

Problem Gambling: An Emerging Issue for State Behavioral Health Systems

Since the US Supreme Court eliminated the federal ban on sports betting in 2018, many states have legalized sports betting¹ and eased other gambling restrictions. Gambling is now more accessible than ever, and gambling rates are on the rise. Rates of problem gambling and gambling disorder may be growing, too. States are playing a key role in problem gambling services, with implications and opportunities for the entire behavioral health sector. This information brief presents (1) changes in the gambling landscape, (2) the scope of problem gambling and gambling disorder, and (3) the role that states play in problem gambling services.

THE CHANGING GAMBLING LANDSCAPE

The gambling industry has grown significantly over the past decade. In 2024, commercial gambling generated a record-breaking \$72 billion in revenue.² Illegal and unregulated markets generated an additional \$53 billion.³ This growth has been driven by major shifts in both *where* and *how* people gamble. The proliferation of online sports betting and mobile apps (e.g., DraftKings and FanDuel) have fueled the surge, offering unprecedented access to gambling. Legal revenue from online sports betting grew 1,200% from 2020 to 2024. Virtual poker and casino games, or “iGaming,” have also expanded rapidly.

Novel digital platforms and similar activities offer further gambling opportunities. These include wagering on political elections through online “prediction markets” and purchasing chance-based “loot boxes” in video games. In 2020, the video game industry generated over \$15 billion in revenue worldwide from loot boxes alone, much of which was driven by youth and young adults.⁴ As these newer markets flourish, traditional casino gambling’s share

of the gambling market has diminished, even as total casino revenue continues to grow.

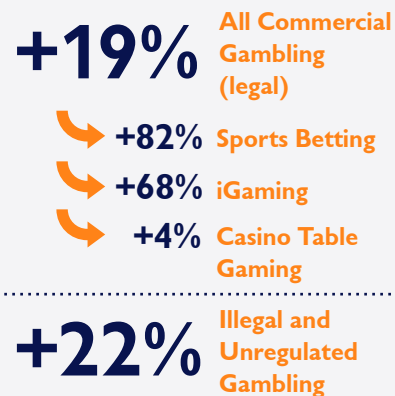
PROBLEM GAMBLING: DEFINITION & PREVALENCE

Problem gambling refers to gambling behavior that causes disruptions to an individual’s relationships, finances, or personal well-being. The prevalence of problem gambling is difficult to assess but may be increasing. Meta-analyses have found that 1.0% to 4.6% of adults engage in problem gambling.^{5,6} Problem gambling may be even more common among youth, with studies finding that 2.1% to 11.6% of adolescents are problem gamblers.^{7,8,9} Many novel gambling activities are particularly appealing to youth and make gambling more accessible and normalized.¹⁰

GAMBLING DISORDER AS AN ADDICTION

Gambling disorder is the most severe form of problem gambling. Broadly, gambling disorder is when an individual engages in repeated and ongoing problem gambling despite negative consequences.¹¹ The National Council on Problem

