Managing money, debt and gambling study: an in-depth exploration of the relationship between money and gambling behaviour

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"7% of problem gamblers reported that money of paying the bills was their only/main worry"

22% of at-risk gamblers reported at least one type of payment debt

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Briefing summary

Introduction

The 2007 Adult Psychiatric Morbidity Study (APMS) reported that nearly two thirds of problem gamblers (62 per cent) had no debt. This intriguing finding begged the question, why do some gamblers get into debt and others do not? The Managing Money, Debt and Gambling Study aimed to answer this question.

Methodology

The study involved qualitative in-depth interviews with a purposive sample of 27 gamblers drawn from participants who took part in the APMS and the British Gambling Prevalence Survey 2010.

Findings

Based on participant’s reported approach to spending on gambling and general spending, four clear groups of gambler were evident: uncontrolled gamblers; chaotic spenders; uncontrolled spenders and controlled gamblers. The relationship between the categories and whether people actually experienced debt was influenced by a five key factors, which were:

- Cognitive factors
- Control and compulsion
- Normative spending beliefs
- Resource and financial management approaches
- Credit environment

Conclusion

The relationship between gambling and debt is complex. Having a problematic relationship with gambling does not automatically lead someone to display an uncontrolled approach to their gambling spending, and problem gamblers could also have problems with controlling their non-gambling spending. Problem gambling is often viewed as a hidden harm with debt being assumed as a likely outcome. However, as this relationship is complex, for some problem gambling may be even more hidden from view or other factors may interact with gambling to cause problems. Policy makers and service providers may need to dig deeper to assess whether other areas of people’s lives are contributing to their financial worries. It is also important that organisations supporting gamblers take a holistic approach to help address underlying issues.

The study

Introduction

Debt is well recognised as an effect of problem gambling. According to GamCare, UK problem gamblers have around £17,000 of debt by the time they seek help and in the US, a study of helpline phone-ins showed 94 per cent of female and 88 per cent of male problem gamblers had debt problems. With this in mind, the 2007 Adult Psychiatric Morbidity Survey (APMS) produced a surprising finding: nearly two thirds of problem gamblers (62 per cent) reported having no debt. Although problem gamblers were still more likely than non-problem gamblers to have debt, this statistic challenges the conception that debt is a necessary outcome of problem gambling. It also throws up questions about why some problem gamblers get into debt, and others do not. The Managing Money, Debt and Gambling Study, carried out by a team of researchers from NatCen Social Research, Birmingham University and Glasgow University, aimed to answer this question.

Methodology

The study involved qualitative in-depth interviews with a purposive sample of 27 gamblers drawn from participants who took part in the APMS 2007 and the British Gambling Prevalence Survey 2010. The sample was selected on the basis of three primary sampling criteria including outcomes in terms of debt, scores on the DSM-IV problem gambling screen and income level. A topic guide was used during the interviews, which lasted between 45 to 90 minutes. All the interviews were digitally recorded and transcribed verbatim. Data management and analysis were undertaken using Framework, a systematic approach to qualitative data management that was developed by NatCen Social Research. The study was approved by NatCen Social Research’s Research Ethics Committee.
Findings

Although it is often assumed that there is a simple relationship between gambling and debt, the findings of this study demonstrate a more complex dynamic. Exploration of participants’ approaches to their general financial management and their approach to gambling spending identified a continuum across both of these dimensions, and when combined divided gamblers into four broad typological groups. These are shown in Figure A.

**Figure A: Typological groups**

<table>
<thead>
<tr>
<th>Other spending</th>
<th>Spending on Gambling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td>Controlled Gamblers</td>
</tr>
<tr>
<td>Lack of control</td>
<td>Uncontrolled Gamblers</td>
</tr>
</tbody>
</table>

Those who lack control over their gambling spend:

- **Uncontrolled gamblers**: This group tended to lack control in their gambling spending, but have a more controlled and rational approach towards their general spending. However, their approach to gambling spending was not uniform in that some did not set themselves limits for their gambling spend while others set limits but failed to keep to them.

- **Chaotic spenders**: Participants classified as ‘chaotic spenders’ displayed an uncontrolled and disorganised approach to both their spending on gambling and general spending. At one end of the spectrum, some felt their gambling was compulsive but their general approach to money management had always been uncontrolled and somewhat chaotic. At the other end of the spectrum, some felt their problems were linked to a specific issue and their spending on gambling and other things was a way to escape the pressures of day-to-day life.

Those who displayed control of their gambling spend:

- **Controlled gamblers**: these gamblers had a controlled approach to both their gambling and general spending. However, there was a lot of diversity in this group; some were enthusiastic gamblers who gambler frequently and spent a lot (though still within their means) while others gambled rarely.

