

Fact Sheet: Social impacts of harmful gambling



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Healthy and resilient communities in a just society



Adapted from The Australian Productivity Commission Gambling Report 1999

The burden on society

Harmful gambling can cause stress-related physical and psychological ill health. Other adverse effects include family breakdown, family violence, criminal activity as a result of gambling-related debt or needing to fund gambling, disruption to or loss of employment and social isolation.

Harmful gambling can have a profound impact on the physical, emotional and financial health of family and friends, workmates and others in the community.

There is also the wider social cost resulting from crime and dysfunctional communities that involves Police, the justice system, social welfare, and charitable organisations working to alleviate distress and poverty.

The harm caused by gambling does not necessarily stop once a person stops gambling.

The accumulation of harms is likely to have ongoing costs and impacts across all sectors of society.

Personal costs

During active periods of gambling or when gambling involvement reaches crisis point, harmful gambling can cause increased or severe levels of stress and anxiety. Mood and anxiety disorders may precede harmful gambling for some people while others may develop anxiety and depression as a result of financial and relationship stress arising from gambling.

Approximately 90% of those experiencing harmful gambling have at least one other mental health diagnoses and approximately 30% have three or more diagnosis, the most common being substance disorder, antisocial personality disorder, alcohol use disorder, and depression. About 60% of those with moderate gambling problems indicated they suffered depression as a result of their gambling.

Even if the gambling problem has been resolved, a person may still experience impacts such as gambling-related debt, relationship issues, loss of employment and poor physical and mental health.

Whai Āwhina? Need help?

We provide free and confidential counselling and support services throughout Aotearoa New Zealand for anyone impacted by gambling harm. No judgement, only support.

0800 664 262

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Financial costs

A disproportionate amount of gambling harm and gambling losses are carried by people on welfare benefits and in low-income areas. Those living in areas of high social deprivation experience greater disadvantage and have easier access to gambling venues, fast food, and liquor outlets.

Approximately 63% of Class 4 venues (pokies in pubs, clubs and TABs) are in areas of medium to high or very high deprivation. Over half of the total Class 4 gambling expenditure comes from pokies located in the most deprived areas of Aotearoa New Zealand.

The impacts of harmful gambling are devastating. Those experiencing financial harms as a result of gambling, can go without necessities such as food and home heating. The Salvation Army identified that around 37% of people accessing Foodbank services were either problem gamblers or those impacted by the gambling of others. It is estimated that this percentage is much higher due to under-reporting.

The cost of gambling-related crime

The consequences of gambling-related crime are far reaching and include family costs, business and employment costs, bankruptcy, suicide, illness related to harmful gambling, social service costs, and many others.

A gambler may commit a crime to fund gambling, pay gambling debts, use money from other crimes to gamble, or simply because they are caught in a cycle of gambling, drinking, and bad decision-making. There is significant under reporting and detection of crime particularly where offending is committed against family, friends and employers who do not report the offence.

In a recent New Zealand study, more than 50% of people in counselling reported being a victim of family / whānau violence (physical violence and coercive control) and 44% reported committing violence or abuse at least once in a

twelve-month period.

About 10% of pathological gamblers in New Zealand said their gambling led to problems with police.

Work and study

Gambling can negatively impact employment by reducing performance due to fatigue, distraction or absenteeism including workplace offences such as fraud, and result in job loss through either dismissal or resignation. Poor performance at work can damage a person's professional reputation, cause conflict with other employees and lead to a poor performance record. This can have a devastating impact on future employment opportunities and the ability to generate a stable income.

Gambling in childhood or adolescence can be associated with poor school performance, underachievement and negatively impact future employment prospects. The negative impact of gambling on vocational and educational attainment may have ongoing impacts for future generations with regard to employment. For example, those who experience difficulty in obtaining or maintaining employment are more likely to experience acute stress, depression, including feelings of hopelessness or uselessness.

These effects are likely to be attributable to financial and relationship stress, damage to self-esteem or social status and the loss of a community of co-workers.

Impact on others

Housekeeping money for food can often be directed into gambling creating poverty and hardship for children of gamblers. This in turn can cause absences, truancy and dropping out from school and the greater likelihood of undertaking risky behaviours such as drinking, smoking and drug use.

It has been reported that 40% of problem gamblers' partners developed significant stress-related illnesses.

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