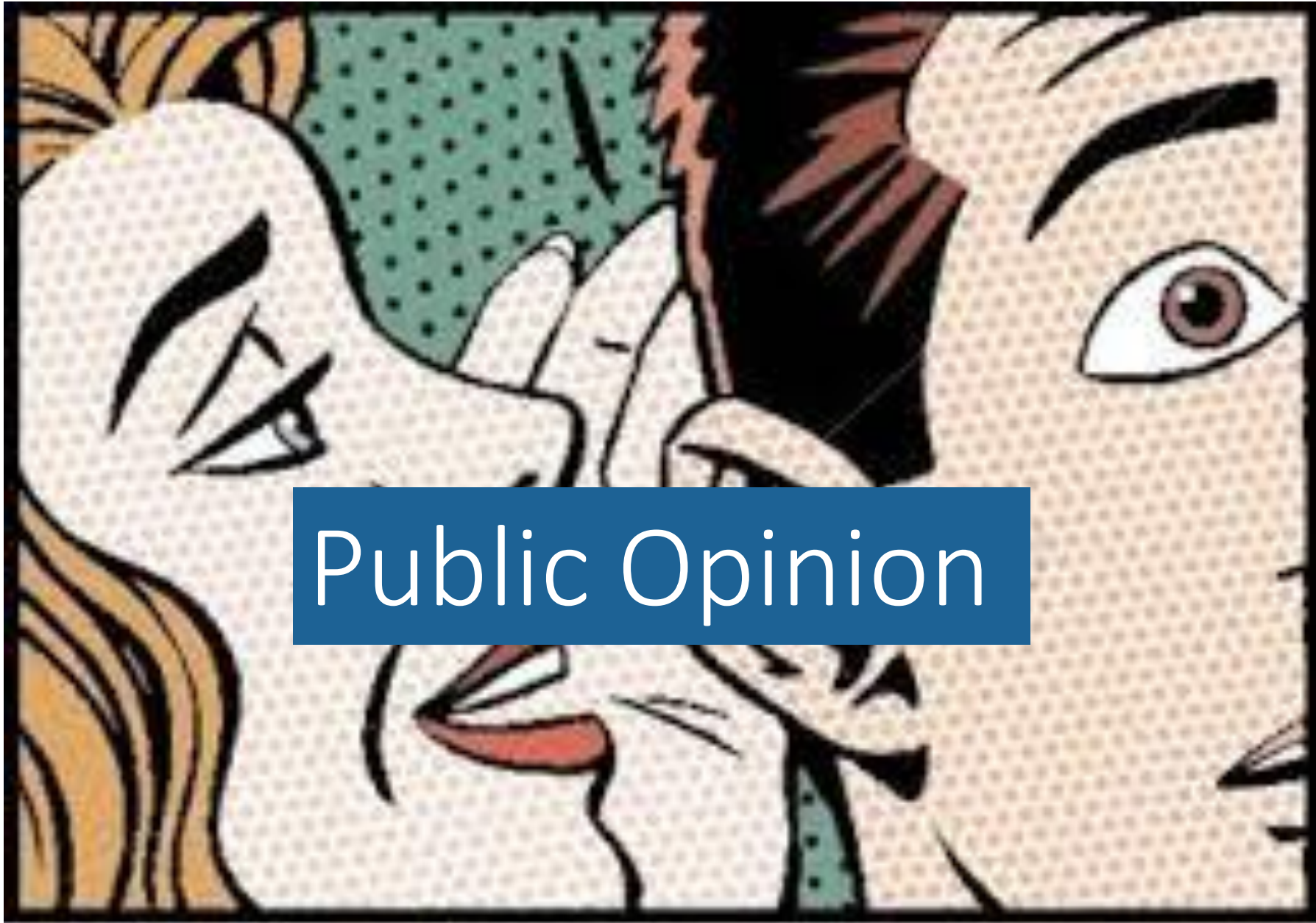


Looking Over the Horizon: Reflections on the Past and Future of Responsible Gambling



