



**Written Testimony of Keith Whyte
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**United States Senate Committee on the Judiciary
December 17, 2024**

Dear Chairman Durbin, Ranking Member Graham, and Members of the Committee:

Thank you, Chairman Durbin and Ranking Member Graham, for holding this important hearing. I write on behalf of the National Council on Problem Gambling (NCPG), the sole national advocate for those suffering from problem gambling and their loved ones, to submit this testimony regarding the impact of the expansion of sports betting in the United States.

NCPG speaks for those who suffer from a gambling addiction and for those in recovery who must remain anonymous. We speak for those youth and adults who are harmed now and in the future by gambling and the expansion of sports betting. We bear witness to the devastating impacts of a gambling addiction on individuals and their families and to the effectiveness of services that provide help and hope for those who struggle. We can never eliminate the disease of gambling addiction, but we can and must make better efforts to prevent and treat it.

NCPG's mission is to lead awareness and advocacy efforts to reduce gambling harm. Our vision is to advance wellbeing by minimizing harm from gambling problems. Since NCPG was founded in 1972, we have remained neutral, neither for nor against legalized gambling, and completely nonpartisan. NCPG members include 35 state affiliate chapters and a wide variety of individuals and organizations—from counselors, prevention specialists and researchers to people in recovery from gambling problems as well as treatment clinics, gambling operators and vendors, regulatory authorities, sports leagues and state human services agencies.

About Problem Gambling

These problems are indeed serious. Problem gambling or gambling addiction is characterized by increasing preoccupation with and loss of control over gambling and continued gambling despite serious negative consequences. Gambling problems are highly co-occurring with substance abuse and other mental health problems. The estimated social cost to families and communities from gambling-related addiction, bankruptcy and crime was almost \$14 billion last year.

NCPG has additional concerns about the impact of gambling on the health of athletes, as research indicates that athletes are more likely to be at risk for addictions. Preventing and treating gambling addiction among players protects their health and preserves the integrity of the

game. NCAA and professional sports organizations should, therefore, provide comprehensive gambling addiction prevention and education programs to all players and team personnel.

The unprecedented expansion of sports betting highlights that gambling is a national issue, no longer just a state one. Problem gambling is also a national public health issue. While the federal government is already involved in some aspects of gambling—through two gambling specific taxes, limited regulatory oversight of tribal gaming and a number of laws (most importantly, the Wire Act and the Unlawful Internet Gambling Enforcement Act (UIGEA))—there is no federal spending whatsoever on preventing or treating gambling addiction. Which means states receive no support for combatting the disease of gambling addiction from any federal health agencies. This is why passing the Gambling Addiction Recovery, Investment, and Treatment (GRIT) Act is the single most important action Congress can take to address the negative impacts of expanded sports betting and legalized gambling in general.

No Longer Only a State Issue

Since the Supreme Court struck down the Professional and Amateur Sports Protection Act (PASPA) in 2018, 38 states and the District of Columbia have legalized sports betting either at brick-and-mortar locations or online and on mobile devices. This has proven to be the largest and fastest expansion of gambling in our nation's history. Over half of the Senators on this Committee have legal sports betting in their state or will by the end of 2025, whereas none did in 2018. For the other Senators on this Committee who do not have legal sports betting in their state, it is very likely coming, and ads for sports betting are now run frequently on broadcast television, radio and podcasts, online, and in print—even in states where betting on sports is illegal. Betting is now an engrained component of college and professional sports.

Past Predictions

In September of 2018, shortly after PASPA was overturned, I testified before the House Judiciary Committee, Subcommittee on Crime, Terrorism, Homeland Security & Investigations. I said then, and reiterate today, we believe the expansion of legalized sports gambling in the United States will likely increase gambling participation and problems unless steps are taken to minimize harm. To quote my 2018 testimony:

We are concerned about the collision of three trends—vast increases in gambling advertising, especially exhortations to gamble during the game; advances in technology including mobile phone gambling, and a virtually unlimited menu of betting opportunities far beyond game outcome or even player performance. This Frankenstein's monster of advertising, access and action is unprecedented in America, and indeed anywhere else in the world. As a result it is likely that most Americans will soon be bombarded by

marketing urging them to bet instantly from their phone on every action by every player on every play in every game in every sport.¹

Our predictions in 2018 have largely come true, and now these issues are precisely what has driven this Committee to hold this hearing today.

Leading Indicators

One thing is clear: all available evidence points to increases in gambling problems among Americans. We work closely with treatment providers and individuals in recovery from gambling addiction and continue to hear their concerns about the rise of gambling-related problems. Research on the economic and social harms of gambling, though limited, is also consistent. For example, three studies this year found significant concerns. A study of 700,000 online gamblers found 96% lost money, with 43% exceeded the generally recommended guidelines of spending less than 1% of their monthly income on gambling.² Further, a National Bureau of Economic Research study from this year found that spending on sports betting comes at the expense of investment account contributions.³ NCPG's 2024 National Survey on Gambling Attitudes and Gambling Experiences (NGAGE) revealed troubling trends, including that the risk for gambling problems is concentrated heavily among young male online sports bettors. In 2024, 24% of fantasy sports bettors and 17% of traditional sports bettors met at least one criterion for problematic gambling behavior.

