Daily Fantasy Sports TAKE CENTER STAGE

FOCUS ON FANTASY SPORTS

What are fantasy sports?
A fantasy sport is a game in which participants assemble imaginary or virtual teams of real players of a professional sport. These teams compete based on the statistical performance of those players’ players in actual games.

What are daily fantasy sports?
Daily fantasy sports are a subset of fantasy sports in which the entire contest starts and ends in a much shorter time frame. Contests, which can take place on the internet, typically last a single day for sports like baseball and basketball, and a weekend for NFL football plays.

Have daily fantasy sports become more popular this year?
Yes. The recent growth of daily fantasy sports has been staggering. It’s the fastest-expanding segment of the fantasy sports market, which consists of more than 50 million participants in the U.S. and Canada who will spend more than $15 billion playing this year. In 2012, players spent an average of $5 per year on daily fantasy sports; in 2015, it’ll be 50 times that much. In the first weeks of the 2015 National Football League, daily fantasy sports operators were the top advertisers on network TV.

Why have I seen so many ads for DraftKings and FanDuel this fall?
Companies such as DraftKings and FanDuel are part of a new generation of hyper-growth, well-funded gaming startups in daily fantasy sports. With hundreds of millions in venture capital and astronomical growth in users and revenue, daily fantasy sports operators such as DraftKings, FanDuel and others are challenging federal gambling laws. By thrusting daily fantasy sports front and center, these companies are pushing the conversation about how we watch sports and what constitutes gambling in the internet age.

Unless you’ve been living in a cave, you’ve probably seen ads from DraftKings and FanDuel. Daily fantasy sports, a subset of fantasy sports, is in the news whether or not you take an interest in gambling. With daily fantasy sports riding an unprecedented wave of popularity, we’re dedicating much of this issue of Northern Light to this important and timely topic.

Northstar has amassed a collection of articles on this increasingly popular and controversial topic on our website. Visit NorthstarProblemGambling.org and click on the Fantasy Sports Online button at the right.

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FROM THE EXECUTIVE DIRECTOR

Seeking the Stories of Daily Fantasy Sports Gamblers

With the sudden pervasiveness of daily fantasy sports (DFS) – and the resultant need to determine where it fits in the array of legal gambling – we are truly living through unprecedented times. I can’t think of any other period when a form of gambling was thrust into the public discussion more than DFS.

Not surprisingly, the media has taken great interest in this phenomenon. They’ve sought out the National Council on Problem Gambling to get more information on whether DFS is gambling and, more importantly, sought to learn whether it’s an addictive pursuit.

We know that DFS is a form of addictive gambling. It’s important that we provide the media with stories of people who have developed gambling problems from playing DFS so that we can illuminate the issue for the public.

Sharing personal stories is particularly important because there’s not a lot of research available on this form of gambling. Stories show how gambling disorders and other addictions play out in the real world. They’re also the best way for another person in trouble to recognize that they are in need of help.

You can help us bring these stories to light. If you’re a professional in the addiction field and have a client who would like to share their story (anonymously or otherwise), please let us know. Likewise, if you, a loved one, a friend or a colleague has experienced gambling problems due in part to DFS, please consider sharing that story. You can reach us at cp@northstarproblemgambling.org or (612) 424-8595.

Northstar Problem Gambling Alliance is a nonprofit agency whose mission is to help those affected by problem gambling in Minnesota. We do this by promoting awareness and understanding of the issue via our website, newsletter, community education programs, sponsorship of the Minnesota State Conference on Problem Gambling, and training of professionals in preventing and treating problem gambling.

Northstar Light is funded by a grant from the state of Minnesota. Designer: ESD Graphics. Writer: Bill Stein
Al Lund, Northstar board member and executive director of Allied Charities of Minnesota (ACM), appreciates the different perspectives that come together at the Northstar Problem Gambling Alliance. “I’m proud to be part of a diverse group – truly an alliance – that includes academicians who look closely at gambling on a daily basis to those who counsel problem gamblers to representatives of other gambling organizations.”

“We can all sit at the same table and put our differences aside,” says Al. “In reality, we’re competitors to a degree, but we have the same goal to do good work, to educate people about problem gambling, and to recognize the various challenges in getting help for those who need it.”

Becoming involved with Northstar and learning about the unique challenges facing problem gamblers has been an eye-opener to Al in a number of ways. “It’s been interesting to learn about the issues facing different members of the population, such as senior gamblers or youth gamblers,” says Al.

