CHAIRPERSON JAMES: The National Research Council is one of the agencies that our enabling legislation mandated that the Commission contract with in studying several issues for us, and particularly pathological gambling.

Dr. Charles Wellford, who served as the Chairman of the Pathological Gambling Committee for the NRC, will address the Commission. And I also understand attending with him today is Mr. Mark Lipsey from Vanderbilt University.

I want to welcome both of you. And I will allow you to divide your time however you see fit. Thank you.

DR. WELLFORD: Thank you very much, Commissioner James. And thank you for giving us this opportunity to speak with the Commission.

DR. WELLFORD: With your permission, I have some overheads that I’d like to just from the -- is that okay for reporting?

CHAIRPERSON JAMES: Absolutely. We’ll get someone to help you with that so you can stay close to the microphone.

DR. WELLFORD: The first overhead is just the members of the committee that was formed for this task. I want to take just a few minutes and talk about the process that’s used in conducting a study at the National Research Council.

It can be explained in terms of three basic phases. The first phase is the formation of a committee. The members of the committee do not participate in that. This is a process within the NRC using the standing committees and staff within NRC
to select a group of individuals who really have three characteristics.

Some of the members of this committee have extensive experience and wide recognition in the field of pathological gambling research and treatment and its understanding. Some members of the committee were experienced and recognized for their work in related areas.

And, frankly, some members of the committee were selected because they did not have any experience in the field of pathological gambling but were individuals who understood the substantive issues, the methodologies, and the strategies used within social and behavioral economic research to conduct this kind of work.

The second phase of the committee’s work is actually producing the report. And that phase began in April of last year and concluded around the second week of January, when we received approval from the committee for our report.

That phase involved a number of meetings of the committee, workshops where we invited individuals in for presentations of papers on selected topics that we felt needed further explanation and the committee could deliver itself and open and closed sessions of the full committee, as we discussed the material.

The individuals on the committee work without compensation. They work as a demonstration of their commitment to the principle underlying the NRC that if you bring together a competent group of researchers to review a body of research, they
can give you the best assessment of that research that you could possibly get. It will be your judgment whether we’ve done that, but that has been our intent.

The third phase of an NRC study is the review phase. And except for the executive summary, that is the phase we’re in now. In that phase, ten individuals who have not participated in the committee, who have not been consultants to the committee, who have not produced papers for the committee but are recognized as experts in social/behavioral science read our report and comment on it. And we must respond to their comments.

Our response is either to say "You’re right. You got us, and we need to make a change" or "We think you’ve either misunderstood or haven’t really interpreted it correctly, and here’s why."

And until that process is completed and our reviewers are satisfied that we have produced a report that the scientific community can accept, the report does not go out. The executive summary has gone through that. The rest of the report, we’ll have that completed. And we will deliver that report to you on March 29th in its final form.

That phase is very important, a very important part of the process. So that we’re assured that we don’t get caught up in issues that we think are critical or interpretations that we think are correct but would not stand the light of day when others just as competent, just as experienced, would look at this material. That process has worked in many other areas. And, as I said, I hope it works here.
The charge for our committee is stated in the executive summary. It was included also in the proposal that you approved. The charge was to identify and analyze the full range of research studies that bear upon the nature of pathological and problem gambling, highlighting key issues and data sources that can provide hard evidence of their effects.

We identified approximately 4,000 pieces of literature that discussed gambling. About 1,600 of those had something to say about pathological or problem gambling, and about 300 were what we would say met some minimum definition of research that touched on pathological and problem gambling.

I recount that to you not to say that we accumulated a lot of stuff but to make the point that I will make time and again throughout the presentation today that the available empirical literature on pathological gambling is small. It’s of improving quality but in many respects limited quality and hampers any firm conclusions that would withstand normal tests of scientific rigor.

With that as our charge, let me identify two what I would call overall conclusions that we identify in the executive summary. First, we conclude that pathological gambling is a significant enough problem to warrant funding support for a more sustained, comprehensive, and scientific set of research activities than currently exist.

One of the reasons this field is as small as it is in terms of a body of quality research is that there has been no funding stream for it from the major federal funding agencies.
There has not been an academic field that has developed around this area of research. It has not had the kind of infrastructure and support that would allow it to grow.

The people who have made contributions in this can truly be called pioneers. They have entered into this field, created a field, helped us understand a problem existed and the significance of that problem, but it has been without the level of support that other problems of the same magnitude have received from the federal government and from other sectors.

