



# Arkansas Gambling Helpline Data: Summary Report 2005 – 2015



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## **Introduction**

The purpose of this report was to analyze Arkansas gambling helpline data from 2005 to 2015 to detect changes in utilization and describe demographic characteristics of these gambling helpline callers. To place these findings within context, the gambling environment in Arkansas is described and some national comparisons are made.

After nearly 40 years of gambling being illegal in Arkansas, gambling became legal again in 2005, with “Games of Skill” being permitted. Other forms of legalized gambling soon followed, including charitable gaming and a state lottery. When this lottery was set up in 2009, legislators set aside \$200,000 annually for problem gambling treatment and education. In early 2015 legislators eliminated this funding, resulting in Arkansas being one of only 12 U.S. states that does not provide dedicated funding for problem gambling services.<sup>i</sup>

An estimated 2.2% of Arkansas adult residents (49,728 citizens) are believed to manifest a gambling disorder (1 in every 45 adults).<sup>ii</sup> Gambling disorders carry widespread physical, social and financial consequences for individuals, their families and communities. These preventable problems result in millions of dollars each year spent on health care, criminal justice and social welfare systems. In addition to these measureable costs, the human costs are immeasurable.

<sup>i</sup> Marotta, J., Bahan, M., Reynolds, A., Vander Linden, M., & Whyte, K. (2014). 2013 National Survey of Problem Gambling Services. Washington DC: National Council on Problem Gambling

<sup>ii</sup>Based on a 2014 U.S. Census Bureau estimate of persons age 18 and over and the average rate found among all U.S. state problem gambling prevalence as reported and converted into a standardized past year problem gambling rate by Williams, Volberg, & Stevens (2012).

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Prepared by Problem Gambling Solutions, Inc.

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## Introduction to Arkansas and Gambling

After nearly 40 years of gambling being illegal in Arkansas, Act 1151 of 2005 established a regulatory framework which legalized electronic games based on skill. This ‘Games of Skill’ legislation enabled expanded gaming opportunities at the major racetracks, which led the racetracks to come up with innovative live dealer plus electronic screen hybrids. Today each racetrack has hundreds of these machines.

Other legalized forms of gambling soon followed, including charitable gambling games and the Arkansas Lottery. The state lottery is known as a “scholarship” lottery, with funds subsidizing education. When this lottery was set up in 2009, legislators set aside \$200,000 annually for problem gambling treatment and education. However, in early 2015 legislators eliminated this funding. They justified the cuts by claiming lottery-funded problem gambling treatment programs were underutilized and the money was better spent providing more scholarships. This section provides: 1) A history of gambling in Arkansas; 2) A background on lottery funds; and 3) A brief exploration of the impact of funds being eliminated for problem gambling programs.

## I) History of Gambling in Arkansas

Below is a timeline of key Arkansas gambling history and legislation:

- **Late 1920’s:** Hot Springs (a federally protected reserve) became a major gambling hub, with ten major and many minor casinos. The area was even bigger than Las Vegas at the time.
- **1947:** A grand jury indicted several Hot Springs casino owners. This was the start of Hot Springs’ legal and regulatory issues.
- **1967:** Gambling laws were enacted: Gambling became illegal.
- **2005:** Legislation enacted to permit gambling in the form of “Games of Skill” at the state’s two racetracks, including Pari-Mutuel wagering. Games can be of live and electronic forms, leading racetracks to use live dealer plus electronic screen hybrids. The laws on “Games of

Skill” are relaxed by not specifying how substantial the skill element needs to be, and only requiring that a game fails to be based *entirely* on luck and forces beyond a player’s control.

- **2007:** Legislation enacted to permit charitable gambling games. However, these games have strict licensing rules and definitions. For example, below is the definition of Bingo:

*““Game of bingo” include only a game in which the winner receives a preannounced, fixed-dollar prize and which the winner is determined by the matching of letters and numbers on a bingo face imprinted with at least twenty-four (24) numbers, with letters and numbers appearing on objects randomly drawn and announced by a caller, in contemporaneous competition among all players in the game;”*

- **2009:** The Arkansas lottery began, after being legalized one year earlier. Its funds are used to subsidize education (the Arkansas Academic Challenge Scholarship Program), as well as for problem gambling treatment and education.
- **2015:** Legislation enacted to eliminate all state lottery funds for problem gambling treatment and education. Home poker games remain illegal, and online gambling is considered illegal, although online gambling is not explicitly banned (gambling laws pre-date the Internet). However, the maximum fine for wrongful gambling is only \$25. In addition, Camelot Global Services, part of the Camelot Group that runs the lottery in the United Kingdom, is hired. Camelot says its recommendations can boost sales by over \$460 million over the next five years, and lead to a \$136 million increase in net income.<sup>1</sup>