Keith Whyte
Executive Director, NCPG
March 10, 2022

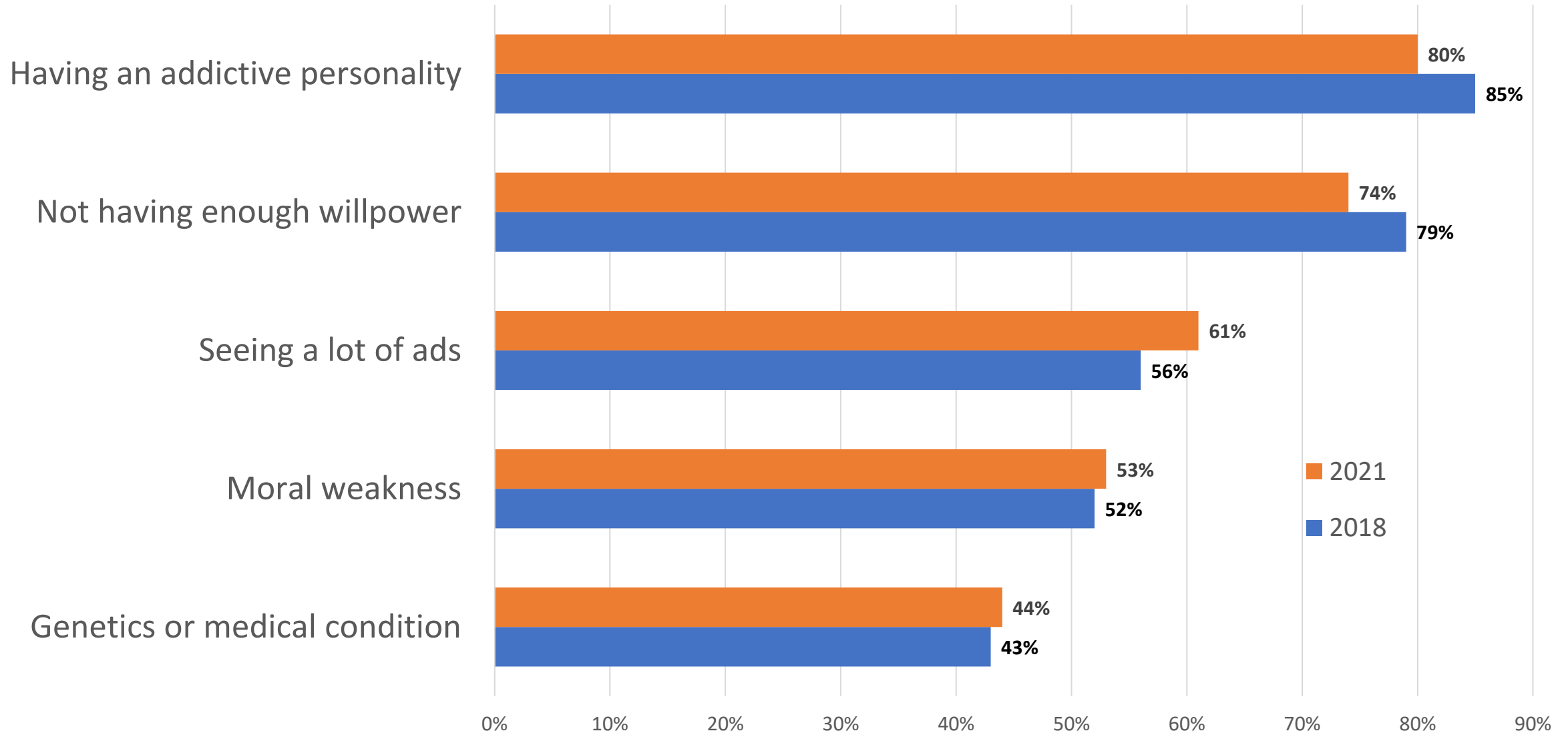


Public Opinion

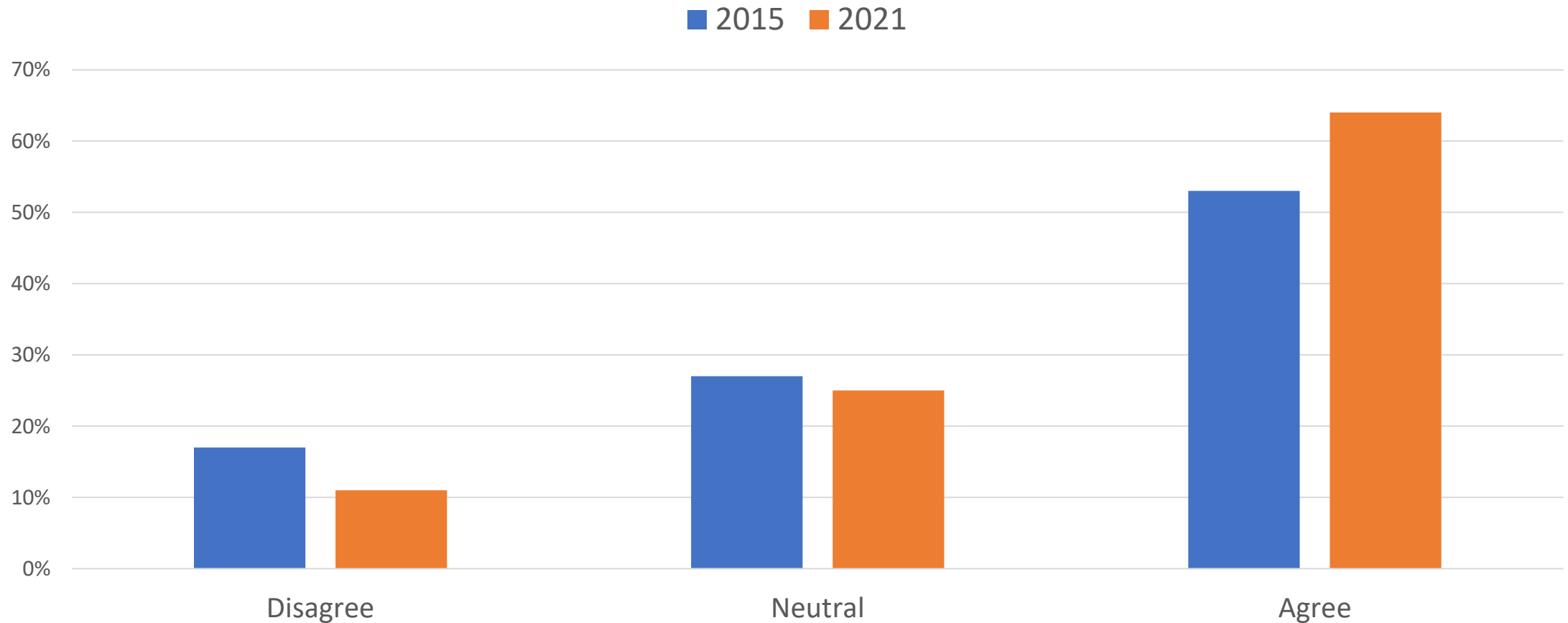
“How many of our goals will be accomplished with a common perception that problem gambling is a moral weakness, that it can be controlled through greater willpower, and that treatment doesn’t work?”

–Don Feeney, 2008

How likely is this to cause a gambling problem?



The gambling industry should do more to help people with a gambling addiction



Change Is Possible

Support for ban on smoking in public places from 39% in 2001 to 62% in 2019



In 2001 57% opposed same-sex marriage, in 2021 70% supported



Koans of Public Opinion

- Gambling is normalized and problem gambling is stigmatized
- Problem gambling is accepted as a serious issue yet often seen as a moral weakness
- The more the gambling industry expands the more they are expected to help on problem gambling

The 2032 Challenge: Change Public Perception

- **Then & Now: Stigma, shame, indifference, rare services, more likely to fail**
- **Next: Acceptance, support, broad & deep services, more likely to succeed, recovery!**

facebookie



- “Social games” on Facebook are free to play and offer no monetary prizes.
- However, players can pay for currency and extra game features.
- \$2 billion in revenue.
- Entirely unregulated...

What is Social Casino Gaming?

Gambling games that include at least one but not all three elements (prize, chance or consideration) of legal gambling. Started on social networks but now migrating to mobile.

Models:

- FTP or freemium, sweepstakes (-consideration)
- Reflexive/adaptive (-chance)
- Play for fun (-prize)

Skill & Hybrid Slots

- Gamblify a video or skill game.
- Add skill elements to a slot game.
- Outcome no longer truly random.
- Besides skill can include frequency, amount of play, other activity.
- RG message was “nothing you can do to change outcome.”
- Already struggle with myths & randomness, illusion of control & persistence...

