

“What’s the Difference Between Gambling and Investing?”

Can you explain the difference between gambling and investing?
Thanks in advance.

Thank you for your e-mail and question about the differences between gambling and investing. There are a number of Christian authors who have addressed this issue (Norm Geisler, Tony Evans, Gary North, etc.).

Briefly let me say that there are some similarities, and there are people who get addicted to high risk investing just like gambling. So I would acknowledge there are some similarities between the two.

But the key issue is that there are some striking differences. Investors research an investment with the goal of lowering the risks and making a wise investment. Gambling is all about risk and the odds cannot be lowered by further research (except for those who can modify the odds of blackjack by card counting or something like that).

The goal of investing is to build up a company and portfolio. Even if it’s done selfishly, it still can have a positive effect on the company and the economy. Gambling takes money out of the capital economy. It doesn’t contribute to job creation, etc. As I argue in [my transcript on gambling](#), gambling actually hurts a local economy and increases social costs (abuse, neglect, bankruptcy).

Most investing is done with discretionary income and with certain limits (amount of stock that can be bought on margin, debt load allowed by a lender, etc.). Most gambling is not done with discretionary income. Money that should go for food,

rent, clothing is often risked in a “get-rich-quick” scheme.

So while I would acknowledge that investing and gambling have some similarities, the differences make the difference. If you are interested, I would encourage you to read some additional material by some of the authors I mentioned.

Thanks for writing.

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