

# The realization effect is fragile in gamblers

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## Objective

- To design and evaluate a gambling intervention to reduce loss-chasing, as a 'responsible gambling' tool.
- Does 'cashing out' reduce risk-seeking behaviour after losses in experienced gamblers?

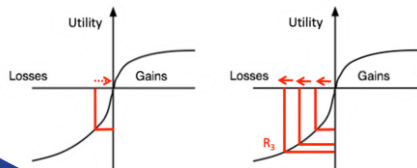
## Background

**Loss-chasing:** the gambler continues betting in order to recover prior losses (e.g., increase bet size over the course of a losing session).

- At-risk gamblers: 50.7% are chasers
- Gamblers with problems: 75.9% are chasers<sup>1</sup>

## When does loss-chasing occur?

From a failure to re-reference between bets, and 'close the associated mental account'.



## Methods

**Realization effect:** encouraging money exchange between (mental) accounts (e.g., gambler's wallet to the casino) induces re-referencing<sup>2</sup>.

### Cash-out vs. Feedback

	Exp 1	Exp 2	Exp 3a	Exp 3b
Non-PG	53	61	149	169
At-risk	62	76	161	163
PG	23	50	163	145

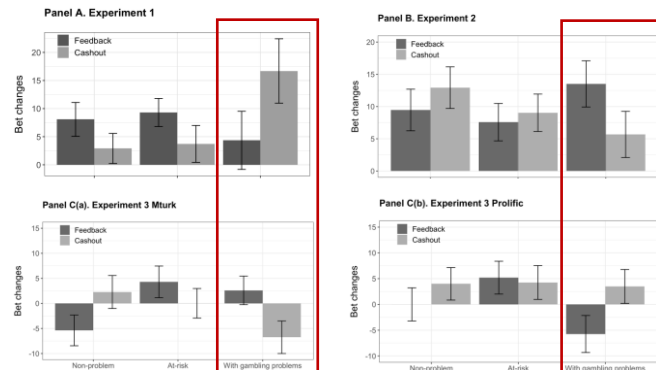
**Participants:** Amazon MTurk & Prolific.

- Gamblers without problems, at-risk, gamblers with problems.

**Procedure:** 9 successive bets framed in 2 brackets.

- Cash-out:** the participant cashed out from game 1 (e.g. 'PrimeMax') and switch to game 2 ('LottoLuck') after the 3rd or 6th bet.
- Feedback:** the participant received their outcome but did not switch games.

## Results



## Conclusion

- 'Cashing out' between bets did not consistently reduce risk-seeking behaviour after losses across different levels of gambling severity.
- The realization effect may be fragile in this gambling version of the task.
- But...**
  - Financial transactions ('cashing out') may have distinct effects in people with gambling problems, which may not follow the realization effect.
  - Re-referencing may be challenging among gamblers if they are 'immersed' in gambling.

## References and Funding

- Toce-Gerstein, M., Gerstein, D. R., & Volberg, R. A. (2003). *Addiction*, 98(12), 1661-1672.
- Imas, A. (2016). *American Economic Review*, 106(8), 2086-2109.

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