Financial Foundations

Preventing Gambling Harm Through Financial Literacy

Oregon Council on Problem Gambling

Table of Contents

→ Purpose of this Document 03

→ Role of Financial Literacy in Reducing Gambling-Related Harm 04

→ Understanding the Difference Between Investing & Gambling 05

→ Understanding the Financial Background of Your Audience 06

→ Trauma-Informed & Culturally Responsive Financial Education 07

→ Core Financial Concepts 08

- *Money Management Basics* 09
- *Financial Planning, Saving, & Investing* 17
- *Probability & Gambling Myths* 26
- *Digital Money, Gaming Currencies, & Blind Boxes* 30
- *Financial Stress & Emotional Spending* 33
- *Advertising & Persuasion* 35

→ Teaching and Implementation Strategies for Prevention Specialists 37

→ Evaluation and Outcomes 38

→ Resources and Referral Pathways 39

Purpose of this Document

This document provides a financial literacy framework to support problem gambling prevention efforts. It is designed to help providers understand how money, risk, and financial decision-making relate to gambling behavior and to provide practical prevention tools, while clarifying appropriate roles and boundaries. The focus is on education and harm reduction, rather than providing financial advice.

The intended audience is prevention professionals, particularly those focused on preventing and reducing gambling-related harms. However, other professionals and the general public may find this document useful to understand the role of financial literacy in preventing gambling-related harms and how to approach financial literacy from an educational standpoint.

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Role of Financial Literacy in Reducing Gambling-Related Harm

Financial literacy refers to the ability to understand and effectively use a range of financial skills, including financial planning, budgeting, saving, investing, debt management, and recognizing the habits and emotions that influence financial decision-making. Strong financial literacy serves as a protective factor by supporting impulse control, informed decision-making, and accurate assessment of financial risk. In contrast, low financial literacy is associated with increased vulnerability to gambling-related harm, as individuals may struggle to recognize financial risks, manage money effectively, or understand the true odds and costs associated with gambling.

Problematic gambling behavior is often associated with misunderstandings about probability and randomness, as well as distorted beliefs that gambling can be a reliable pathway to financial gain. In some cases, individuals may also fail to understand the distinction between gambling and investing, viewing speculative or chance-based activities as legitimate financial strategies. These patterns can contribute to debt accumulation, depletion of savings, and emotionally driven or impulsive spending.

Problematic gambling behavior is often associated with distorted beliefs that gambling can be a reliable pathway to financial gain.

Financial literacy influences every stage of life, shaping how we earn, spend, save, and plan for the future. It helps individuals maintain stability through major life transitions, from education and employment to retirement. Strong financial literacy supports well-being, reduces stress, and protects against financial crises that can ripple through families and communities.

For youth, developing financial literacy is especially critical. Adolescence and young adulthood are formative periods when money habits, attitudes toward risk, and decision-making patterns take root. Today's youth are also exposed to increasingly complex financial environments, such as digital payments and gaming, where the line between entertainment and financial risk is blurred. Teaching financial literacy early builds essential skills and habits that provide lifelong value and help protect young people from the often misleading financial information on social media.

Understanding the Difference Between Investing and Gambling

Without a clear understanding of financial concepts, individuals may confuse gambling with legitimate financial activities such as saving or investing. Financial literacy education can help clarify the differences between these activities and reinforce that gambling should be understood as a form of entertainment rather than a strategy for building wealth.

Gambling should be understood as a form of entertainment rather than a strategy for building wealth.

Investing generally involves putting money into assets such as stocks, bonds, or other financial instruments with the expectation that those assets will grow in value over time. It can also include regularly setting aside a portion of income in savings accounts to build financial resources and security. Investment decisions are typically guided by long-term financial goals. While investing does involve risk and account balances can fluctuate, it is generally intended as a strategy for building wealth gradually over time.

Gambling, in contrast, involves wagering money on an event with an uncertain outcome, where the primary purpose is entertainment rather than long-term financial growth. Gambling outcomes are largely determined by chance, and most gambling activities are structured so that the operator (the “house”) maintains a statistical advantage over time. As a result, while individuals may occasionally win money, gambling is not a reliable strategy for generating income or building wealth.

Financial literacy education can play an important role in helping individuals recognize these differences and develop realistic expectations about money, risk, and financial decision-making.

Understanding the Financial Background of Your Audience

Individuals participating in financial literacy programs may come from widely different financial backgrounds. While some participants may already be familiar with basic financial tools such as savings accounts, checking accounts, or credit cards, others may have had little or no exposure to these concepts. In some cases, individuals may come from households or communities where formal banking systems were not commonly used, or where financial discussions were limited due to economic hardship or cultural norms.

Because of these differences, it is important not to assume that your audience shares a common baseline level of financial knowledge. Concepts that may seem simple, such as the difference between debit and credit, or how interest accumulates, may be entirely new to your audience. Starting with foundational concepts and clearly explaining financial terminology can help ensure that all participants are able to engage with the material.

Understanding the financial experiences and backgrounds of your audience also helps prevention specialists deliver content in a way that is respectful and inclusive. By meeting individuals where they are and avoiding assumptions about prior knowledge, financial literacy programs can create a more supportive environment where participants feel comfortable asking questions and building new skills.

Trauma-Informed & Culturally Responsive Financial Education

Money is not a simple topic. Financial health disparities exist across the state; in fact, 56% of Oregonians have difficulty covering monthly expenses, a rate that has increased dramatically in recent years.[1] While they are essential life skills, financial literacy education will not solve generational poverty or rising living costs. Sensitivity to the situations various members in a classroom or community may be in, whether chronically or temporarily, is important in order to compassionately meet students and families where they are. Ignoring these factors will leave affected individuals feeling excluded and disengaged from lessons. It is important that financial literacy messages do not imply that individual decision-making alone is responsible for financial instability, particularly when external factors may limit families' ability to apply the skills being taught.

It is also important to recognize that certain groups were historically excluded from full participation in financial systems. One example is redlining, a practice in which banks and lenders denied mortgages and other financial services to residents of specific neighborhoods, often those with large Black, Indigenous, and Latino populations. Because families in these neighborhoods were frequently unable to obtain loans to purchase homes, redlining contributed to long-lasting disparities in homeownership and generational wealth.

Additionally, same-sex marriage was only legally recognized in Oregon in 2014 and domestic partnerships in 2008, meaning that same-sex couples were previously excluded from marital financial advantages (e.g., estate-tax exemption, Social Security spousal benefits), setting back sexual minorities from heterosexual families. Although this is no longer the case, this impacts generational wealth and contributes to disparities among Oregonians.

Approaching financial literacy education with sensitivity will encourage engagement and foster inclusivity. Anyone can benefit from financial literacy, but not everyone will be in a situation to engage in these skills.

1. Oregon State Treasury. (2025). Oregon financial wellness scorecard. https://www.oregon.gov/treasury/financial-empowerment/Docthe uments/Annual-reports/2025-scorecard-FINAL.pdf

Core Financial Concepts

Several core financial concepts were identified as foundational for financial literacy education. While not exhaustive, these concepts are intended to equip individuals with key skills and knowledge to support their financial health.

Financial wellness involves different considerations across the lifespan, and risk factors related to financial decision-making and gambling behaviors also vary developmentally. As such, effective financial literacy education should consider the unique experiences, exposures, and vulnerabilities associated with different life stages.

For youth, financial responsibilities and access to financial resources are generally limited compared to adults. However, the rapid expansion of digital gaming environments popular among youth has introduced new and unique risk factors. Many games now incorporate gambling-like features, such as loot boxes, randomized rewards, and in-game purchases that resemble wagering mechanics. At the same time, gambling has become more mobile and widely marketed, increasing youth exposure and contributing to the normalization of gambling behaviors. Financial literacy education for youth, therefore, needs to address these environments and help young people understand the differences between entertainment, gambling, and legitimate financial activities.