CHANGES IN GAMBLING REVENUE 2022-2024

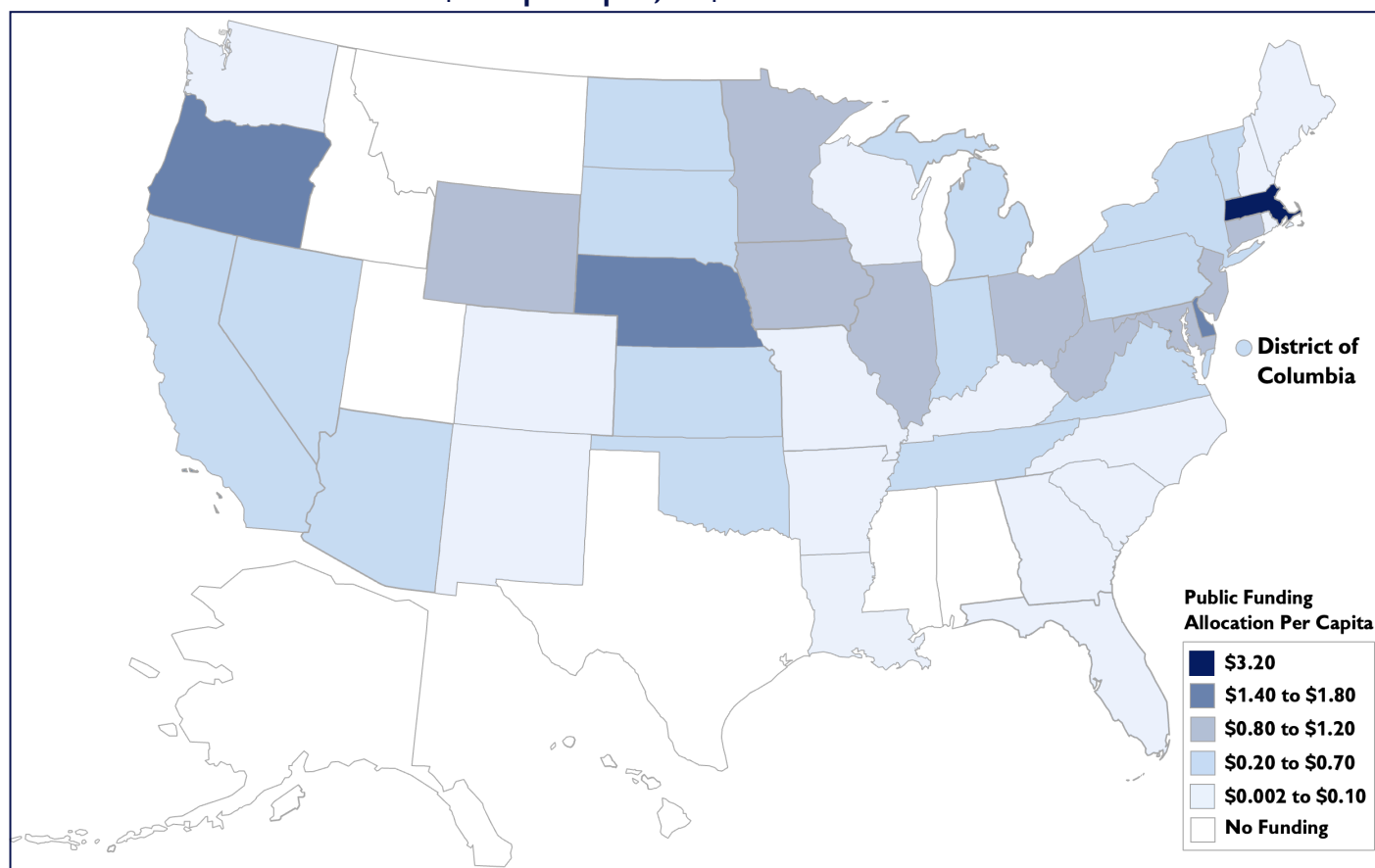


Gambling (NCPG) estimates that around 1% of adults meet the criteria for gambling disorder, which is the only non-substance-related addictive disorder in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5).¹² Gambling disorder can have serious consequences for gamblers, their families, and their communities. It can increase the risk of bankruptcy, physical and behavioral health disorders, criminogenic and anti-social behaviors, and suicide.¹³

Gambling disorder and substance use disorder (SUD) share many risk factors, diagnostic criteria, and intervention modalities. And gambling disorder often co-occurs

FIGURE 1. PER CAPITA STATE FUNDING ALLOCATIONS FOR PROBLEM GAMBLING SERVICES, 2023¹⁴

The median state allocation was \$0.35 per capita, or \$3.1 million



with other behavioral health disorders, including depression, ADHD, anxiety, and substance use.^{15,16} More than 17% of people with an SUD also have a gambling disorder, far exceeding the prevalence among the general population.¹⁷ These overlaps create pathways for an integrated approach to behavioral health — opportunities that many states are already pursuing.

STATES TAKE ACTION

States play a major role in addressing problem gambling. Recognizing the rise of gambling across the country, states have expanded investments in problem gambling prevention and treatment

(Figure 1). Between 2022 and 2023, state funding allocations for problem gambling services increased by 27%. Though funding is low compared with mental health or substance use spending, it represents an important step towards addressing problem gambling as a public health issue.

State funding for problem gambling services often comes from dedicated funds, such as set asides from state lottery revenue or casino table game registration fees. States have used this funding to pursue a range of problem gambling services, including dedicated state gambling helplines, voluntary self-exclusion lists,

problem gambling treatment programs, and public education campaigns.

State-funded problem gambling services are often closely linked to other behavioral health services. In at least half of states, problem gambling services are administered by the Single State Agency (SSA), which is the state entity primarily responsible for publicly funded substance use services. Most other states house problem gambling divisions within their gambling regulatory agency or direct multiple agencies to coordinate problem gambling services.

CONCLUSION

The gambling landscape is evolving quickly. Policy and technology changes are making gambling more accessible than ever before. As rates of problem gambling rise, comprehensive prevention and treatment will become increasingly critical. Given the clear connections between gambling disorder and other behavioral health disorders, many states are adopting an integrated approach that includes problem gambling, substance use, and mental health. This comprehensive public health approach may help avoid duplication of effort and improve health outcomes.

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