

PERSPECTIVES

ON LABOUR AND INCOME

Gambling

July, 2009

- Net revenue from government-run lotteries, video lottery terminals (VLTs), casinos and slot machines not in casinos rose steadily from \$2.73 billion in 1992, before levelling off and remaining at over \$13 billion since 2005, but then dropping for the first time in 2008, to \$13.67 billion from \$13.70 in 2007.¹
- Net revenue from pari-mutuel betting (horse racing) dropped from \$532 million to \$378 million over the same period (1992 to 2008).
- Casinos and slot machines outside casinos (mainly at racetracks) continued to increase their share of the gambling industry in 2008 (reaching 34% and 22% respectively) while revenue and representation dropped for lotteries (24%) and VLTs (20%).
- Average gambling revenue per person 18 and over in 2008 ranged from \$114 in the three territories to \$825 in Saskatchewan, with a national average of \$528.²
- Compared with workers in non-gambling industries, those in gambling were more likely to be non-unionized (74% versus 69%), paid by the hour (81% versus 65%), and paid less (\$19.85 hourly versus \$21.30) and receiving tips at their job (33% versus 7%).
- Men increased their share of employment in gambling industry from 35% in 1992 to 51% in 2008. Similarly the rate of full-time jobs increased from 60% to 84% between the two years.³
- Just under half of women and men living alone reported spending money on at least one gambling activity; however, the men spent 50% more than women—\$814 compared with \$516.⁴
- Gambling participation and expenditure rates increased with household income. For example, 34% of households with incomes of less than \$20,000 gambled in 2007 and spent an average of \$678, while equivalent figures for those with incomes of \$80,000 or more were 58% and \$798.

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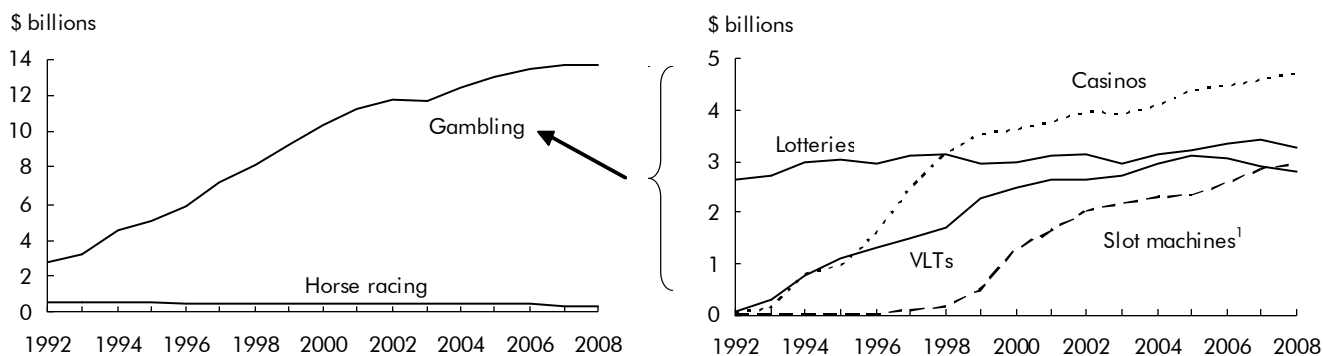


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Chart A Net revenue from government-run gambling has increased steadily



1. Refers to ones found outside government-run casinos.
Source: Statistics Canada, National Accounts.

Table 1 Gambling revenues and profits

	Gambling revenue ¹		Gambling profit ²		Share of total revenue ³		Revenue per capita (18 and over) ⁴	
	1992	2008	1992	2008	1992	2006	1992	2008
	\$ millions (current)				%		\$	
Canada	2,734	13,926	1,680	7,144	1.9	4.8	128	528
Newfoundland and Labrador	80	197	42	99	2.3	4.1	189	477
Prince Edward Island	20	46	7	16	2.7	3.3	209	413
Nova Scotia	125	324	72	143	2.8	4.5	180	426
New Brunswick	117	219	49	129	2.7	3.3	209	363
Quebec	693	2,790	472	1,539	1.8	3.9	128	449
Ontario	853	4,841	529	1,680	1.9	5.2	106	475
Manitoba	153	645	105	358	2.5	5.3	186	696
Saskatchewan	62	641	39	325	1.1	5.4	86	825
Alberta	225	2,254	125	1,759	1.6	5.5	118	809
British Columbia	403	1,962	239	1,089	2.2	5.2	153	556
Yukon, Northwest Territories and Nunavut	5	9	1	7	0.3	0.3	82	114