Financial literacy education for youth should help them recognize gambling-like activities in games, such as randomized rewards, so they can better understand financial risk and make informed decisions about money.

Adults, in contrast, typically face greater financial responsibilities and obligations. Housing costs, debt, childcare, healthcare expenses, and income instability can create significant financial stress for many households. As the cost of living continues to rise, financial strain may increase vulnerability to risky financial behaviors, including gambling as a perceived means of supplementing income or coping with stress. Because adults also have legal access to gambling and many participate in it, financial literacy education for this group should include more in-depth discussions about gambling risks, financial management, and strategies for maintaining financial stability.

Older adults also experience distinct financial considerations and vulnerabilities. Many live on fixed incomes and rely on retirement savings or public benefits, making financial losses more difficult to recover from. Social isolation, cognitive changes, or increased availability of gambling through social programming, such as bingo events, casino excursions, or other organized activities, can further increase risk. Financial literacy education for older adults should address topics such as retirement security, fraud prevention, and the financial risks associated with gambling activities.

While this document is not designed to fully differentiate financial concepts across these life stages, it highlights key differences to help ensure that financial literacy programs are relevant, supportive, and responsive to the needs of individuals at different stages of life.

Money Management Basics

Section Overview

1. Budgeting & Tracking
2. Savings, Checking, & Investment Accounts
3. Credit vs. Debit, Interest, & Debt
4. Understanding Credit Scores and What Affects Them
5. Youth Focus: Earning Income and Paycheck Basics
6. Minimum Wage & Paycheck Basics

Budgeting & Tracking

A **budget** is a practical and accessible way to introduce the topic of financial literacy. At its most basic level, a budget is a plan for how a person uses their money over a specific period of time. It helps individuals track how much money they earn, how much they spend, and how they allocate their resources to meet both immediate needs and longer-term financial goals. Even for those who already have a grasp of budgeting and cash flow (the difference between the money a person earns and the money they spend), revisiting budgeting strategies from time to time can be helpful, as financial circumstances and priorities often change.

Closely related to budgeting is the concept of tracking spending. Tracking simply means paying attention to where money is going, often by reviewing bank statements, keeping receipts, or using budgeting apps or spreadsheets. Many people are surprised when they see how small, everyday purchases can add up over time. Tracking spending helps individuals understand their financial habits, identify areas where money may be leaking away unintentionally, such as in the case of gambling expenditures, and make more informed decisions about how to allocate their resources.

When introducing budgeting concepts, it is useful to review the fundamentals, including how to compare income to expenses and how to track where money is going. Participants can learn to categorize expenses into common areas such as housing, food, transportation, healthcare, savings, and recreation. Understanding these categories helps individuals see how everyday financial decisions affect their overall financial stability.

Practice exercises can make budgeting concepts more tangible. For example, participants can create a simple practice budget based on a hypothetical monthly income and then add common expenses. Educators can also introduce unexpected costs, such as medical bills, car repairs, or home maintenance, to demonstrate how quickly financial plans can change and why building an emergency fund is important.

Another useful exercise is to incorporate gambling into a practice budget. Using a simple random outcome activity, such as flipping a coin to represent wins and losses, participants can observe how unpredictable outcomes affect their financial plans. This activity can help illustrate that gambling is not a reliable source of income and that repeated losses can quickly disrupt a carefully planned budget.

Gambling is not a reliable source of income and repeated losses can quickly disrupt a carefully planned budget.

If individuals choose to participate in gambling activities, it is important that these expenses be treated as discretionary recreation spending within a budget. Gambling should never be included with the expectation of winning money. Instead, any money allocated to gambling should be an amount a person can afford to lose without affecting essential expenses or financial stability.

Retired adults or adults with disabilities may live on a limited or fixed income, making budgeting particularly important for maintaining financial stability and protecting available resources. Unlike individuals who are still working, retirees often rely on predictable sources of income such as Social Security benefits, pensions, retirement savings, or disability payments. Because these income sources typically remain stable from month to month and may not increase significantly over time, careful budgeting can help ensure that essential needs continue to be met.

Expenses for retired adults may also differ from those of younger individuals. Healthcare costs often become a larger share of household spending, including insurance premiums, prescription medications, and out-of-pocket medical expenses. Additionally, some individuals may need to plan for the potential costs of long-term care services, such as in-home assistance, assisted living, or nursing care, which can be significant in Oregon and elsewhere. Useful resources on budgeting are provided in the Resources section of this document.

Checking, Savings, & Investment Accounts

Understanding the different types of financial accounts is an important foundation of financial literacy. Checking accounts, savings accounts, and investment accounts each serve different purposes and can help individuals manage their money in different ways.

A **checking account** is typically used for everyday financial transactions. People commonly use checking accounts to receive income, pay bills, make purchases with a debit card, or withdraw cash. These accounts are designed for frequent use and easy access to funds. Most checking accounts allow unlimited transactions, though they generally earn little or no interest on the money stored in the account.

A **savings account** is designed to help individuals set aside money for future needs or emergencies. Savings accounts usually earn interest, meaning the financial institution pays the account holder a small amount of money for keeping funds in the account. While the interest rate may be modest, savings accounts provide a safe place to build financial reserves. Because they are intended for saving rather than frequent spending, some savings accounts limit the number of withdrawals or transfers that can be made within a certain period.

An investment account differs from checking and savings accounts in that the money placed in the account is typically used to purchase assets such as stocks, bonds, mutual funds, and other financial instruments. These investments have the potential to grow in value over time, but also involve risk, meaning the value of the investments can rise or fall. Unlike savings accounts, investment accounts do not guarantee that the money deposited will retain its value. However, they may provide higher long-term returns compared to traditional savings accounts.

Discussing these account types also provides an opportunity to introduce retirement accounts, which are specialized investment accounts designed to help individuals save for the future. Examples include employer-sponsored plans such as 401(k) accounts and individual retirement accounts (IRAs). These accounts often provide tax advantages that encourage long-term saving.

Helping individuals understand the purpose and characteristics of these different accounts can empower them to choose financial tools that align with their needs, whether that involves managing daily expenses, building emergency savings, or investing for the future.

Credit vs. Debit, Interest, & Debt

Understanding the difference between credit and debit cards is an important part of financial literacy. While earlier discussions of savings and investment accounts focus on the potential to earn interest, credit accounts introduce the opposite dynamic: the possibility of paying interest and accumulating debt.

A **debit card** is directly connected to a checking account. When a purchase is made with a debit card, money is immediately withdrawn from the account. In other words, the purchase is limited to the amount of money that the person currently has available.

A **credit card**, in contrast, allows individuals to make purchases using borrowed money from a financial institution. This means that purchases can be made even if the person does not currently have the money in their bank account. The borrowed amount must later be repaid, usually on a monthly billing cycle. If the full balance is not paid by the due date, interest is charged on the remaining balance, increasing the total amount owed.

This difference makes it especially important for individuals using credit cards to monitor their budgets and spending carefully. Credit cards can be a convenient tool for managing purchases, but they can also lead to financial difficulties if spending exceeds what a person can realistically repay. For example, if someone makes purchases on a credit card that they cannot repay on time, they may face a trade-off: paying the balance immediately or taking more time to repay the debt. While delaying repayment may seem helpful in the short term, it results in interest charges that increase the total cost of the purchase.

Practical exercises can help individuals better understand how debt and interest accumulate over time. For example, at the end of 2024, the average American carried approximately $6,580 in credit card debt. Using this figure, prevention providers can demonstrate how long it would take to repay the balance under different monthly payment scenarios and how much interest would be paid over time (see Table 1). These exercises can help illustrate the importance of managing credit carefully and prioritizing timely repayment.