A second overall conclusion is that -- this repeats somewhat what I have just said -- in all aspects of pathological gambling considered by the committee, much of the available research is of limited scientific value.

However, there is recent work which meets or exceeds contemporary standards for social and behavioral research. Our conclusions are greatly influenced by that small body of recent research.

Many of the things I’ll say today that are in the executive summary and that are in the full report, which we will deliver, are cautious necessarily because of the nature of the research that we were able to review that exists, but I don’t want you to lose sight of the fact of a statement in our executive summary that is on the screen about why pathological gambling is a significant problem, one aspect of why. And that is there is clinical evidence that suggests that pathological gamblers engage in destructive behaviors. They commit crimes.
They run up large debts. They damage relationships with their family and friends. And they kill themselves.

Nothing I say today or nothing in our report should detract from the fact that individuals who are pathological gamblers experience these very severe and in some cases life-ending conditions.

In our report, we identify the following areas in which we focused our discussion: the issue of prevalence, "How prevalent is pathological gambling?"; the issue of causation, "What do we know about what causes people to become pathological gamblers?"; the title of our committee, the Social and Economic Impact of Pathological Gambling.

We discuss treatment, and we looked at the issue of technology. I would like to now briefly go through each of those and identify what we think are the major findings that the science supports; first, on prevalence.

And Dr. Lipsey, who is at Vanderbilt in the area of public policy, led our committee in the analysis of the prevalence data. And he is here to answer any hard questions that come up. I am delighted that he is here to do that.

First, the committee estimates that 1.5 percent of adults in the United States at some times in their lives have been pathological gamblers. That’s the lifetime estimate that comes from a number of studies.

As you know, when we were doing our work, there had only been one national study of pathological gambling, done in 1975. As our work concluded, the National Opinion Research
Center doing work for you produced the second national study. Dr. Howard Shaffer and his colleagues at Harvard University had done an analysis of studies done in the United States and Canada.

Our work, led by Dr. Lipsey, was to focus on those studies assembled by Dr. Shaffer done in the United States with special reference to work done in the last ten years.

I will comment a little bit later on the NORC study because I realize we have seen the draft report. We haven’t seen the final report. And in our report, we do make some preliminary comments based upon the draft report. And I’ll come back to that later if that time permits.

We estimate that in a given year,.9 percent of adults in the United States, or 1.8 million, are pathological gambling, so 1.5 for lifetime,.9 for past year for adults.

We looked at subpopulation groups for their pathological gambling. And we found some evidence, although we don’t feel confident enough in this evidence to put a number on it. But we are confident in saying that men are more likely than women to be pathological gamblers. And the proportion of pathological gamblers among adolescents is higher than it is among adults.

To make that last point as clear as we can make it, Point D says -- and this is in our executive summary -- the committee estimates that in a given year, as many as 1.1 million adolescents between the ages of 12 and 18 are pathological gamblers.
As we say that, we understand that the research on adolescent gambling sometimes uses different instruments. We understand that adolescents may respond to surveys in different ways. We understand that the meaning of pathological gambling may be different for adolescents than it is for adults.

We think the research is sound enough -- and this is, as I said before, a consensus report of this committee. There are no minority reports. There is no deviation on this conclusion that there are substantial numbers of youth who are pathological gamblers.

In the area of etiology or causation, this area of research is only recently beginning to reach a level of maturity where firm conclusions can be reached. And I would draw your attention to three findings that we think are important findings for future research on causation.

Pathological gambling often occurs with other behavioral problems, including substance abuse, mood disorders, and personality disorders. There is in the language of epidemiology a co-morbidity, a commingling. When you have one of these, you tend to have the other. They’re highly correlated. And we think that is important for understanding causation.

Research seems to suggest, does suggest that the earlier one starts to gamble, the more likely one is to become a pathological gambler. And pathological gamblers are more likely then non-pathological gamblers to report that their parents were pathological gamblers.
These findings in conjunction with emerging twin studies and recent neuroscience studies suggest that pathological gambling may be influenced by familial and social factors. These latter two points, the latter two bullets, are part of the reason why we think the finding on adolescent prevalence is so important.

In the area of social and economic cost, that was the title of our panel. And I’m afraid that some may find our conclusions in this area less than satisfactory, but let me try to explain why that might be.

At the individual level, I’ve already said it’s very clear that there are clear costs to being a pathological gambler: debts, family relationships, crime, suicide, et cetera. However, when you ratchet that up to try to look at it at a community, state, or nation level, the analytical problems are very severe.

