

Daily Fantasy Sports: A prevalence survey with college age students

A substantial number of college students engage in fantasy sports and a smaller but still significant percentage of college students engage in daily fantasy sports. This population may show a greater risk for problem gambling. This research project will assess the percentage of those engaging in daily fantasy sports and the extent of a self-reported gambling problem by asking questions from the DSM 5 symptom list for Disordered Gambling (312.31).

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- ▶ Jeremy Eberle received his bachelor's of arts degree in Psychology in May of 2004 from Nebraska Wesleyan. He began working as an intern at Choices Treatment Center in October of 2008. He graduated from Doane University in 2010, receiving a Masters of Arts in Counseling. Jeremy is a Licensed Independent Mental Health Practitioner, a Certified Disordered Gambling Counselor, a Provisionally Licensed Drug and Alcohol Counselor. Jeremy has extensive experience with both individual and counseling. He has worked with individuals on a variety of mental health issues such as addictions, anxiety and depression.

Jerry Bauerkemper BS, CCGC Executive Director of the Nebraska Council on Compulsive Gambling.

- ▶ Mr. Bauerkemper was the first director of problem gambling (1992 to 1996) for the state of Nebraska where he created the Gamblers Assistance program and pioneered the treatment of gambling counseling in Nebraska. In addition he was appointed and served on the Nebraska's Commission on Problem Gambling. He served on the Board of Directors for the National Council on Problem Gambling from 2001-2008 and from 2012 to 2016 He currently serves on the National Councils' Legislative committee where he helps raise awareness of problem gambling in Washington DC. Mr. Bauerkemper has been providing counseling to gambling families since 1986. He has published research on the prevalence of problem gambling in the Nebraska Probation Department. He received the "First Step" award in 1999 and the Wisconsin Leadership award in 2016 for his work with problem gamblers. Mr. Bauerkemper is an internationally recognized expert on problem gambling and has provided training throughout the United States and Southeast Asia.

What is Fantasy and Daily Fantasy Sports?

- ▶ The fantasy game, in its traditional form, is quite simple. Common statistics in a sport are given a point value, and a player earns points based on his statistical output. An owner tries to put together a team of players he or she believes will have the best statistical performance, and the owner with the most points wins. Using football as an example, as it is the most popular fantasy sport (Hee, 2010).

What is Fantasy and Daily Fantasy Sports? (continued)

- ▶ Fantasy sports gambling began in the late 1900s and early 2000s. The game was initially known as a “rotisserie” game when invented by Dan Okrent (Lewis, 2003). Fantasy sports has grown to now include multiple sports, with football, basketball, baseball, and hockey being the most popular (Davis & Duncan, 2006).

What is Fantasy and Daily Fantasy Sports? (continued)

- ▶ An owner drafts around 16 real players to be on his or her fantasy team. Based on situational variables such as injury status and severity of injury, an owner makes the decision to start certain players he believes will get him the most points. While there is an element of luck involved, owners who succeed are likely the ones best able to predict how a player will perform and adjust accordingly by releasing and adding players, not starting certain players, and trading players with other owners to build a more complete team (Boswell, 2008).

Fantasy Sports: Why are they legal?

- ▶ September 30, 2006. 12:32am (last bill before long recess)
- ▶ Congress passed a bill intended to make it more difficult to gamble on the internet:
 - ▶ The bill prohibited online payments for online bets.
 - ▶ President signed the bill

What does that mean? Banks etc.. were prohibited from transferring funds to online gambling bank accounts.

If you couldn't send or receive money to gamble online the sites would go away!

Exemption: Participation in any fantasy or simulation sports game or educational game or contest

How did the new “Law” work?

Did Congress prohibit online gambling?

- ▶ Yes and NO
- ▶ Yes online gambling was reduced for a time.
- ▶ 2012 the US Attorney General reinterpreted the 1050s wire act and the 2006 internet bill. This was a law that prohibited illegal money transactions from state to state and to other countries. The attorney general issued an opinion that in effect allowed gambling transactions to be once again transferred virtually anywhere.
- ▶ OOPS!

What did this exemption mean in real terms?

