

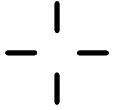
# Cryptocurrency Trading, Gambling & Mental Health

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The National Centre for Youth Substance Use Research; The University of  
Queensland




# Crypto Trading



# Characteristics of Crypto Market


**Easy Access**

Can be traded 24/7  
on mobile apps



**High Volatility**

Token prices  
fluctuate widely and  
often



**Risky  
Instruments**

Traders can trade  
using borrowed  
funds

**MARGIN  
TRADING**



# Comparisons to Gambling

“Trading is gambling, no doubt about it” –  
how cryptocurrency dealing fuels  
addiction

Fears rise over how unregulated trading and promotion of crypto  
assets are creating a new generation of addicts

- **Cryptocurrency ads reach record high on London transport**
- **Dogecoin value soars after Elon Musk move**



INNOVATIONS

## Insomnia, addiction, depression: The dark side of life trading crypto

Crypto was going to make them rich. Instead, therapists say, more people became depressed  
and addicted.



By Pranshu Verma



## Why crypto is gambling and not investing

The only value in cryptocurrencies is that another punter will come and pay  
more. There is no social benefit in them.

Kevin Davis

Contributor



## Why bitcoin is worse than a Madoff-style Ponzi scheme

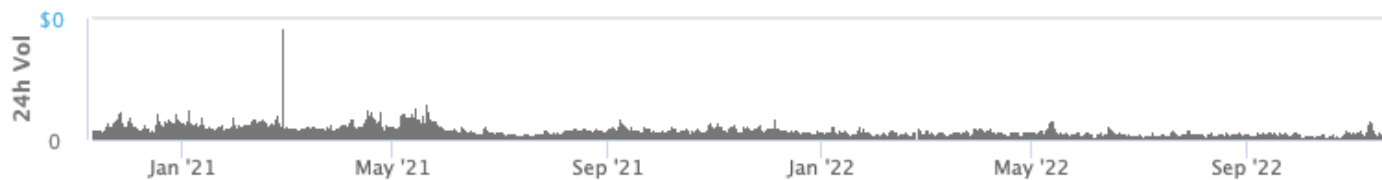
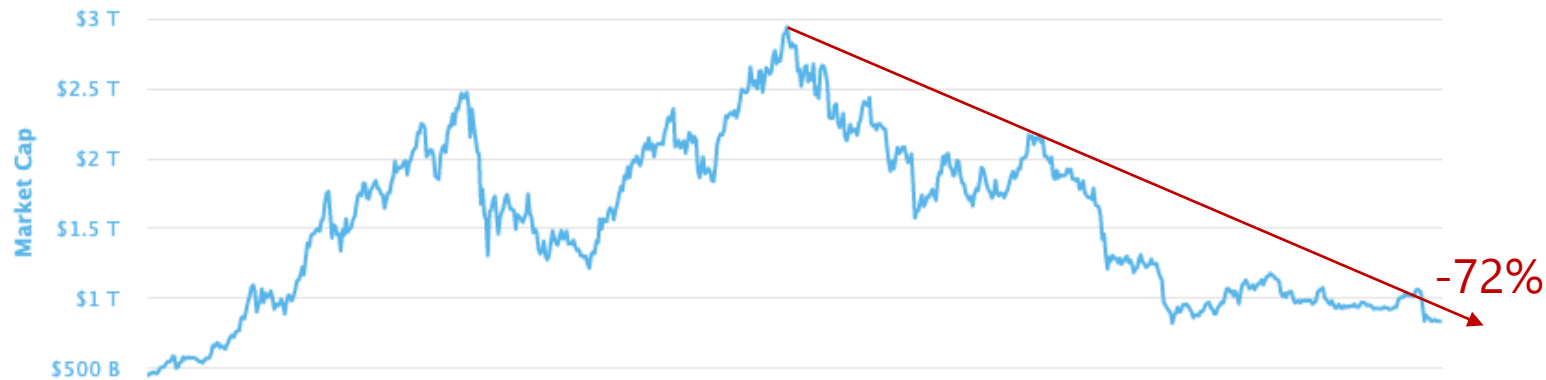
A Ponzi scheme is a zero-sum enterprise. But bitcoin is a negative-sum phenomenon that  
you can't even pursue a claim against, argues Robert McCauley.