Al, who joined the Northstar board in 2012 and became the treasurer in July, brings a charitable gambling prospective to the organization. His responsibilities at ACM include lobbying at the legislature when it’s in session, representing charitable gambling whenever the opportunity presents itself and assembling an annual convention.

Al works to create awareness about problem gambling at every opportunity. “We tell our people that we don’t want people to gamble who really can’t, knowing that some don’t have disposable money. We want those who participate in charitable gambling to have fun, but to be responsible and do it within their means.”

Prior to working at ACM, Al worked in the health care division of Proctor & Gamble for 20 years. He then started his own company, LifeStage Solutions, representing high-end health and wellness products. “I feel fortunate in my career to be able to work in ways that help people with wellness,” says Al.

Al’s first exposure to gambling was when he joined the American Legion as a gambling manager in St. Michael. He then sought to learn more about charitable gambling and joined the ACM board.

“I’m a great believer in the benefits of charitable gambling, but also realize the pitfalls of gambling in general,” says Al. “I firmly believe we have a responsibility to be part of the solution. If you’re not part of the solution, you’re part of the problem.”
Are daily fantasy sports considered gambling?

Whether this is a game of skill or gambling – or a bit of both – is a critical distinction for those who operate daily fantasy sports websites and the organizations that invest in them (including the major professional sports leagues). It’s also an important definition for current and potential participants.

Despite a common definition of gambling as an activity in which participants “risk money, or anything of value, on the outcome of something involving chance,” federal law defines fantasy sports as a skill game. The federal definition came about a decade ago, when lawmakers sought to crack down on the burgeoning online gambling market, including poker and sports betting. But fantasy sports were given an exemption under what became the Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006. At the time the act was passed, however, the authors never conceived of daily fantasy sports nor the reach and impact they would have today.

Can changes be expected in whether daily fantasy sports games are considered gambling?

The landscape for daily fantasy sports appears to be changing. Legislators and those with purview over gambling activity contend that daily fantasy sports is essentially gambling. Just last month, Nevada regulators ordered daily fantasy sports sites like DraftKings and FanDuel to shut down, saying they cannot operate in the state without a gambling license. Other fantasy gambling sites are pulling up stakes in other states, fearing that the level of uncertainty with gambling investigations may mean large losses.

Are daily fantasy sports addictive?

Given that daily fantasy sports meets the essential definition of gambling – i.e., wagering something of value on an uncertain outcome – there is no reason to believe these activities are not addictive. In its resolution on fantasy sports, the National Council on Problem Gambling states that, in contrast to season-long fantasy competitions, contests that are much more frequent, have higher fees and generally offer larger and much more frequent payouts increase the risk of gambling addiction.

What approach is sensible when it comes to playing daily fantasy sports?

Regardless of how daily fantasy sports may end up being categorized, the games go on and the risks remain. Without official warnings about those risks from the fantasy sports organization, it makes good sense for participants in these activities to take simple precautions.

Players should always set limits and not bet more money on a game than they can afford to lose. They shouldn’t break that rule thinking they can make up for losses. They should not spend so much time playing that it interferes with their personal life and enjoyment of other activities, nor should they play to escape personal problems or to avoid dealing with them. And, as with other types of gambling, if playing becomes problematic, they should seek help.

NCPG WEIGHS IN ON FANTASY SPORTS

The Board of Directors of the National Council on Problem Gambling (NCPG) adopted a resolution on Oct. 8 outlining the organization’s stance related to the addictive risks associated with fantasy sports. The following are highlights of the NCPG resolution:

• 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 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.

The full resolution can be viewed on NorthstarProblemGambling.org under the Fantasy Sports link.
A commentary from Northstar on the topic of fantasy sports was published in the Sept. 27 edition of the Star Tribune. Here is the text of that commentary.

If you plopped down on your couch with a cold beverage and tub of popcorn for the recent start of the National Football League season, you couldn’t have helped noticing something even more striking than Adrian Peterson’s return to the gridiron.

You’re not imagining things. DraftKings, the biggest presence in the fantasy sports market, spent more than $16 million on TV ads during the first week of the NFL season, making it the No. 1 U.S. advertiser during that period, according to media tracking site ispot.tv. DraftKing’s chief competitor, FanDuel, was right up there, too, spending about $11 million, good for sixth place.