## II) Problem Gambling Programs in Arkansas

When the lottery was enacted in 2009, state legislators set aside \$200,000 annually for a gambling hotline, comprehensive outpatient treatment and services, and prevention and education programs to increase public awareness of problem gambling. This was the only funding for problem gambling available in the state and provided a bare minimum of services. With this action, Arkansas joined 39 other U.S. states in setting aside funding specifically to address gambling disorders. In 2013, the most recent National Survey of Problem Gambling Services, the average state contribution for problem gambling services was \$1.5 million, ranging from \$50,000 in Maine to \$8.7 million in California. In 2013, Arkansas ranked near the bottom of states with dedicated problem gambling service funding (ranked 30<sup>th</sup> out of 39 states with funding designated for problem gambling services).<sup>2</sup> As a result of 2015 legislative action, Arkansas now ranks last with \$0 public funds to prevent or treat gambling addiction.

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<sup>1</sup> Arkansas Times. Legislature Hears from Arkansas Lottery and its consultant. <http://www.arktimes.com/ArkansasBlog/archives/2014/12/05/legislature-hears-from-the-arkansas-lottery-and-its-consultant>. Published December 5, 2015, accessed December 15, 2015.

<sup>2</sup> Marotta, J., Bahan, M., Reynolds, A., Vander Linden, M., & Whyte, K. (2014). 2013 National Survey of Problem Gambling Services. Washington DC: National Council on Problem Gambling

In early 2015 legislation was passed to eliminate funding (the entire \$200,000) for problem gambling treatment and education. Senator Alan Clark introduced the bill to the Senate and House of Representatives, at the request of a former Arkansas state lottery commissioner, who thought that more lottery spending should go towards scholarships.

Proponents also argued that the state lottery-financed helpline did not receive many calls from Arkansans, and that the helpline and funded groups were not doing much good. Senator Clark said: "I know there are gambling problems, but it does not seem to be addressing them."<sup>2</sup> Most experts in behavioral health would likely agree with Senator Clark in that there are gambling problems in Arkansas, but would likely attribute the failure to address these problems as due to insufficient efforts resulting from a budget that is not proportional to the needs. Data from the National Survey of Problem Gambling Services supports the argument that there is a correlation between a state's investment in problem gambling services and the number of persons who obtain treatment for gambling problems.<sup>1</sup>

At the time this report was written, there was no public funding specifically set aside to treat problem gamblers and there were only five Gamblers Anonymous meeting occurring each week in the entire state (five locations, each offering one meeting a week). When the state's problem gambling programs, including the state's Problem Gambling Helpline were terminated, the National Council on Problem Gambling (NCPG) stepped in to maintain Helpline coverage so that Arkansas callers in crisis would at least still get an answer. Fortunately the state's two casinos/racetracks (Oaklawn Park and Southland Park Gaming & Racing) each contributed \$12,500 to NCPG in 2015 to help provide this safety net for Arkansas.

### III) Potential Impact of Problem Gambling Funds Being Eliminated

The elimination of funds for problem gambling treatment and education has significant negative impacts. Clients in counseling for gambling problems were not able to continue their therapy and the enrollment of new clients halted. The state's contract with a call center to handle Helpline calls from Arkansas was terminated early. And what few public awareness and prevention efforts, such as billboard and PSA campaigns to promote the Helpline, were cancelled. Programs to prevent and treat gambling addiction have been demonstrated to reduce the financial and emotional devastation to individuals, families and communities and improve family relationships, fiscal health and other key social indicators. Adequately funded problem gambling treatment and prevention services improve the economy by reducing the health care and criminal justice costs of untreated gambling addiction. Eliminating the sole source of problem gambling help may also contribute to poor public perception of the state lottery, with significant minorities of Arkansans reporting they don't trust the state lottery.<sup>3</sup>

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<sup>3</sup> Arkansas Times, Legislature Hears from Lottery and its consultant. <http://www.arktimes.com/ArkansasBlog/archives/2014/12/05/legislature-hears-from-the-arkansas-lottery-and-its-consultant>. Published December 5, 2014, accessed December 15, 2015.



