

INVESTING AND GAMBLING PROBLEMS SOME INVESTORS MAY BE AT RISK FOR GAMBLING OUT OF CONTROL IN THE STOCK MARKET AND OTHER FINANCIAL MARKETS

When people gamble excessively, and their behavior negatively affects other areas of their lives, gambling becomes a problem. Problem gambling may occur in the traditional recreational forms of gambling, such as sports betting, casinos, or the lottery. It can also be a problem in any financial transaction, including the financial markets, when money is risked in an attempt to gain more money. When does investing become problem gambling? A self-scoring quiz is offered below to alert investors to the potential for problem gambling in the markets, along with suggestions for where to go for help.

All investments include risk of some kind. Investors should always know the risk that they are taking and choose investments to match their risk tolerance. The problem gambler can find gambling opportunities in all market areas, including simple stock purchases.

Most investors clarify specific, long-term goals, such as college tuition for their children, or economic security in retirement and choose investment products that match their goals. However, a few “investors” are risking large sums of money in market transactions. Their goal is to make a lot of money quickly and to experience the excitement of the action. These gamblers “play” the markets as they would play casino games.

Some problem gamblers in the markets have never gambled for recreation, while others have gambled problematically at some time in one or more recreational forms of gambling.

People who have gambling problems are seeking to experience the same reactions in both the markets and recreational gambling. Their behaviors meet the diagnostic criteria for pathological gambling. Pathological gambling is also referred to as compulsive or addictive gambling. It is a clinically defined mental disorder characterized by obsession with gambling and out of control gambling resulting in serious negative consequences in most areas of functioning.

If you think that you or someone you care about may have a problem with gambling in the financial markets, take this self-scoring quiz to assess the behavior. The questions identify the major characteristics of compulsive gambling as they apply to the markets.