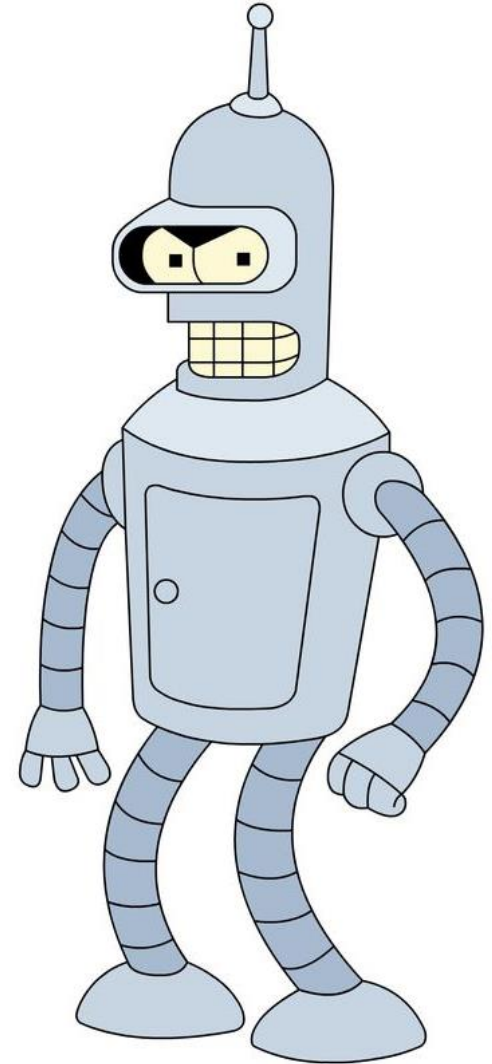


Social Gaming Concern Categories

- Problem gambling-type risks (people spending too much time and money)
- Consumer protection-type risks (lack of transparency, regulation)
- Transitional risks (increased participation in real money gambling, especially in relation to young people)

Arguably Not Legally Gambling: ANLG

- Technology increasingly outpaces law & regulation, especially in gambling.
- Traditional definitions inadequate as technology changes the very nature of gambling.
- Technology transforms geographically regulated activity is now a global borderless medium.



Prediction Games

GAME 9

WSH 16
ATL 23
1st 2:33 :18

MONEYLINE TOTAL
WAS -120 192.5

FIELD GOAL PCT.
WAS .250
ATL .500

	PTS	STL	BLK	TB
Bryant	0	0	0	0
Beal	2	0	0	2
Wall	0	0	0	0
Green	5	1	0	0
Ariza	5	1	0	0

	PTS	STL	BLK	TB
Dedmon	4	0	0	2
Bazemore	5	0	0	0
Huertter	0	0	0	1
Young	4	0	0	0
Collins	5	0	0	0

Will Trevor Ariza score 10+ in the first half?

YES **NO**

Play for Free! Go to NBCSportswashington.com/predict for your chance to win \$500

PREDICT THE GAME MGM NATIONAL GOLF TOURNAM

Koans of Social Gaming



- Free to play gambling may be more profitable than pay to play gambling
- Social gaming operators will only self-regulate once government requires regulation