As of early 2024, risky gambling behavior appears to have leveled off after growing significantly during the pandemic, despite the continued expansion of sports betting; however, it is far too early to assume that rates of problematic play are stable. Many factors affect these rates, including risk factors like increased advertising and mobile betting as well as protective factors such as increased public funding for prevention, expanded education and greater public awareness of gambling addiction as experienced by friends or family or reported on in the media.

While sports betting has garnered enormous public attention recently, NGAGE shows most Americans did not place a sports bet in the past 12 months. It remains important to recognize that problematic gambling behavior extends well beyond sports. The most significant predictors of risk identified in 2024 include participation in many different gambling activities, agreeing that gambling is a good way to make money, participation in sports betting (either traditional sports betting or fantasy sports), and being male and/or under the age of 35. However, we cannot

¹ Testimony of Keith Whyte, House Subcommittee on Crime, Terrorism, Homeland Security, and Investigations; "Post-PASPA: An Examination of Sports Betting in America"; September 27, 2018.

² Taylor, Wayne and McCarthy, Daniel and Wilbur, Kenneth C., Online Gambling Policy Effects on Tax Revenue and Irresponsible Gambling (June 06, 2024). SMU Cox School of Business Research Paper No. 24-7, available here: <https://today.ucsd.edu/story/legalized-gambling-increases-irresponsible-betting-behavior-especially-among-low-income-populations>.

³ Gambling Away Stability: Sports Betting's Impact on Vulnerable Households Scott R. Baker, Justin Balthrop, Mark J. Johnson, Jason D. Kotter, and Kevin Pisciotta NBER Working Paper No. 33108 November 2024 JEL No. D14, G11, G18, G51.

determine the degree that these factors cause problem gambling, especially as they are often highly correlated to one another. These complex factors demand a broader national response.

Public Health Response

Public health is the science of protecting and improving the health of communities and populations to reduce disease and improve health in communities. A public health approach uses a combination of science and social techniques and involves partnerships with communities, health and social services, industry, academia, and the media. We must look intently but critically at other countries' policies to ensure our solutions are embedded in our nation's cultural, political, and economic systems. In the same way it has become part of our cultural ethos not to drink and drive, we can make gambling in a responsible way the norm. We recognize that state and tribal governments have historically overseen gambling in accordance with Constitutional precedent. NCPG will continue partnering with these governments and all other stakeholders as we all work towards solutions that minimize gambling-related harm.

States Have Failed to Invest in Problem Gambling Services

Many state governments have never invested in their problem gambling programs or broad public health infrastructure. In May 2024, the National Association of Administrators for Disordered Gambling Services (NAADGS) reported that \$134M in public funding had been invested in state problem gambling programs in 2023, a historic high. Yet, that still represents only 50 cents per capita. To put it another way, for every dollar states have generated from commercial gambling, .0009 cents were invested in problem gambling services. While substance use disorder is 7 times more common in the United States than gambling disorder, substance use disorder receives 338 times more public funding than gambling disorder.⁴ It is critical that every state has robust and well-funded gambling addiction prevention, education, and treatment services.

Mobile and online sports gambling may further increase risk factors for gambling addiction, but this technology also allows additional opportunities to enhance responsible gambling features like setting personalized time and budget limits and easy-to-access time-out and self-exclusion programs. Therefore, NCPG urges online gambling companies, as well as regulators, to utilize NCPG's best practice Internet Responsible Gambling Standards (IRGS). The IRGS serves as a comprehensive guide for operators, regulators, and vendors to prioritize player protections and help mitigate the risk of gambling-related harm. NCPG recently commissioned research on how state sports betting regulators aligned with IRGS. The analysis found that, on average, state regulations met only 32 out of 82 player protection standards outlined by the IRGS. Gambling companies also have a big obligation to promote responsible gambling. Utilizing the IRGS principles, it starts with a comprehensive responsible gambling plan and extends to all

⁴ Marotta, J. & Yamagata, G. (2022). 2021 Survey of Publicly Funded Problem Gambling Services in the United States. Wheatland CA: National Association of Administrators for Disordered Gambling Services.

areas of their business. Online sports betting companies have a particular responsibility to use the vast amounts of data they collect to identify markers of harm and take action to protect players.

Responsible gambling programs and problem gambling services are interconnected, investment by states and operators in problem gambling services and responsible gambling programs is required for gambling to be offered responsibly. It is clear that neither state governments nor gambling companies are providing anywhere near enough support. It is also true that public health is a shared responsibility between the states and federal government. Yet, there are currently no federal funds dedicated to addressing gambling addiction in the United States, despite the federal government profiting significantly from taxes on both gambling winnings and sports bets.

