

NSW Youth Gambling Study 2020

RESEARCH SUMMARY

Commissioned by the
NSW Responsible Gambling Fund



This research summary was prepared by the Office of Responsible Gambling to provide an overview of the key findings of the NSW Youth Gambling Study 2020, and is based on the research report written by CQUniversity

The NSW Youth Gambling Study 2020 was commissioned by the NSW Responsible Gambling Fund (RGF) and undertaken by CQUniversity.

The full research report for the study can be found on the Office of Responsible Gambling website and should be referred to for full detail on the study.

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Research summary

This report summarises the main results of the NSW Youth Gambling Study 2020. The study was conducted by CQUniversity, funded by the NSW Responsible Gambling Fund and overseen by the Office of Responsible Gambling. The full results and an expanded discussion can be found in the comprehensive research report.

Why did we do this study?

The study aimed to increase understanding of gambling and simulated gambling by young people aged 12-17 years in NSW, in order to prevent and reduce gambling harm.

How young people are engaging with gambling is changing. This change is being driven by rapid technological changes, the high-level of engagement of young people with mobile technology and gaming, the increase in traditional and online gambling advertising and the expanding variety of games with gambling-like components and monetary gambling opportunities.

The Office is acting on the findings of the report with a program of work focused on the education and awareness of parents, young people, and the community, through schools, sport and online and social media.

How was the study carried out?

A review of Australian and international peer reviewed and grey literature (from 2003 to 2019) was conducted to summarise current knowledge about young people's exposure to, and participation in, gambling and simulated gambling¹ activities.

We also talked to 104 young people through 16 focus groups in eight locations, including two groups with Indigenous young people and one each with Chinese and Vietnamese young people.

An online survey was conducted with 2,220 young people in early 2020. Three samples were recruited via flyers delivered to household letterboxes (n=551), a Qualtrics panel (n=826) and email/online advertising (n=843).

The findings from the letterbox sample have been weighted for age, gender and location based on ABS population projections for 2020 to improve representativeness. These data have been used to answer questions about the nature and extent of gambling and simulated gambling amongst the survey sample of 551 young people. The results show similarity to those of studies with larger and more representative samples.

¹ Simulated gambling is defined as games which imitate many core characteristics of gambling (e.g., the look, sound and actions) but which do not provide an opportunity for a cash payout.

The data from the Qualtrics sample (n=826) and email/advertising sample (n=843) have been analysed separately to answer questions about the factors that influence youth gambling attitudes and behaviours. These samples have the advantage of relatively large numbers of people classified as problem/at risk gamblers and problematic gamers, making the data useful for examining associations between variables for different groups of young people.

Key findings

The following findings are based on the weighted responses of the young people in the letterbox survey sample.

