

Explaining Gambling Behavior among the Youth in Kenya

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Background and the Problem

- ▶ Although gaming is beneficial to betting firms, the government through tax revenues and licences, telecommunications companies, and the lucky gamers through winnings' revenues, the associated economic costs to the society as well as to an individual's health are not insignificant (Booth et al; Latvala et al; Johnstone Regan; Seal et al; Howe et al). Despite government's intervention on the

Figure: One bookie down!



The Problem... Continued

- ▶ Pathological gambling prevalence (global): 0.1-3.4percent (Calado Griffiths); 5.8-7.6 percent (Howe et al). Gambling crisis attributed to soc Farrell).

Dimension	Year 2019	Year 2021
Daily	22.6	15.90
Weekly	51.7	41.4
Occasionally	17.1	22.2
Monthly	6.9	8
Perception	22.7	11.2
Meal	28.5	31.8

Objectives of the Research

- ▶ To analyze the effects of socio-demographic characteristics on gaming in Kenya.
- ▶ To analyze how undesirable output alters these effects.

Methodology

Assumptions of the Model

- ▶ Consistency restriction does not hold.
- ▶ Independence of irrelevant alternatives.
- ▶ Gaming-induced indebtedness is undesirable.

From the data,

- ▶ Non-active gamblers: 86.1

Thus, the data set has many zeroes.

- ▶ Two-part models (selection bias)

Three gaming dimensions considered: propensity, efficiency, and intensity.

- ▶ Cragg hurdle model
- ▶ Stochastic frontier analysis

Forward selection of variables Data: Financial Access Survey 2021
(22024 households)

Findings and Discussion

Variables	Wager	Propensity	Wager	Propensity
Youth	-0.05	0.2	-0.09	0.23*
Female	-0.82*	-0.43**	-0.88**	-0.40**
Ln income	0.15*	-0.10**	0.12	-0.09**
Food security	0.36**	-0.10	0.46***	-0.08
Mobile loan	0.23*	0.24***	0.24	0.20**
University	0.36*	0.31***	0.37*	0.31***
Neighbourhood	-0.35	1.75***	-0.44	1.77***
Food	-0.35**	-0.11	-0.36	-0.10
Education	-0.38**	-0.04	-0.38**	-0.02
Health	-0.71**	-0.34**	-0.61**	-0.32**
Perception	0.25**	0.23***	0.28**	0.24***
Financial literacy	0.21	-0.19**	0.24	-0.17*
Relocation	0.32**	0.07	0.31**	0.06
Employed*location	-0.59*	0.21	-0.66	0.20
Digital TV	-0.49***	0.04	-0.48***	0.06
Loan denied	-0.12	0.23***	-0.14	0.20**

Findings... Continued

Variables	Wager	Propensity	Frontier	Inefficiency
Savings reduction	0.04	0.19**	39.47***	130.2***
Asset sale	0.23	0.02	-7.76	-22.74
Food reduction	0.17	-0.04	23.59**	79.49*
Non-food reduction	-0.15	0.22**	-9.59	79.49*
Work hours	0.31**	-0.01	27.52***	90.92***
Constant	4.27***	-2.45***	-71.57	-337.5
Observations	15598	15598	15599	15599

Homestretch

- ▶ Recommendations
- ▶ Limitations