For those of you new to all of this, fantasy sports involve participants selecting teams of professional athletes who “score” points for players based on what the athletes do in their real games. In the old days, fantasy sports amounted to a few friends slogging through a league season, often without the benefit of a computer, with the hope of winning a few bucks. But organizations such as DraftKings and FanDuel have turned the business on its head by offering hundreds of online contests that allow daily play.

Participants are not stuck in long seasons — the payouts are fast, and they can be big. The Fantasy Sports Trade Association estimates that more than 56 million people in the U.S. and Canada will take part in fantasy sports in 2015, and they’re expected to spend $15 billion doing so — most of it on football.

So what do all these people playing expect to get for all that money they’re spending? Fun, recreation, competition — and, of course, the possibility of winning. It’s safe to say that players are not forking over that much money because they think they’re going to lose.

But despite all of the money being paid out by these organizations, some people do lose. That’s the gamble you take when you play.

Oh … there’s that “g” word. Federal law says that playing fantasy sports is not gambling (there are, however, five states — but not Minnesota — that prohibit playing). When Congress decided a decade ago to crack down on the burgeoning online gambling market, fantasy sports were given an exemption under what became the Unlawful Internet Gambling Enforcement Act of 2006, based on the contention that the activity is a game of skill.

Still, according to Keith S. Whyte, executive director of the National Council on Problem Gambling, “While fantasy sports may or may not meet legal definitions of gambling, it clearly meets psychological criteria for gambling.”

While there is skill involved, Whyte says, at least some of the outcome is determined by chance — and when there is chance, you can lose.

We have nothing against fantasy sports. Our concern is that because fantasy sports are not considered gambling, potential players are not given any of the warnings about the risks of participating — risks that include but are not limited to losing money.

Spending more money than you can afford to lose can obviously cause a significant impact on one’s life, especially if the behavior continues despite the consequences. So can devoting so much time to playing that it interferes with the rest of your life, including your personal relationships.

Most who play fantasy sports will have fun and play responsibly. But as the number of people who play these games rises, so will the number who have problems with it.

Trouble could increase simply because there is little or no effort to prevent problems from occurring. Because the websites say what you’re doing is not gambling, it makes it hard for them to offer help in preventing problems. If you’re a problem gambler, you might justify participating in fantasy sports because they aren’t legally defined as gambling.

It just makes good, common sense for participants in these activities — no matter how you may define them — to take simple precautions.

Players should always set limits — don’t put more money into a game than you can afford to lose. Don’t break that rule thinking you can make up for losses. Don’t spend so much time playing that it interferes with your personal life. Don’t play to escape personal problems or to avoid dealing with them.

While daily fantasy sports are not legally considered gambling, some of the warning signs of problem gambling can be helpful for players to know. You can visit our website at www.NorthstarProblemGambling.org for information on the warning signs and resources to find help.

And remember that despite all the fantasy sports ads on TV these days — there are still real games on a real field. Take time to enjoy them.

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Northstar Problem Gambling Alliance • Become a member today • www.NorthstarProblemGambling.org
A recovering gambler notes lack of understanding in recovery community

“Randi,” a member of Gambler’s Anonymous who recently celebrated her first year of recovery from gambling addiction, shared her experiences while staffing a table at the Minnesota Recovery Connection’s Walk for Recovery in September. Her perceptions of what it’s like to be a recovering gambler in a world that doesn’t know much about them provides an opportunity to chronicle those issues as well as the work that organizations like Northstar are doing to educate the recovery and professional addiction communities.

Randi reported being surprised and disappointed by the reactions of visitors who came to the Gambler’s Anonymous table. She recounted several stories that she thought reflected a lack of understanding and knowledge, both on the part of casual visitors as well as those working in the recovery field.

Randi’s first example involved being greeted by a counselor who had worked with alcoholics, drug addicts and gambling addicts for more than 20 years. The counselor mentioned to her that he was about to conclude a course of therapy with an alcoholic client when the client suddenly mentioned that he had a gambling addiction as well. “I would like to think that counselors know that gambling addiction doesn’t occur in a vacuum, and that environments that provide alcoholic beverages also provide gambling opportunities,” says Randi.

One of Northstar’s goals is to increase awareness of the comorbidity – or the co-occurrence – of gambling disorder with other disorders, such as drug and alcohol addiction. With proper training and knowledge, counselors will know to look for and recognize all possible addictions in a person and consider how to best treat them.

