

**From:** [REDACTED]  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** NIESR report on Gambling  
**Date:** 17 April 2023 12:00:21  
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Dear [REDACTED]

Hope this message finds you well – and hopefully a little rested after the Easter break.

Since sending you the draft report last month, we have revised it based on comments from our Advisory Board, notably [REDACTED] but also [REDACTED].

In anticipation of the publication of the White Paper this week, we decided to publish our report. Our findings are as follows:

In short:

- Our central estimate is that the number of people experiencing problem gambling is 0.7 per cent of the total population of 16 years and older living in private accommodation, which corresponds to about 380,000 people.
- On that basis, the total fiscal cost associated with harms from problematic gambling is £1.4 billion per year.
- However, our calculations are likely an under-estimate of the true fiscal burden: due to a lack of publicly available data, it has not been possible to include the costs to “affected others”, which arise from the links between gambling, debt and family breakdown, or the costs of suicide linked to problem gambling.

Here’s a slightly longer summary:

1. We find that the cost to the Exchequer associated with people experiencing problem gambling is £1.4bn a year. This is higher than previously assumed.
2. To estimate the fiscal burden, we provide more precise measures of the number of people experiencing problem gambling in the UK. We find that this applies to around 380,000 people, which corresponds to 0.7 per cent of the population of 16 and older living in private accommodation.
3. The cost is approx. £3,700 for each person experiencing problem gambling. This is driven by stronger demand for public services, such as the NHS for mental health challenges, homelessness support, welfare payments and costs linked to crime. The breakdown of the cost for the 380,000 people experiencing problem gambling is as follows:

- GP Appointments: £18m
  - Hospital services: £500m
  - Crime: £30m
  - Court Appearance: £9.2m
  - Homelessness Support: £15m
  - Universal Credit: £900m
4. Our calculations are likely an underestimate as they do not include a number of other fiscal costs such as the costs to “affected others” – e.g. links between problem gambling, debt and family breakdown – and the costs of suicide. Nor do our calculations include the number of people experiencing problem gambling below the age of 16.
  5. These costs have to be compared to the benefits, which we estimate to amount to approx.. £3.5bn per year in gambling-related taxes such as betting & gaming duties and corporation taxes.
  6. Like some of the costs, it is not possible to measure of some of the benefits linked to the ‘economics of happiness’ arising from wins and the economic advantages of risk-taking that promotes entrepreneurial activity
  7. With the imminent publication of the White Paper on gambling reform, our work highlights the importance of minimising problem gambling because of the harm it generates and the costs to the public purse.

I attach the full report and a 1-page summary.

It would be very good to know what you think and to incorporate your comments into our dissemination activities. Your feedback will also be very helpful for our work on the new project together with colleagues at the University of Glasgow on generating new empirical research about the spending profile of gamblers and provide evidence of the micro and macro-economic impact of new types of gambling regulation. We are having the kick-off meeting for that new project today and very excited to get this research underway.

Please let me know whether you would like an online conversation. We would be delighted to speak again with you all.

With my best wishes,

[Redacted]

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**The National Institute of Economic and**