Summary of Key Findings and Recommendations from the Massachusetts Gaming Commission FY25 Research Agenda

MASSACHUSETTS GAMING COMMISSION

In partnership with

greo

Background

The Expanded Gaming Act enshrines the role of research in understanding the social and economic effects and mitigating the negative consequences of casino gambling in Massachusetts. To this end, with the advice of the Gaming Policy Advisory Committee, the Commission is charged with carrying out an annual research agenda to comprehensively assess the impacts of casino gambling in Massachusetts.

Specifically, M.G.L. Chapter 23K §71 directs the research agenda to examine the social and economic effects of expanded gambling and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology, and etiology of gambling. M.G.L. Chapter 23N, §23 extends the scope of the research agenda to include an understanding of the effects of sports wagering in the commonwealth.

As part of enacting the annual research agenda, M.G.L. Chapter 23K §71 directs that:

The commission and the committee shall annually make scientifically-based recommendations which reflect the results of this research to the house and senate committees on ways and means, the joint committee on economic development and emerging technologies, the joint committee on mental health and substance abuse and the joint committee on public health. The commission shall consider any such recommendations, research and findings in all decisions related to enhancing responsible gambling and mitigating problem gambling.

M.G.L. Chapter 23N §23 further states:

Annually, the commission shall make scientifically-based recommendations that reflect the results of the research under clause (a) to the clerks of the senate and house of representatives, the senate and house committees on ways and means, the joint committee on economic development and emerging technologies, the joint committee on mental health, substance use and recovery and the joint committee on public health. The commission shall consider any such recommendations, research and findings in all decisions related to enhancing responsible gambling and mitigating problem sports wagering. The recommendations shall be posted on the commission's website.

The MGC worked in collaboration with Greo, an independent knowledge translation and exchange organization, to synthesize key findings and recommendations from the FY25 research agenda.

Approach

MGC's legislatively mandated research agenda is guided by a strategic plan that outlines seven key focus areas for research: economic impact; social impact; community-engaged research; public safety; responsible gaming program evaluations; Massachusetts gambling impact cohort; and data sharing. These focus areas were used as the organizing framework in this brief.

The eight studies published as part of the FY25 research agenda were grouped into four distinct categories based on this framework, including: 1) Economic impact, 2) Social impact, 3) Public safety, and 4) Research Related to Sports Wagering. Some of these studies fit into multiple categories, but for the purpose of this brief, they were summarized under one key focus area.

Based on study findings, researchers provided a wide variety of recommendations. The Division of Research and Responsible Gaming reviewed recommendations arising from study findings and selected recommendations that pertained to the Commission and recommendations that could be initiated within the short term. Below are key findings from studies in each area, as well as recommendations of focus for consideration for adoption by the Commission for the upcoming fiscal year.

	REPORT	AUTHOR(S)	CATEGORY
1	Social and Economic Impacts of Casino Introduction to Massachusetts	SEIGMA Research Team: Dr. Rachel A. Volberg, Martha Zorn, Valerie Evans, and Robert J. Williams	Economic Impact
2	Diversity in Sports Wagering and Recommendations for Future Practices in the Massachusetts Industry	UMass Donahue Institute's Economic & Public Policy Research Group: Thomas Peake, Rebecca Loveland, Kazmiera Breest, Ellen Aron, Rye McKenzie, Barbara Talagan, and Mark Melnik	Economic Impact
3	Current Trends in Gambling, Sports Betting and Problem Gambling in Massachusetts, 2022-2024	SEIGMA Research Team: Rachel A. Volberg, Valerie Evans, Parastoo Dezyani , Robert J. Williams	Social Impact
4	Assessing the Impact of Gambling on Public Safety in Massachusetts Cities and Towns	Justice Research Associates, LLC (Crime Analysis Consultant to the Massachusetts Gaming Commission) under the guidance of Noah J. Fritz	Public Safety
5	Sports Betting in Massachusetts: 2023 Economic Impacts Report	Economic and Public Policy Research group at the Donahue Institute at the University of Massachusetts Amherst: Thomas Peake, Rebecca Loveland, Kazmiera Breest, and Rye McKenzie	Research Related to Sports Wagering
6	Gambling and Problem Gambling in Massachusetts: Results of Three Online Panel Surveys	SEIGMA Research Team: Dr. Rachel A. Volberg, Martha Zorn, Valerie Evans, and Robert J. Williams	Research Related to Sports Wagering
7	Springfield Youth Health Surveys: Understanding Youth Gambling Behavior in Springfield	Public Health Institute of Western Massachusetts	Research Related to Sports Wagering

	REPORT	AUTHOR(S)	CATEGORY
8	Feasibility Study: Prospective Sports Wagering Kiosks in Massachusetts	Spectrum Gaming Group	Research Related to Sports Wagering

1. Economic Impact

	REPORT	AUTHOR(S)
1	Social and Economic Impacts of Casino Introduction to Massachusetts	SEIGMA Research Team: Dr. Rachel A. Volberg, Martha Zorn, Valerie Evans, and Robert J. Williams
2	Diversity in Sports Wagering and Recommendations for Future Practices in the Massachusetts Industry	UMass Donahue and Gemini Research

Two studies in FY25 focused on the economic impacts of gambling in Massachusetts.