Table 1. Approximate time required to pay off $6,580 with a 21% interest rate

Monthly Payment	Approximate Time to Pay Off	Total Interest Paid	Total Amount Paid
Minimum payment (~2% of balance, about $132 initially)	25-30+ years	~$11,000+	~$17,500+
$200 per month	~4 years	~$3,600	~$10,200
$300 per month	~2.5 years	~$2,000	~$8,600
$500 per month	~1.5 years	~$1,100	~$7,700

Interest rates on credit cards can vary widely and are often influenced by a person's credit history and credit score. A credit score reflects an individual's record of borrowing and repaying money. People who consistently make payments on time and manage their debts responsibly are generally offered lower interest rates. In contrast, individuals with a history of late or missed payments typically face higher interest rates, which makes debt more expensive and more difficult to repay.

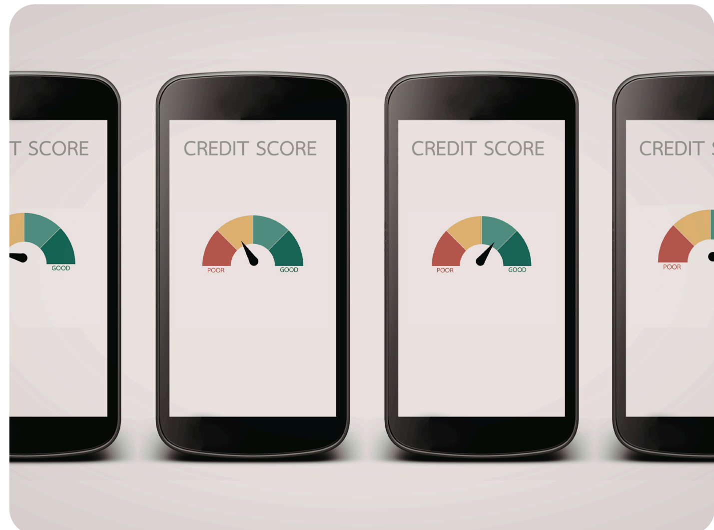
Over time, this can create a challenging cycle in which growing interest charges make it increasingly difficult to reduce the total balance owed. The average interest rate charged on credit cards is about 21%. Table 1 illustrates the financial burden associated with carrying credit card balances at this rate.

For individuals struggling with debt, gambling may sometimes appear to offer a quick solution, particularly given how gambling is often marketed as an opportunity to win money. However, gambling outcomes are unpredictable and unreliable. As discussed earlier, gambling is not a dependable way to generate income, and attempting to use gambling to escape debt can often make financial situations worse. In many cases, gambling losses can deepen existing financial problems and increase overall debt. For this reason, financial literacy education should emphasize that gambling should be viewed as a form of recreation, not as a strategy for solving financial problems or generating income.

Other financial options that promise quick access to cash can also present significant risks. For example, title loans, which allow individuals to borrow money using their vehicle as collateral, often carry extremely high interest rates. If the borrower cannot repay the loan, the lender may repossess the vehicle. Similarly, payday loans, cash advances, or other short-term lending products may appear helpful in the moment but can become difficult to repay due to high fees and interest rates. Individuals should approach these options with caution and carefully consider the long-term financial consequences.

Understanding Credit Scores and What Affects Them

Credit scores are numerical ratings used by lenders to estimate how likely a person is to repay borrowed money. These scores help financial institutions decide whether to approve a loan or credit card application and what interest rate to charge. Individuals with higher credit scores are generally offered lower interest rates and more favorable borrowing terms, while individuals with lower scores may face higher costs or difficulty accessing credit.



Credit scores influence many aspects of financial life. They are commonly used when applying for credit cards, car loans, mortgages, and personal loans. In some cases, they may also affect rental applications, insurance pricing, or employment screening. Because borrowing costs increase significantly when credit scores decline, maintaining a healthy credit score can be an important part of long-term financial stability.

In the United States, the most widely used credit scoring model is the FICO score, which ranges from 300 to 850. The average FICO score for U.S. consumers is approximately 715, though scores vary widely depending on factors such as payment history, debt levels, and length of credit history. FICO scores are calculated using information from a person's credit report and are based on five primary factors. Each factor contributes differently to the overall score, as shown below (Table 2).

For individuals experiencing gambling-related financial harm, several of these factors can be negatively affected. Missed payments, high credit card balances, new borrowing, and risky credit products may all emerge as individuals attempt to manage gambling losses or financial stress. Understanding how credit scores work can therefore help individuals recognize how financial behaviors, including gambling-related spending, can affect their long-term financial health.

Table 2: The five factors of a FICO credit score

Factor	Weight	Gambling Impact
Payment History	35%	Missed payments from depleted funds directly damage scores
Credit Utilization	30%	Maxed-out cards from gambling charges raise utilization
Length of Credit History	15%	Opening new credit lines to fund gambling shortens average age
Credit Mix	10%	Payday loans and cash advances add risky credit types
New Credit Inquiries	10%	Repeated applications for credit signal financial distress

For individuals experiencing gambling-related financial harm, several of these factors can be negatively affected. Missed payments, high credit card balances, new borrowing, and risky credit products may all emerge as individuals attempt to manage gambling losses or financial stress. Understanding how credit scores work can therefore help individuals recognize how financial behaviors, including gambling-related spending, can affect their long-term financial health.

Financial stress from gambling losses can directly affect the factors used to calculate a person's FICO credit score.

Youth Focus

1. *How People Earn Money*
2. *Minimum Wage & Paycheck Basics*

How People Earn Money. Young people vary widely in their experience with earning money. Some youth may have held entry-level part-time jobs or helped in family businesses, while others may have limited or no experience earning income. When introducing this topic, it can be helpful to engage youth in a discussion about the different ways people their age obtain money. Facilitators should be mindful to frame the discussion broadly so that youth who do not currently work do not feel excluded, and youth who do work do not feel pressured to disclose personal or family circumstances.

Rather than asking participants to describe their own financial situations, it may be more effective to ask general questions such as how people their age typically earn money or what kinds of opportunities exist in their communities. This approach allows students to contribute ideas without feeling singled out.

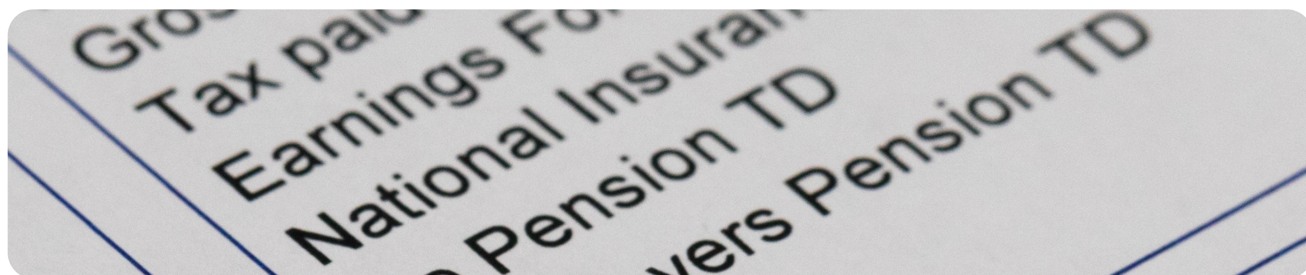
Youth today earn money in a variety of ways. In addition to traditional part-time employment, young people may earn income through informal work such as chores, yard work, babysitting, pet-sitting, tutoring, or assisting neighbors and family members. Some youth also participate in internships, school-based work programs, or seasonal employment.

