

Research Objectives

- To provide a narrower estimate of the fiscal cost of gambling-related harm
- To determine how spending may change following reductions in problem gambling

Key Findings

1. The excess fiscal cost per problem gambler is about **£3,400 per year** more than an at-risk gambler:
 - 6 times more likely to require hospital treatment
 - 3 times more likely to require GP services
 - 4 times more likely to commit crime
 - 4 times more likely to appear in court
 - 4 times more likely to require homelessness support
2. This equates to a **total excess fiscal cost of £900 million - £1.6 billion per year** for the Exchequer; **the central estimate is £1.2 billion per year**.
3. **At-risk gamblers present no additional fiscal cost** and likely provide a net-benefit to the economy
4. Problem gamblers are most likely to **spend more money in the hospitality industry** if they reduced their gambling

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Focus of Research

With funding from a regulatory settlement approved by the Gambling Commission, the National Institute of Economic and Social Research (NIESR) is conducting research on the costs and benefits of gambling. The key objective of NIESR's project is to provide a long-needed estimate of the fiscal costs of gambling-related harm. By providing a narrower range than existing estimates, NIESR aims to make a crucial contribution to the evidence base as part of the ongoing review of the 2005 Gambling Act.

We analyse the links between gambling and the economy through two channels: first, the fiscal costs of problem gamblers requiring more public services and, second, how spending may change following a reduction in problematic gambling activity.

Summary of Findings

Our research estimates that the **excess fiscal cost per problem gambler is approximately £3,400 per year**. The breakdown of the excess costs per problem gambler is as follows:

- **Healthcare (GP visits):** £41
- **Healthcare (hospital visits):** £1,100
- **Crime:** £240
- **Court Appearances:** £500
- **Homelessness Support:** £220
- **Benefits Payments:** £1,300

This is based on analysis of multiple datasets to determine the excess public service usage of problem gamblers compared to at-risk gamblers, including:

- 6 times more likely to require hospital treatment
- 3 times more likely to require GP services
- 4 times more likely to commit crime
- 4 times more likely to require homelessness support

The **total excess fiscal cost associated with problem gambling is approximately between £900 million and £1.6 billion per year**. This range assumes that the total number of problem gamblers is approximately 300,000 to 470,000 (0.57-0.87% of the total population of 16 years and older living in private accommodation), which is based on multiple datasets from Health Survey England (HSE). **The central estimate is £1.2 billion per year** (assuming 378,000 or 0.7% of the population are problem gamblers).

Our estimates are likely conservative as our assumed range of the total number of problem gamblers is on the lower side of existing estimates and we do not include the cost to affected others.

While the cost of problem gambling is higher than previously thought, we do not find any excess fiscal cost for at-risk gamblers. This **suggests that at-risk gambling makes a net positive contribution to the economy** and has wider benefits by encouraging positive entrepreneurial risk taking.

A survey of gamblers conducted together with the Behavioral Insights Team (BIT) revealed the many areas of spending that problem gamblers sacrifice to support their gambling expenditure. Besides avoiding financial ruin, problem gamblers identify **eating out as a key area they are likely to spend more money on if they reduced their expenditure on gambling**.