Gambling in Arkansas is big business and part of the state's culture. Besides the state lottery, charitable gaming and illegal gambling options like sports betting and internet poker there are two racetracks in the state (Oaklawn Park and Southland Park) that have racing and casino-style "electronic games of skill" that resemble slot machines. Gamblers wagered more than \$3.4 billion on these machines in 2014.<sup>4</sup> There are also nearby casinos in Oklahoma and Mississippi that Arkansans travel to. The gambling culture in Arkansas has greatly impacted some residents, such as Mitchell Talbert, who grew up in Little Rock and was influenced by watching his father gamble. By his late twenties, Talbert made regular trips to the casinos in Hot Springs, Oklahoma, and Mississippi and gambled at up to three casinos per day. He eventually needed to seek treatment, having accumulated over \$1 million in debt. Luckily, he accessed the programs funded by the lottery, saying he beat addiction with the advice received from the gambling addiction hotline. Talbert said: "I feel like I got it under control, but I still need help."<sup>5</sup> With the elimination of public funds for treatment programs, many fear that problem gamblers like Talbert will not be able to seek help and that the state will not be able to operate its helpline. The next section will examine trends in helpline calls to demonstrate the impact of programs being discontinued.

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<sup>4</sup> Arkansas Times. Casino Gambling Continues to Grow in Arkansas. Arkansas Times. <http://www.arktimes.com/ArkansasBlog/archives/2015/01/19/casino-gambling-continues-to-grow-in-arkansas>. Published January 19, 2015. Accessed December 6, 2015.

<sup>5</sup> Ozarks First. Arkansas Cut Funding for Gambling Addictions. Ozarks First. <http://www.ozarksfirst.com/news/arkansas-cuts-funding-for-gambling-addiction>. Published July 9, 2015. Accessed December 6, 2015.

# Arkansas Gambling Helpline Data Summary Report 2005 - 2015

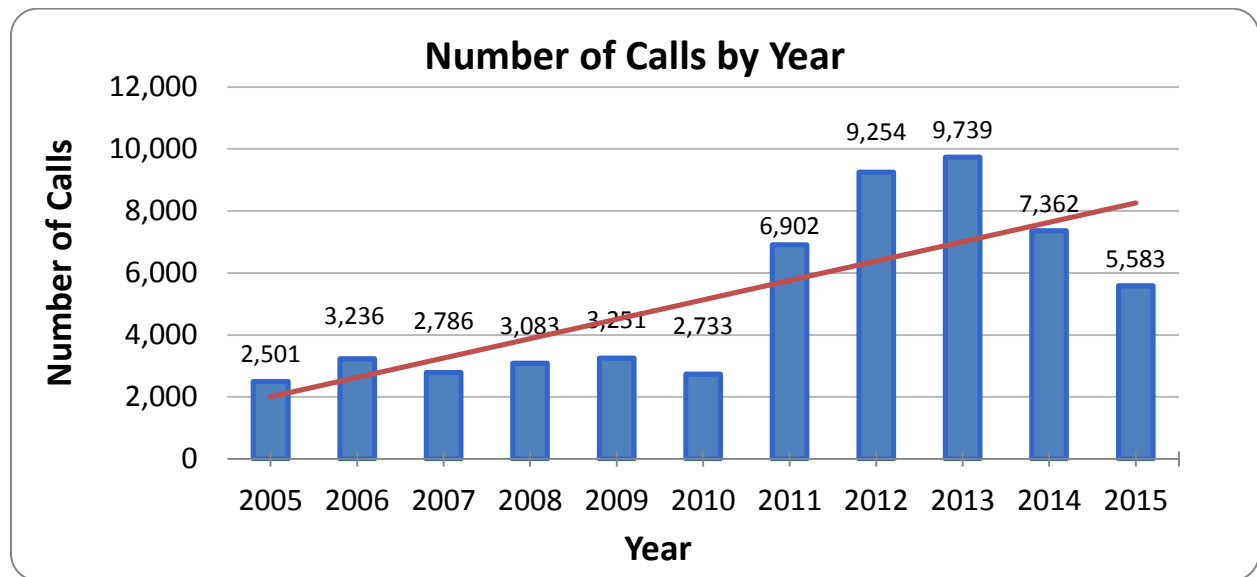
## Gambling Helpline Data Analysis

Gambling helpline data for Arkansas were analyzed from 2005 to 2015 to identify trends and demographics of those seeking help. This data will demonstrate that many will be effected by funding being eliminated for treatment and education, as well as provide an overall picture of helpline users.