More recently, younger generations have become increasingly engaged in newer forms of earning money. Many youth participate in the resale economy, buying and selling clothing, shoes, electronics, collectibles, or other items through online marketplaces or social media platforms. In addition, the rise of the creator economy has exposed young people to peers who earn income by producing online content, streaming, promoting products, or building personal brands on digital platforms. Even if youth are not directly participating in these activities, many are familiar with them through social media and online communities.

These evolving forms of earning money may arise during discussions and can provide useful opportunities to talk about how income is generated, the difference between consistent earnings and uncertain income streams, and how media exposure may shape expectations about money. Helping youth recognize the wide range of ways people earn money can support broader conversations about financial responsibility, realistic income expectations, and the importance of developing skills that contribute to long-term financial stability.

Minimum Wage & Paycheck Basics

Understanding how wages and paychecks work is an important foundation for financial literacy. Youth should be aware of the minimum wage in their region and understand that this rate represents the lowest hourly wage that employers are legally required to pay most workers. Minimum wage levels vary by location and may differ between federal, state, and local jurisdictions. In many areas, minimum wages are periodically adjusted to reflect increases in the cost of living and broader economic conditions. Introducing youth to the concept of minimum wage can help them better understand what entry-level jobs may pay and how income levels can change over time.



In addition to understanding wage rates, youth should also learn how to read and interpret a paycheck. Many young people are surprised to find that the amount they receive in their paycheck is less than the total amount they earned. This difference occurs because employers are required to withhold certain taxes and deductions before wages are paid to the employee.

Two key terms are helpful to introduce:

Gross pay refers to the total amount of money earned before taxes or other deductions are taken out. For hourly workers, gross pay is typically calculated by multiplying the number of hours worked by the hourly wage.

Net pay, sometimes referred to as “take-home pay,” is the amount of money an employee actually receives after taxes and other deductions have been withheld.

Youth may also benefit from understanding some of the common deductions that appear on a paycheck. These may include federal and state income taxes, Social Security and Medicare contributions, and, in some cases, contributions to benefits such as retirement savings or health insurance. While these deductions reduce the amount of money received in a paycheck, they also contribute to future benefits.

Learning how wages are calculated and how paychecks are structured helps youth develop realistic expectations about earnings and spending. It also introduces important concepts related to taxes, employment, and financial planning that will become increasingly relevant as they enter the workforce.

Financial Planning, Saving, & Investing

Section Overview

1. Savings vs Investing
2. The Importance of Starting Early
3. The Power of Compound Growth
4. Short-Term & Long-Term Financial Goals
5. Opportunity Cost (Needs vs Wants)
6. Saving for Emergencies & Unexpected Costs
7. Investing Basics

Savings vs Investing

Savings and investing are both ways of setting aside money for the future, but they serve different purposes and involve different levels of risk. Saving typically involves placing money in low-risk accounts, such as savings accounts or money market accounts, where the primary goal is to protect the money and keep it easily accessible. Savings are often used for short-term goals or emergency funds.

Investing, in contrast, involves using money to purchase assets such as stocks, bonds, or mutual funds with the goal of growing wealth over time. Investments have the potential to earn higher returns than savings, but they also carry greater risk because their value can fluctuate. As a result, investing is generally more appropriate for long-term financial goals, while savings is better suited for short-term needs and financial stability.

The Importance of Starting Early

Developing the habit of saving or investing early is one of the most important steps individuals can take to build long-term financial stability. While many people believe saving or investing can wait until they earn more money later in life, starting early allows individuals to benefit from time and the effects of compound growth. Even small amounts of money saved or invested regularly can grow substantially over many years.

Starting early also helps individuals develop healthy financial habits. Setting aside a portion of income, whether from a paycheck, allowance, or other earnings, reinforces the idea that saving is a normal part of managing money. Over time, consistent saving can help individuals build emergency funds, prepare for larger expenses, and work toward long-term goals such as education, housing, or retirement.

The Power of Compound Growth

One of the most important concepts in personal finance is compound growth. Compounding occurs when money earns returns, and those returns begin to earn additional returns over time. In other words, both the original savings and the accumulated interest or investment gains continue to grow.

This process allows money to grow faster the longer it remains invested. Early in the saving process, growth may appear slow because returns are being earned on a relatively small balance. Over time, however, the accumulated earnings become larger and begin generating their own returns. This creates a snowball effect in which savings accelerate as time passes.

Because compounding works over time, starting early is one of the most powerful advantages an individual can have when building financial security. Even relatively small contributions made consistently over many years can grow into substantial amounts. Compounding also highlights the importance of consistency. Regular contributions, such as setting aside money each month, allow individuals to steadily increase their savings while allowing time and investment returns to do much of the work.

Consider someone who saves $250 per month starting at age 18 and continues until age 65. If those savings earn an average annual return of 10%, roughly the historical long-term return of the U.S. stock market, the results can be substantial (see Table 3).

Table 3: Investment age range 18 to 65

Age Range	Monthly Contribution	Total Contributions	Value at Age 65 (10% return)
18-65	$250	$141,000	**≈ $3,210,000**

Although the individual contributes $141,000 over their lifetime, compound growth increases the total value to over $3.2 million by retirement.

Now consider the same person who waits until age 30 to begin saving (Table 4).

Table 4: Investment age range 30 to 65

Age Range	Monthly Contribution	Total Contributions	Value at Age 65 (10% return)
30-65	$250	$105,000	**≈ $948,000**

By waiting just 12 years, the final savings drop from about $3.2 million to about $950,000, even though the total contributions are only $36,000 less. This example illustrates the cost of delaying saving and investing.

Short-Term & Long-Term Financial Goals

People save money for many different reasons. Some savings goals are short-term, meaning they may be achieved within a few months or a few years. Others are long-term goals that may take many years or even decades to accomplish. Understanding the difference between these types of goals can help individuals create realistic savings plans and make informed financial decisions.

Short-term savings goals often relate to purchases or expenses that will occur in the near future. Examples might include saving for a vacation, purchasing a vehicle, buying furniture, covering moving expenses, or preparing for costs associated with a new family member or pet. Because these goals typically have a clear timeline, creating a savings plan can help make them feel more achievable. A savings plan allows individuals to estimate how much money they will need and determine how much to set aside each month to reach their goal. For example, a $600 expense may initially feel overwhelming, but it can become more manageable when broken into smaller contributions, such as saving $50 each month for one year.

Long-term savings goals often require more patience because they involve a longer time horizon and delayed gratification. Common long-term goals include saving for education, purchasing a home, or preparing for retirement. Because these goals may be many years away, it can be easy to postpone saving for them in favor of more immediate needs or wants. However, starting early is especially important for long-term goals because savings have more time to grow through compound interest and investment returns, as illustrated previously.

Many employers offer retirement savings programs that allow workers to set aside a portion of their income for the future. Some employers even contribute additional funds to employee retirement accounts, which can significantly increase long-term savings. However, not all workers have access to employer-sponsored retirement plans. To help address this gap, Oregon offers several savings programs designed to help residents build financial security over time.

Embark is Oregon's education savings plan that allows families and individuals to save and invest money for future education expenses. Funds can be used for a wide range of educational costs, including college, trade schools, apprenticeships, graduate school, and other qualifying programs. Contributions to the account are invested, allowing savings to grow over time (https://embarksavings.com).