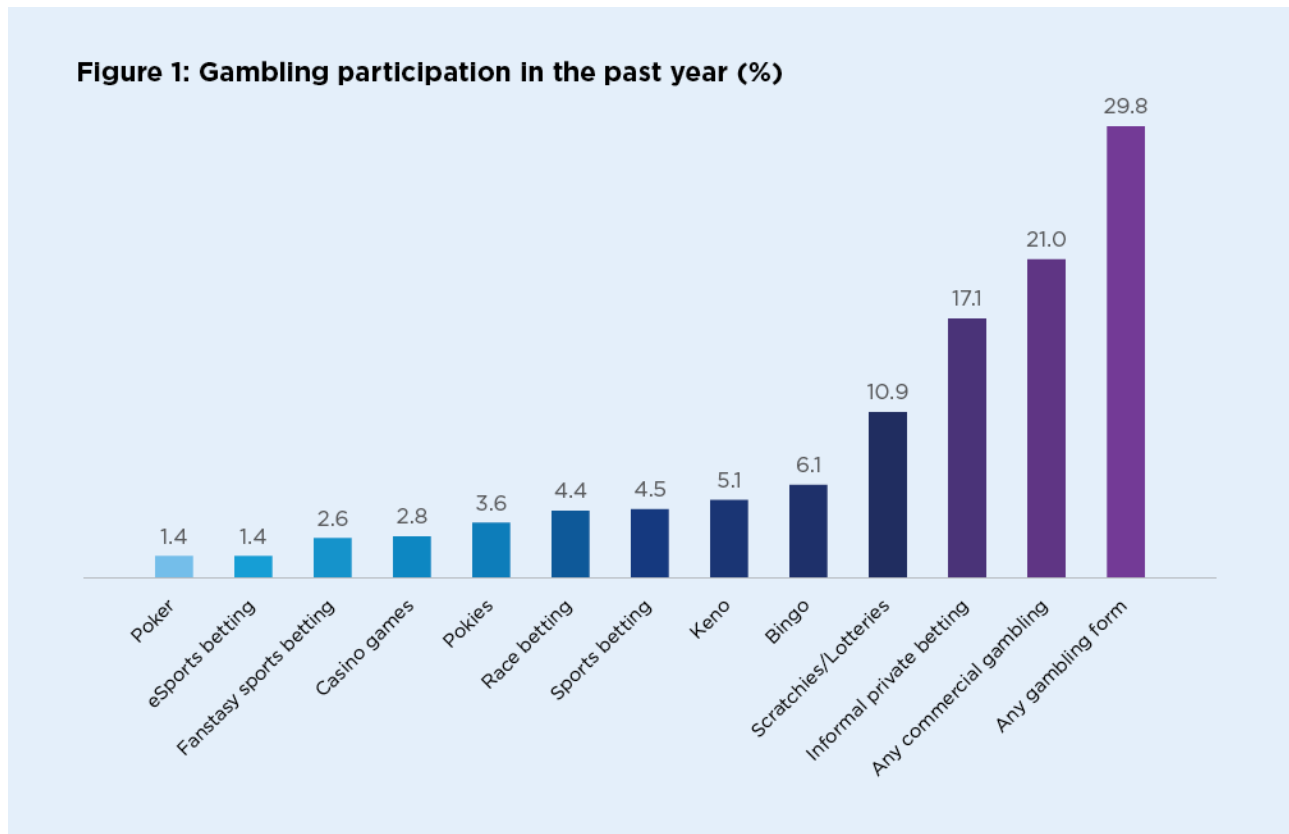
- On average, young people start simulated gambling and monetary gambling at much the same age (11-12 years).
- In the past year, 29.8 per cent had participated in monetary gambling and 40.1 per cent had played games with gambling components.
- The past-year problem gambling rate was 1.5 per cent, and a further 2.2 per cent were at-risk gamblers.
- Gambling usually occurred with parents/guardians (53.7%), followed by friends aged 17 or less (26.8%), relatives aged 18 years or over (20.7%), relatives under 18 years (20.1%), and grandparents (19.5%). Relatively few (9.1%) gambled alone.
- Nearly half (46.1%) reported noticing gambling advertising on television during sports and racing events at least weekly.

The study identified key factors influencing young people to gamble.¹

- Parents were the strongest influence on youth gambling. Young people were more likely to have gambled in the past year if they had gambled with their parents during childhood and had parents who approved of gambling. A problem gambling adult in the household when growing up was also found to uniquely predict problem/at-risk gambling amongst youth survey respondents.
- Exposure to gambling advertising in both traditional and digital media and thinking more positively about gambling due to seeing gambling advertisements, were associated with gambling participation, intentions and problems.

What did young people tell us about their gambling?

Almost one-third of young people responding to the letterbox survey had participated in gambling in the past year (n=164, 29.8%). This is similar to the estimates from other recent Australian school-based studies of 25-37 per cent (King et al 2014). The most popular gambling activities were informal private betting (17.1%), scratchies/lotteries (11%), bingo (6%) and keno (5.1%).

