

# CARDS ON THE TABLE

The cost to government associated with people who are problem gamblers in Britain

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## 60-SECOND SUMMARY

Gambling is a common feature of the everyday lives of many people across Great Britain, with up to three-quarters of adults estimated to gamble to some degree each year. While the vast majority gamble with no significant negative consequences, a minority – ‘problem gamblers’ – gamble to an extent which can seriously damage or disrupt their family, personal and working lives. Between 0.4 and 1.1 per cent of the British population are estimated to be problem gamblers. That’s up to 1 in every 90 adults.

There is a strong moral case for government to be concerned with this, as problem gambling acts to entrench and exacerbate socioeconomic disadvantages by disproportionately affecting individuals on low incomes and those with comorbid health problems. However, there is also a strong economic case. Problem gambling can be associated with a number of adverse impacts on the lives of individual problem gamblers, meaning they require higher rates of access to certain public services and provisions.

Based on the availability of data, it is possible to estimate a cost to government associated with individuals who are problem gamblers across six specific interactions with the state:

- health costs: primary care (mental health) services; secondary mental health services; and hospital inpatient services
- welfare and employment costs: JSA claimant costs and lost labour tax receipts
- housing costs: statutory homelessness applications
- criminal justice costs: incarcerations

Based on these six interactions, an illustrative estimate for the excess fiscal costs incurred by individuals who are problem gamblers is between £260 million to £1.16 billion per year (for Great Britain as a whole). This amount should be taken as the first step along the journey to understanding the total cost to government of problem gambling in Great Britain, and the starting point for future estimates as more data is collected.

## KEY FINDINGS

### Problem gambling in Great Britain

- between 61 and 73 per cent of adults in Great Britain gamble to some degree each year
- between 0.4 and 1.1 per cent of the British adult population are estimated to be problem gamblers, while around 4 per cent are estimated to be at-risk gamblers
- the likelihood of an individual being a problem gambler is strongly associated with certain socioeconomic and demographic characteristics:
  - gender: men are five times more likely than women to be problem gamblers
  - age: while young people are the least likely to gamble, they are the most likely to be problem gamblers – the highest rates of problem gambling are among the youngest age groups (2.1 per cent among 16–24-year-olds, and 1.5 per cent among 25–34-year-olds), while the lowest rates are among older adults (0.2 per cent of those aged 65 and over);
  - income: problem gambling is more prevalent among those with lower incomes – 1.8 per cent of individuals in the fourth income quintile are problem gamblers, compared to 0.6 per cent of those in the first quintile;
  - ethnicity: problem gambling is more prevalent among some ethnic minority groups – it is higher among those of Asian/Asian British origin (2.8 per cent) and Black/Black British origin (1.5 per cent) compared with those who identify as White/White British (0.8 per cent).

## Costs to government associated with problem gambling

It is possible to identify six particular interactions for which there is an *observable* association between an area of cost to government and an individual being a problem gambler, and for which there is sufficiently relevant and robust data:

- **health costs:** primary care (mental health) services; secondary mental health services; and hospital inpatient services
- **welfare and employment costs:** JSA claimant costs and lost labour tax receipts
- **housing costs:** statutory homelessness applications
- **criminal justice costs:** incarcerations

For Great Britain as a whole, illustrative estimates of these costs are as follows (lower–upper range):

- mental health primary care (£10–£40 million)
- secondary mental health services (£30 million–£110 million)
- hospital inpatient services (£140 million–£610 million)
- JSA claimant costs and lost labour tax receipts (£40 million–£160 million)
- statutory homelessness applications (£10 million–£60 million)
- incarcerations (£40 million–£190 million)

Due to limitations in the available data, these findings should not be taken as the excess fiscal cost caused by problem gambling. Instead, they should be taken as an illustrative estimate for the excess fiscal costs incurred *by people who are problem gamblers*, beyond those that are incurred by otherwise similar members of the population. And due to variations in the quality of data for different areas of interaction, the methods for estimating excess incidence and unit costs are not directly comparable across different interactions. Nonetheless, summing the costs across different interactions gives a total excess fiscal cost of **between £260 million and £1.16 billion per year for Great Britain as a whole. The costs for England, Scotland and Wales are, respectively, between £200 million and £570 million, £20 million and £60 million, and £40 million and £70 million.**

There is an urgent need for central government departments, local authorities, service providers, academics and the responsible gambling community to come together to fill gaps in the available evidence base.

Problem gambling affects the lives of millions of people across Great Britain, and, as such, also has a significant impact on the public finances. It is time for government – central, local and devolved – to sit up and take notice of the impact of problem gambling on individuals and communities, and to take measures to reduce the number of problem gamblers, ensuring that effective services are available to help those whose lives are blighted by this ‘hidden addiction’.

## RECOMMENDATIONS

- **Urgent need to fill gaps in the available evidence base**
  - screening for problem gambling in a wider number of population-level surveys
  - taking more opportunities to screen for problem gambling as individuals come into contact with frontline services
  - training professionals on the frontline to identify problem gambling wherever possible
- **A government strategy to tackle problem gambling and reduce gambling-related harm**
  - cross-departmental approach, led by Department for Culture, Media and sport
  - developing a clear national strategy as a precursor to effective local implementation
  - recognise problem gambling as a public health issue
- **Government must ensure that local areas have the systems in place and the resources available to tackle problem gambling locally**
  - problem gambling is often bound up with individuals who experience a number of complex, comorbid social problems
  - these are best addressed at the local level through integration and breaking down service silos
  - opportunity to capitalise on current trajectory towards greater devolution of health and social care to local areas.

For the full report, including all references, data sources and notes on methodology, see: <http://www.ippr.org/publications/cards-on-the-table>

**Citation:** Thorley C, Stirling A and Huynh E (2016) *Cards on the table: The cost to government associated with people who are problem gamblers in Britain*, IPPR. <http://www.ippr.org/publications/cards-on-the-table>

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