- **Uncontrolled spenders**: Uncontrolled spenders displayed many of the same controlled features as the controlled gamblers in relation to their approach towards their gambling spending. What differed however was their approach to their general spending, which was less controlled. In some cases participants acknowledged that this was due to a lack of financial management skills. Other participants said that responsibility for the problem lay with the creditor for lending them money in the first place.

These typological categories interacted in a complex way with ‘problem gambling’ and feelings of compulsion, such that not everyone who had feelings of compulsion had an uncontrolled approach to their gambling spend. The relationship between the categories and whether people actually experienced debt was also complex. In order to help explain this, an ecological model of influences has been developed with the aim of capturing the different levels of personal and environmental factors that influenced people’s decisions and the outcomes of those decisions. These are shown in Figure B and explained below.

**Figure B: Ecological model of influences on gambling and debt**

- **Cognitive factors**: At the level closest to the individual was the way in which gamblers processed information about gambling. During the interviews participants talked in various ways about money not seeming ‘real’ when they were gambling and in some cases, participants talked about getting to a point where they had lost so much they took an ‘all or nothing’ approach to playing.

- **Control and compulsion**: The degree of control participants had over their spending and their feelings of compulsion towards gambling varied considerably. However, it appeared that people’s sense of control and their sense of compulsion were linked but separate characteristics, rather than two extremes at either end of a single spectrum. The implication of this is that one element could change while the other remained the same, and this could lead to a significant change in behaviour. There were examples of gamblers who
described themselves as compulsive gamblers, but exercised enough control to not get into debt.

- Normative beliefs about spending: These were a powerful influence on participants’ behaviour, which intersected with their personal choices and the social context within which they made them. These beliefs, however, were only loosely related to the realities of participants’ financial situation. One of the most noticeable ways in which this had an impact was the way in which people managed transitions from one financial situation to another, such as when they stopped working. An important element of the transition process was to change their normative beliefs about spending and there could be a time lag in this happening. This highlights how normative beliefs about spending can be dynamic and change over time.

- Resource and financial management: The degree to which participants could increase the amount of income they had available, (i.e. by working overtime or reducing expenditure) was a key factor in whether they got into debt. Participants also used a range of money management strategies to help them avoid debt, for example sequencing the payment of important bills for just after they received their income, so that they could not spend that money on gambling. In some cases, participants described handing control of their finances over to their partners as a management strategy.

- Credit environment: At the other end of the spectrum to individual choices was the financial context within which participants made their decisions and, in particular, the availability and cost of credit. There were vivid examples of access to expensive credit being almost instantaneous and therefore facilitating a specific gambling episode. On a more personal level, the attitude of potential creditors who were friends or relatives also influenced the likelihood of gambling for some participants, allowing them to spend more than they could afford.

### Conclusion

The findings of this study indicate that the relationship between gambling and debt is complex. Having a problematic relationship with gambling or a compulsion to gamble, does not automatically lead someone to display an uncontrolled approach to their gambling spending. In addition, people could have problems with controlling their non-gambling spending whether or not they had problems controlling their gambling spending.

Returning to the original question of why two thirds of problem gamblers participating in the APMS survey did not report being in debt, this study suggest a number of possible explanations: the first is that although the APMS asked about debt, it did not ask in detail about more general financial hardship, which some problem gamblers may experience; the second is that some people were able to increase their income, for example by increasing the amount of overtime they worked, to cover their expenditure on gambling; third, although some participants described themselves as having a compulsive and problematic relationship with gambling, this did not translate into problematic behaviour nor consequent debt. Finally, findings from this study suggest that the relationship between gambling, money and debt is complex and that gambling problems may not always be financial in nature but may be related to other harms.

These findings have important implications for policy makers and for those offering support services to people with gambling or debt problems. The first implication is that problem gambling can be a hidden harm that may be missed even where there is debt for other reasons. The second implication is that gambling support organisations may need to dig deeper to see if other areas of service users’ lives are contributing to their financial worries. Given the different factors that influence whether gamblers get into debt or not, it is also important that organisations supporting gamblers take a holistic approach to help address underlying issues. Finally, when addressing the core issue of problem gamblers’ feelings of compulsion, it is important to bear in mind that the feelings of compulsion and the ability to exercise such feelings are closely linked but do not represent opposite ends of a spectrum. This indicates a danger that increased behavioural control can mask continuing feelings of compulsion, which could cause more problems in the future.

### Further information

NatCen Social Research: [www.natcen.ac.uk](http://www.natcen.ac.uk)
ESRC: [www.esrc.ac.uk](http://www.esrc.ac.uk)
Gambling Commission: [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)
GamCare: [www.gamcare.org.uk](http://www.gamcare.org.uk)