Gambling and Gaming During COVID-19:

Prevalence, Implications and Strategies to Stay Safe

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June 2020
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The Impact of COVID-19 on Gambling and Gaming Activity

The global enforcement of social distancing measures that began earlier this year has eliminated many sources of entertainment. The sporting world remains frozen as leagues try to determine when – or if – they can resume play in their respective seasons. The entertainment industry is in an unfamiliar state, with no new live events, concerts, games, matches, or races to look forward to and casinos have been shut down to assist in flattening the curve. How then have individuals been keeping themselves engaged and entertained during this time?

It appears to be that many have turned to online gaming and online gambling as entertainment. Viewership rates, gaming traffic and reported revenues in both the gaming and gambling markets worldwide have demonstrated increased participation in these activities. New gambling and gaming opportunities have also been developed and implemented in response to the increased participation.

However, it is not only gaming and gambling opportunities that have evolved as the pandemic has continued on. Harm reduction strategies, or ways to stay safe, have also changed immensely as many of the things we previously enjoyed have been changed or paused in our lives.

As the world has seen shutdowns of physical venues due to COVID-19, a number of studies have indicated that participation in online gambling has continued to increase. In April 2020, The Responsible Gambling Council (RGC) surveyed 2,005 Ontarians who gamble to explore the impact of COVID-19 on gambling participation. RGC reported that in the past 12 months, 77% of respondents exclusively gambled in-person or in land-based casinos. However, in the first six
weeks since emergency measures were announced, 54% of respondents had gambled online and one third of respondents said they were influenced to gamble online due to the pandemic and the ongoing emergency measures (RGC, 2020).

Another Ontario-based research firm surveyed 1500 Canadians at the beginning of May 2020 to explore their gambling behaviors. 26% of those surveyed indicated that they are gambling more or much more than usual. Online casinos were reported as the most popular gambling activity, followed by sports betting, poker and horse racing. Of those who currently gamble or bet online, 38% said they were probably spending too much money gambling or betting online these days and 28% said they felt like they might be developing an addiction to online gambling (Abacus Data, 2020).

A YouGov survey in Britain also found that 10% of consumers in Britain who had not gambled in the past year were likely to turn to gambling in the following four weeks (Wells, 2020). A second British survey by Survation revealed 28% of respondents had experienced an increase in their online gambling activities and 11% had increased their activity by “a lot more.” 20% of those surveyed expressed concern that they were spending more than they could afford on gambling, and 16% believed they were developing a gambling addiction (Survation, 2020). The UK-based, self-exclusion program GamStop has also seen a 15% increase in former gamblers asking to end their self-exclusion since the lockdown began (Davies, 2020).

An Australian credit bureau and economic analyst firm reported a 60% increase in spending on online gambling during the week of April 19th when compared to average weekly spending amounts prior to COVID-19. A larger increase of 110% was reported during the week of June 1st, as some Australian sport leagues resumed play and more online wagering opportunities
became available. Similarly, National Australia Bank (NAB) reported that spending on all gambling activities is up 62.7% from this same period last year which may be due to the lack of other entertainment options at this time. When comparing Australian spending across categories, online gambling expenditures has seen the second highest increased in spending amount during COVID-19, following behind food delivery service expenditure (Stradbrook, 2020).

Globally, there is an increased number of individuals reporting concern over the amount they are participating in or spending on gambling activities since March 2020. Experiencing a problem with gambling, such as overspending or addiction, is often associated with financial strain, emotional distress and relationship problems, all of which are already of concern during the pandemic. In fact, in RGC’s recent study of 2,005 Ontarian gamblers, it was reported that 50% of respondents’ household had been negatively impacted due to the pandemic and 37% of respondents were currently experiencing high levels of anxiety or depression (RGC, 2020)

Not only are individuals reporting that their participation in online gambling has increased, but gambling companies are also reporting increased revenues. Evolution Gaming, an online gambling stream, reported a 45% increase in year-to-year revenue in March 31st, 2020. Its North American market has increased at 54% ($7.69 million), while its Asian market has tripled ($22.52 million) (Price, 2020). Worldwide, the Business Research Company estimates that global online gambling is expected to grow from $58.9 billion in 2019 to $66.7 billion in 2020, a growth rate of 13.2%, due to lock down measures globally (Research and Markets, 2020).

