



## **A Comparative Study of the Psychological and Economic Impacts of Gambling in Vietnam and the United States**

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### **ABSTRACT**

This paper explores and provides a comparative analysis of the economic and psychological impacts of gambling, specifically focusing on casino industries in both Vietnam and the United States. Examining how casino gambling contributes to the nation's economic development, employment, and tourism growth while also addressing its adverse effects on gambling addiction rates, mental health, and social well-being. By evaluating each country's government policies, regulations, and benefits from the casino industry, this paper delves deep into the broader implications on individuals and society. Using a combination of academic research, economic data, and personal insights drawn from the author's familiarity with the psychological factors associated with gambling, as her family owns a lottery business in Vietnam, and her firsthand insights drawn from the author's direct exposure to gambling culture. This research aims to analyze each country's governmental strategies' effectiveness in balancing economic benefits with the prevention of gambling addiction harms. Findings suggest that while the casino industry, along with other gambling industries, plays a vital role in helping both countries' economic growth, it has also brought many different harms and concerns to individuals and families, including financial distress, addiction, an increase in crime rates, and family violence. While gambling serves as a significant economic driver, it requires effective regulations and improved addiction support services to mitigate its negative psychological effects. Future research should implement first-hand interviews to further explore gambling's long-term socioeconomic and psychological consequences.

### **BACKGROUND**

Gambling, specifically casino gambling, has long been a controversial industry in both Vietnam and the United States. Despite the industry serving as a significant economic growth factor, generating millions of dollars of revenue, and providing employment opportunities and tourism attractions, it carries financial distress, addictions, and other psychological and financial negative consequences. For the United States, the gambling industry serves as a valuable source of tax revenue to fund public services and create job opportunities, but it is also associated with economic cannibalization and increased rates of financial distress, as well as mental health issues. In Vietnam, even though the gambling industry is not as beneficial, the industry serves as an economic boost for the nation, even though it has brought a lot of issues relating to addiction and a surge in domestic violence rates. The gambling industry both benefited the countries and brought along some issues that needed to be addressed.

### **GAMBLING INDUSTRY IN VIETNAM**

Vietnam's gambling industry has always been highly restricted, with casinos limited to only foreign tourists. However, recent legal reforms have aimed to tackle gambling as an economic growth engine, particularly through integrated casino resorts. One of the biggest casinos in Vietnam that generates millions of dollars every month is Corona Casino, located within the Corona Resort & Casino in Phu Quoc. This resort is one of the biggest tourist attractions not only because of its famous casino integrated within but also because of its prime

location, nestled in Bai Dai, drawing visitors from all over the world for its luxury accommodation and entertainment. The Casino is also the “first casino in Vietnam that passed Decree No. 03/2017/ND-CP on the Casino Businesses trial program” [6], which allowed Vietnamese citizens to participate legally if they met all of the criteria. Those criteria include: “gamblers had to be at least 21 years old, required to prove a monthly income of at least 422 dollars or that they have to fall within the level-three tax bracket, and had to purchase a ticket priced at 42 dollars per day or 1,056 dollars per month” [6]. Despite all of the strict regulations and requirements to legally participate in the gamble, the casino seems to be the most prominent and profitable for the country’s economic development as “Corona Casino reported a before-tax profit of 4.67 million dollars in just the first six months of operation” [6]. It continued to experience “strong financial growth up to 2021” [6], the hit of the horrifying pandemic forced its temporary closure to comply with the governmental health and regulations aimed to restrain the spread of the virus. Despite these challenges, the success of Corona Casino and its significant role in helping the country’s economic growth highlight the potential growth for the gambling industry. This shows that the gambling industry has the ability to attract tourists, generate revenue, and therefore stimulate the national economy.