The first study, *Social and Economic Impacts of Gambling in Massachusetts*, is a summative report on the impacts to date of three casino introductions in Massachusetts between 2015-2019. The findings are based on primary and secondary data collected before and after the opening of three casinos in Massachusetts: Plainridge Park Casino (PPC) in Plainville in 2015, MGM Springfield (MGM) in Springfield in 2018, and Encore Boston Harbor (EBH) in Everett in 2019. Data sources include general and targeted population surveys, online panel surveys, key informant interviews, focus groups with those who live and/or work in casino host communities, impact reports on casino construction, operation, regional crime and real estate, cell phone and license plate analysis of casino patrons, and employee surveys. (1)

The second study, *Diversity in Sports Wagering and Recommendations for Future Practices in the Massachusetts Industry*, assesses the participation of racial/ethnic minority, women, and veteran workers or businesses in the Massachusetts sports wagering industry (workforce and vendor diversity). Based on quantitative operator data, including secondary data analysis as well as questionnaires and key informant interviews, the analysis considered diversity in retail sportsbooks operating inside Massachusetts casinos; mobile/online sportsbooks operating in the U.S. including Massachusetts; the Massachusetts Gaming Commission (as the industry regulator); and advertising, marketing, and promotional firms that provide services to the sports wagering industry. (2)

Key findings:

→ **Direct economic benefits are associated with casino introductions in Massachusetts, including: (1)**

- **Benefits from casino construction:** All three casino companies are based outside of Massachusetts and spent significant money in-state building casino facilities ($250 million for PPC, $960 million for MGM, and $1.6 billion for EBH). Construction also led to the creation of thousands of in-state construction jobs during the construction period for each casino, which ranged from 14 to 42 months.
- **Benefits from casino operation:** The combined Gross Gaming Revenue (GGR) from all three casinos has ranged between $1.1 to 1.2 billion per year over the last three fiscal years. Most of this is recaptured from money previously spent at out-of-state casinos.

- **Benefits from casino operating expenses:** The most significant benefit is state revenue from the GGR tax, which was approximately $330 million in the 2023 fiscal year, a more than four-fold increase from $78 million revenue in 2016. Other operating expenses producing economic benefit include roughly $450 million total annual spending on lease payments, vendor purchases, and other taxes/payments, about half of which is spent in Massachusetts; and $270.5 million in total annual spending on employee wages, most of which goes to Massachusetts residents.
- **Creation of casino jobs:** The three casinos employ up to 5,000 people at any given time, with about 1,100 of these representing net new employment after previously being unemployed or having part-time/multiple jobs.

→ **Indirect economic benefits, statewide and at a regional level, are associated with casino introductions in Massachusetts.** Total impacts of casino introduction include direct impacts combined with their indirect ripple effects, including: (1)

- **Increase in economic activity, jobs, and personal income from casino construction:** Estimates from REMI economic models suggest the construction of the three casinos together resulted in $14 billion in increased economic output (gross money spent in the production of goods and services); $2.2. billion in new economic activity (net value of final goods and services); 18,891 full-time jobs; and $1.5 billion in personal income.
- **Increase in number of businesses:** The total number of businesses increased by 15.1% to 35.8% in all host communities and counties between 2013 and 2022.
- **Lower unemployment rate:** Unemployment dropped in the years after casino introduction in all host communities, in parallel with a dropping unemployment rate in Massachusetts overall. Employment in Plainville and Everett increased at rates above the Massachusetts average.
- **Potential real estate benefit for EBH:** The introduction of EBH has been linked to an increase in commercial building inventory and lease rates, and key informants report a 'hot' residential property market.

→ **Negative economic impacts are associated with casino introductions, including: (1)**

- **Cannibalization of existing local industries:** These included decreased spending at food and drink establishments reported by between 46.1% and 79.7% of casino patrons across the three casinos. In addition, approximately 75% of casino employees reported leaving their existing full-time employment to take jobs at the casinos.
- **A flow of casino profits out of state:** As all three casinos are owned by out-of-state companies, a substantial proportion of casino profits leave the state.

→ **Negative social and health impacts are related to casino introduction, including: (1)**

- **Increased spending by those most at risk of gambling harm:** While the population prevalence of people at-risk of or experiencing problem gambling did not increase after casino introduction, a greater proportion of casino revenue from these groups has increased, 74% in 2013, versus 90% in 2022. This group of people represents 9.9% of the population in Massachusetts.

- **More negative attitudes about casinos:** After the opening of all three casinos, most people surveyed (68%) believed that gambling was "too widely available," a change from 16% in pre-opening surveys.
- **Decreased casino patronage:** In 2021 and 2022 overall casino patronage declined. Even though there was an increase in MA casino patronage, there was a large decrease in out-of-state patronage.
- **Increase in some types of crime:** While crime rates overall have remained similar or decreased in the casino's host and surrounding communities, some crimes have increased since casino introduction, including fraud-con games, theft, and domestic violence (in PPC area); purse-snatching, shoplifting, fraud, and extortion (in MGM area); and burglary, theft from vehicles, and prostitution (in EBH area). There has been a small but significant increase in illegal gambling offenses in MA.