The **Oregon ABLE Savings Plan** is a savings and investment program designed for individuals with qualifying disabilities. The program allows eligible Oregonians to save money in tax-advantaged accounts while maintaining eligibility for certain public benefits. Participants can choose from several investment portfolio options, and the program is designed to keep fees relatively low compared to many traditional investment accounts. (https://www.oregonablesavings.com)

Oregon Saves is a state-sponsored retirement savings program for workers whose employers do not offer a retirement plan. The program automatically enrolls eligible workers into an Individual Retirement Account (IRA), with contributions deducted directly from their paycheck unless they choose to opt out. This program helps individuals begin building retirement savings even if their workplace does not provide a traditional retirement plan. (https://www.oregonsaves.com)

By thinking about both short-term and long-term financial goals, individuals can develop a more balanced approach to managing money. Planning ahead makes it easier to prioritize spending, set aside money consistently, and work toward financial stability over time.

35% of Oregonians report being unable to save money because they do not have money available after paying bills.[1] This is critical and disproportionately affects families with children in the home, those earning less than the median income ($80,426), and Black, Indigenous, and Latino families. Additionally, **nearly half** (49%) **of Oregonians reported being unable to cover an unexpected cost** of $500 from savings.

Financial literacy is only a portion of enhancing Oregonian wellness; ongoing social disparities need to be addressed to ensure equal access to financial health.

Opportunity Cost

Saving money can sound straightforward in theory, but in practice, it involves many small decisions that are unique to each individual. Every financial decision involves trade-offs. In economics, this concept is known as opportunity cost, the value of what is given up in order to choose something else.

Opportunity cost applies to many everyday decisions, not just financial ones. For example, a student deciding whether to stay out with friends or go home to complete an assignment due the next day faces trade-offs either way. If they stay out, the cost might be lost sleep later while finishing the assignment, or a negative impact on their grade if the work is not completed. If they go home to work on the assignment, the cost might be missing time with friends or feeling a sense of FOMO (“fear of missing out”).

The same idea applies to how we spend money. Each time money is spent on one thing, it cannot be spent on something else. Many spending decisions involve choosing between needs and wants. Needs are expenses required for basic living, such as housing, food, transportation, and healthcare, while wants are purchases that provide comfort, convenience, or enjoyment but are not essential.

1. Oregon State Treasury. (2025). Oregon financial wellness scorecard. https://www.oregon.gov/treasury/financial-empowerment/Docthe uments/Annual-reports/2025-scorecard-FINAL.pdf

However, the distinction between needs and wants is not always straightforward. For example, a seventeen-year-old who lives next door to school and can walk to work may view owning a car as a want. In contrast, for someone whose job or school cannot be reached by walking or public transportation, a car may function more like a need. This example illustrates that whether something is considered a need or a want can depend on an individual's circumstances and available alternatives.

When someone has a savings goal and a budget, everyday spending decisions influence how much money remains available to contribute toward that goal. Choosing to spend money today may mean saving less for a future purchase or financial objective.

Understanding opportunity cost can help individuals think more intentionally about their spending habits. One helpful exercise is to review regular monthly spending. Participants can estimate or review bank statements to see how much money is spent on subscriptions, streaming services, takeout meals, dining out, convenience purchases, or other non-essential expenses. When these smaller purchases are added together, they may represent a significant amount of money over time.

Every dollar spent on gambling is a dollar that cannot be used for other purposes. Over time, even small gambling losses can add up and represent money that could have gone toward savings, debt reduction, emergency funds, or everyday expenses. Thinking about these opportunity costs can help individuals make more intentional financial decisions.

Saving for Emergencies & Unexpected Costs

One of the first savings goals recommended for individuals and families is building an emergency fund. An emergency fund is money set aside specifically to cover unexpected expenses or temporary loss of income. Financial experts commonly recommend saving enough to cover approximately three months of essential living expenses, such as housing, food, transportation, insurance, and utilities. Some financial advisors suggest a more conservative goal of six months of expenses, which provides additional protection in the event of a prolonged job loss or major life disruption.

Emergency funds are intended for situations that cannot easily be predicted or planned for. Examples might include sudden medical expenses, unexpected car repairs, home maintenance issues, or a temporary reduction in income due to illness or job changes. Without savings set aside for these situations, individuals may need to rely on credit cards, payday loans, or other forms of borrowing that often come with high interest rates and additional fees.

For many individuals and families, saving several months of expenses may feel unrealistic, particularly when monthly income is already fully committed to necessary expenses. In these situations, it is important to recognize that building an emergency fund is often a gradual process. Even setting aside small amounts of money consistently, such as a few dollars each week or a small portion of each paycheck, can begin to create a financial cushion over time.

The goal of an emergency fund is not perfection, but financial resilience. Having even a modest amount saved can provide peace of mind and reduce the stress that often accompanies unexpected financial challenges. Over time, as income grows or expenses change, individuals may gradually increase their savings and strengthen their emergency safety net.

Investing Basics

Investing involves placing money into financial assets with the goal of growing wealth over time. Common types of investments include stocks, bonds, and investment funds such as mutual funds. Unlike savings accounts, which are designed primarily to protect money, investments carry some level of risk and may increase or decrease in value over shorter periods.

A **stock** represents partial ownership in a company. When someone buys shares of stock, they are purchasing a small portion of that company. If the company performs well and grows in value, the price of the stock may increase, allowing investors to benefit from that growth. Some companies also distribute a portion of their profits to shareholders in the form of dividends.

A **bond** is a type of loan made by an investor to a government, municipality, or corporation. When someone purchases a bond, they are lending money to the issuer for a specific period of time. In return, the issuer typically pays interest at regular intervals and repays the original amount borrowed when the bond reaches its maturity date. Bonds are generally considered less volatile than stocks, but they also tend to offer lower potential returns.

A **mutual fund** (or similar investment fund) pools money from many investors and uses those funds to purchase a collection of investments, such as stocks, bonds, or a combination of both. Professional fund managers make decisions about which assets to buy and sell. One advantage of funds is that they allow investors to hold many investments at once, which helps diversify risk rather than relying on the performance of a single company or asset.

Diversification is an important principle of investing. Diversification means spreading investments across different assets, industries, or types of securities rather than concentrating money in a single investment. Because different investments may perform differently at different times, diversification can help reduce the impact of losses from any single asset. While diversification does not eliminate risk entirely, it can help make investment outcomes more stable over time.

Another key concept is the relationship between **risk and return**. Investments that offer the potential for higher returns often involve greater uncertainty and the possibility of short-term losses. Understanding this trade-off helps investors set realistic expectations and avoid making decisions based solely on short-term market movements.

Investing also typically requires a long-term perspective. Financial markets can fluctuate from day to day or year to year, but long-term investing allows individuals to ride out short-term volatility and benefit from the potential growth of the overall economy. For this reason, investing is generally most appropriate for long-term financial goals such as retirement, education expenses, or building long-term financial security. Understanding these basic principles can help individuals make informed financial decisions and develop realistic expectations about how wealth is built over time.

Probability & Gambling Myths

Section Overview

1. Risk & Probability
2. Expected Value & Gambling Myths

Risk & Probability

Probability refers to the mathematical likelihood that a particular event will occur. We use informal probability judgments in everyday life. For example, we may check the weather forecast to estimate the chance of rain before deciding to go for a walk, or plan our commute based on when we believe traffic is likely to be lighter. In these cases, we rely on available information and past experience to make reasonable estimates about uncertain outcomes.

In gambling, however, people sometimes believe they can identify patterns or clues that will help predict the outcome of events that are actually entirely random. For example, a person might believe that a slot machine is “due” for a win after a series of losses, or that a certain number in a roulette game is more likely to appear because it has not appeared recently. In reality, these games are designed so that each outcome is independent and random, meaning past results do not influence future ones.

Some forms of gambling involve a level of skill or knowledge that can influence decision-making. For example, someone who regularly follows a sport may have more information about teams, players, and performance trends than someone who does not. This knowledge may help them make more informed predictions about a game’s outcome. However, even in these cases, the final result is still uncertain and influenced by many unpredictable factors such as injuries, weather, or unexpected performance.