Online poker venues have also reported an increase in participation. 888Poker has reported a 60% increase in its interstate poker network in the United States for the month of April 2020 (Price, 2020). Online gaming firm Stars Group reported in April 2020 that an increase
in poker and online games beginning in March resulted in the company expecting revenue of $735 million US, which is up $580 million US from the first quarter of 2019 (The Canadian Press, 2020). In Europe, Dutch gambling regulator Kansspelautoriteit (KSA) has seen an increase of illegal gambling on poker and bingo, exposing illegal rings in six communities since the beginning of social distancing and shutdowns due to COVID-19. KSA believes this is due to the fact that Holland Casino, currently the only operator permitted to offer casino gaming, is closed (iGaming Business, 2020). In Australia, an analytics firm SEMrush showed that online searches for “online pokies” and “online casino Australia real money” increased by three times and five times respectively from February to April 2020 (Stradbrook, 2020).

The impact of physical casino closures due to COVID-19 is being explored and research has emerged suggesting that player demographics may change once casinos re-open. A survey conducted in late April 2020 of 1,000 participants in Las Vegas showed that 40% of gamblers over age 60 and 62% of gamblers under the age of 30 were confident in returning to casinos after COVID-19. The study also revealed that 64% of those surveyed reported gambling online and through mobile games during the pandemic, and 93% of those intend to continue gambling online even after the stay-at-home orders are lifted (Business Wire, 2020).

The market of competitive video gaming, also known as E-Sports, is another industry that has stood firm despite the shutdown of physical sport venues and leagues. Streaming services such as Twitch and major network television channels such as ESPN, FOX and TSN have filled newly empty time slots with broadcasts of E-Sports tournaments. Canadian E-Sports Media companies Fandom Sports Media and New Wave E-Sports have reported an increase in share price of 5 times and 2 times respectively since mid-March (MacLean, 2020). As a result of the
increased interest in this industry, E-sports gambling has also increased in accessibility since April. The Nevada Gaming Control has allowed sportsbooks to offer wagering on several major E-sports markets, including Overwatch, League of Legends and Call of Duty (Purdum, 2020). New Zealand has also recognized E-Sports as an official sport and allowed for bets to be placed on five different video games, which has led to approximately $60,000 worth of turnover per day (Smith, 2020).

Several traditional sport leagues have observed the recent growth of E-Sports opportunities and created their own E-Sports events. For instance, NASCAR and Formula One have both began hosting virtual E-Sport races that can be viewed and bet on by fans (NASCAR, 2020). The NBA also hosted an NBA 2K elimination tournament, where 16 NBA players competed virtually. The tournament included bookmakers and odds were posted for each round (Enright, 2020).

To conclude, the closure of physical gambling spaces has not led to a decrease in gambling participation worldwide. Instead, more individuals are participating in online gambling and more organizations have seen this as an opportunity to move into the virtual gambling space.

How has COVID-19 impacted online video gaming?

The video game market has remained a seemingly unstoppable juggernaut of financial revenue. Before the pandemic, games such as Fortnite, 2K Sports, Call of Duty and League of Legends were established as a go-to form of entertainment globally. Currently, the video game market is worth $139 billion worldwide and growing, making it a more profitable industry than the NFL, NBA, NHL and MLB combined (Traeger, 2020).
As previously mentioned, there has been an increase in viewership of E-Sports events during social distancing. However, there has also been an increase in the number of hours individuals have spent playing video games. An IPSOS poll in May 2020 revealed that 40% of adults and 52% of children have increased their time playing video games on a computer, phone, tablet or console since lockdown procedures began in Canada (IPSOS, 2020). Verizon networks, an American telecommunications company offering wireless products and services, reported a 75% increase in video game traffic during peak hours only 7 days after the country implemented social distancing measures (Traeger, 2020). Twitter also reported a 71% increase in conversations about E-Sports and gaming in the second half of March (MacLean, 2020).