- ▶ Participation in any fantasy or simulation sports game... in which (if a game or contest involves a team or teams) no fantasy or simulation sports team is based on current membership of an actual team that is a member of an amateur or professional sports organization.
- ▶ This led to today's version of FANTASY SPORTS
- ▶ Individual members from numerous teams played as a newly constructed “fantasy” team betting against others who build their “fantasy” team in a contest on a daily or weekly.
- ▶ Daily Fantasy sports has been legalized in 10 states (Card Player, 2016). According to the Card Player article about 50 million Americans played some form of fantasy sports in 2016. Of that, 10% are Daily Fantasy Players.

What games are played

- ▶ Fantasy football, baseball, basketball, soccer,
- ▶ Daily “skill” based wagering games
- ▶ Others?

Draft Kings

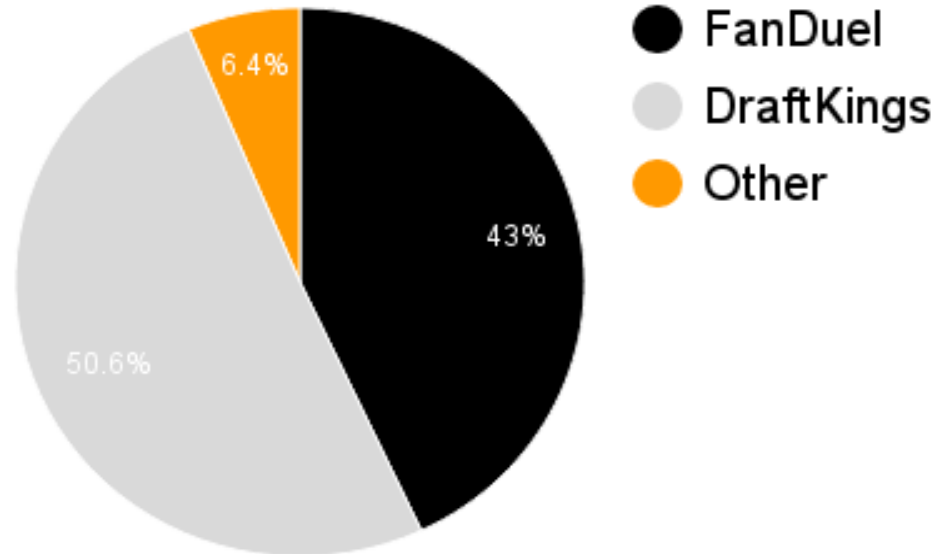
- ▶ Play free or paid contests and win real money!
- ▶ Daily leagues - no season-long commitment
- ▶ Over \$200 million guaranteed in prizes to thousands of winners
- ▶ \$1 million winners guaranteed
- ▶ Weekly in September 2015
- ▶ DraftKings is based in the USA
- ▶ 100% legal?????



Daily Fantasy sports spenders:

Research completed by Eilers Research, as reported in DFS Report July 14, 2015

My favorite DFS site (where I spend most of my money)



What's next?

- ▶ According to an article written by Brian Pempus, DraftKings and FanDuel who are currently holding more than 90% of the Daily Fantasy market will be merging. Card player magazine Brian Pempus November 28, 2016.

How many people gamble Fantasy Sports?

- ▶ ESPN: 2008 118 million Americans bet on sports (38% of population)
- ▶ The Fantasy Sports Trade Association: reported \$1.67 billion was spent on fantasy football in 2012 compared to \$800 million in 2008 Quicken loans Oct.11,2013
- ▶ September 2015 40 million players and 1.5 billion revenue, fantasy sports major force in the NFL CNN Sept.11,2015
- ▶ Eilers Research: estimates daily games will generate ...\$2.6 billion in entry fees this year and grow 41% annually, reaching \$14.4 billion in 2020
- ▶ According to published report FSTA: 1% bettors account for 26% revenues

Revenue expectations (estimates) 2015

▶ **\$1,500,000,000.00**

▶ **\$1.5 billion**

- ▶ Fan Duel and Draft kings
- ▶ After payouts

Who is involved in fantasy sports on a corporate level:

- ▶ The National Football League (NFL), Major League Baseball (MLB), National Hockey League (NHL), and National Basketball Association (NBA) all have fantasy sections on their websites (Fantasy, 2012; Fantasy Central, 2012; Fantasy Hockey, 2012; MLB.com, 2012). Since these leagues entered into a lawsuit against the Governor of Delaware to halt the use of betting on their games as a form of state lottery fundraising (Nat'l Football League v. Governor of the State of Del., 2009), their backing of fantasy sports should be taken as an endorsement of their legitimacy.
- ▶ “most every NFL team has a partnership with “Fantasy sites”. They are funding partners”. CNN , Sept 11,2015
- ▶ “For all it’s opposition to gambling, the NFL is already “deeply enmeshed” with the daily fantasy sites”. (28 of 32 teams have a deal with fantasy sports companies)

Is it gambling or is it
skill?

Skill Argument:

- ▶ Fantasy sports leagues are games of skill. Managers must take into account a myriad of statistics, facts and game theory in order to be competitive. The magazines and other such publications that seek to synthesize the vast amounts of available fantasy sports information to keep their readers informed know more than simple depth charts and statistics to win; they also must take into account: injuries, coaching styles, weather patterns, prospects, and other pieces of information in order to be a successful fantasy sports manager.
- ▶ The highest levels of competition within fantasy sports (for example, the National Fantasy Baseball Championship) routinely seeing top players win games were random or highly based on chance. It's a pattern that has been repeated with many fantasy sports contests and competitions.

Luck Argument:

The luck portion of the game is likely part of its appeal. One of the sport's unique traits is it is unpredictable and inconsistent (Mullin, Hardy & Sutton, 2000). The fact that no one can predict how every player will perform is what makes sports, and by extension fantasy sports, enjoyable for people. Participants in Farquahar's and Meed's study in 2007 said they could still have fun and succeed if they did not know a lot about the fantasy game, and others said they liked fantasy sports because the unpredictable nature of sports made them feel as if they always had a chance to win. These responses indicate sport's unique unpredictability draws people to fantasy games in a similar manner to real-life sports.

Gambling is accepted and gambling is a part of our culture," (Mark)Cuban told reporters after his speech. "If this is a step toward getting it regulated, formalized and even taxed a little bit, that's fine. This isn't 'no new taxes.' This isn't 'no new regulation.

This was an interview after his speech to the Daily Sports Trade Association meetings