Understanding probability and risk can help individuals make more informed decisions about gambling. Betting money or something of value on an uncertain outcome defines gambling, and it always involves the risk of losing what was wagered.

Betting money or something of value on an uncertain outcome defines gambling, and it always involves the risk of losing what was wagered.

Expected Value & Gambling Myths

An important concept in gambling is expected value, which refers to the average outcome a person can expect over time if the same bet is repeated many times. In most gambling activities, the expected value for players is negative. This is because gambling operators, often referred to as "the house," design games so that a portion of the money wagered is retained by the operator over time. This built-in advantage is known as the house edge.

For example, if a game pays out less than the true probability of winning would suggest, the difference becomes profit for the casino or gambling operator. While individuals may experience occasional wins in the short term, over many plays the mathematical structure of the game means that players lose money overall. The more someone bets and the longer they play, the more they should expect to lose, even if it feels like the odds are even.

In gambling, short-term wins are possible, but the math of most activities means players lose money on average over time.

Table 5 shows the house edge of different gambling activities. For example, for every $100 wagered on Keno 1-15 Spots, a player can expect to lose about $25-$30, on average.

In psychology, there are a number of well-studied "cognitive biases", which refer to predictable, unconscious errors in thinking that generally affect everyone; having awareness of our cognitive biases helps us make more informed decisions. A common cognitive bias that appears in gambling is the "illusion of control." The illusion of control refers to the experience of believing we can predict or influence a random outcome. For example, the outcome of a slot machine is random each time; however, active participation (i.e., pulling a lever, pressing a button, hitting "stop", etc.) gives the illusion that we can influence the outcome with our physical input. Rolling a fair, six-sided die is another consistently random outcome, yet over time, it is natural to look for patterns and feel like we can make informed decisions based on previous rolls, when in fact the odds of rolling any given number remains 16.7% (one in six).

Superstition and rituals are another common way we can find ourselves feeling like we can influence the outcome of a random event, like wearing specific clothing or performing a specific ritualistic behavior before a game or sporting event. While it might feel like there is a running streak of success reinforcing the superstitious belief, selective attention (i.e., remembering wins and attributing them to skill, while forgetting losses and attributing them to bad luck) and confirmation bias (i.e., selectively looking for information that confirms an existing belief, while ignoring contradictory evidence) make it look like there is more influence than in reality.

Table 5. Casino house advantage and expected loss

	House Advantage	Every $100 Bet a Player can Lose
Baccarat		
Player/Banker	1.1% - 1.2%	$1.10 - $1.20
Tie	14%	$14.40
Blackjack		
Natural pays 3 to 2	0.5% - 1.5%	$0.50 - $1.50
Natural pays 6 to 5	2% - 3%	$2 - $3
Craps		
Pass/Dont's Pass	1.4%	$1.40
Prop Bets	10% - 16.7 %	$10 - $16.70
Keno & Sports		
Keno 1-15 Spots	25% - 30%	$25 - $30
Video Keno	8% - 15%	$8 - $15
Sports Betting (Bet $11/Win $10)	4.5%	$4.50
Reels		
Penny Slots	8% - 12%	$8 - $12
Nickel Slots	6% - 12%	$6 - $12
Quarter Slots	5% - 10%	$5 - $10
Dollar Slots	2.5% - 6%	$2.50 - $6
Roulette		
Single Zero	2.7%	$2.70
Double Zero	5.3%	$5.30
Video Poker		
Video Poker	0.5% - 5%	$0.50 - $5

Adapted from *Casino Games - A Guide to Understanding the Odds*, by the American Gaming Association

Another common, important cognitive bias in gambling is the “near-miss effect,” which keeps people playing. The near-miss effect refers to when it feels like there was almost a win (e.g., two out of three symbols align on a slot machine). When it feels like you almost won, even though you ultimately lost, it tricks the brain into thinking that you have an edge now and to continue gambling. Similarly, after several losses in a row, it is common to feel like you are “due for a win,” and continuing to gamble will result in a win worth the continued financial loss. Continuing to gamble, trying to win back losses (“chasing losses”), rarely results in financial net gain, and more frequently ends in a net loss anyway.

Gambling misconceptions were assessed among Oregon adults in 2024, revealing that 5% of surveyed adults admitted to believing that the more you gamble, the better the odds are of winning; 3% reported that if you continue gambling your luck will change and you will win back lost money; and 3% believed that almost winning is a sign that a win is coming soon.[2] More of us may fall into these biases without realizing it in the moment.

In Oregon, video lottery games are popular. You can look at the payout for each specific game on the Oregon Lottery website (click on the game name).

Note: A payout percentage, generally in the 92-96% range, refers to the estimated return a player can expect over a long period of play; it does not refer to the odds of winning a single game/session. For example, a game with a payout of 94% means that in the long run, players can expect a payout of $0.94 for every dollar wagered. In other words, over a period of time, players should expect to lose 6% of what they wager.

2. Problem Gambling Solutions, Inc. (2025). 2024 Oregon adult gambling attitudes, behavior, and health survey. Oregon State Treasury. (2025). Oregon financial wellness scorecard. https://www.oregon.gov/treasury/financial-empowerment/Docthe uments/Annual-reports/2025-scorecard-FINAL.pdf

Digital Money, Gaming Currencies, & Blind Boxes

Section Overview

1. In-Game Purchases, Loot Boxes, Skins, & Microtransactions
2. Virtual Currency vs. Real Money
3. Blind Boxes

In-Game Purchases, Loot Boxes, Skins, & Microtransactions

Many video games include features that encourage players to spend real money, sometimes without players fully recognizing what they are paying for or how much they are spending overall. Understanding these features is important for financial literacy, particularly when working with youth.

Microtransactions are small purchases made within a game or app using real money. They can be used to buy cosmetic changes to a character's appearance, extra health or energy, shortcuts that speed up progress in the game, or chances to win in-game items. Because each individual purchase is small, the costs can add up quickly without feeling significant in the moment.

One of the most discussed gambling-like features in gaming is the loot box. A loot box is a virtual item that a player pays to open, receiving a randomized reward, meaning the player does not know what they will get before purchasing. Because players spend real money for an unknown outcome with the possibility of winning something valuable, loot boxes closely resemble gambling. They are accessible to players of all ages, since anyone with a gift card or access to a debit or credit card can make purchases, regardless of whether they are a minor.

Skins are one type of reward that players seek from loot boxes. A skin is a cosmetic modification, a new appearance for a character, weapon, or other in-game item, that does not affect gameplay but changes how something looks. Rare skins can sometimes have real-world monetary value because they can be traded or sold in secondary markets where players buy and sell digital items.

Some players treat rare skins as investments, holding them in the hope that their value will increase over time. For example, a rare skin for the AK-47 weapon in the game Counter-Strike reportedly sold for approximately $1 million in June 2024. This adds another layer of complexity to loot boxes: players are not simply paying for entertainment, but may be wagering money for a chance to obtain digital items that can have real-world cash value.

These features matter in the context of financial literacy because they can normalize spending on random outcomes, encouraging gambling-like behavior, and create particular risks for young people. Research has linked excessive loot box spending among adolescents to higher rates of gambling-related harm, suggesting that these habits may prime youth for gambling problems later in life.

Some video games, including Grand Theft Auto V, Red Dead Redemption 2, and Yakuza, include actual casino games that players can access using virtual currency. While no real money is wagered within the game, these features expose youth to gambling mechanics, teach them how gambling activities work, and build excitement and familiarity around gambling in a normalized, consequence-free environment.

Virtual Currency vs. Real Money

Many games and apps allow players to convert real money into virtual currency, a game-specific form of credit that can only be used within that platform. In most cases, this currency cannot be converted back into real money, meaning any unspent balance is effectively lost if a player stops playing.