We do think it’s clear that gambling appears to have net economic benefits, net economic benefits, for economically depressed communities. However, the available data are insufficient to determine with accuracy the overall costs and benefits of gambling.

Because of the methodological problems, in this body of research, the social and economic, at the non-individual, at the community, state, nation level, because of the problems there, the committee cannot reach firm conclusions about the social and economic effects of gambling or pathological gambling on communities, nor can we say whether pathological gamblers contribute disproportionately to overall gambling revenues.
Similarly, the committee could not determine how legalized gambling affects community or national rates of suicides. These are important issues.

Our chapter when you see it, I hope you will conclude and I hope the field will conclude that it lays out a design that people should follow in the future to do better social and economic analyses of gambling at the community and even state level.

We do identify three studies in the report that come close, that come close, to doing what we think would be a scientifically acceptable social and economic impact. The findings from those conclusions from those three studies are not conclusive in any way, shape, or form. And, therefore, we felt we could not offer you our judgment as to on a scientific basis social and economic costs.

As to treatment, this is another area where the research needs significant improvement. Our chapter does lay out a plan for that in terms of the kind of research that could be done.

We do in the executive summary and in the report observe that there is current but limited research that indicates that pathological gamblers who seek treatment generally improve.

There is no research that says any particular form of treatment accounts for that. And it may well be that the individuals who seek treatment are ready to recover, that this is a natural or recovery that occurs and would have occurred without
the treatment. But all of that should not take away from the
fact that people who do seek treatment seem to improve.

We think further research needs to be conducted on
unmet treatment needs and what barriers might contribute to that.
Are those barriers lack of insurance coverage, stigma, the simple
availability of treatment? The literature is not clear on why
people don’t come forward for treatment and when they do, why it
may not be available.

Again, because of this co-morbidity issue, we urge that
when individuals present themselves with any of the other
coomorbid conditions, substance abuse, alcohol abuse, et cetera,
that they should routinely be assessed for pathological gambling.

We also in our report in the executive summary urge the
Centers for Disease Control and other national health and mental
health surveys to include items on pathological gambling as a way
to help us all bettor understand the extent and changing course
of this condition.

Finally, the fun chapter, the one that is the most
speculative, is the one that addresses technology. This is the
one that really tries to raise issues about the internet and
about other forms of technology and gambling.

As you can guess, there is very little research on
this, but we think that this is an important area that theory
suggests that certain characteristics of internet gambling might
enhance pathological gambling conditions. It is all theory, but
we think this chapter would be of interest to you.
The report is a big, old, thick volume. We hope you will agree with us when you receive it on the 29th, that it does what you were asked to do, which was to assess the literature, tell you what it says, maybe more importantly, tell you when it doesn’t say something, and provide a guide for how we can move forward.

Let me, in closing, come back to the NORC survey and just offer a comment or two on that if time permits. As I said, we received the draft report after we had finished the draft of this in January, the draft of our report. But with Professor Lipsey’s help and others, we have looked at the draft and asked ourselves the question: How should we include this in the final report?

And what we have done is to recognize that this is one more bit of evidence on prevalence. The NORC estimate of .9 for prevalence compared to our 1.5 we think given what we know about this survey probably shouldn’t cause anyone great concern.

Any number from a survey, as you know, has around it a confidence interval. We see it in the papers all the time when political surveys are presented, plus or minus four percent.

It’s likely, although we don’t know this from the study, that the NORC survey’s confidence interval would include our 1.5. We know that in the studies we have looked at, there is a range. We have selected the 1.5 as the median value from existing studies, sort of the midpoint.

So we think our 1.5 is a better number, but we are not concerned about that, especially because, as you know, in the
NORC survey, they used a different screening instrument. It was really a double screen. First you had to have lost $100 or been $100 behind. That’s different from what most prevalence studies have used. They haven’t had that dollar limit before you start trying to measure pathological gamblers.

And, second, they use a different screening instrument. Most of the research that we looked at used one screening instrument called the South Oaks gambling screen. It’s been around for a while. People know its properties. When it’s used in studies, we can feel comfortable with some comparison.

The NORC’s instrument, NODS, the NORC diagnostic survey, is different and, therefore, should produce slightly different results. A bigger difference between the NORC study and our study comes in the adolescent estimates. And, frankly, I’ll let Dr. Lipsey speak to that if you want to pursue that.

We can’t fully understand that given what we know about the NORC instrument, but we do think that the estimates that we have given on adolescent pathological gambling are sound from these many studies that have been done, not national studies, the many studies that have been done at the state level.

With that, I’ll close. And we’re ready for your questions.