David PurdumESPN Staff Writer Jan 30,
2016

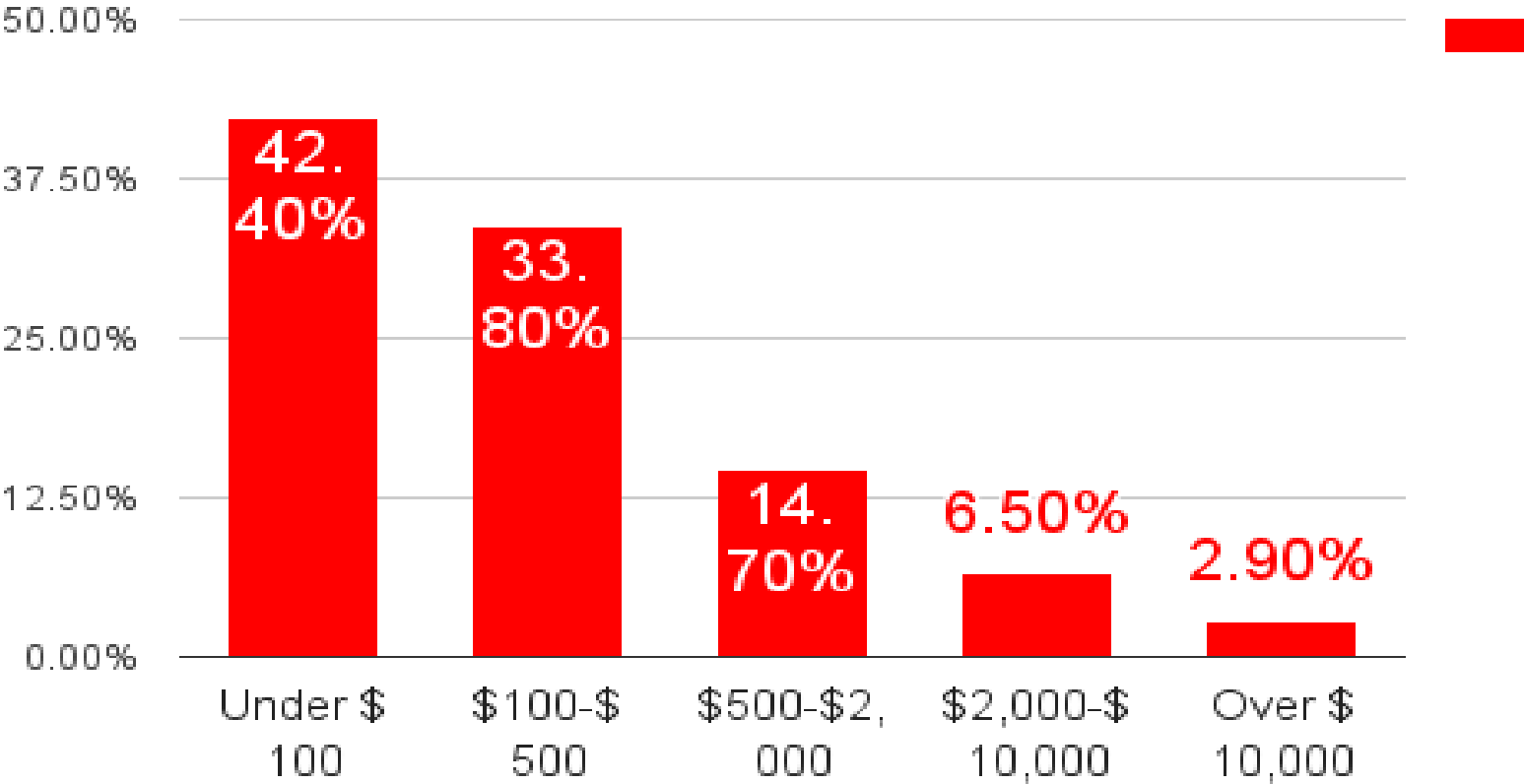
The National Council on Problem Gambling:

- NCPG does not take a position on whether fantasy sports contests are, or should be, legal;
- NCPG believes fantasy sports contest participants are at high risk to, and do, develop gambling problems;
- NCPG calls on companies offering fantasy sports contests to develop gambling-related consumer protections using the NCPG GRADE guidelines as a foundation;
- NCPG urges the partners and investors in companies offering fantasy sports contests to ensure that such fantasy sports operators provide these protections; and
- NCPG urges fantasy sports participants to understand playing fee-based fantasy sports may increase their risk of gambling addiction and to protect themselves accordingly. (Resolution on the NCPG Board of Directors Regarding Daily Fantasy Sports, Adopted October 8, 2015)

Survey results indicate that most users (42%) spend on average \$100 a week on DFS

Research completed by Eilers Research, as reported in DFS Report July 14, 2015.

My average entry fees / \$ at risk on a weekly basis:



DSM 5 Gambling Addiction Definition

1. Needs to gamble with increasing amounts of money in order to achieve the desired excitement.
2. Is restless or irritable when attempting to cut down or stop gambling.
3. Has made repeated unsuccessful efforts to control, cut back, or stop gambling.
4. Is often preoccupied with gambling (e.g., having persistent thoughts of reliving past gambling experiences, handicapping or planning the next venture, thinking of ways to get money with which to gamble).
5. Often gambles when feeling distressed (e.g., helpless, guilty, anxious, depressed).
6. After losing money gambling, often returns another day to get even (“chasing” one’s losses).
7. Lies to conceal the extent of involvement with gambling.
8. Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.
9. Relies on others to provide money to relieve desperate financial situations caused by gambling.

Purpose of the research:

- ▶ The research goal was to survey a minimum of 300-500, and maximum of 1,000, college-aged students on their activity concerning daily fantasy sports.
- ▶ The objectives are:
 - ▶ Present a 22-question survey to students attending private Nebraska secondary schools.
 - ▶ Time period: Between November 1, 2016, to December 15, 2016.
 - ▶ Execution: Position the survey table in various college student unions. Hand out surveys to general population students.