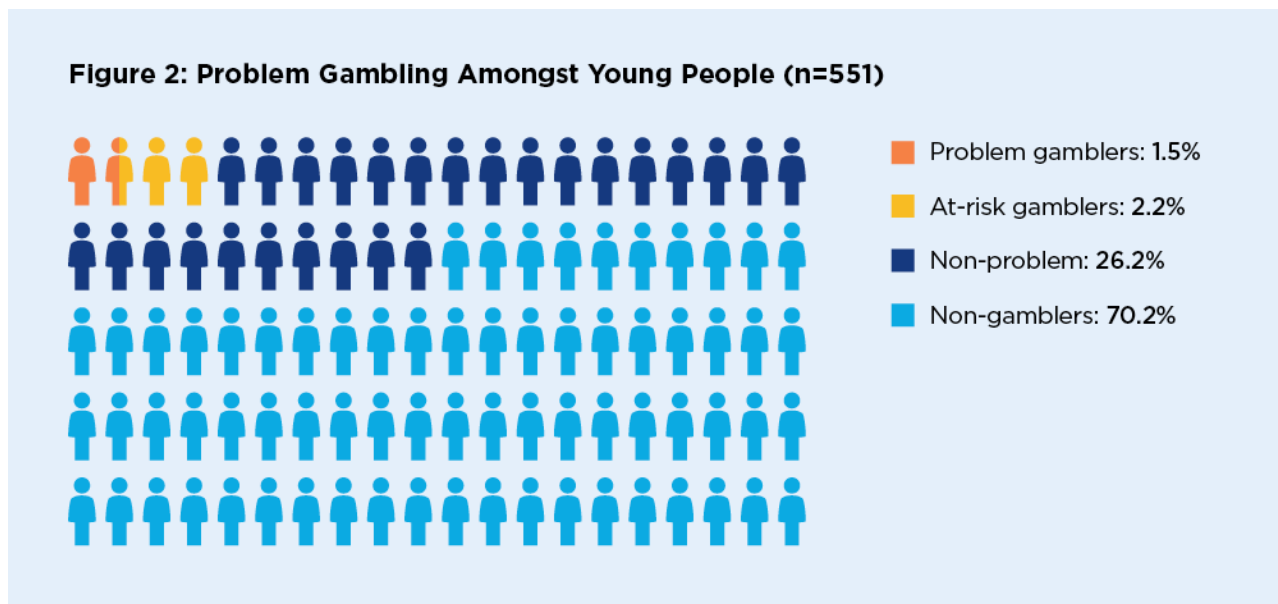


A quarter of the young people who had gambled in the past year had participated in online gambling (n=41, 24.9%). The most common way they accessed online gambling was by using a parent's account with their permission.

Most young people gamble infrequently. Of the 164 young people who had gambled in the last 12 months, most (80.7%) reported gambling on their favourite form once a month or less. However, a significant proportion of those who gambled did so more often, with 9.8 per cent gambling on their favourite form a few times a month, 5.7 per cent about once a week, and 3.8 per cent more than once a week.

Youth gambling problems

A small group of young people were found to be problem gamblers (1.5%) or at-risk gamblers (2.2%).² This problem gambling rate is similar to those found in the most representative youth studies.



How are young people participating in simulated gambling?

More young people appear to be participating in simulated gambling than in actual gambling. Past-year simulated gambling (40.1%) was more common than past-year gambling (29.8%) amongst young people in our study. Not only is simulated gambling more common than gambling amongst young people, comparisons of recent and past studies suggest that it has increased substantially in recent years.

The most popular form of simulated gambling was found to be video games with 'mini' gambling components.³ They were played by 72.1% of the 291 young people who told us they had played games with gambling components at any point in their lives.

² Based on the DSM-IV-MR-J.

³ These are games with mini gambling games in them that are not the primary game, such as Diamond Casino & Resort in the video game Grand Theft Auto V.

A majority of the 291 survey respondents who play games with gambling components played them in video games (72.1%).



The average age of first playing these games was 11.9 years, which is similar to the average age of first gambling (11.6 years).

Loot boxes are a common feature in video games and have many similarities to gambling. Over two-thirds of young people (n=398, 72.2%) reported opening or purchasing loot boxes in the past year. Consistent with a 2018 representative survey of Australian youth by the Office of the eSafety Commissioner, one-third (36.5%) of young people had spent money on loot boxes in the last 12 months, averaging \$10 per month – although some focus group participants said they knew friends spending amounts in excess of \$100.

Young people seem to mostly buy loot boxes to get in-game items or 'skins' (79.1%), virtual in-game currency (63.8%), or for in-game progress or competitive advantage (61.8%).

The focus group participants discussed how simulated gambling elements in video games have increased, and that players need to participate in these activities to progress in games, gain lives, earn in-game currency, or obtain free items. Loot boxes were viewed sceptically by many young people and described as '*just a way of generating revenue*' for the game companies and '*a subtle way of trying to get people's money.*'