Helpline data were collected from May 2005 to October 2015. The number of overall calls, intakes, calls from gamblers, and calls from others inquiring about problem gambling for a loved one were collected. Demographics collected included the age, race, and gender of those receiving intakes. From May 2005 to October 2015, there were a total of 56,430 calls, and of those calls, 1,498 intakes. Those intakes included 1,131 calls from problem gamblers and 367 calls from others seeking help for a loved one. The remaining calls included wrong numbers, hang-ups, and lottery and casino inquiries, along with calls that did not relate to problem gambling.

## IV) Trends in Helpline Data

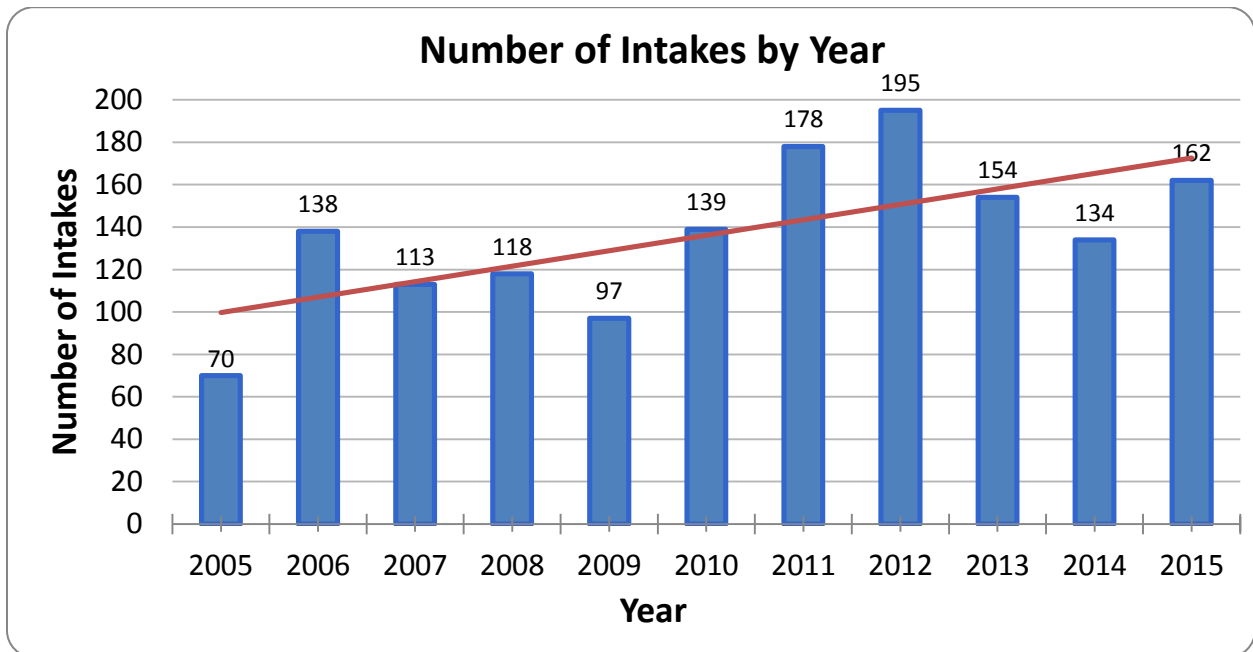
### a. Overall Number of Calls to Helpline