Research hypothesis: a substantial number of college students engage in fantasy sports and a smaller but still significant percentage of college students engage in daily fantasy sports. This population may show a greater risk for problem gambling. This research project will help assess the percentage of those engaging in daily fantasy sports and the extent of a self-reported gambling problem by asking questions from the DSM 5 symptom list for Disordered Gambling (312.31)

Methods:

- ▶ The methods for collecting the data was cross-sectional and executed with a survey. Participants were a part of Generation X and the Millennials ages 19 to 35. This was the desired study group as they have been previously identified as the largest age group currently engaged in fantasy sports and in particular daily fantasy sports.
- ▶ An Institutional Review Board (IRB) was completed at Bellevue University to insure no subject would be harmed and the research study met academic rigor.
- ▶ Questions 1-3 were demographics questions.
- ▶ Questions 4-6 were designed to ask if the participant gambled and if so on fantasy sports and then daily fantasy sports.
- ▶ Questions 7-8 asked how often the participant gambled and the type of gambling to which they engaged.
- ▶ Questions 9-12 asked if they had gambled for money or other valuables
- ▶ Questions 13-20 were designed to measure behaviors that are risky and may indicate a gambling problem
- ▶ Questions 21-22 asked if the participant was aware of available help for gambling problems

There were 512 valid surveys out of over 650 surveys completed. Numerous surveys were either incomplete or in some cases the survey participant did not fit in the age group designated for study despite staff screening.

53.5% of all participants were female and 46.5 male. This fit the general profile for the institutions surveyed and their general student population.

The primary form of gambling for this population, according to the survey, was casino gambling. This, despite no legal casinos within the Nebraska border. The second most popular form of gambling for this population was lottery, in either powerball/mega or scratch-off type games. Sports betting was third (again, not legal in Nebraska), and Keno was fourth.

151, or 29.4% of the respondents, admitted to having previously played fantasy sports of any kind for money or not.

- ▶ 9.5%, or 49 participants, initially admitted to playing daily fantasy sports (DFS) according to the self-report survey. The survey instrument asked again later in the survey, and 228 participants admitted to playing at least once in their lives. 39% admitted to playing in the last 30 days.
- ▶ Overall, 27.5% of respondents admitted to playing daily fantasy sports for money or possessions in their lifetime, with 18.8% having wagered on DFS within the last 12 months. Of those who admitted playing DFS, 38% admitted playing 1-3 times per week, while 17% admitted to playing DFS just a few days per year.

Player by age:

- ▶ Age 19 156 total surveyed 8% DFS players initially 22% when asked again in survey 5% played DFS in last 30 day 9% admitted to one or more symptoms DSM5
- ▶ Age 20 90 total surveyed 7% DFS players initially 7% when asked again in survey 0% played DFS in last 30 day 10% admitted to one or more symptoms DSM5
- ▶ Age 21 59 total surveyed 12% DFS players initially 12% when asked again in survey 5% played DFS in last 30 day 10% admitted to one or more symptoms DSM5
- ▶ Age 22 22 total surveyed 9% DFS players initially 13% when asked again in survey 0% played DFS in last 30 day 18% admitted to one or more symptoms DSM5
- ▶ Age 23 15 total surveyed 12.5% DFS players initially 12.5% when asked again in survey 0% played DFS in last 30 day 25% admitted to one or more symptoms DSM5
- ▶ Age 24 14 total surveyed 14% DFS players initially 14% when asked again in survey 0% played DFS in last 30 day 21% admitted to one or more symptoms DSM5
- ▶ Age 25 9 total surveyed 0% DFS players initially 0% when asked again in survey 0% played DFS in last 30 day 11% admitted to one or more symptoms DSM5
- ▶ Age 26 11 total surveyed 9% DFS players initially 18% when asked again in survey 0% played DFS in last 30 day 27% admitted to one or more symptoms DSM5