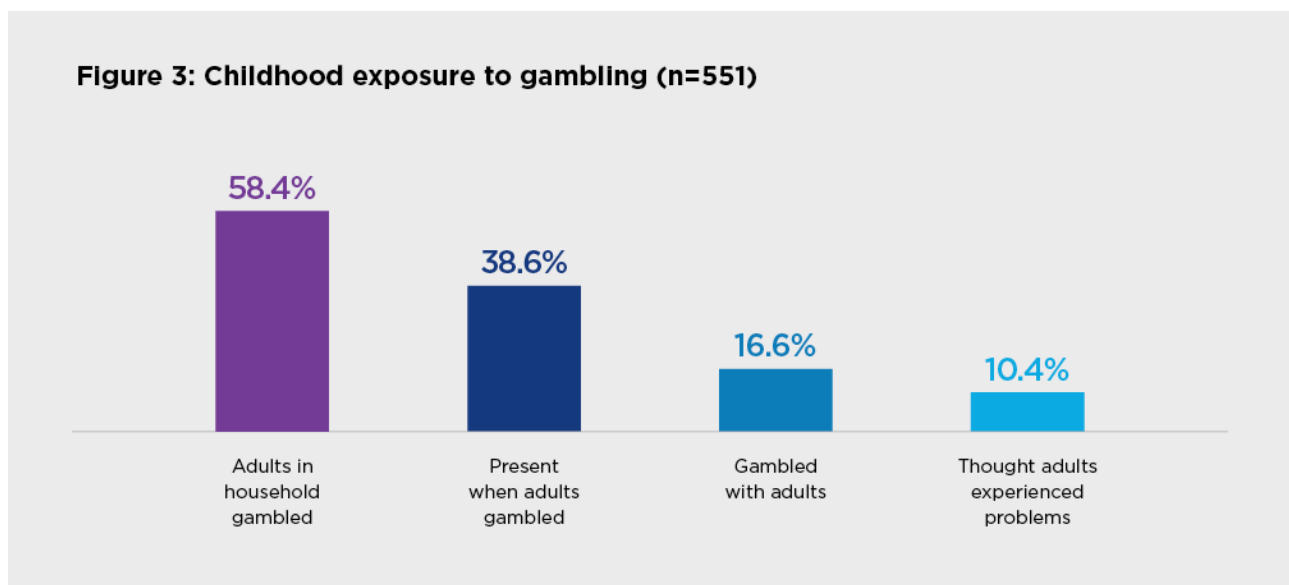
What influences young people to gamble?

Young people are influenced to gamble by a range of factors including their parents, peers, personal factors and advertising.

Parents are the greatest influence

The literature review, focus groups and survey found that parents were the greatest facilitators of young people's gambling, in venues and through use of parents' online gambling accounts. Parents and other adults appear to be playing a key role in providing access to underage gambling, with young people reporting that their gambling usually occurred with parents (53.7%), other adults (20.7%) and grandparents (19.5%).

Parents also influence young people's gambling through modelling gambling behaviour. Many young people reported being exposed to parental gambling when growing up. Over half of the young people in the letterbox survey (n=321, 58.3%) were present when adults in their household gambled and 10.4 per cent thought an adult in their household had gambling problems.



Young people were more likely to be a problem/at-risk gambler if adults in the household gambled with them, did not set limits on their online use, or had gambling problems themselves.

A problem gambling adult in the household when growing up uniquely predicted problem/at-risk gambling amongst youth survey respondents. This finding is consistent with other youth gambling studies reported in the literature review.

Peers also influence gambling

Young people who had friends who gamble and who had a greater sense of belonging to an online community were more likely to participate in gambling, intend to gamble in the future and have gambling problems. The literature review also indicated that online gambling communities can elevate the risk of problem gambling by normalising gambling.

Young people who engaged simulated gambling and those who were problematic gamers also felt stronger attachment to an online community, reflecting that these games are played online and have online social features.

The influence of personal factors

Young people with lower wellbeing were more likely to participate in gambling and those with lower wellbeing and higher impulsiveness were more likely to be classified as experiencing problem/at-risk gambling.

Consistent with the literature, higher impulsiveness distinguished those with gambling problems. Participation in simulated gambling and problematic gaming were both linked to lower wellbeing and higher impulsiveness.

Gambling advertising

Young people reported frequent exposure to gambling advertising, something that was also found in the literature review. On a weekly basis, young people most commonly noticed this advertising on television during sports and racing events (46.1%), on television except during sports and racing events (42.9%), and in online and social media (34.8%).

Figure 4: Frequent exposure to gambling advertising (n=551)

Young people noticed gambling advertising at least once a week:



46.1%

on television during sports and racing events



42.9%

on television at other times



34.8%

in online and social media

Frequent exposure to gambling advertising appears to normalise gambling for young people. One-third (34.7%) reported it had increased their knowledge of gambling options, nearly one-third considered betting on sports to be normal (31.2%), and some felt that knowing the betting odds was part of following sport (15.4%) and also makes watching sport more exciting (14.9%).

Along similar lines, most focus group participants were indifferent to or annoyed by gambling advertising, but nonetheless considered that it normalised and increased knowledge about gambling. The literature review also found that young people report this normalising effect.

