

Is the Growth of Online Gambling Beneficial for Society?

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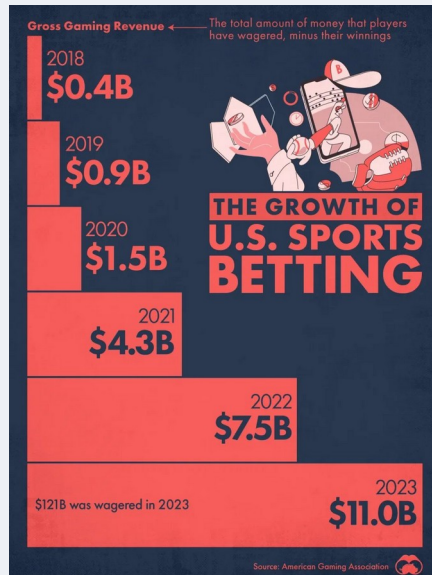
INTRODUCTION

-The online gambling industry is rapidly expanding due to its convenience and accessibility. Throughout my research, I have found that online gambling produces economic downturn, creates mental illness, and is addictive.

BACKGROUND

-Gambling involves three elements: consideration, risk, and prize. Its perception shifted from a Puritan-prohibited vice to a universally accepted practice after the rise of Las Vegas casinos in the 20th century.

-85% of Americans have gambled at least once; 60% gambled in the past year.



\$11.0B

Gross Gaming Revenue (2023) — American Gaming Association

28%

Rise in bankruptcy in states with legalized online sports betting

2.7%

Problem gambling rate among Internet gamblers vs 0.9% non-Internet (Gainsbury)

4-8%

Adolescents ages 12-17 with a serious gambling problem (Messerian et al.)

ECONOMIC IMPACT

-Americans lost ~\$40B in black-market betting and \$3B in state lotteries, which totaled \$130B in losses in a single year. Total wagers exceed \$1 trillion annually.

-In states with legalized online sports gambling, bankruptcy rose 28%, credit scores dropped three times more than in-person-only states, and household stock market investment fell 14%. For every \$1 spent gambling, households invest \$2 less.

MENTAL HEALTH IMPLICATIONS

-Sarkhel (2024) found gambling disorders implicate the prefrontal cortex, amygdala, and hippocampus. Over 90% of pathological gamblers have a psychiatric disorder; 60%+ have three or more comorbidities, most commonly substance use, impulse control, and mood disorders.

-Baik (2020) links dopaminergic dysfunction to addiction, depression, and schizophrenia.

SPORTS BETTING

-Sports betting is 42.3% of all online gambling (NCAA). All-year-round sports betting brings in \$11B annually. Major platforms: DraftKings, Caesars Sportsbook, BetMGM, WynnBet.

ADDICTION

-The APA notes gamblers have reduced volume in brain regions governing self-regulation; the prefrontal cortex, controlling impulsivity, is especially slow to develop in adolescents.

-Internet gamblers have a 2.7% problem gambling rate vs 0.9% for non-Internet gamblers. Between 4-8% of adolescents aged 12-17 have a serious gambling problem; 10-15% are at risk (Messerian et al.).

COUNTERARGUMENTS CONSIDERED

-Leonardi (Michigan Journal of Economics) argues online gambling generates tax revenue. One example is the state of Illinois, which collects \$142M from sports wagering, and funds roads and schools.

-However, \$40B in black-market losses far outweighs tax gains, and Illinois also ranks among states with the highest bankruptcy rates.

SOLUTIONS & CONCLUSION

-Recommended measures include ID verification, facial recognition, active monitoring, cognitive therapy, and prefrontal cortex stimulation to protect vulnerable users and treat existing addicts.

-Conclusion: Online gambling is a dangerous and damaging force for society, it should be heavily regulated, if not banned entirely.

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