Additionally, the success of newly released video games has not been interrupted. For example, Square Enix’s remake of the 1997 smash hit “Final Fantasy 7” sold over 3.5 million copies in three days, making it the fastest selling PlayStation 4 Exclusive game in the console’s six and a half year history despite many retailers not being able to get supplied with copies to sell in-store (Baird, 2020).

Gaming disorder has been recognized by the World Health Organization and the International Classification of Diseases-11 (ICD-11). Signs of gaming disorder include recurrent video game playing leading to impaired control over gaming and an increased priority given to gaming over other life interests or activities, despite negative consequences (Snider, 2019). Despite concerns of gaming disorder prevalence and increased risk during this time, WHO partnered with major gaming companies including Blizzard (Overwatch, World of Warcraft, Call of Duty) and Riot Games (League of Legends) to launch the #PlayApartTogether campaign in March.
2020. This online campaign encouraged people to practice social distancing and proper hygiene while staying indoors and playing video games (Snider, 2019).

With the decline in available forms of entertainment, there has been an observed increase in both the amount of time spent and the number of people playing video games. Without the utilization of appropriate and realistic harm reduction strategies, individuals of any age may experience harm as a result and the impact of these harms may be heightened due to COVID-19.

What are the risks of gambling & gaming?

Like many activities, there are potential risks associated with gambling and gaming. However due to the ongoing pandemic, these risks may impact individuals differently or to a greater extent than before.

If someone is gambling or gaming frequently or for long periods of time, they may set aside less time for other responsibilities such as work, chores or personal wellness. Individuals who game or gamble excessively may also neglect their relationships. This is of concern as many of our relationships may already be strained during this time. Individuals may also spend more than they can afford on gaming or gambling, which may add additional stress as many individuals are currently under increased financial pressure. Furthermore, several provinces in Canada have yet to create regulated online gambling platforms. This presents a risk as some individuals who gamble online may be using unregulated gambling websites, where there is a risk of fraud. Finally, it is important to note that gambling online may carry additional risk for some due to its increased accessibility, discrete nature, absorbing design and increased pace of gameplay.
Staff at the Centre for Problem Gambling and Digital Dependency at Hotel Dieu Grace Healthcare Center in Windsor, Ontario suggest that the impact of COVID-19 on gaming and gambling behaviors will not be seen in its totality until after the pandemic, when lockdowns and social distancing practices are no longer mandated. Many individuals may be using gambling or gaming activities to manage symptoms related to other mental health conditions (i.e. generalized anxiety disorder, major depressive disorder, etc.) and may experience a resurgence of symptoms when required to return to our previous way of life. These individuals may rely on gaming or gambling to cope with the challenges of living through the pandemic or to cope with mental health conditions that may have developed or worsened during – or as a result of – the pandemic. Among gamers and gamblers, such conditions are especially prevalent, and they may not want to seek professional support. The absence of human contact during COVID-19 may cause an emergence of players with social anxiety, as the pandemic has created many new reasons to gamble or game and drawn more individuals to these activities and away from other activities they previously enjoyed.

Hotel Dieu Grace Healthcare has also reported that some parents of youth have expressed concern and have reached out to healthcare providers for services and supports to reduce their children’s gaming behaviors. Gaming, and gambling, carry risk for young people that may be different than, or in addition to the risks experienced by adults. First, problem gaming or gambling can negatively impact the social development of youth. If a youth is immersed in a world of fantasy much of the time and not utilizing social skills in other contexts, their social, emotional and psychological development may be impacted. Furthermore, virtual relationships
may not always translate into the real world, and a sense of loneliness or heightened discord may be experienced. Due to the anonymous nature when online, youth may mistreat others in the online world or find themselves the target of cyberbullying. In 2019, it was reported that 37% of young people between the ages of 12-17 had been bullied online (Patchin, 2019). In April 2020, Australian e-Safety Commissioner Julie Inman Grant stated that cyberbullying reporting in Australia had increased by 21% in the first month following the implementation of social distancing procedures (Medhora, 2020).