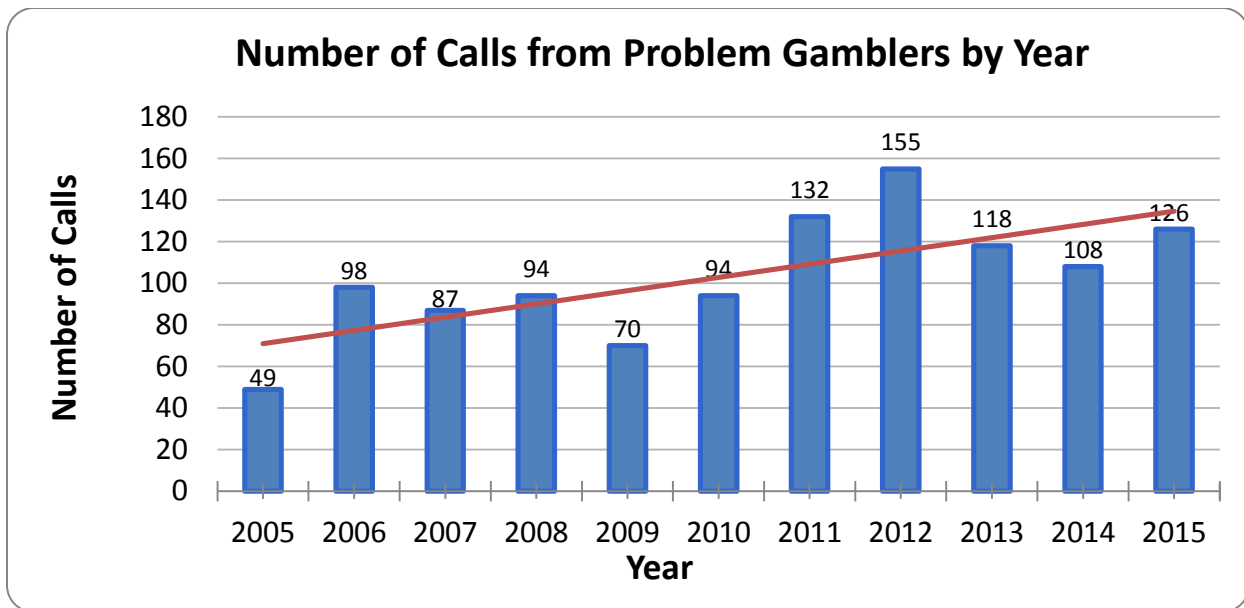
From May 2005 to October 2015, there were 56,430 calls. The number of calls steadily increased from 2010 to 2013. The number of calls has dipped since 2013, although from 2011 to 2015, all years had noticeably more calls than prior years. It is important to note that 2005 and 2015 do not have a full year's worth of data. As depicted by the red trend line in Figure a, during the 11 year period that the number of calls to the Arkansas helpline were collected, there has been a steep upward trend in the number of calls.

b. Number of Intakes



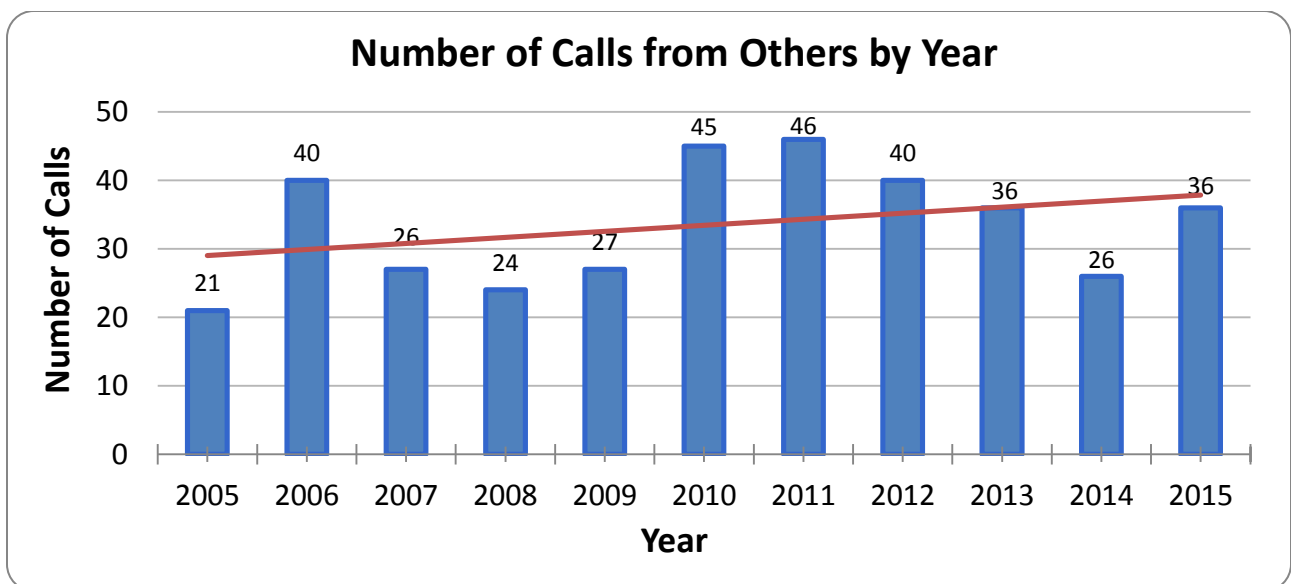
From May 2005 to October 2015, there were 1,498 intakes. Intakes are calls for help and are from problem gamblers or loved ones. Intakes increased from 2009, after the lottery began, and steadily increased up to 2012. During 2013 and 2014, the number of intakes decreased from the 2012 high. Interestingly, although the 2015 data set used for this analysis did not contain a full year's worth of data, the number of intake sharply increased from the prior year (approximately 17% one year increase). As depicted by the red trend line in Figure b, during the 11 year period that the numbers of calls to the Arkansas problem gambling helpline were collected, there has been an upward trend in the number of calls from problem gamblers or loved ones asking for help.