→ **The sports wagering industry workforce in Massachusetts is relatively small (2):**

- **A small proportion of casino employees work in retail sportsbooks:** In 2023 there were 7,400 people working in casinos in Massachusetts. Only 1% of these employees have jobs dedicated to retail sports-wagering activities, an average of 51 workers per quarter.
- **Mobile/online sportsbooks employ a higher number of Massachusetts residents than retail sportsbooks:** In 2023, mobile operators employed 10,265 people, of which 12% reside in Massachusetts. Most of this employment existed prior to the legalization of sports gambling and is not tied to operations in Massachusetts.

→ **A small proportion of casino vendor spending in Massachusetts is on retail sportsbook activity:** Sportsbook vendor spending tends to be concentrated around the opening of the sportsbook when new equipment and legal and marketing services are most needed.

Other key findings related to workforce and vendor diversity were highlighted (2), including:

→ **Diversity in the Massachusetts online/mobile sports wagering workforce is lower than the broader U.S. online/mobile industry:** Within the U.S. online/mobile gambling workforce, 36.1% employees are individuals who identify with racial/ethnic minority groups, 28.3% identify as women, and 0.9% are veterans. Among those that work in this industry and live in Massachusetts, only 16.8% identify with racial/ethnic minority groups, 24.3% identify as women, and 0.6% are veterans.

→ **The retail sports wagering industry workforce in Massachusetts is racially/ethnically diverse but has limited gender diversity:** Of those employed in retail sports wagering operations in Massachusetts, 29.7% identify with racial/ethnic minority groups, 27.2% identify as women, and 1.5% are veterans. This rate of racial/ethnic diversity is higher compared to other industries with similar activities; however, this workforce has a smaller proportion of women than all other comparison industries.

→ **Sports wagering organizations report a range of programs and policies to increase workforce diversity:** All operators and the MGC discussed programs and policies to promote diversity in recruitment, including the implementation of diversity targets, recruitment platforms designed for diverse applicants, job fairs, partnerships with Historically Black Colleges and Universities, internal referral programs, as well as policies and initiatives to promote retention, such as employee mentoring and resources groups and professional development programs.

- → **Sports wagering organizations report both barriers and successes in increasing employee diversity:** Reported barriers to workforce diversity included small, non-diverse applicant pools, high turnover rate at entry-level positions, structural barriers to hiring and retention such as language, childcare needs, and the cost of a criminal record check. Successes include more diverse applicant pools resulting from the implementation of diversity programs.
- → **A small amount of spending by Massachusetts sports wagering operators goes to certified diverse vendors:** Minority Business Enterprises (MBEs) make up 4.1% of the Massachusetts vendor contracts from online/mobile operators and none of the vendor contracts in retail sportsbooks; Women Business Enterprises (WBEs) make up 0.7% of Massachusetts vendor contracts from online/mobile operators and 4.3% of contracts in retail sportsbooks; and Veteran Business Enterprises (VBEs) are not represented at all in in either retail or mobile/online vendor spending in Massachusetts. Low vendor diversity may be partially explained by the low number diverse businesses that are certified as MBEs, WBEs, and/or VBEs.
- → **In the sports wagering industry, spending on Massachusetts vendors overall is modest:** In both retail and mobile/online sportsbooks, most vendor contracts go to out-of-state vendors. Out of 26 quarterly contracts by retail sports wagering operators in 2023, 23% went to Massachusetts vendors. Out of 1,187 quarterly vendor contracts by mobile/online sports wagering operators in 2023, 8.6% went to Massachusetts vendors, representing $28.8 million of spending per quarter.
- → **Advertising and marketing is an area for potential increase in spending on diverse vendors:** 49.9% of quarterly vendor spending by mobile/online operators is spent on marketing, advertising, and promotional services. Among retail sports wagering operators, this proportion is 90% of spending. Almost none of the spending on marketing, advertising, and promotional services currently goes to certified diverse vendors.
- → **Sports wagering organizations report a range of programs and policies to increase vendor diversity:** These include policies and practices to increase engagement and broaden vendor solicitation and contracting, such as partnerships to identify regional suppliers, dedicated procurement positions, use of supplier databases and networking events.
- → **Sports wagering organizations report both barriers and successes in increasing vendor diversity:** Reported barriers to vendor diversity are the small number of significant purchases and the need for specialized products or services, and challenges of certification for diverse businesses. Successes include inclusion of diverse vendors that may not be reflected in data, such as purchases through a parent company, and increasing will to increase diversity in corporations.