Additionally, young gamers may experience a sense of apathy toward real life responsibilities and setting other future goals for themselves related to work, education, personal hobbies or social life, as solace is found in gaming. Many of the protective aspects of a young person’s life such as sports, art classes, social gatherings and for some, school, have been changed during this time which not only means the young person has more time to commit to gaming, but it also means they may no longer be participating in other activities that bring them joy. Similarly, RGC found that of those surveyed in April of this year, individuals within the 18-24 age group reported an average life satisfaction score of 6/10. This is of concern as low life satisfaction and poor mental health are risk factors for gambling problems (RGC, 2020).

Lastly, youth may have less access to disposable income, especially during COVID-19, and may therefore experience greater harm if overspending on gambling or gaming activities. Some have resorted to using the parent’s debit or credit cards without their knowledge to finance their gaming and gambling activities. RGC found that of the Ontarian gamblers that they surveyed, approximately 23% had either lost their job or had their hours reduced, and most of the respondents were within the 18-24 age group (RGC, 2020).
For young people over the age of 18 in Canada, gambling including sport betting is limited to using official, provincially run betting platforms which do not include many, if any, E-Sport options. Offshore betting sites though allow Canadian E-Sports betting fans to place wagers on E-Sports. There are additional risks associated with online gambling websites for young people and underage individuals as many of the offshore websites are unregulated. This may mean that the websites do not have responsible gambling features to reduce the associated harms, such as the ability to set time and money limits, information available about odds and probability or security and privacy regulations. It also means that individuals under the age of 18 are able to access these websites, as there are limited safety and age verification features.

Many video games also include in-game gambling opportunities. For instance, some video games include casino-style games such as roulette wheels or slot machines where players are able to wager virtual currency for a chance to win an in-game reward. Loot boxes are another popular chance-based activity within video games, where players can use virtual or real-world currency to open a virtual container within the game and receive whatever item is inside. Prior to unlocking the loot box, the player does not know what they will receive. Lastly, many games are built around the freemium model, where the game is free to download but players are provided with the opportunity to pay for a chance to advance in the game. The lines between gambling and gaming become blurred when these chance-based elements are included in video games, which are games of skill. Because many youth play video games, they are exposed to these gambling opportunities. However, they may not know that these activities are gambling and may therefore fail to utilize the necessary harm reductions strategies to stay safe.
Gambling and gaming are forms of entertainment, meant to be challenging, exciting and fun and there are ways for individuals to continue to participate in these activities while still protecting themselves from the potential risks.

It is important to remind any gamer or gambler, whether they are picking up a controller for the first time, downloading their eighth game this month or placing a bet with friends, that they do so with caution and knowledge. Players should consider setting a time and money limit and continue to track one’s wins and losses. If people game or gamble online, the Youth Gambling Awareness Program (YGAP) encourages them to research the games and websites prior to signing up. Players should read agreements, terms and conditions carefully, protect banking and personal information, and consider using prepaid credit cards if possible, as opposed to personal credit cards.

YGAP also recommends that people balance their lifestyles - take breaks from gaming or gambling to participate in other activities one enjoys. Despite the fact that the pandemic has shut down local gyms, community centers and physical venues, there are still ways to remain connected and engaged. For instance, the YMCA now offers programming during COVID-19 to keep kids and families active at home through their website, https://www.ymcahome.ca/. There are many free opportunities online where individuals can learn how to play an instrument, learn another language, tour a museum, or attend a virtual workout class. There are also more ways now than ever before to remain connected to loved ones by video chat, free long distancing calling or instant messaging. If you or someone you know needs support related to gambling or
gaming, YGAP recommends ConnexOntario at 1-866-531-2600 or Kid’s Help Phone, at 1-800-668-6868.

The Youth Gambling Awareness Program now offers several workshops in virtual webinar format for young people and adults or professionals who work with young people. YGAP’s workshops cover a variety of topics including media literacy, financial literacy, how the lines between gaming and gambling are blurred and stigma as it relates to gambling. YGAP uses a balanced, neutral approach while sharing information on how to stay safe if one chooses to gamble or game. To learn more about YGAP or to book a free webinar, please check out program’s website at https://ymcagta.org/youth-programs/youth-gambling-awareness-program or contact ygap@ymcagta.org
References


IPOS. (2020). Two thirds of Ontarians feel that the mental health impacts of COVID-19 are going to be serious and lasting.


