



Unit 12:

Gambling

Personal Financial Literacy

Objectives

- Explain how games of chance work.
- Compare the costs and benefits of gambling.



Probability

- The chance of something happening against the total chances
 - In a deck of cards, the probability of drawing an ace is 1 in 13, because there are four aces in a deck.

Odds

- The chance of something not happening vs. the chance of it *happening*.
 - The odds are 12 to 1 against you drawing an ace in a deck of cards.

Gambling with Cards...

- Probability increases as you go through deck
- The chance of drawing an ace increases with each card drawn



Lottery or Slot Machines

- Element of randomness
- Numbers you get one time have no effect on numbers you will get next time
- Cannot predict anything based on probability
- Based on luck



House Advantage

- Gaming facilities always have the advantage.
- Casinos are huge moneymaking operations.
- Facility that didn't have advantage would go out of business.

Powerball



- The odds of winning Powerball:
1 in 175 million (in 2013)
1 in 292 million (in 2018)

(Better chance of dying from fireworks than winning the lottery!)
- The odds of winning the Mega Millions Jackpot:
1 in 302 million (in 2018)

Benefits of Gambling

- Entertainment
- Relaxing
- Employs more than a million people
- Many Indian tribes benefit
- State earns money

Hooked on Gambling

- Gambling addicts cross
 - gender
 - age
 - economic spectrum
- Some gamble to deal with emotional issues.
- Addiction will grow until it's out of control.



Hooked on Gambling - Continued

- Gambling affects family members, finances
- Gamblers may
 - Steal
 - Embezzle
 - Gamble illegally with dangerous criminals

Statistics -

<https://wallethub.com/edu/states-most-addicted-to-gambling/20846/>

- US Consumers – over \$100 billion per year in gambling losses
- Male gambling addict averages \$55,000 - \$90,000 debt while females average \$15,000
- 2018 Most Gambling Addicted States – Oklahoma #10 – Nevada #1
- Most Casinos per Capita – #1 tie Nevada, Oklahoma, South Dakota
- Most Gaming Machines per Capita - #1 Nevada, #2 Oklahoma, #3 South Dakota

Casinos Want Your \$\$



- Most casinos have ATMs
- Many accept credit cards
- Cash advance on credit card

**You are spending money
you don't have, and
paying for the privilege!**

Unit Review

1. Describe how games of chance work.
2. Explain how probability is different for card games than for dice games or slot machines.
3. What is “the house” and why does it have the advantage in gambling?
4. How has Oklahoma benefited from gambling?
5. Describe what kind of addiction gambling is and how it is different than substance abuse.

Unit Review - Continued

6. Discuss signs that a person has a gambling problem.
7. Discuss what a person risks by gambling.

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