Recommendations:

- → **Implement stronger safer gambling measures to reduce the industry's financial over-reliance on people at high risk of gambling harms:** Evidence-based in-venue measures include restriction of ATM access and/or withdrawal amounts, implementation of hard-stop pre-commitment strategies, use of automated alerts to players when gambling behavior escalates and rewarding responsible gambling rather than total amount spent. (1)

→ **Consider benefits and harms related to further casino expansion:** Introduction of a fourth casino in Region C could produce additional recapture of casino funds flowing out of state, however residents already believe gambling is too widely available, and there is an overall decline in casino patronage. New gambling availability may also increase negative social and health impacts. (1)

→ **Conduct more research on the impacts of gambling expansion, including sports wagering and online gambling:** As regional gambling availability and attitudes toward gambling are in flux, research on impacts should be periodically reassessed. (1)

→ **Develop workforce diversity goals and standardized metrics:** This could include development of specific diversity targets for inclusion of women and veterans; development a set of standard operating procedures that define a structure recruitment strategy; creation of an evaluation strategy for measuring effectiveness; and/or development of standardized framework for online/mobile operators to promote workforce diversity and track effectiveness. (2)

→ **Create strategies and measurable targets to increase diverse vendor participation:** Mobile/online operators to establish a supplier diversity plan and create standardized metrics for measuring progress on contracting with diverse and local vendors; to establish goals for diverse spending, creation of digital tools for measuring vendor diversity. (2)

→ **Partner with the Massachusetts Supplier Diversity Office to extend outreach resources to sports gambling operators.** (2)

→ **Provide support for businesses to apply for SDO diverse business certification while registering as suppliers in the gaming industry:** This could include creation of streamlined process for certification, facilitating technical assistance for applying businesses, and utilizing technical services already from the Massachusetts Supplier Diversity Office. (2)

→ **Create and maintain a marketing directory to provide broader exposure for businesses with relationships to the industry, including those that have diverse ownership:** Operators could use this directory to identify and solicit diverse vendors. (2)

→ **Broaden diversity requirements to accept alternative types of diverse ownership certification:** This could include adoption of a third-party certification option that is affordable and accessible, and adapting operator diversity benchmarks to acknowledge alternative certifications.

→ **Use sports wagering tax revenue to support workforce development:** 19% of this revenue is already directed to the Workforce Investment Trust Fund and Youth Development Achievement Fund, which could beneficially be directed toward addressing workforce gaps highlighted in this study, such as reducing structural barriers to diverse participation in the sports wagering workforce and business development programs. (2)

→ **Direct sports wagering tax revenue towards organizations, programs, and initiatives that support and grow diverse-owned businesses in the Commonwealth:** These could include expansion of solicitation and spending on diverse businesses, but also initiatives to support business development such as flexible and affordable financing, commercial district revitalization, and the development of coaching and networking groups. (2)

→ **Use sports wagering taxes to create a permanent and significant funding stream for small business development technical assistance:** Programs should be tailored to needs of diverse-owned small businesses, such as coaching for certification or low interest loans for scaling up to the level needed for sports wagering contracts. (2)

2. **Social Impact**

	REPORT	AUTHOR(S)
3	Current Trends in Gambling, Sports Betting and Problem Gambling in Massachusetts, 2022-2024	SEIGMA Research Team: Rachel A. Volberg, Valerie Evans, Parastoo Dezyani , Robert J. Williams

The study *Current Trends in Gambling, Sports Betting and Problem Gambling in Massachusetts, 2022-2024* compares data from four online panel surveys conducted over a two-year period, to assess changes in gambling attitudes, participation, and the prevalence of problem gambling among panel participants who gamble monthly. This report is the second in a series of reports comparing changes in online panel data, with the original baseline survey conducted in 2013 and 2014. Changes in attitudes and behaviors between 2022 and 2024 are particularly significant given the legalization and operationalization of sports betting in Massachusetts in 2022.

As online panel surveys tend to attract a higher proportion of heavy gamblers and people experiencing gambling harms than exist in the general population, data from these surveys does not reflect gambling prevalence, behaviors, or attitudes in the general population; however the higher proportion of heavy gamblers in online surveys more reliably captures behaviors and characteristics of those at highest risk of experiencing gambling-related harms, and are a valuable means of understanding changes within these sub-populations.

Key findings:

→ **People who gamble monthly reported more negative attitudes towards gambling in 2024 than in 2022, including:**

- **Increased sentiment that the harm of gambling outweighs the benefit:** The proportion of people who gamble monthly who believed that the harm of gambling outweighed the benefit increased from 48% in 2022 to 56% in Fall 2024.
- **Increased belief that gambling is too widely available:** The proportion of people who believed that gambling in Massachusetts was too widely available increased from 23% in 2022 to 35% in Fall 2024.

→ **People who gamble monthly reported more gambling behavior in 2024 than in 2022, including:**

- **Increased participation rates across gambling types:** Between 2022 and Spring 2024, past-year participation rates among people who gamble monthly increased in 9 out of 12 types of gambling. There was a decrease in gambling participation among people who gamble monthly across most gambling types between 2023 and Spring 2024, however participation was still higher in 2024 than 2022.
- **Increased gambling intensity:** The highest frequency of gambling days per year reported by people who gamble monthly increased from an average of 103 days in 2022 to 113 days in Fall 2024.