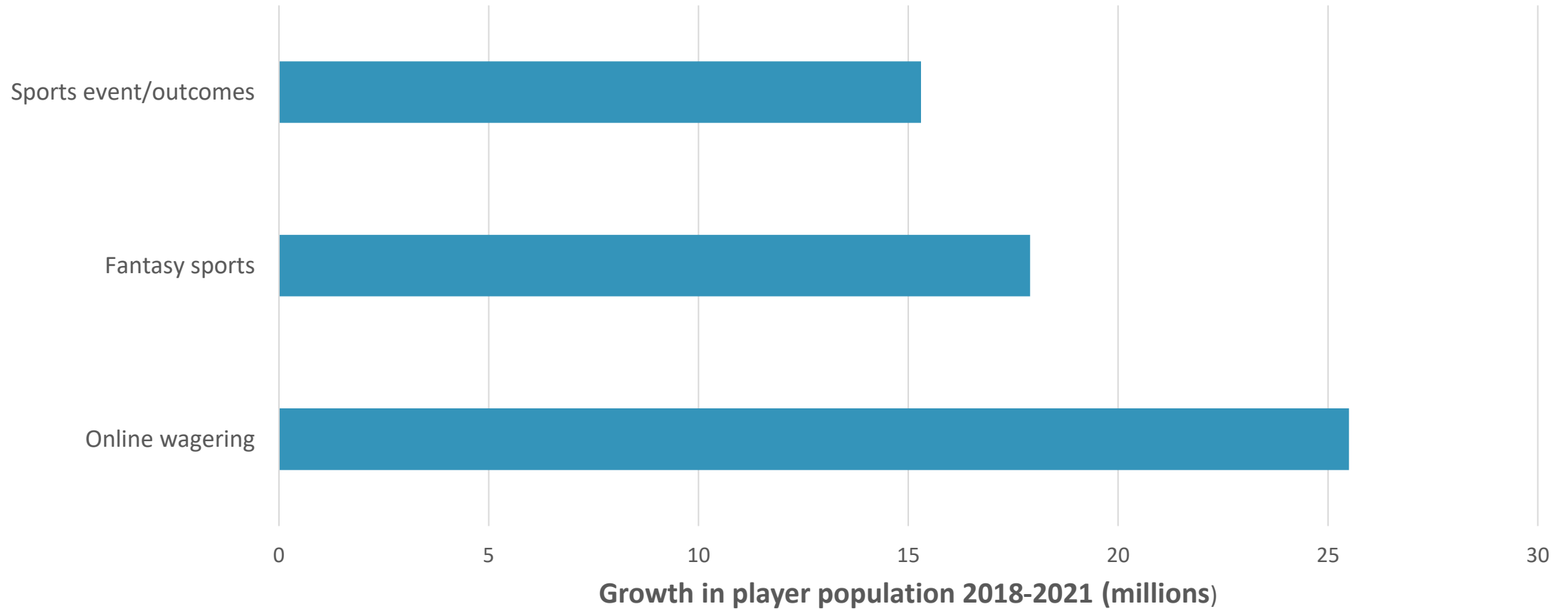
The 2032 Challenge: Consumer Protection

- **Then & Now: Arguably Not Legally Gambling, no responsible gambling**
- **Next: Consumer protection regardless of nomenclature, much larger player base & potential problems**

The Future of Sports Gambling



Growth in number of people playing ...