ROBERT MCCAULEY [+ Add to myFT](#)



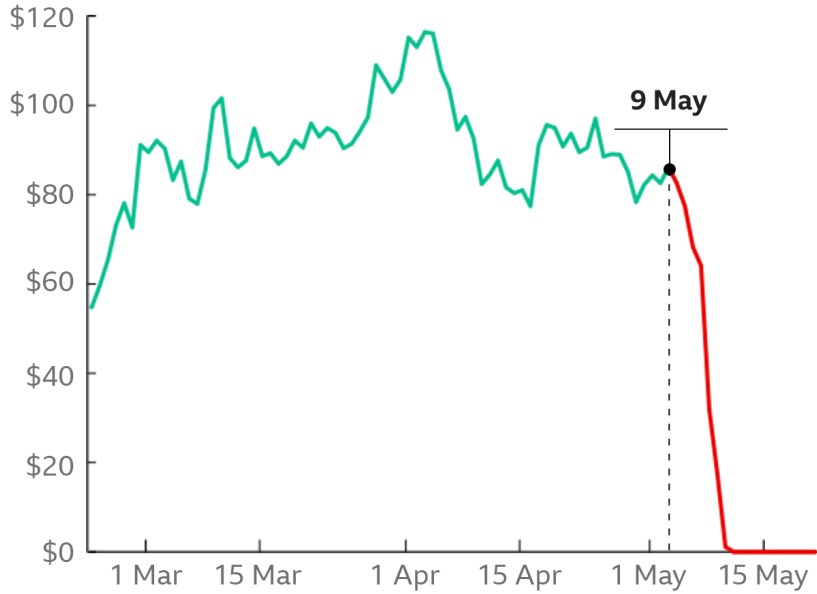
Zoom 1d 7d 1m 3m 1y YTD ALL

Nov 10, 2020 → Nov 19, 2022



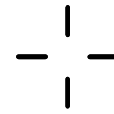
— Market Cap ● 24h Vol

# The collapse of Terra (Luna)

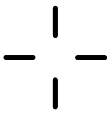


Daily closing price in USD, last three months (22 February - 22 May 2022)

Source: CoinMarketCap

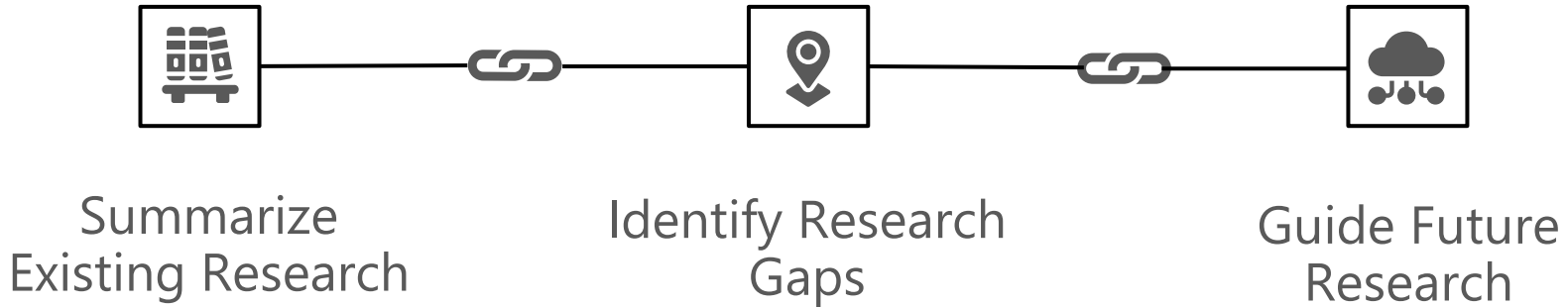


## TerraUSD Chart

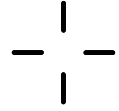


# Aims

Considering its popularity and risk of economic loss, investigation into cryptocurrency trading as a public health risk was warranted...