→ **Participation in sports betting increased after its legalization in Massachusetts in 2022, including:**

- **Overall increase in weekly or monthly sports betting:** Weekly or monthly sports betting in this group increased from 31.7% in 2022 to 47.5% in 2023. This rate fell slightly in Spring 2024 (41.5%) and rose slightly in Fall 2024 (45.5%), showing an overall upward trend over the two-year study period.
- **Year-over-year increase in sports betting across all survey respondents:** Across the online panels as a whole, participation in sports betting increased from 16.7% in March 2022 (before legalization) to 26.9% in March 2023 (after legalization and operationalization) and increased again to 32.6% in 2024.

→ **Among people who gamble monthly, the proportion of people experiencing problem gambling and gambling harms increased between 2022 and 2024, including:**

- **Increase in the number of people who met the criteria for problem gambling:** The proportion of those experiencing problem gambling increased from 20.9% in 2022 to 25.6% in 2023. This proportion fell slightly in Spring 2024 to 21.4%, but increased again to 25.9% in Fall 2024, reflecting an overall increase over the study period.
- **Increase in gambling-related harms:** Between 2022 and 2024, there was a significant increase in the proportion of people who gamble monthly who experienced harms related to gambling, including financial harms (increased from 18% to 25%), health harms (increased from 7.6% to 11.8%), and work or school harms 10% to 13.2%). The most dramatic increase was in family and relationship harms, which nearly doubled between 2022 and Spring 2024, increasing from 13.9% to 27.2%.

Recommendations:

→ **Implement harm reduction strategies and gambling education programs:** The significant increase in sports betting following legalization highlights a need for more robust harm reduction strategies and gambling prevention education that target people who bet on sports.

→ **Expand and adapt gambling supports to address increasing gambling-related harms:** The researchers suggest a need to expand responsible gaming tools to support individuals who may be experiencing financial harms and/or family or relationship harms.

Public Safety

	REPORT	AUTHOR(S)
4	Assessing the Impact of Gambling on Public Safety in Massachusetts Cities and Towns: Comparative Analysis of Crime in the Plainridge Park Casino Region 2010-2023	Justice Research Associates, LLC (Crime Analysis Consultant to the Massachusetts Gaming Commission) under the guidance of Noah J. Fritz

One report in FY25 focused on public safety. The eighth in a series of annual reports, *Assessing the Impact of Gambling on Public Safety in Massachusetts Cities and Towns* explores the relationship between crime and gambling by looking comparatively at crime occurring in areas around the Plainridge Park Casino (spatial analysis), and at differences in crime before and since the casino was built (temporal analysis). Using data from state police records and records systems in Plainville, Attleboro, Mansfield, North Attleborough and Wrentham between 2010-2023, the analysis considers trends in types of crime, crime hotspots, and potential strategies for mitigating crime in casino areas.

Key findings:

→ **Spatial analysis does not establish a clear link between crime and Plainridge Park casino.**

- **Crime rates are not higher near the casino:** Geographic clusters of crime activity or 'hotspots' appear to be predominantly linked to other crime-attracting factors and occur near key adult venues including Gillette Stadium, Xfinity Center, Boundary Kitchen, Bar and Events Center, and several commercial strip malls at the south end of Attleboro.
- **The region around the casino is not a high crime area:** Plainville accounts for 4% of the crime in the region and Wrentham, the area north of the casino, accounts for 3% of the crime in the region. Attleboro contains the two highest density crime locations. No significant hotspots were found in the area surrounding the Plainridge Park Casino.
- **Relatively few thefts have occurred in the area around the casino:** Only 2% of the region's total Auto Thefts, Burglaries, Theft from Buildings, and Theft of or from Auto Parts occurred near the casino in the study period.

→ **Most crime trends do not appear to be linked specifically with the Plainridge Park Casino opening; however, some crimes which may be associated with casinos have increased:**

- **Trespassing and Disorderly Conduct crimes have seen an increase since 2020 after a previous period of decline.**
- **Fraud/Con Game/Betting crimes have risen significantly over the study period:** While this upward trend began in 2010 before the casino had opened, previous reports have documented increases in credit card fraud after casino opening as "likely related." The possible influence of the casino on this increase points to a need for further analysis.
- **Shoplifting, auto theft, and theft of motor vehicle parts have increased since 2020:** Shoplifting doubled between 2021-2023, going from 269 to 545 incidents per year; Auto Theft rose spiked in 2021 after a previous period of decline. This rate fell in 2022 but rose again in 2023 and remains higher than it was between 2015-2020. Theft of Motor Vehicle Parts saw a dramatic increase in 2021/2022, jumping from 43 incidents per year to 124/129.

Recommendations:

→ **Use available mitigation funds to address crime in casino host communities:** MGC offers funds to address crime and disorder in casino host communities, which could be used to fund research, acquire technology, and/or provide training to police and crime analysts. Police departments should pursue these opportunities to support evidence-based policing strategies.