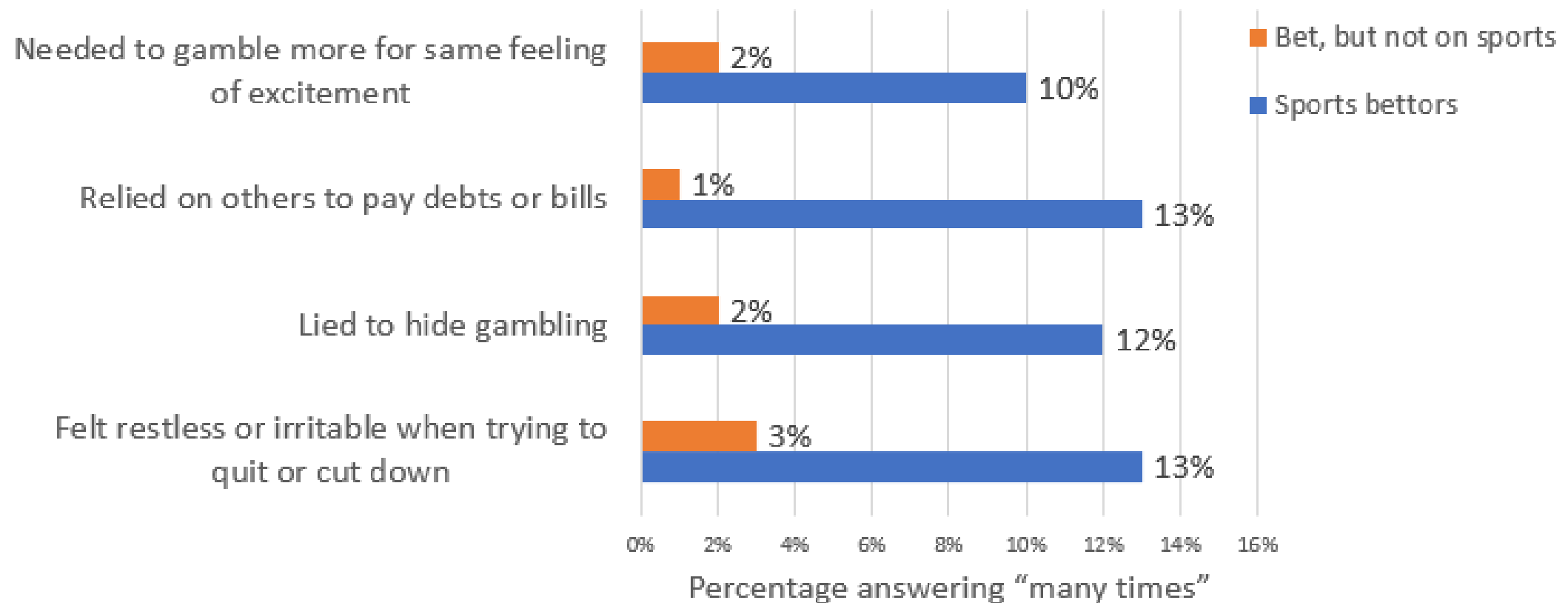
Disruption May Increase Risk



Leagues/teams opposed sports betting	Leagues & teams endorse sports betting
Gambling not mentioned in broadcast	Broadcast gambling & fantasy shows, real time odds in enhanced broadcasts
Gambling advertising not permitted	Gambling advertising permitted
Long interval between single bet & outcome	Instant outcomes for many in-play bets