Regardless of the growth, legal barriers continue to slow down the industry’s growth and develop social issues, such as an increase in illegal gambling. Strict regulations limit local participation, with only a few select casinos allowing residents to gamble under the aforementioned Decree No. 03/2017/ND-CP program has led to the widespread of illegal online gambling, with more than 91% of illegal Vietnamese gamblers placing bets through online platforms [4]. Additionally, according to Hanoi Times, Vietnamese police busted multiple illicit gambling rings, with bets ranging from over 39,300 dollars to approximately 20 million dollars. [3] These underground operations often involve criminal syndicates, leading to money laundering, loan sharking, and violent disputes over unpaid debts. One of the biggest dangers of illegal gambling is the lack of consumer protection. Unlike regulated casinos, illegal gambling platforms and underground rings operate with no accountability, meaning gamblers have no legal recourse if they are scammed or coerced into financial commitments. There have been reports that gamblers borrow from loan sharks, some of them, to make bets and face violent threats, intimidation, or financial ruin in case of defaults in debt payment, [3] reports the Hanoi Times in 2024. Policymakers should consider the possible consequences of making too strict of a policy and reforming the policy to balance citizens’ desires and needs while still maximizing the industry’s benefit for the country.

## **THE UNITED STATES GAMBLING INDUSTRY**

The gambling industry in the United States has undergone a significant expansion over the past years, contributing to its economic growth, job creation, and government revenue. In 2023, the U.S. casino gaming industry generated over 104 billion dollars in wages and employed over 1.8 million people [11], reducing the unemployment rate and strengthening the United States economy. Most states have legalized commercial casino gambling because they saw it as a way to inject economic activity into their jurisdictions. The largest perceived benefits are job creation, increased revenues to both state and local governments through taxes, and rises in local retail sales. According to the National Gambling Impact Study Commission’s Final Report, increasing fiscal pressure on state budgets, the fear of lost revenue to casinos in neighboring states, and a more favorable public attitude regarding casino gambling all have led to its acceptance [8]. More than 370 billion dollars was bet in casinos during 2000 alone, which

means that every person who participated in gambling spent 1,300 dollars in the United States. Of this total annual betted money, nearly 93% of returned gamblers are winners from their past participation, leaving the casino with 26 billion in annual revenue [8]. While some researchers argue that casino job creation negatively affected other industries, others found that the industry boosts per capita income. Gambling has undeniably stimulated economic growth, but concerns about its contribution to negatively impacting other industries are also present, as the expansion of casinos does not result in a net increase, but rather an economic cannibalization [7].

Casinos attracted existing consumer expenditures rather than creating new economic opportunities, which means that consumers are not spending more as the casino industry expanded; they shifted their money spending from other sectors to gambling. This phenomenon creates a scenario where the economic activity generated by the casinos does not necessarily mean greater economic well-being for the people. Instead, it is possible that the presence of casinos within a local economy can mean a redistribution of wealth within the economy, where one sector gains at the cost of another. Therefore, even if a region sees a rise in casino revenue, this rise may not necessarily translate into overall economic benefits. The net effect can actually harm other industries, which can have a ripple effect on employment levels, local investments, and community well-being. In addition, this cannibalization of the economy can create a cycle of dependency; when local businesses lose revenues, they are then forced to lay off employees, reduce services, or even close their operations down. This can limit the diversity of choices for consumers, ultimately decreasing the vitality of the local economy. Therefore, although the casinos may have some economic benefits, it is extremely crucial to study their long-term impact on society and consider whether these benefits actually lead to sustainable development or merely redistribute existing economic resources from one area to another. Operating through policies that take account of these dynamics should help to drive the optimization of the correspondence between gambling growth and the health of the overall economy.

Walker and Jackson delve deep into the impact of commercial casinos on overall economic growth measured by growth per capita to examine if there is actually sustainable growth in the industry or not. They reported that casinos did result in an increase in per capita income and growth but it tends to be more prominent in populated cities [7] which indicates that economic effects from the industry can only be beneficial to urban areas, and it can even result negatively to the rural areas of the United States. Even though the expansion of this industry has helped the country grow strong financially and contributed to employment growth, studies show that the positive impact on employment and earnings is short-term and is present only for about 5 years, with the benefits being limited to the hospitality and entertainment industries [7], highlighting that the economic growth cannot be sustainable and is not a great industry for long term economic growth. In states such as Nevada, New Jersey, and Mississippi, casinos contribute only 7-9% of total state revenue, while states like Illinois, Pennsylvania, and New York provide significantly higher tax revenue, ranging from 50% to 69% [7], there is a large scale differences from states to states depends on its population size.