The core problem with virtual currency is that it creates distance between the player and the actual cost of what they are spending. Once real money has been exchanged for virtual credits, those credits no longer feel like real money, which makes it easier to spend them without the hesitation that would normally accompany a purchase.

Roblox, a popular game among children and teenagers, illustrates this well. The game uses a virtual currency called Robux, and $9.99 in real money purchases 1,000 Robux. The platform also offers bulk discounts, which encourages players to buy more currency at once than they may actually need. By the time a player is making in-game spending decisions, the original real-money cost has already been paid and is no longer visible, evolving what behavioral economists call the Pain of Paying, the natural resistance people feel when spending money. Without that friction, it becomes much easier to spend freely and lose track of the true cost.

Blind Boxes

Blind boxes are another example of a consumer product that incorporates elements of chance into purchasing decisions. A blind box is a package that contains a collectible item, but the specific item inside is unknown at the time of purchase. Buyers know the possible items that might be included in a product series, but they do not know which specific item they will receive until the box is opened. Blind boxes are commonly used for collectible toys, figurines, trading items, and other merchandise.

In many cases, blind box collections include a set of common items and a smaller number of rare or limited-edition items. Because the rare items are harder to obtain, some buyers purchase multiple boxes in the hope of receiving a specific collectible. This uncertainty and the possibility of receiving a rare item can create excitement and encourage repeat purchases. The popularity of Labubu collectible figures in 2025 is a prime example.

From a financial literacy perspective, blind boxes illustrate how random outcomes can influence spending behavior. While each purchase may seem relatively inexpensive, repeated purchases in pursuit of a specific item can add up quickly. Buyers may also overestimate their chances of receiving rare items, especially when marketing materials highlight those items prominently.

Although blind boxes are typically marketed as collectibles rather than gambling, they share some structural similarities with gambling-like activities. Consumers are paying money for a chance to receive an item of uncertain value. For financial literacy education, blind boxes provide a useful opportunity to discuss concepts such as probability, expected value, marketing influence, and spending awareness.

Helping individuals understand how these mechanisms work can support more informed purchasing decisions and encourage consumers to think carefully about how much they are willing to spend on products with uncertain outcomes.

Financial Stress & Emotional Spending

Section Overview

1. Financial Stress, Emotional Triggers, & Gambling Behavior
2. Making Money Decisions Under Pressure

Financial Stress, Emotional Triggers, & Gambling Behavior

Financial stress is one of the most common sources of anxiety for adults. National surveys consistently find that money is a leading cause of stress, affecting nearly two-thirds of Americans.[3] In recent years, financial distress has reached particularly high levels as many households face rising costs of living, economic uncertainty, and other financial pressures.[4]

Financial stress can have significant effects on both mental and physical health and may contribute to tension in relationships, difficulty concentrating at work or school, and broader challenges in daily functioning. Because financial stress can be deeply personal and emotionally charged, financial literacy discussions should be approached with sensitivity and compassion.

For many individuals, avoidance becomes a coping strategy when dealing with financial stress. Avoidance behaviors may include not checking bank statements, ignoring credit card bills, or postponing financial decisions. While avoidance can temporarily reduce feelings of anxiety or discomfort, it often increases financial problems over time. Other avoidance-related behaviors may include impulsive spending, failing to track expenses, or avoiding budgeting altogether.

Financial stress can also increase the likelihood of gambling-related harm. Individuals experiencing financial anxiety may turn to gambling as a form of emotional escape or temporary distraction from financial worries. In some cases, financial pressure can lead people to chase losses, believing that continued gambling may allow them to recover money that has already been lost. This belief can reinforce harmful gambling patterns and deepen financial instability.

Financial stress can also increase the likelihood of gambling-related harm. Individuals experiencing financial anxiety may turn to gambling as a form of emotional escape or temporary distraction from financial worries.

3. American Psychological Association. (2024). Stress in America 2024. https://www.apa.org/pubs/reports/stress-in-america/2024/2024-stress-in-america-full-report.pdf
4. National Foundation for Credit Counseling. (2025, November 17). *NFCC reveals financial strain is the new normal for American households.* https://www.nfcc.org/press_release/nfcc-reveals-financial-strain-is-the-new-normal-for-american-households

In other situations, financial desperation may lead individuals to borrow money, use credit cards, or rely on high-cost financial products in order to continue gambling. These behaviors can quickly worsen financial problems and increase stress, creating a cycle in which financial pressure and gambling-related harm reinforce one another.

Developing healthy financial habits can help reduce some of these risks. Practices such as creating a budget, routinely reviewing bank statements, tracking expenses, and paying bills on time can help individuals stay aware of their financial situation and make more informed decisions. Although these behaviors may feel uncomfortable at first, they can increase financial confidence, reduce uncertainty, and help individuals identify potential problems before they grow larger.

Possible Indicators of Financial Stress

- Frequently carrying high credit card balances
- Making only minimum payments on debts
- Repeated overdraft fees
- Difficulty paying bills on time
- Borrowing money from friends or family
- Using high-interest loans or payday loans
- Selling personal belongings to cover expenses

Making Money Decisions Under Pressure

Sometimes people must make financial decisions while under stress, whether due to a pending deadline, financial urgency, or social pressure and expectations. Stressful situations can lead to emotional or impulsive decision-making rather than thoughtful and informed choices, which may later result in feelings of guilt or regret.

Financial regret is relatively common. A 2025 survey identified several common sources of financial regret, including not saving enough money, making impulse purchases driven by emotion, accumulating credit card debt, paying too little attention to personal finances, and overspending due to social pressure.[5]

At the same time, financial regret can also create an opportunity for change. Recognizing past financial decisions can motivate individuals to adopt healthier financial habits in the future. In fact, nearly half of Americans surveyed reported feeling confident in their ability to improve their finances in the coming year, with many planning to follow a budget and rely on healthier coping strategies rather than turning to spending when under stress.[5]

5. Intuit Credit Karma. (2025, December 16). Nearly half of Americans say their finances worsened in 2025 – but most are planning a reset in the new year. https://www.creditkarma.com/about/commentary/nearly-half-of-americans-say-their-finances-worsened-in-2025-but-most-are-planning-a-reset-in-the-new-year

Advertising and Persuasion

Section Overview

1. How Advertisements Influence Spending
2. Being Aware of Gambling-Themed Marketing
3. Predatory Financial Products

How Advertisements Influence Spending

Marketing is a well-funded industry backed by consumer data and knowledge of psychological concepts designed to influence spending. Advertisements use different strategies to encourage spending, like creating a sense of urgency, fear of missing out, trust and loyalty to a brand, perceived need, and value in a specific item, experience, or brand. Savvy marketers tap into our cognitive biases to encourage impulse purchases. *In sum, advertisements are often designed to make you spend more money without thinking about it.* Individuals can practice noticing marketing tactics and responding with thoughtful decision-making.

Being Aware of Gambling-Themed Marketing

Marketing in the gambling industry isn't always obvious. Some advertising strategies encourage gambling behaviors without necessarily disclosing such; unlike Oregon Lottery or casino advertisements, which identify the activity as gambling and include disclaimers about participation, some gambling activities are presently less regulated (e.g., social casinos, prediction markets) and can market gambling in more subtle ways. Individuals can practice recognizing when an advertisement seems too good to be true or promises easy money, and think critically about whether the marketed activity may actually involve gambling, defined as wagering money or something of value on the outcome of an uncertain event.

Importantly and problematically, youth media is becoming more and more saturated with gambling advertisements. It is important for parents and caregivers to be aware of ways youth are exposed to gambling marketing, as youth are more susceptible to impulsive and emotional decision-making and may be less aware of cognitive biases and manipulative marketing tactics.