Past year problematic gambling activity

Sports bettors vs non-sports bettors

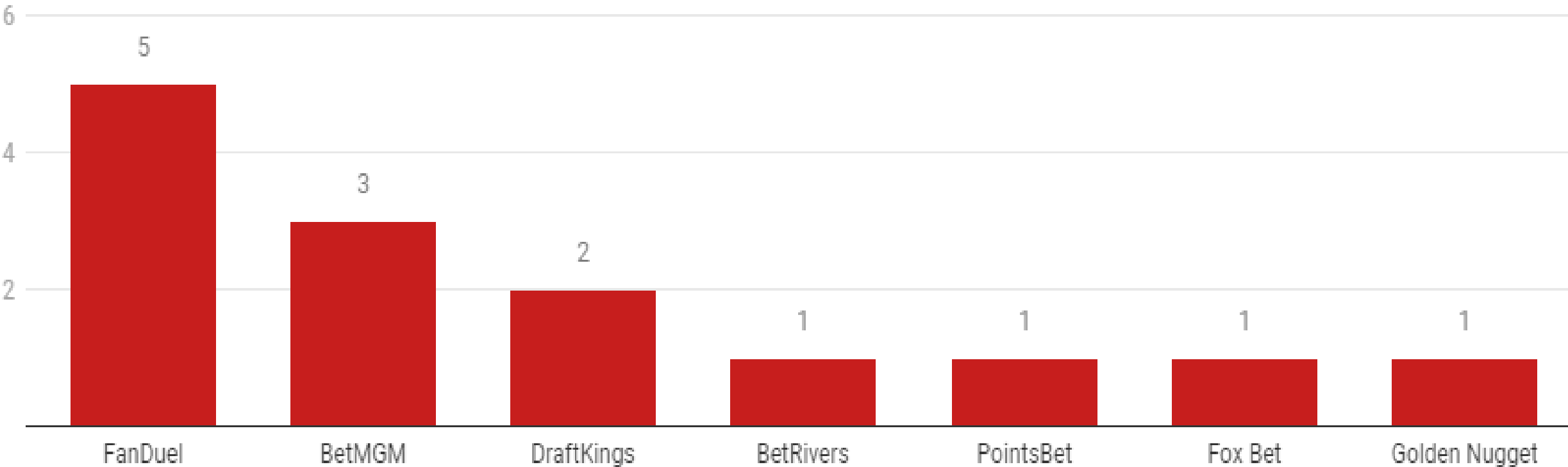


What's Now/Next: AAAA

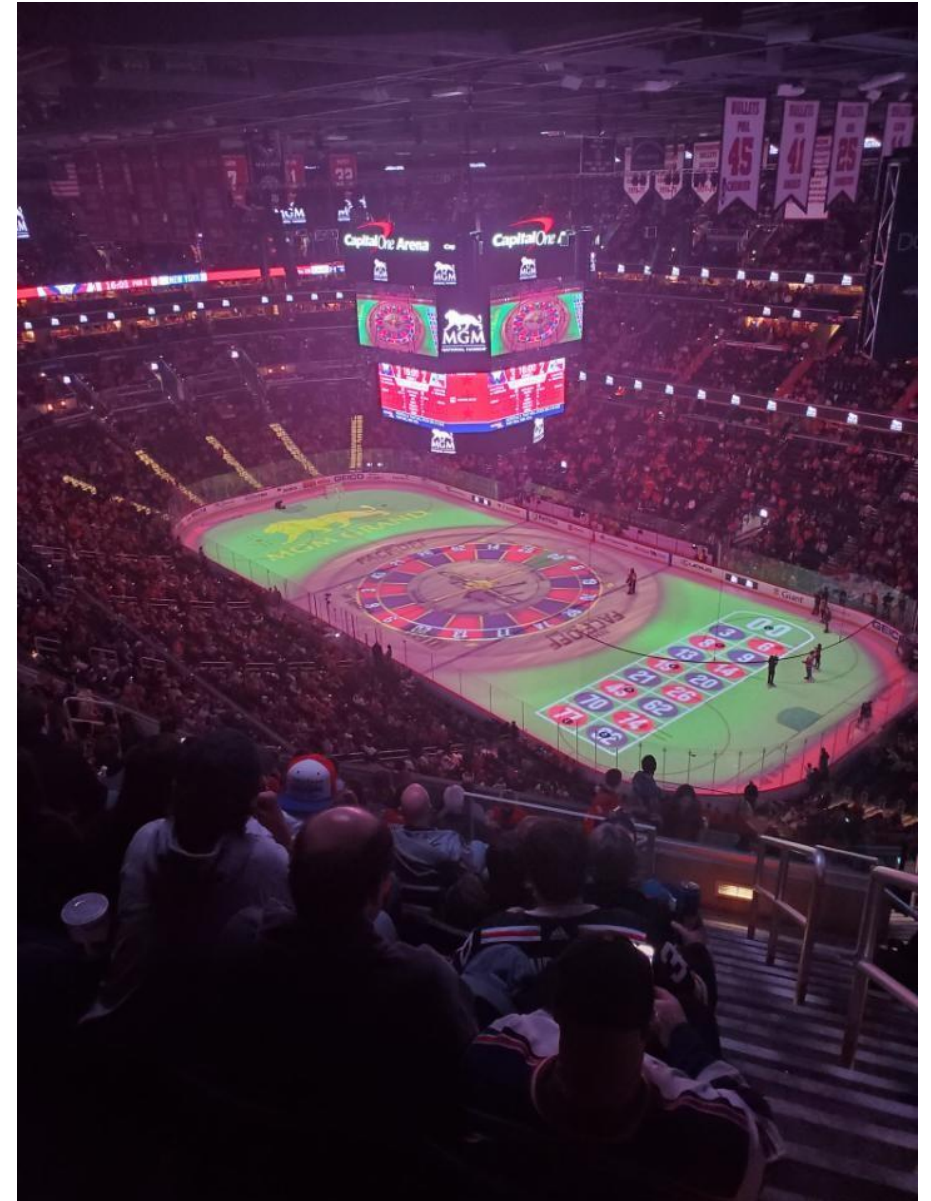
- Widespread Availability across North America
- Massive surge in Advertising
- Increased Accessibility via internet and mobile using cashless payments
- Additional Action far beyond outcome of the game

30-second spots from sportsbooks in a recent sampling of local RSN broadcasts

Detroit Pistons (14)* (Fox Sports Detroit) ▼



Advertising In-Game for In-Play



- Massive surge to saturation; some league limits but no overall authority
- Who oversees affiliate & media?

CAN'T
POINT
RAVE
POINT
TB BU
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Back I