Another story Randi shared had to do with a visitor who, when asked if he knew anyone who was a problem gambler, replied, “Me!” He explained that he started betting (and losing) $40, then $500 and then eventually his entire paycheck. “When my partner explained to him that she had similar problems but was now 17 years clean of gambling, he couldn’t believe it,” explains Randi. He couldn’t imagine that someone who liked gambling as much as she had could stop gambling.

Randi was surprised to see gambling-type games offered as enticements to get people to visit various tables at the recovery walk. She noted that some tables had spinning wheels to encourage people, and that the overall event ended with a raffle. “I couldn’t help but think that these enticements were disrespectful to gamblers in recovery, for whom such acts stir up old memories and feelings,” says Randi. “Had our table given away free drinks or drugs, I think others would empathize with how problem gamblers feel.”

There is still a way to go to educate not only the general public, but the recovery community as well. As we work to raise the level of awareness to the professional population about problem gambling – as well as the visual and physical cues that can awaken the urge – we can envision the day when addiction to gambling is perceived in the same manner as substance and other addictions.
Milestone birthdays are often a rite of passage. For Eddie, about to turn the legal betting age of 18, this would be no exception.

It was late in the evening on July 16, 2002, and outside the Mystic Lake Casino, Eddie and several friends waited anxiously for the clock to strike midnight. Eddie had already watched many of his friends celebrate their eighteenth birthdays at the casino, and he was excited that his day had finally come.

When midnight arrived, Eddie entered the casino, driver’s license in hand. Once inside, he went straight to the blackjack tables. As he placed his first bet on the table – two $1 chips – he immediately felt the excitement. The thrill was instantaneous – and lasting. Eddie played blackjack through the night, not leaving the casino until after sunrise.

“I fell in love when I got there and fell deeper in love with every bet,” says Eddie. “I won $97 that first night and thought I could come back and win $100 every night.”

Eddie was a frequent visitor to the casino for the remainder of the summer, only stopping when it was time to leave for college in Chicago. He returned the following summer and became a mainstay at the casino, playing blackjack five days a week. “That second summer I won more money than I’d ever made in my life. I was enjoying myself, and I was making money.”

Eddie was enthralled with the casino environment. “I liked the people, the sounds and the holding of chips and cards in my hands. It was an escape and a place where I felt liked.”

When Eddie returned to college in the fall of 2003, fresh off a full summer of gambling, he found it difficult to focus. “I started wishing I was gambling, and didn’t do well in school.” He dropped out so that he could return to Minnesota and resume gambling. “I thought the way for me to make money was to gamble.”

Instead, he began to lose money consistently. “I was financially destroyed,” recalls Eddie, now 27. “I began to write bad checks, lie and steal … I’d do anything I could do to get gambling money.”

Still, he was able to conceal the extent of his gambling. “While everyone knew that I gambled,” says Eddie, “they had no idea how much I bet, how long I spent at the casino, and how often I went.” Eddie would gamble for two days nonstop, go home to sleep, and then return to the casino for another day or two. “I binge gambled very frequently,” says Eddie.

Eddie’s behavior eventually became a great concern to family and friends. One day in September 2004, his parents and friends staged an intervention. That same night, he began packing to go to Granite Falls for inpatient treatment at Project Turnabout.

Initially, Eddie was very confused. “The concept of an illness called compulsive gambling – let alone that it was something I had – was something I’d never heard of,” says Eddie as he reflects back on the gradual realization that he had a gambling addiction. “I knew I gambled too much, but never thought of it as an illness.”

“I kept trying to convince myself that I was not a compulsive gambler even though I had all the symptoms. Eventually, though, I began to gradually accept that gambling was causing so many of the problems in my life.”

If Eddie’s time in therapy at Granite Falls helped convince him that he had an illness, it was the time afterward that really helped him heal. “The inpatient treatment broke ground, but the 12-step meeting really helped build my recovery,” says Eddie.

Eddie has not gambled since beginning treatment and considers the three crazed years of gambling as “back then” – almost a lifetime ago. He is immensely grateful that he learned about his illness – and began to deal with it – at such an early age. “A lot of people I see in the 12-step programs are in their 40s and 50s. If I were dealing with this for 20 years, I’m pretty sure it would have killed me.”
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Changing Problem Gambling Behavior through:

Awareness • Education • Research • Advocacy
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