Gambling comes with an individual's social and financial risks, particularly those with addiction. Estimates suggest that an addicted gambler would spend between 2000 and 30,000 dollars per year, leading to financial distress, bankruptcies, and therefore might lead to increased crime rates and demand for social services [7]. Overall, as the industry continues to expand, the government should implement laws and regulations that balance economic benefits

with restraining the negative effects that come along, ensuring that casinos can be a potential and well-regulated industry for national growth.

## **PSYCHOLOGICAL EFFECTS OF GAMBLING IN VIETNAM**

Gambling is ingrained within the Vietnamese culture and linked to the belief in fortune, luck, and supernatural forces, as they believe that they can change their destiny through the hope that they can win and gain money through gambling. Many believe that gambling is a way to escape poverty and improve their financial status and opportunity for a better life. A significant portion of Vietnam's population practices Buddhism and believes in supernatural forces, which influences their approach to gambling. Most of the time, for a Vietnamese person to decide to bet on something, there is an underlying factor as to why they bet on that one specific thing, and it is often associated with supernatural forces. Individuals believe in the idea that Buddha is always there to lead their way; if they ever dream of something, they would consider it a sign from Buddha or their past ancestors. For example, if a person dreams about a series of numbers from a vehicle number plate, they will try their best to memorize it and gamble accordingly. This shows that the spiritual dimension of gambling indicates the idea that one's fate can be altered through the right bet, fuelling gambling participation, which in the long term can cause addiction.

Other factors that lead a person to choose to gamble are their belief in their luck and the probability of winning. Many Vietnamese gamblers continue betting despite repeated losses, convinced that luck will eventually be on their side. This mindset leads to addiction, where individuals continue to gamble in the hope of recovering previous losses or even making a profit, and the idea that they have learned from their past mistakes and will definitely make the right decision this time. Gambling is particularly more present in low to middle-class income individuals, as they often perceive it as an easy way to make money. Gaming can make an individual instantly wealthy after a win with minimal effort, making it an appealing choice for those seeking financial stability. The low cost of entry and the potential for life-changing winnings motivate people to gamble more. Ultimately, the decision to participate in gambling is a combination of hope, probability, spiritual factors, and the dream of changing social status. Even though the odds of winning are extremely small, their belief and hope to gain a significant amount of money through a small investment are the most powerful motivators. These psychological factors can also manifest in other social issues such as broken families, bankruptcy, and physical pain [1].

Addiction in Vietnam is often hidden due to societal stigma; many believe that addicted gamblers are an example of moral failing rather than a mental disorder [1], and there is a lot of criticism along with the idea of being addicted to something. Individuals who become addicted to gambling are failures who lack self-control and are incapable of earning money the correct way, and wasting their money on bets. This cultural stigma makes it difficult for addicted gamblers to seek help as they fear judgment and shame. The fear of being labeled as a failure often forces individuals to suffer in silence, leading to devastating consequences as they are trying to fix it, such as bankruptcy, domestic violence, and even suicide [2]. Gambling addiction can also cause domestic violence, where husbands beat their wives when the wives refuse to give them money to continue with their addiction. There are some cases where women call up and they are being threatened by the male for money to continue gambling [2], therefore, the women have to give the money to the male for him to go out and gamble until their family officially becomes in debt and poverty. It can also affect young children, according to Hanoi Times, a single mother with

several children, she gambled for fun with friends initially, then she became hooked. Her children were constantly shipped to their grandmother's or to their aunts and uncles' houses while she went to the casino [2], this caused the children to be more distant from their mothers and see this as a form of abandonment, and this might cause the children to build up hatred towards their parents. Gambling had shifted from a form of entertainment to a bridge to domestic violence, financial stress, and addiction. Without proper laws and awareness of gambling addiction in Vietnam, this will remain an existing problem in not only families but also entire communities. The need to reduce the stigma surrounding addiction, implement laws, and provide mental health support for those struggling with gambling-related issues can be some solutions to the problem.