# Search Strategy



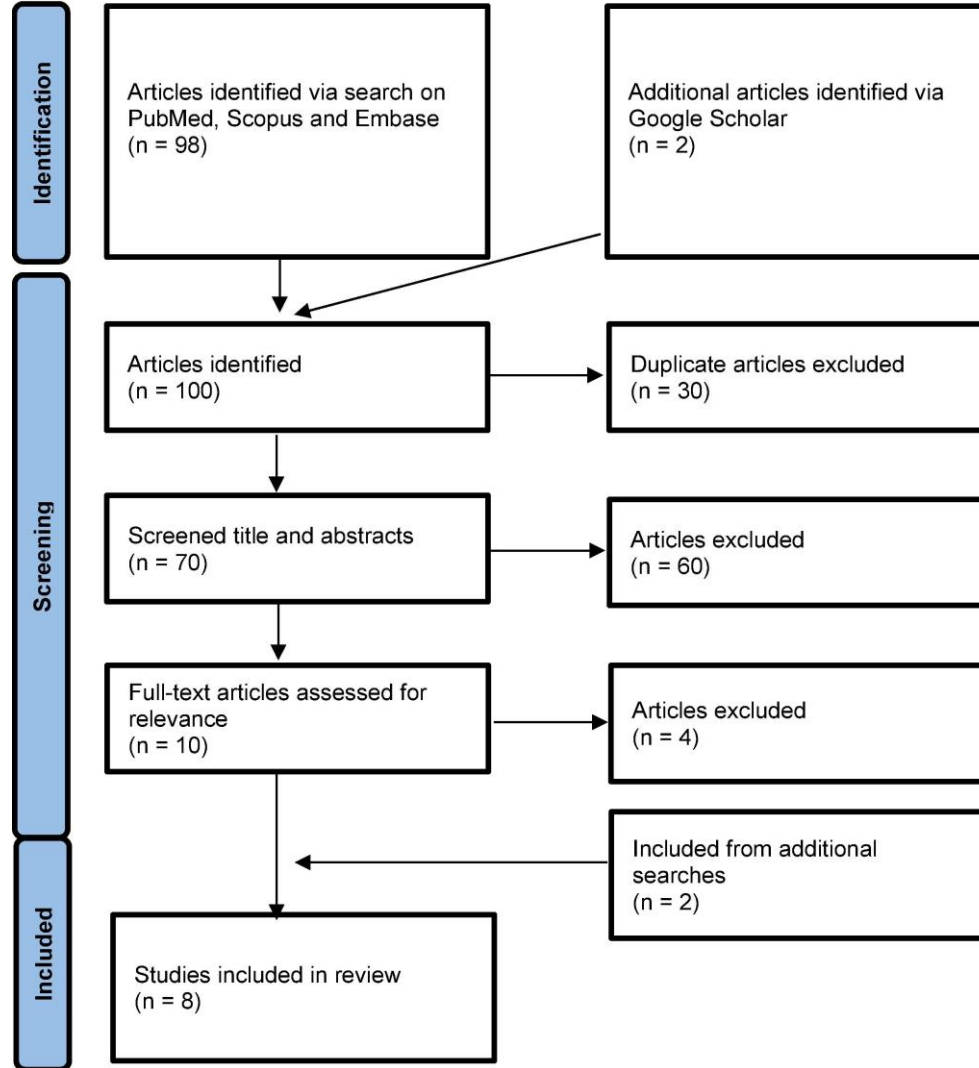
Searched PubMed, Scopus and Embase between August 2021 to February 2022.



Supplementary searches using Google Scholar were also conducted, in April and July 2022.



# Screening



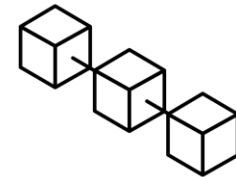
# Study Characteristics



Included studies were published between 2019 and 2022.



All cross-sectional in design and collected self-reported, survey data.

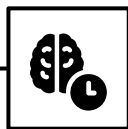


# Results



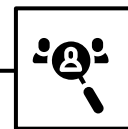
## Problem Gambling

Six studies examined the relationship with gambling.



## Mental Health

Three studies investigated the relationship with mental health.



## **Demographics Factors**

Seven studies investigated demographic factors associated.

# Problem Gambling



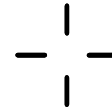
Mills & Nower (2019) + Delfabbro & colleagues (2020)



PGSI scores associated with increased trading frequency, trade size and time checking prices



PGSI predictive of all forms of cryptocurrency engagement, including trading, checking prices and daily hours engaged on it



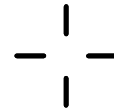
# Problem Gambling



Oksanen and colleagues (2022) found cryptocurrency traders had higher PGSI scores than non-investors and monthly stock-investors





Kim and colleagues (2020) found K-CPGI scores significantly higher for Bitcoin investors than non-investors and share market investors.



# Problem Gambling

## Structural Similarity

-  38 % of cryptocurrency investors tracked the value of cryptocurrency every hour or less (Sonkurt & Altinoz, 2021)
-  27 % of continuous Bitcoin investment attempts at recouping previous losses (Kim et al., 2020)



# Demographics

## Sex Differences

- 🔗 Males were more frequent traders of crypto than females
- 🔗 Being male was significantly associated and predictive of cryptocurrency trading engagement.



# Demographics

## Age Effect

- 🔗 Respondents who invested in crypto were more likely to be younger
- Increased crypto trading frequency
- 🔗 associated with being younger








# Young People and Social Media

- 🔗 21.5 billion views + on videos tagged with the hashtag 'crypto'
- 🔗 A significant portion of Generation Z turns to social media platforms for financial advice (Chern, 2021).



# Specificity

-  Current study investigates crypto trading as a whole, despite differences between behaviours
-  Therefore... unclear what populations existing findings apply to.
-  Additionally... unclear the similarity between crypto trading and gambling
  - Are all crypto behaviours related to gambling?
  - Which cause harm?