493K



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45

Tweet

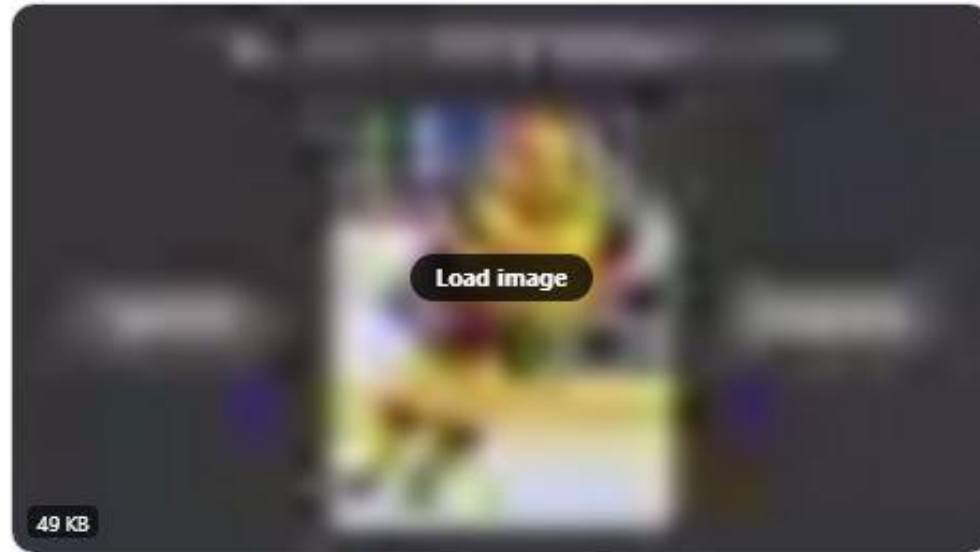


Pittsburgh Penguins
@penguins

Bryan Rust has been on a hot streak since he returned to the lineup, earning 4G + 2A in five games.

Will he earn over or under 2.5 points in today's game against Chicago?

Want to play for real? Visit betrivers.com or [@BetRiversPA](https://twitter.com/BetRiversPA) to put your money where your mouth is.



49 KB

Over

35%

Under

65%

1,528 votes · Final results

L
OTAL
AND

+400

Accessibility

- Trend towards mobile (majority of states)
- “One click” betting, for 1,000s of games in leagues around the world for 24/7/365 access
- Digital payment using credit card, debit card, ACH, e-wallet, cryptocurrency, etc...



Bet now with 1-Click[®]

Action

- In-play betting combines advanced data with proposition betting on individual activities within a game.
- High frequency and extremely high speed.
- Primarily on mobile devices.

Bet on every action by every player on every play in every game in every sport...
...continuously on your phone with “one click”

Anything that can be measured will be monetized

1. Which team will win the first hole?

McIlroy/Johnson Fowler/Wolff Halve

2. Which team will be the money-leader at the turn?

McIlroy/Johnson Fowler/Wolff Tie

3. How many eagles will all four players make combined?

Zero One Two or more

4. Which player will hit it closest to the pin on the par-3 5th?

McIlroy Johnson Fowler Wolff

5. Which player will hit the farthest drive on the par-5 14th?

McIlroy Johnson Fowler Wolff


6. How many total holes will be halved (skin carries over)?

1 Which driver will finish higher at ISM Raceway?

2 The average number of lead changes in the past six races at ISM Raceway has been 11.5. O/U the number of lead changes at 11.5?

Over

Under

3  Fresh off a sixth-place result at Las Vegas, does Ricky Stenhouse Jr. finish in the top 10 at ISM Raceway?

4 All four Joe Gibbs Racing cars finished in the top 10 last spring at ISM Raceway? Will they repeat?

5 Will Team Penske win its third straight race of the 2019 season?

6 Which driver will finish higher at ISM Raceway?

7 Five of the last six winners at ISM Raceway have started outside the top five. Will Sunday's race winner start outside the top five?

8  Kevin Harvick's average finish the past eight races at ISM Raceway is 3.1. Will he finish in the top three and improve his average?

Pigskin in the Game



“So much money can change hands on a simple field goal — sometimes a good chunk of someone’s savings. I’m fascinated by how mainstream sports betting has become, and its ability to turn casual fans into rabid ones obsessed with favorites, underdogs and point spreads.”

—Jon Krause

Koans of Sports Betting



- The higher education & income the less likely you are to gamble and the more likely to bet sports
- Skill in sports betting is a risk and protective factor
- Moving sports bettors from the illegal market provides protections and increases risks
- Fantasy sports players are at higher risk for gambling problems than sports bettors

The 2032 Challenge: Sports As Slots

- **Then & Now: Low participation & low margin, perception of skill, higher risk**
- **Next: Low participation, high margin inplay betting essentially random outcome, still higher risk but shifted**

- Negative press about gambling addiction and fears about industry expansion finally shifts public opinion to positive and progressive public health approaches
- ANLG becomes so pervasive and profitable the legalized gambling industry pushes for regulation
- Sports betting participation peaks but problems continue to rise



A silhouette of a person standing on a rocky mountain peak, holding a camera up to their eye as if taking a photograph. The person is positioned on the right side of the frame. The background is a clear blue sky with a few wispy clouds, and the sun is low on the horizon, creating a bright glow behind the person. The foreground shows the dark silhouette of the mountain and some distant forested hills.

THANK YOU!

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