→ **Conduct further research on crime and gambling in Massachusetts, including:**

- **Robust longitudinal studies that can track changes in crime rates before and after casino introduction.**
- **Micro-hotspot analysis to understand and mitigate higher-density crime areas:** These may beneficially be paired with problem-oriented policing (POP) initiatives, which use tailored intervention strategies in priority areas that address the root causes of crime.
- **Research on the social and psychological dimensions of gambling to understand its impact on crime:** The present study does not establish whether offenders are casino patrons, or whether property crimes are committed to fund gambling.

4. Research Related to Sports Wagering

	REPORT	AUTHOR(S)
5	Sports Betting in Massachusetts: 2023 Economic Impacts Report	Economic and Public Policy Research group at the Donahue Institute at the University of Massachusetts Amherst: Thomas Peake, Rebecca Loveland, Kazmiera Breest, and Rye McKenzie
6	Gambling and Problem Gambling in Massachusetts: Results of Three Online Panel Surveys	SEIGMA Research Team: Dr. Rachel A. Volberg, Martha Zorn, Valerie Evans, and Robert J. Williams
7	Springfield Youth Health Surveys: Understanding Youth Gambling Behavior in Springfield	Public Health Institute of Western Massachusetts
8	Feasibility Study: Prospective Sports Wagering Kiosks in Massachusetts	Spectrum Gaming Group

Four reports in FY25 focused on research related to sports wagering. All four studies examined the impacts of legalized sports wagering in Massachusetts, focusing on the economy, consumer behavior, youth gambling, and the potential introduction of sports wagering kiosks.

The first report, *Sports Betting in Massachusetts: 2023 Economic Impacts* documents how legalization of sports betting has affected the state's economy. It analyzes employment, revenues, consumer spending, and spending on surrounding businesses. The data was drawn from three avenues: casino and mobile sports betting operations, gross gambling revenue, and patron spending behavior. (5)

The second report, *Gambling and Problem Gambling in Massachusetts: Results of Three Online Panel Surveys*, tracks changes in gambling attitudes, participation, and problem gambling among regular (monthly or more frequent) gamblers. It compares baseline data from 2013-2014 with follow-up surveys in 2022 and 2023. Rather than statewide prevalence, these online panels focus on adults who gamble regularly as this demographic may be most at risk of gambling-related harms. Tracking their behavioral shifts over time can provide insights for public health surveillance and data to inform effective and protective and harm-mitigation initiatives. [6]

The third report, *Springfield Youth Health Surveys: Understanding Youth Gambling behaviors in Springfield,* is a presentation analyzing data from the Springfield Youth Risk Survey (SYHS). The surveys focus on gambling behavior in students in grade 8, 10 and 12 throughout time (from 2015 to 2024). It examines types of gambling, prevalence, and trends in problem gambling, with an emphasis on data from 2019, 2021, 2023, and 2024. (7)

The fourth report, *Feasibility Study: Prospective Sports Wagering Kiosks in Massachusetts*, evaluates the viability of introducing sports betting kiosks in retail locations. It weights potential financial benefits against public health and safety risks. It incorporates perspectives from potential Massachusetts and benchmarks the evaluation against outcomes in jurisdictions such as Montana, Ohio, and Washington, D.C., where kiosks are already implemented. (8)

Key findings:

→ **Legalization of sports betting in Massachusetts have resulted in both positive and negative economic impacts, including: (5)**

- **An overall positive economic impact:** The net economic impact of sports betting is positive. However, this does not account for potential social harms – such as problem gambling and/or bankruptcies.
- **Economic benefit derived primarily from tax revenue:** In Massachusetts, the main economic impact of sports betting is the tax revenue it generates rather than jobs or direct business activity. In 2023, sports betting contributed $90.8 million – about 22% of all non-lottery gaming tax revenue. The broader benefit comes from how the state spends those funds on public services, programs, and investments.
- **Employment impacts from legalized sports betting have been minimal:** As a technology-driven platform, mobile sports betting does not require significant hiring to operate, and those that are hired do not need to be based in Massachusetts. In 2023, mobile sports betting operators employed about 10,265 people across the U.S., but only 1,185 (12%) were in Massachusetts.
- **Consumers are wagering a considerable amount on legalized sports betting:** In 2023, bettors placed $4.7 billion worth of online sports bets in Massachusetts, with $4.25 billion being paid out to individuals.
- **Overall casino revenue has reduced since sports betting legalization:** For the first year since it opened in 2015, Plainridge Casino revenue declined by 0.9% in 2024. Though it is possible to be a minor fluctuation that will restabilize, it is notable that this occurred alongside the introduction of mobile sports betting.

→ **Legalization of mobile sports betting has resulted in a reallocation of consumer spending: (5)**

- **Sports betting channel reallocation:** An estimated $136.9 million dollars (or 29% of spending) of mobile sports betting came from patrons who reported they would have spent their money on other forms of sports betting had mobile sports betting not been legalized.
- **General consumption reallocation:** An estimated $333.7 million dollars (or 71% of spending) was diverted from other areas of the economy to mobile sports betting. In other words, this money would have been spent elsewhere in the economy had mobile sports betting not been legalized.
- **"Grey market" recapture or allocation:** An estimated $137 million (or 29% of spending) was recaptured from out-of-state or "gray market" betting with the legalization of mobile sports betting.