NCPG has long said that all who profit from sports betting are ethically obligated to devote a percentage of their profits to gambling harm reduction, and the federal government is no exception—the federal government profits from legalized sports betting. Since the 1950s, the federal government has levied an excise tax of 0.25% on all money wagered on sports in the United States, equating to one penny in tax for every 4 dollars wagered. According to data from the IRS, in 2024 alone, NCPG estimates the federal excise tax on sports betting will generate \$150 million. That money does not go towards specific programs or services but is simply deposited into the general fund.

Legislative Pathway to Federal Funding

NCPG strongly supports S. 3579 and HR 6982, The Gambling Addiction Recovery, Investment, and Treatment (GRIT) Act, first introduced by Senator Blumenthal this year. The GRIT Act provides critical funding to problem gambling programs that undergird responsible gambling initiatives. The bill is funded by dedicating a portion of the federal sports betting excise tax to prevention, education, treatment, and recovery. The revenue from the excise tax is likely to grow as states continue to legalize sports gambling and more Americans begin placing bets. Put simply, the GRIT Act returns to states nearly half of the sports betting excise tax revenue. By dedicating these funds to mitigating the costs of gambling addiction, NCPG estimates that every dollar spent to prevent and treat gambling problems will save state governments at least two dollars in gambling-related criminal justice, bankruptcy, and healthcare costs.

One of the most significant benefits of the GRIT Act is the potential for increased access to treatment for individuals struggling with gambling addiction. By allocating funding to state health departments and allowing them to address gambling addiction through programs that best resonate with their unique communities, the GRIT Act will help ensure those in need have access to the support and resources necessary to buttress responsible gambling programs. The GRIT Act would also allow investment in best practices and comprehensive research, which is most effectively done at the national level. The GRIT Act does not increase taxes on Americans; it simply sets aside a funding stream for problem gambling treatment and research. In addition, the

legislation does not increase government bureaucracy but instead utilizes existing HHS programs and procedures.

NCPG believes that passing the GRIT Act is the most important first step that the federal government can take to enshrine gambling addiction as a matter of public health. It would provide the first-ever dedicated federal funding for programs to prevent, treat, and study gambling addiction.

Harm Comes from White, Gray, and Black Market Sites

We know that even as legal sports gambling increases, there is still a vast amount of gray and black-market gambling and sports betting occurring across America, resulting in considerable confusion among consumers as many of these sites advertise aggressively and even use celebrities to promote them. As Dave Rebeck, former Director of the New Jersey Division of Gaming Enforcement, wrote this year:

“Statutory weaknesses are being exploited by creative entrepreneurs whose products are offered through the internet as social gaming apps, sweepstakes games, video gambling games or skill-based wagering. All remain untaxed, unregulated and with no responsible gambling safeguards and limited consumer protections.”

We call on Congress to help close loopholes and ensure all sites that offer gambling products are regulated, as well as to crack down on illegal black-market sites.

Designate 1-800-GAMBLER as National Helpline

Since 1995, NCPG has operated the National Problem Gambling Helpline, 1-800-GAMBLER—available 24 hours a day and 356 days a year. In the past 12 months the Helpline has received over 400,000 calls, texts, and chats. 1-800-GAMBLER routes calls to local problem gambling helplines where available, and otherwise to a national safety net contact center. Although many states require a problem gambling helpline be featured in advertisements, some require the promotion of a state-specific number. That works well in local advertising, but in advertisements during national broadcasts, such as a televised football game, gambling operators are required to list so many helplines that it can be challenging for a viewer to read any of them, let alone find their state’s number. For the past three years, NCPG has been working with state legislatures and regulators to allow operators to use 1-800-GAMBLER in national advertising, which routes to local helplines based on the area code of the help-seeker. With the support of our members, NCPG has made significant progress in reducing the clutter of multiple helpline numbers on sports betting advertising. However, a few holdout states remain. We request Congress to direct the FCC to designate 1-800-GAMBLER as the national problem gambling helpline, significantly reducing consumer confusion and friction when attempting to access care.

Conclusion

History shows that the expansion of gambling at the state level has not been uniformly accompanied by appropriate—or in some cases any—funds to prevent or treat gambling addiction. As a result, the existing public problem gambling prevention and treatment services—especially for youth—are insufficient in most states and nonexistent in many.

The evidence that expanded sports betting has led to increased harm on a national scale is overwhelming. This rapid expansion and its accompanying harm demands a public health response based on prevention, treatment, and research partnerships amongst all stakeholders and everyone who profits from legalized gambling. This includes the federal government. It is essential for Congress to come together and pass the GRIT Act. We believe this practical and commonsense legislation is the single most important action Congress can take to address the negative impacts of expanded sports betting and legalized gambling in general. On behalf of the 9 million Americans directly suffering from gambling-related harm and the millions more who are indirectly affected, family members, coworkers, and friends, - we ask the Committee to enact lifesaving change by supporting the passage of the first-ever federal funding stream to prevent, treat, and research gambling addiction.