Predatory Financial Products

Predatory financial products are financial services designed in ways that take advantage of consumers' lack of information, urgent financial needs, or behavioral vulnerabilities. These products often appear helpful in the short term, providing quick access to money, credit, or financial opportunities, but include terms that are excessively costly, confusing, or structured in ways that increase the likelihood that consumers will incur additional fees or debt. For individuals experiencing financial stress, including those affected by gambling-related harm, these products can create cycles of financial instability that are difficult to escape.

Common examples include payday loans, high-interest installment loans, certain rent-to-own agreements, and some forms of high-fee credit cards. These products frequently feature extremely high interest rates, hidden or complex fees, aggressive marketing tactics, and repayment structures that make it difficult for borrowers to fully repay the balance. For example, payday loans are often marketed as short-term solutions but can carry annual percentage rates (APRs) exceeding 300%, leading many borrowers to repeatedly refinance or "roll over" loans, accumulating additional fees.

Predatory financial products can disproportionately impact individuals who have limited access to traditional financial services, lower credit scores, or urgent financial needs. In the context of gambling harm, individuals who have experienced financial losses may turn to these products in an attempt to quickly recover money or cover immediate expenses. Unfortunately, the high costs and repayment structures associated with these products can worsen financial hardship and increase stress, which may in turn exacerbate harmful gambling behaviors.

Financial literacy education plays an important role in prevention by helping individuals recognize the warning signs of predatory financial products. Key indicators include extremely high interest rates, pressure to borrow quickly, complex or unclear repayment terms, and lenders that do not evaluate a borrower's ability to repay. Educators and prevention providers can help individuals identify safer alternatives, such as traditional bank loans, credit unions, financial counseling services, or community-based assistance programs.

By increasing awareness of predatory financial products and their potential risks, financial literacy initiatives can help individuals make more informed financial decisions and avoid financial arrangements that may deepen economic hardship. In the context of problem gambling prevention, understanding these risks is particularly important because financial vulnerability and gambling-related harm often intersect, reinforcing cycles of debt, stress, and continued risk-taking.

Teaching and Implementation Strategies for Prevention Specialists

Financial literacy education can be implemented in a number of ways. Across all approaches, education should be delivered in plain language and tailored to the needs of the audience. Whenever possible, educators should incorporate interactive components that allow individuals to reflect on their own experiences or use real-world scenarios to practice financial literacy skills. These approaches can increase individuals' engagement and make key messages more meaningful and memorable.

Additionally, financial literacy education should avoid fear-based or shame-based messaging. Fear can encourage avoidance, while shame may cause learners to disengage from the material. Instead, education should focus on building confidence, knowledge, and practical skills that support healthy financial decision-making.

Education can be more accessible when preventionists partner with schools, community organizations, and other areas of popular influence to deliver messaging. Whenever preventionists enter into the space to provide lessons or equip teachers or leaders with knowledge and skills to deliver lessons themselves, working with the community is critical for trust and access. Additionally, learners should be encouraged to discuss financial concepts with their families. Parents should be aware of what their children are learning, and youth will greatly benefit from hearing about financial skills from their caregivers.

Further, whenever possible, preventionists should partner with community leaders to adapt materials to be linguistically and culturally appropriate to learners. While translated materials make material more accessible, cultural adaptations ensure that the content is relevant to community members.

Ethical Considerations

When delivering financial education, presenters may be asked questions outside of their scope or comfort zone. Presenters do not need to engage in self-disclosure that they are uncomfortable with, and should not provide financial advice. Instead, refer learners to the resources linked in this document, or help them find something more tailored to their need if appropriate.

Evaluation and Outcomes

When implementing a new program, collecting evaluation and outcome data can help assess program impact and inform future decision-making.

Short Term Outcomes

In the short term, participants in financial literacy education should ideally demonstrate increased financial knowledge, greater confidence in their ability to manage their finances, and changes in their attitudes toward financial health behaviors and concepts. These outcomes can be measured through pre- and post-surveys that assess understanding of key financial concepts, self-reported confidence in managing personal finances, and the strength of certain financial beliefs.

To measure change over time, surveys should include some type of identifier (e.g., a participant ID or the last four digits of a phone number) that allows responses from the same individual to be linked across the pre- and post-surveys. Surveys can also provide valuable feedback by allowing participants to share what they found most or least helpful and to offer suggestions for trainers or curriculum developers.

Pre- and post-surveys are particularly effective for measuring change resulting from an educational program or intervention. However, they may be more difficult to administer when financial literacy education is delivered indirectly, such as through printed materials or "train-the-trainer" models. In these situations, alternative data collection approaches may be appropriate. For example, focus groups can provide insights into the usefulness of informational handouts, while surveys of trainers can assess the perceived feasibility and effectiveness of the curriculum and help inform potential improvements.

Longer Term Outcomes

Ideally, programs should also include a way to follow up with participants after financial literacy education has been delivered. Six to twelve months after the program, educators may survey participants about changes in their financial behaviors, such as budgeting, impulse spending, saving, or gambling-related behaviors, as well as whether improvements in financial confidence and beliefs have been sustained over time.

Follow-up surveys also provide an opportunity to reinforce key financial concepts and bring financial health back to participants' attention. To conduct follow-up assessments, educators will need to collect participant contact information and obtain permission to reach out at a later date. Participants should be clearly informed about how their information will be used and how their privacy will be protected.

Resources and Referral Pathways

Budgeting Resources (Education, Information, & Templates)

- University of Pennsylvania: https://srfs.upenn.edu/financial-wellness/browse-topics/budgeting
- Purdue University: https://guides.lib.purdue.edu/c.php?g=1171310&p=8556130
- Securities and Exchange Commission: https://www.investor.gov/financial-tools-calculators/calculators/savings-goal-calculator
- Federal Trade Commission: https://www.consumer.gov/sites/www.consumer.gov/files/pdf-1020-make-budget-worksheet_form.pdf

Additional Financial Literacy Education

- Oregon Jump$tart: https://or.jumpstart.org
- Financial Literacy, by Khan Academy: https://www.khanacademy.org/college-careers-more/financial-literacy
- Personal Finance Certification Courses, Next Gen Personal Finance: https://www.ngpf.org/certification-course

Financial Wellness Resources

- Financial Wellness, 211 Info: https://www.211info.org/financial-wellness/
    - Contains links to Oregon-specific and general financial coaching and education, tax preparation, debt management, resources for saving and investing, information about checking and savings account, credit-building, among other helpful tools and resources.

Resources and Referral Pathways

Oregon Savings Resources

- Embark: Oregon's Education Savings Plan: https://embarksavings.com/
  - Did you know that Oregon has an education savings plan, offering a savings account that can be used for all kinds of educational expenses, including college, trade schools, apprenticeships, graduate school, and more. Money gifted to the account is invested, helping accounts grow.
- Oregon Able Savings Plan: https://www.oregonablesavings.com/
  - Oregonians with a qualifying disability are eligible for a savings account with several investment portfolio options. In contrast to other types of investment accounts, the Oregon Able Savings Plan was designed to keep fees low.
- Oregon Saves: https://www.oregonsaves.com/
  - For Oregonians whose employers do not offer retirement savings, the state offers an automatic retirement savings program. Contributions are invested into a particular type of account, called an Individual Retirement Account (IRA). Alternatively, people can sign up for an IRA outside of Oregon Saves instead.

Support for Problem Gambling in Oregon

- Oregon Problem Gambling Resources: https://www.opgr.org
- Oregon Council on Problem Gambling: https://oregoncpg.org
- Oregon Health Authority Problem Gambling Services: www.oregon.gov/oha/HSD/Problem-Gambling