→ **Sports betting participation among people who gamble regularly has changed, including: (6)**

- **Rising participation in sports betting:** Among people who gamble monthly, sports betting participation rose from 21.8% in 2014, to 38.6% in 2022, and further to 54.3% in 2023.
- **Increase in online sportsbook betting on sporting events:** Between 2022 and 2023, online sportsbook betting on sporting events rose from 11.4% to 26.6%.

→ **Youth are participating in gambling and sports betting: (7)**

- **Among Springfield youth in 8th, 10th, and 12th grades surveyed in 2024, the four most common types of gambling – ranked from most to least prevalent – are: loot boxes, sports betting, card games, and games of skill.** Less common, though still reported, are bingo, lottery tickets, and online gambling with money.
- **24% of 8th grade and 20% of 10th and 12th grade respondents reported sports betting.** The most to least common form of sports betting youth engaged in are offline sports betting, fantasy sports with no money, online sports betting, and fantasy sports with money.

→ **Based on experiences in other jurisdictions, like Ohio, sports betting kiosks have minimal commercial feasibility: (8)**

- **Compared to retail and digital sports betting, kiosks account for an insignificant share of statewide sports wagering gross gaming revenue:** In Ohio—the jurisdiction case study most comparable to Massachusetts—in 2023 its 892 kiosks generated just $1.3 million in GGR. By contrast, retail sports betting produced $22 million, while digital wagering generated $914 million.
- **Regulatory costs may be higher than revenue:** In 2023, Ohio reported $650,000 on regulatory costs, primary relating to staffing and oversight, compared to $305,000 in state revenue. This is projected to remain consistent in the forthcoming years.
- **Sports wagering kiosks would be expected to have an insignificant economic benefit in Massachusetts:** It is expected that sports wagering kiosks in Massachusetts would have minimal impact statewide and only modest effects on host venues, especially since digital wagering is already well established before kiosks launch—unlike in Ohio, where both started simultaneously.
- **Kiosks are suspected to have little impact on lottery revenue:** Kiosks could compete with Keno, since in Massachusetts, they would be in similar venues. However, in Montana, Ohio, and Washington, DC, there's no clear evidence to suggest that sports wagering affects lottery revenue.

→ **Sports betting kiosks may generate less revenue or be less utilized than other forms of sports betting for several reasons, including: (8)**

- **Digital sports wagering may be preferred over kiosk-based sports wagering:** In states where digital sports wagering is offered, it largely eliminates the kiosk relevance. The digital channel generates approximately 90% of the total GGR.
- **The sports wagering demographic is narrow:** The active sports wagering demographic is narrow, and the larger market interest has seasonal bursts based on media coverage and large events that

occur each year. It is not believed that sports wagering is to be as applicable to a wide range of demographics as other gambling products like lottery.

- **Kiosk retailer location impacts success:** Kiosks perform better in venues that integrate sports wagering into the primary purpose of the customer's experience—like sports bars—than in places such as grocery stores or gas stations, where visits are brief and focused on other purposes.

→ **There is limited enthusiasm from businesses in Massachusetts towards kiosks:** Small businesses were excluded from earlier sports wagering gaming expansions, and the sports betting market may already be saturated with digital, so many trade associations representing small businesses doubt kiosks would be popular. (8)

→ **Implementing sports wagering kiosks may have implications for player and public health, including: [8]**

- **Public health concerns for vulnerable and high-risk groups:** Health and human service experts asserted that implementing kiosks in Massachusetts would increase gambling harms, especially since sports betting is already linked to higher rates of gambling harms. Among those most at-risk are communities struggling with addiction and substance use, housing instability, young men, minorities, veterans, and those with mental health challenges and limited access to support resources.
- **Less gambling-free zones for youth and people in recovery:** Placing kiosks in public spaces, such as grocery stores, can normalize gambling and could heighten risks for youth and people in recovery.
- **Kiosks have a self-exclusion gap:** Current kiosk models do not integrate with self-exclusion systems, allowing excluded individuals to continue betting.
- **Potential exaggerated risk from proximity to alcohol:** Kiosks tend to do better in establishments such as sports bars. However, locating kiosks in bars may heighten risks due to compounding gambling and alcohol use.

→ **Security, safety and crime concerns may disincentivize the use of kiosks: [8]**

- **Increase interactions with money:** Sports wagering kiosk is more complex than lottery sales, creating added challenges with cash handling, transaction volume, and wager tracking.
- **Increase risk of money laundering:** Financial instruments such as anonymous vouchers creates increased risk of financial crimes and money laundering. It would require a network of the gaming provider's own security system team to employ sophisticated measures of detection and prevention to deter this which would be costly.
- **Increase risk in theft for patrons:** Patrons need to carry more cash in order to make wagers. This could make them more susceptible to risk of theft.
- **Security measures limit patron experience:** To attempt to implement security measures and wager or redemption limits could drive players towards mobile apps or the black market for convenience and more options.