c. Number of Calls from Problem Gamblers



From May 2005 to October 2015, there were 1,131 intake calls from problem gamblers. Similar to the overall intake data, intakes for problem gamblers steadily increased from 2009 to 2012. From 2012, the number of calls decreased, although they increased from 2014 to 2015.

d. Number of Calls from Others



From May 2005 to October 2015, there were 367 intakes from others seeking help due to a loved

ones gambling problem. Calls noticeably increased from 2009, when the lottery was implemented, yet the 11 year upward trend in calls for help from loved ones of problem gamblers was less than that of problem gamblers directly calling for help.

## V) Demographics of Those with Intakes

The demographics of those with intakes from 2005 to 2015 are below. These include those who utilized the helpline for problem gambling treatment, either for themselves or for a loved one.

### Frequencies by Gender

Gender	Frequency	Percentage
Male	773	51.6%
Female	671	44.8%
Not Collected	54	3.6%
<b>Total</b>	<b>1,498</b>	<b>100%</b>

### Frequencies by Race

Race	Frequency	Percentage
African American	288	19.2%*
Asian American/Pacific Islander	26	1.7%
Caucasian	1,053	70.3%*
Hispanic/Latino/Latina	24	1.6%
Native American	2	.1%
Other	102	6.8%
Not Collected	3	.2%
<b>Total</b>	<b>1,498</b>	<b>100%</b>

### Frequencies by Age Group

Age Group	Frequency	Percentage
Under 18	2	.1%
18-24	123	8.2%
25-34	197	13.2%
35-44	266	17.8%
45-54	328	21.9%.
55-64	228	15.2%
65+	104	6.9%
Unknown	250	16.7%
<b>Total</b>	<b>1,498</b>	<b>100%</b>

\*Note that the percentage of African Americans calling the problem gambling helpline for assistance with a gambling problem (19.2%) was above the proportion of Arkansas African Americans reported by the U.S. Census (15.6%). This suggests that Arkansas African Americans may disproportionately experience gambling related problems compared to other ethnic groups. This corresponds to the finding that 70% of callers to the gambling helpline were Caucasian compared to Caucasians making up 80% of the total Arkansas population.

# Arkansas Gambling Helpline Data Summary Report 2005 - 2015

## Conclusion

Data from the Arkansas problem gambling helpline from May 2005 to October 2015 demonstrate that there is a need to provide assistance for problem gamblers and their loved ones. There were 1,131 calls for help from problem gamblers and 367 calls from loved ones of problem gamblers (1,498 total intakes). Over this 11 year period an upward trend was observed in the number of calls for help to the problem gambling helpline. An analysis of the demographics of those who called the problem gambling helpline reveal a disproportionately high number of African Americans, suggesting Arkansas African American communities may have greater needs for problem gambling services.

In early 2015, legislation was passed to eliminate all funding for problem gambling treatment and education that had previously been allocated from lottery proceeds. Although these lottery funds dedicated to problem gambling treatment and education only amounted to \$200,000 annually, compared to the national average of \$1.5 million for the 39 states with problem gambling service budgets, these funds offered a bare minimum of support for basic problem gambling helpline, gambling treatment, and public awareness services.

Analysis of the helpline data suggest that during the same year that the problem gambling treatment and education funds were eliminated, the number of calls from problem gamblers and loved ones increased. Intakes for gamblers and loved ones increased from 134 to 162, over a 20% increase from 2014 to 2015. The 2015 data analyzed in this report only consisted of the months January through October, so the actual increase will be greater. This report demonstrates the need to restore and increase problem gambling services funding in Arkansas, especially with projected increases in gambling in state and in surrounding states. NCPG recommends the equivalent of one percent of total gaming revenue be dedicated to problem gambling programs. The state lottery and private tracks should contribute and other stakeholders are encouraged to participate in building a comprehensive public health approach to the prevention and treatment of gambling addiction. This is the most ethical and economical way to minimize harm from legalized gambling. Restoring the state problem gambling funding is a vital first step.