Exposure to gambling advertising in both traditional and digital media and thinking more positively about gambling due to seeing gambling advertisements, were found to be associated with gambling participation, intentions and problems. Positive attitudes towards gambling fostered by gambling advertisements were also found to increase the likelihood of gambling problems amongst respondents.

Access to internet-connected devices

Over 90 per cent of the letterbox sample had access to online devices, including their own smartphone. While parents typically set some rules about time spent online, online content and use of devices in bedrooms, they rarely actively monitored this media use.

Having no rules set by parents about online use was linked to gambling participation, intentions and problems, and to participation in simulated gambling and problematic gaming. Focus group participants also said how often and how long they participated in simulated gambling was linked to how accessible their device was and whether it was in sight of parental monitoring.

How are gambling and gaming converging?

Gaming and gambling are converging, with many games simulating gambling without money necessarily being involved. These range from games with gambling components, to games that replicate gambling but use virtual credits. Games have become increasingly monetised, with players able to spend real money to purchase virtual credits to then engage in the game's gambling components, buy skins or open loot boxes. Items acquired in games can also be used on third-party sites to bet with others, on esports and online games. Betting products are also now offered for esports competitions. Additionally, gaming and gambling promotions and products can now be accessed and shared from the same device, including in online games, social media and esports events.

The convergence of gaming and gambling was reflected in the behaviour of young people in our study. Those who engaged in simulated gambling apps, demo games, simulated gambling on social networking sites, or betting with in-game items were more likely to gamble on all monetary forms. Those who bought loot boxes and played video games with gambling components were more likely to gamble on some monetary forms. Problematic gamers were more likely to gamble, but problem/at risk gambling and problematic gaming were not statistically significantly associated.

The convergence of gaming and gambling, the increase of simulated gambling products, and their popularity amongst young people, highlight increased potential for gambling harm that require attention. Sizeable proportions of young people appear to purchase loot boxes (36.5% of the letterbox sample) and bet with in-game items (14.5%). These activities share several characteristics with gambling and may be particularly harmful for young people. Watching esports events is also popular (40.8% of the letterbox sample). While only 1.4 per cent of the letterbox sample reported esports betting with money, 6.2 per cent reported esports betting with in-game items. Further, 15.1 per cent intended to bet on esports in the future. This is much higher than the current prevalence of 3.3 per cent of esports betting (for money) amongst NSW adults aged 18-24 years, found in the NSW Gambling Survey 2019 which also found esports betting was strongly associated with problem gambling (Browne et al 2019).

What does this mean for gambling harm reduction?

The results of this study have implications for efforts to prevent and reduce gambling harm amongst young people in NSW. The researchers suggested a number of key areas for attention, outlined below.

Education and awareness raising

Parents

Parents were the strongest influence on youth gambling. They should be provided with information about the risks of youth gambling, and with resources to help them support their child's appropriate and healthy online behaviour. They should be advised against gambling with or in the presence of their children or facilitating their children's gambling. Parents should be encouraged to monitor their children's engagement in gambling and simulated gambling and online use more generally and discourage their use of social casino and demo games, purchasing loot boxes, and betting with in-game items.

Young people

Education and information should be provided for young people to raise their awareness of the risks of gambling and support their ability to make informed choices and encourage appropriate peer norms. Information should emphasise that underage gambling is illegal. Young people could be educated on the potential for simulated gambling to lead to gambling and gambling problems, and the importance of keeping their gaming in balance with other activities in their life. Young people with lower wellbeing could be supported to engage in more positive coping strategies.

Services

Youth services, gambling help and mental health services may also benefit from education about the risks of simulated gambling and gambling for young people.

Regulation

A number of young people reported accessing commercial gambling (21%), indicating the need for improved age and ID verification, preventing underage access to gambling in land-based venues and when young people try to open online accounts.

Strategies, including regulation and changes to industry practices, are needed to reduce youth exposure to gambling advertising, especially on television and in online and social media, and its normalising effects.

Purchasing loot boxes and betting with in-game items have similar characteristics to monetary gambling, and are linked to gambling participation and problems, so their regulation should be considered. Regulators should examine ways to reduce gambling components in online games

and impose age restrictions for simulated gambling. Given the popularity of simulated gambling amongst young people, game developers and gaming operators should examine ways to reduce gambling components in online games, impose age restrictions for simulated gambling, ensure their marketing is responsible, and implement responsible gaming measures such as self-limiting features, self-exclusion and links to sources of help for gaming and gambling problems. Regulation of the gaming industry may be needed to achieve these outcomes.

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