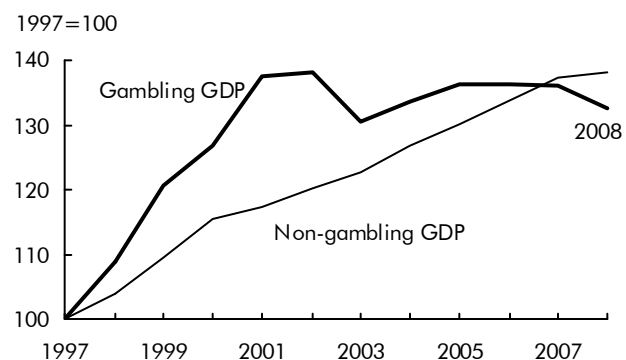
1. Total revenue from wagers on government-controlled lotteries, casinos and VLTs, minus prizes and winnings. Revisions to provincial estimates will occur in November 2009.
2. Net income of provincial governments from total gambling revenue, less operating and other expenses (see Data sources and definitions).
3. The 2006 share of total revenue calculation is based on 2006 gambling revenue and 2006 total provincial revenue. The 2007 provincial revenue will be available autumn 2009.
4. Persons 18 and over were selected as this is the legal age of gambling in most provinces.
Sources: Statistics Canada, National Accounts, Public Institutions (Financial management statistics) and post-censal population estimates.

Table 2 Characteristics of workers

	Gambling ¹		Non-gambling	
	1992	2008	1992	2008
Total employed	11	41	12,720	17,084
		thousand		
Sex		%		
Men	35	51	55	53
Women	65	49	45	47
Age				
15 to 34	57	42	45	37
35 and over	43	58	55	63
Education				
High school or less	66	47	57	41
Postsecondary certificate or diploma	21	34	27	35
University degree	13	19	16	24
Work status				
Full-time	60	84	81	82
Part-time	40	16	19	18
Provinces				
Atlantic provinces	8	3	7	6
Quebec	F	16	24	23
Ontario	28	39	39	39
Prairie provinces	30	20	17	18
British Columbia	25	22	13	13
Class of worker				
Employee	99	98	85	85
Self-employed	F	F	15	15

1. Employment at racetracks and 'racinos' (racetracks with slots and/or other gaming activities) is excluded. These activities are coded under 'spectator sports'.
Source: Statistics Canada, Labour Force Survey.

Chart B Growth in gambling has leveled off



Note: The price, at basic prices, of the goods and services produced. The GDP figures for the gambling industry refer strictly to wagering activities, such as lottery ticket sales, VLT receipt sales, and bets at casinos. Other economic spinoffs, such as hotel and restaurant business, security services, or building and equipment maintenance are not included.
Source: Statistics Canada, National Accounts.

Table 3 Characteristics of jobs

	Gambling		Non-gambling	
	1997	2008	1997	2008
Employees¹	33	41	11,323	14,456
		thousand		
		%		
Unionized ²	29	26	34	31
Non-unionized	71	74	66	69
Permanent job	91	91	89	88
Temporary job	9	9	11	12
Usually receive tips	27	33	7	7
No tips	73	67	93	93
Paid by the hour	80	81	61	65
Not paid hourly	20	19	39	35
Average hourly earnings³				\$
Men: full-time	13.50	23.00	17.85	24.30
Women: full-time	13.05	18.70	14.80	20.80

1. More detailed questions on employees were introduced with the 1997 revision of the Labour Force Survey.
2. Includes persons who are not union members, but whose jobs are covered by collective agreements.
3. Includes tips and commissions.
Source: Statistics Canada, Labour Force Survey.

Table 4 Household expenditures on gambling activities

	At least one gambling activity		Government lotteries		Other lotteries/raffles, etc.		Casinos, slot machines and VLTs		Bingos	
	\$	%	\$	%	\$	%	\$	%	\$	%
All households										
2000	492	74	239	63	82	31	523	21	729	9
2001	513	72	249	61	94	29	536	20	797	9
2002	570	73	252	63	123	30	679	21	901	7
2003	506	74	237	64	95	28	649	19	800	8
2004	514	71	262	61	100	28	653	19	802	6
2005	549	69	251	60	141	26	712	17	946	6
2006	493	73	254	64	109	28	686	19	521	6
2007 ¹	646	52	282	48	123	17	850	17	792	4
One-person households²										
Men	814	49	312	44	226	12	1,438	15	892	2
18 to 44	578	49	155	41	118	12	1,033	19	F	F
45 to 64	1,084	54	384	51	163	14	2,895	11	F	F
65 and over	874	42	545	38	780	8	772	13	F	F
Women	516	40	165	36	87	13	795	14	717	4
18 to 44	285	39	147	35	80	16	246	18	F	F
45 to 64	679	50	176	47	87	15	1,586	14	657	4
65 and over	530	35	167	29	96	9	739	11	978	5
All households										
Newfoundland and Labrador	567	52	303	48	97	25	611	8	701	11
Prince Edward Island	525	54	258	47	107	26	385	13	918	9
Nova Scotia	599	55	266	50	96	26	498	12	1,278	9
New Brunswick	440	54	246	51	116	21	512	7	683	7
Quebec	456	55	284	53	63	11	585	12	521	5
Ontario	726	50	297	45	142	17	905	21	671	3
Manitoba	709	56	243	49	83	26	736	25	1,044	7
Saskatchewan	731	55	264	49	115	31	748	24	1,058	6
Alberta	927	48	282	42	183	24	1,246	20	950	4
British Columbia	628	52	264	48	114	17	847	17	1,060	3
Income after tax										
Less than \$20,000	678	34	198	30	234	7	1,624	8	621	4
\$20,000 to \$39,999	602	49	271	45	101	13	794	15	734	6
\$40,000 to \$59,999	587	55	277	50	98	18	761	17	766	5
\$60,000 to \$79,999	558	61	306	57	99	22	592	21	562	4
\$80,000 and over	798	58	311	54	149	25	951	23	1,309	3