## **PSYCHOLOGICAL EFFECTS OF GAMBLING IN THE UNITED STATES**

Gambling addiction is a significant mental health problem in the United States, affecting millions of individuals. Advances in neuroscience show that there is a common mechanism between gambling addiction and substance abuse disorder, like addictions to alcohol and drugs. Gambling addictions are characterized by an increasing tolerance that requires more gambling as time goes on to feel satisfied [11]. People with the disorders can find it difficult to quit as there's always a need to satisfy the need to gamble or use drugs. When a person gambles, they trigger the brain to release dopamine [10], a neurotransmitter that is associated with the reward center in the brain. Gamblers will first experience a phase of intense excitement and happiness through placing bets and winning. Over time, the brain undergoes neuroadaptive changes, which means the brain learns to adapt to the feeling and leads to tolerance, therefore, individuals will feel the need to bet more money or go riskier to experience the initial euphoria [9]. This creates a cycle, the person will experience the need for more frequent and riskier bets as the brain will try to adjust and create more tolerance, eventually leading to addiction.

In addition to neurological changes, addicted gamblers exhibit distorted thinking patterns that contribute to long-term addiction. Gamblers would develop a mindset called the illusion of control and the gambler's fallacy [11], which means one would expect themselves to be in control of the random result that is not controllable, believing that they can win through their strategy and beliefs. Similarly, the gambler's fallacy leads individuals into thinking that past events influence future outcomes, [9] in other words, if a gambler experiences multiple consecutive losses, they would believe that a win is impending. This mindset makes them willing to bet more money with the belief in mind that they will win the next round. These distorted thinking disorders contribute to financial losses and the belief that they can recover from the losses if they play more, making them go further in addiction.

Unlike Vietnamese gamblers, people who participate in gambling in the United States are mostly those who are coping with stress, anxiety, and depression [10]. Research shows that gambling can provide a temporary escape from reality, but over time, it worsens mental health issues as they would experience financial losses and addiction compounded with existing issues [11]. The United States gamblers used gambling as a form of avoidance, [9] where they would participate in gambling not for entertainment, but rather to deal with emotional turmoil within. This cycle of self-treatment for their mental health issues can lead to severe depression, worsening conditions, and even suicide. The expansion of casinos and taking it to another level through their accessibility to gamble online further worsens the issue of addiction. These online platform games use psychological reinforcement techniques, such as near misses, where games would stimulate almost winning outcomes [9], which aim to trick the players into thinking



that a win is within reach, leading them to decide to continue betting. Online gambling does not limit the amount of bets a person can put, leading to longer gambling sessions and greater financial loss [10].

According to UCLA Health, studies have shown that gamblers who choose to gamble to avoid experiencing mental health issues have a higher suicidal rate than other addiction disorders, making gambling addiction one of the most dangerous behavioral disorders. In short, gambling addiction in the United States is driven by a combination of neurological and emotional factors. To solve this existing issue, effective treatments should be implemented, one of such can be cognitive behavioral therapy (CBT), [11] which is a therapy where one tries to change their thinking pattern, evaluating options and looking at consequences so that they can make better decision along medication assisted treatments to regulate dopamine production. Without proper intervention, gambling addiction can result in heartbreaking consequences to individuals and society as a whole.

## DISCUSSION

This paper highlights both the good and bad sides of the impact of gambling in Vietnam and the United States, where we compare and contrast the impact of gambling between the two countries. In Vietnam, strict regulations have led to illegal gambling, while in the United States, increased accessibility has contributed to higher addiction and suicide rates. In both countries, addiction comes from emotional distress, dopamine production, and reward cycles that direct individuals to financial instability and severe mental health issues. To mitigate these challenges, policymakers must enhance responsible gambling measures. Vietnam should reform regulated gambling under strict oversight and requirements to prevent unregulated betting and the rise of people falling into the traps of scammers, resulting in financial loss. While the United States should strengthen addiction prevention programs, raise awareness, and strengthen policies related to online gambling platforms to avoid increased suicidal rates and mental health issues. Future research should conduct first hand interviews with gamblers to get a better understanding of why they chose to participate in gambling and what factors make it hard for them to quit gambling. This will help to maximize the effectiveness of treatment that can be invented through research, targeting exactly where addicted gamblers struggle and guiding them on how to tackle their internal conflict. The government and mental health centers should work together to implement rules that maximize economic benefits while minimizing harm through the gambling industry.

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