→ **Sports betting kiosks are an ineffective tool for black market recapture:** Sports wagering kiosks are unlikely to draw players away from the black market, as players use it for convenience of mobile and easy betting. (8)

Other key findings not related to sports betting were highlighted in these articles, including:

→ **There have been changes in perception of gambling harm and availability among people who gamble regularly, including: (6)**

- **Increase in the perception that harms of gambling outweigh the benefits:** People who gamble monthly in 2022 and 2023 (48% and 52.7%) were more likely to believe that the harm far outweighs, or somewhat outweighs, the benefits of gambling, than those in 2014 (43.9%).
- **Mixed views in perception of legal / illegal gambling:** There was a decrease in people who gamble monthly that believed all types of gambling should be legal (39.6% in 2014; 37.2% in 2022; 30.9% in 2023) and an increase in belief that some types should be legal and others should be illegal (57.6%; 56.7%; 62.6%).
- **Mixed views about gambling availability:** Across all time points, about half of respondents (47.7% in 2014; 49% in 2022; and 48.2%in 2023) felt that the level of gambling availability was appropriate. Among the remaining half, people who gamble monthly in 2022 and 2023 (23.4% and 32.5%) were less likely than those in 2014 (42%) to view gambling as too widely available in Massachusetts, and more likely to believe it was not available enough (10.4% in 2014; 27.7% in 2022; and 19.3% in 2023).
- **Change in perceived positive impacts of casinos:** There was a decline in the proportion of people who believed that employment was the most positive impact (57.6% in 2014; 38.2% in 2022; and 31.1% in 2023) of casinos, and a slight increase in proportion that believed the ability to have more local leisure options was the most positive impact of casinos (19.6% in 2014; 20.2% in 2022 to 21.4% in 2023).
- **Perceived negative impacts of casinos:** Across time, there was a rise in proportion of those who believe that increase in the proportion of people who believed harmful gambling is the single most negative impact for Massachusetts (33.2% in 2014 to 41.3% in 2022 and 45.7% in 2023).

→ **Consistent and significant increase in gambling intensity in people who gamble monthly:** Gambling intensity, measured by the number of formats people who gamble monthly participate in and the number of days gambled in the last year, has risen steadily. The mean number of gambling formats increased from 3.6 in 2014, to 4.6 in 2022, and to 6 in 2023. Similarly, the mean number of days gambled per year increased from 85.3 in 2014, to 103 in 2022, to 112 in 2023. (6)

→ **There have been increases in gambling-related harms among people who gamble regularly, including: (6)**

- **Recreational gambling decreasing while harmful gambling increases:** Among people who gamble monthly, the percentage of problem or pathological gambling rose from 12.7% in 2014 to 20.9% in 2022 and 25.6% in 2023. In contrast, recreational gambling declined from 65.3% in 2014 to 54.4% in

2022 and 49.4% in 2023. The proportion of at-risk gamblers has remained relatively similar (22% in 2014; 24.6% in 2022, and 25% in 2023).

- **Increases in gambling-related harms:** Between 2014 and 2023, the only harm that did not increase was health-related harms. Otherwise, there were increases in the proportion of people who gamble monthly reporting:
    - financial harms (11.2% to 20.6%)
    - emotional or psychological harms (5.2% to 18.4%)
    - family or relationship harms (4.3% to 17.8%)
    - work or school related harms (1.7% to 12.4%)
    - harms related to illegal activity (1.7% to 8.7%)

→ **Trends in gambling behaviors among young people are changing:**

- In 2019, 69% of 8th grade and 10th/12th grade students surveyed in Springfield reported not gambling, with 20–23% engaging in non-problematic gambling and 8–11% in problematic gambling. **By 2024, non-gambling declined (42% in 8th grade; 52% in 10th/12th grade), while non-problematic gambling rose (47% and 39%, respectively).** Problematic gambling increased slightly among those in 8th grade (11%) but decreased among 10th/12th graders (9%). (7)
- Boys reported the highest rates, with 68% of 8th graders and 63% of 10th and 12th graders engaging in some form of gambling. That was followed by nonbinary, genderqueer, questioning, or other students, with 62% in 8th grade and 53% in grades 10-12. Girls reported the lowest prevalence, with 46% in 8th grade and 35% in 10th-12th grades. (7)

Recommendations:

→ **Conduct analysis to better understand the economic benefit of legalization of mobile sports betting weighed against the social and communal harms:** The economic benefits of sports betting are slightly positive, but this does not account for the social harms – such as problem gambling and bankruptcies. Further analysis is needed to understand the social and communal harms weighed against the economic benefits of legalized sports betting. (5)

→ **Include future analysis of retail sports betting in overall casino operations reporting:** Retail sports betting represents a small portion of casino spending and staffing, but is closely integrated into overall operations, making its economic impact difficult to isolate. Going forward, it should be treated as part of overall casino activity rather than as a separate sector when analyzing economic impacts. (5)

→ **Do not implement sports wagering kiosks in Massachusetts:** The projected economic benefits for both potential kiosk hosts and the Commonwealth are minimal, while there is an increased risk for potential social harms. Although some small businesses might see marginal gains, these are unlikely to outweigh the financial, social, and administrative costs required to support such a program and ensure its viability. (8)