1. New screening questions were added in 2007 to reduce response burden, but for some categories, including games of chance, the response rate was lower than expected. These screening questions will be modified for 2008. See catalogue no. 62F0026M, no. 1 for more details.

2. Using one-person households allows examination of individual characteristics. Persons 18 and over were selected as this is the legal age for gambling in most provinces.

Note: Expenditures are per spending household. Unless otherwise indicated, figures are for 2007.

Source: Statistics Canada, Survey of Household Spending.

Data sources and definitions

Labour Force Survey: a monthly household survey that collects information on labour market activity, including detailed occupational and industrial classifications, from all persons 15 years and over.

National Accounts: The quarterly Income and Expenditure Accounts (IEA) is one of several programs constituting the System of National Accounts. The IEA produces detailed annual and quarterly income and expenditure accounts for all sectors of the Canadian economy, namely households, businesses, governments and non-residents.

Survey of Household Spending (SHS): an annual survey that began in 1997 and replaced the Family Expenditure Survey and the Household Facilities and Equipment Survey. The SHS collects data on expenditures, income, household facilities and equipment, and other characteristics of families and individuals living in private households.

Gambling industries: This industry group covers establishments primarily engaged in operating gambling facilities, such as casinos, bingo halls and video gaming terminals; or providing gambling services, such as lotteries and off-track betting. It excludes horse race tracks and hotels, bars and restaurants that have casinos or gambling machines on the premises.

Gambling profit: net income from provincial and territorial government-run lotteries, casinos and VLTs, after prizes and winnings, operating expenses (including wages and salaries), payments to the federal government and other overhead costs are deducted.

Gambling revenue: all money wagered on provincial and territorial government-run lotteries, casinos and VLTs, less prizes and winnings. Gambling revenue generated by and for charities and on Indian reserves is excluded.

Government casino: a government-regulated commercial casino. Permits, licences and regulations for casinos, both charity and government, vary by province. Government casinos, now permitted in several provinces, also vary by the degree of public and private involvement in their operations and management. Some government casinos are run entirely as Crown corporations, while others contract some operations—for example, maintenance, management or services—to the private sector.

Video lottery terminal (VLT): a coin-operated, free-standing, electronic game of chance. Winnings are paid out through receipts that are turned in for cash, as opposed to cash payments from slot machines. Such terminals are regulated by provincial lottery corporations.

Table 5 Household expenditure on all gambling activities by income groups, 2007

	Average expenditure		Percentage reporting ¹	Gaming as % of total income	
	All households	Reporting households		All households	Reporting households
		\$		%	
Income after tax	336	646	52	0.5	0.8
Less than \$20,000	229	678	34	1.7	4.8
\$20,000 to \$39,999	296	602	49	1.0	2.0
\$40,000 to \$59,999	320	587	55	0.6	1.2
\$60,000 to \$79,999	340	558	61	0.5	0.8
\$80,000 and over	465	798	58	0.4	0.7

1. New screening questions were added in 2007 to reduce response burden, but for some categories, including games of chance, the response rate was lower than expected. These screening questions will be modified for 2008. See catalogue no. 62F0026M, no. 1 for more details.

Source: Statistics Canada, Survey of Household Spending.

Notes

- Refers to total money wagered on non-charity lotteries, casinos and VLTs, minus prizes and winnings.
- Survey of Household Spending (SHS) and National Accounts rankings of provincial expenditures differ, in part because the SHS includes both charity and non-charity gambling activity.
- Employment at racetracks and 'racinos' (racetracks with slots and/or other gaming activities) is excluded. These activities are coded under 'spectator sports'.
- New screening questions were added in 2007 to reduce response burden, but for some categories, including games of chance, the response rate was lower than expected. These screening questions will be modified for 2008. See catalogue no. 62F0026M, no. 1 for more details.