# Problem Gambling

Song's (2022) study adapted the PGSI  
measure (PGSI-CT)



3% of females and 2 % of males scored at moderate  
risk



1 % of female participants and 0 % of male participants  
qualified for problem cryptocurrency trading



# Problem Gambling

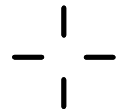
Sonkurt & Altinoz (2021)



SOGS scores suggested that 2 % met the criteria for a gambling disorder



49 % of participants on the Pathological Trading Scale qualified as pathological traders.



# Mental Health

Mills and Nower's (2019)



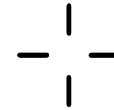
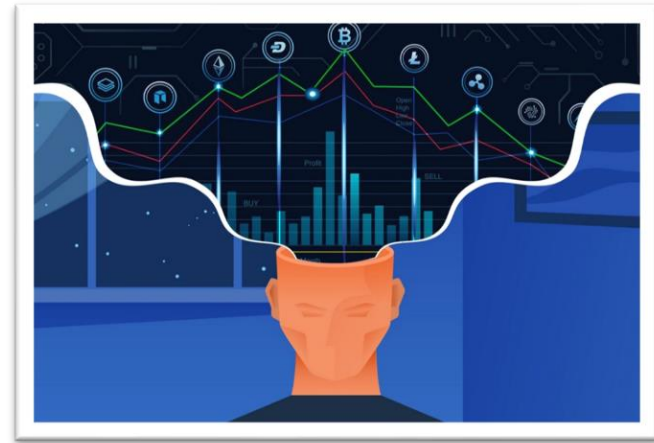
Anxiety and depression associated with increased cryptocurrency trading



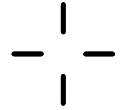
However, these were not significant predictors when factoring in gambling participation




Not significantly different between cryptocurrency traders and high-risk stock traders



# Mental Health



Oksanen and colleagues (2022)

 Cryptocurrency traders reported higher psychological distress, perceived stress and loneliness than monthly stock investors and non-investors

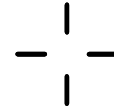


# Mental Health

Kim and colleagues (2020)



Bitcoin and share traders had higher scores on the MDQ and lower scores on the STAI-T than non-investors.



# Mental Health



No investigation over direction of relationship



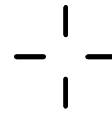
Little is known about how market performance impacts mental health over a longer period.



No investigation into the impact cryptocurrency trading has on other domains like occupational, personal, and financial.



# Further Research



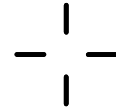
← Q r/CryptoCurrency



**r/CryptoCurrency**  **Joined**

4,542,914 members · 3,694 online

The leading community for cryptocurrency news, discussion, and analysis.



# Impacts of Crypto Trading

83%



Mental Health

76%

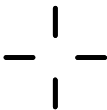


Relational

65%



Financial



# Major crypto exchange FTX begins bankruptcy proceedings in US

Cryptocurrencies have taken a battering as FTX teetered on the brink of insolvency, leaving users scrambling to withdraw their investments as the company scrambles to raise about \$9.4bn to save itself.

By Tom Acres, technology reporter

🕒 Friday 11 November 2022 16:57, UK



NEXT GEN INVESTING

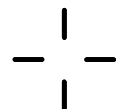
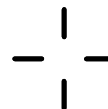
## FTX's Sam Bankman-Fried lost billions and the company filed for bankruptcy—it could signal the 'demise' of crypto, expert says

Published Fri, Nov 11 2022-5:13 PM EST • Updated Fri, Nov 11 2022-6:38 PM EST

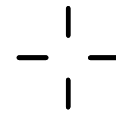


Cheyenne DeVon

SHARE    



# Moving Forward

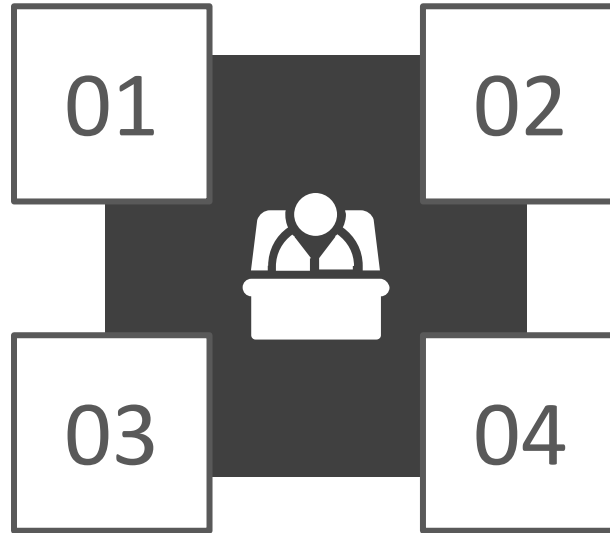


## Clarify

crypto &  
gambling

## Develop

scales to  
develop  
prevalance



## Identify

adverse  
impacts of  
trading

## Implement

interventions to  
reduce harm

# Thank you!



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