- ▶ Age 27 8 total surveyed 0% DFS players initially 12.5% when asked again in survey 0% played DFS in last 30 day 12.5% admitted to one or more symptoms DSM5
- ▶ Age 28 4 total surveyed 25% DFS players initially 50% when asked again in survey 0% played DFS in last 30 day 25% admitted to one or more symptoms DSM5
- ▶ Age 29 5 total surveyed 0% DFS players initially 20% when asked again in survey 0% played DFS in last 30 day 20% admitted to one or more symptoms DSM5
- ▶ Age 30 7 total surveyed 12.5% DFS players initially 12.5% when asked again in survey 12.5% played DFS in last 30 day 25% admitted to one or more symptoms DSM5
- ▶ Age 31 7 total surveyed 28.5% DFS players initially 28.5% when asked again in survey 14% played DFS in last 30 day 14% admitted to one or more symptoms DSM5
- ▶ Age 32 6 total surveyed 0% DFS players initially 0% when asked again in survey 0% played DFS in last 30 day 0% admitted to one or more symptoms DSM5
- ▶ Age 33 2 total surveyed 50% DFS players initially 50% when asked again in survey 50% played DFS in last 30 day 50% admitted to one or more symptoms DSM5
- ▶ Age 34 5 total surveyed 0% DFS players initially 0% when asked again in survey 0% played DFS in last 30 day 0% admitted to one or more symptoms DSM5
- ▶ Age 35 8 total surveyed 13% DFS players initially 13% when asked again in survey 0% played DFS in last 30 day 25% admitted to one or more symptoms DSM5
- ▶ 88 surveys were 19-35 but didn't designate age specifically

Male vs Female Gamblers who also play DFS:

- ▶ **Males:** 131 total gamblers or 45% of all males surveyed
- ▶ Initially 27% of those males played DFS in their lifetime, 33% after being asked again
- ▶ 5% played DFS in the last 30 days
- ▶ 30% of all male gamblers admitted one or more symptom of Disordered Gambling
- ▶ 33 % of those who both gamble and play DFS reported one or more DSM symptoms

- ▶ **Females:** 86 total gamblers or 23.5% of all females surveyed
- ▶ Initially 7% of those females initially admitted to playing DFS, 8% after being asked again
- ▶ 1% played DFS in the last 30 days
- ▶ 10% of all female gamblers admitted to one or more symptom of Disordered Gambling
- ▶ 7% of those who gamble and play DFS reported to one or more DSM symptoms

Rural vs Urban DFS players:

- ▶ Statistically, there is no difference in percentages of daily fantasy players in urban vs rural areas (18.4% urban vs 18.6% rural).

Males vs Females with one or more symptoms of Disordered Gambling

- ▶ 32 females admitted to DSM symptoms (86 total gamblers) 0% DFS only players admitted to DSM symptoms
- ▶ 33 males admitted to DSM symptoms (131 total gamblers) 0% DFS only players admitted to DSM symptoms



▶ Participants who play daily fantasy sports and have at least one symptom of DSM 5:

▶ 38.5%

What are our takeaways from this survey

- ▶ As reported in numerous studies, males age 19-35 are the primary consumer of daily fantasy sports (DFS), with those playing averaging 1-3 times per week. Males who do play DFS are experiencing Disordered Gambling (312.31) symptoms at a rate higher than the rate for gambling in general (5.1% vs 1.9%). Females are far less likely to both gamble and play DFS. But females are also playing DFS and some are experiencing symptomology of disordered gambling.
- ▶ It seems clear that some participants are exhibiting one or more symptom of Disordered Gambling. The data also shows those who play DFS also have wagered at gambling sites or online sites. This seems to corroborate previous research that indicates DFS players gamble at numerous gambling venues. The research is unclear on the percentage of respondents who just play DFS.

What are our takeaways from this survey (continued)

- ▶ Most participants are unaware of problem gambling services availability. Fully 79% haven't heard of help for gambling problems, despite at least 5.1% of the participants admitting they have a gambling problem.
- ▶ Statistically 19 year olds play DFS at a higher rate and experience a higher rate of DSM5 symptoms than older age DFS players
- ▶ 18.8% admitted of all surveys admitted to playing DFS in the last year. This contrasts with an Iowa study in 2016 which found 6.6% in the last year. The Iowa study was a general study of all age groups while this study concentrated on 19-35 year olds
- ▶ 10% of all participants admitted to at least one DSM5 Disordered Gambling criteria with 33% of males who play DFS as well as gamble report at least one criteria symptom



No one gambler looks or acts like another. Reading the latest research and attending the latest training help counselors keep abreast of the changing face of gambling.

Questions?



Even on a cloudy day joy can be experienced.

Thank You