PERSPECTIVES
ON LABOUR AND INCOME

Fact-sheet on gambling

- Net revenue from government-run lotteries, video lottery terminals (VLTs), and casinos rose from $3.2 billion in 1993 to $11.8 billion in 2003.[1] Of this $11.8 billion, $6.5 billion was profit.
- Net revenue from pari-mutuel betting (horse racing) dropped from $500 million to $420 million over the same period (1993 to 2003).
- In 2003, lotteries accounted for 25% of all net non-charity gambling revenue, casinos 33%, VLTs 23%, and slot machines not in casinos 19%.
- Average gambling expenditure per person 18 and over in 2002 ranged from $103 in the three territories to $620 in Alberta, with a national average of $483.[2]
- Compared with workers in non-gambling industries, those in gambling were more likely to be women (52% versus 47%), under 35 (49% versus 37%), paid by the hour (81% versus 64%), and paid less ($17 hourly versus $18).
- Employment in the gambling industry rose from 14,000 in 1993 to 50,000 in 2003.
- One in six women and men living alone reported spending money on casinos, slot machines or VLTs; however, the men spent more than three times as much as the women—$807 compared with $245.[3]
- Gambling participation and expenditure rates increased with household income. For example, 56% of households with incomes of less than $20,000 gambled in 2002 and spent an average of $280, while equivalent figures for those with incomes of $80,000 or more were 80% and $905.
- Three-quarters of Canadians 15 and over (18.9 million) gambled in 2002. According to the Problem Severity Gambling Index, the majority of these gamblers (93.7%) did so without any problems, while the remainder exhibited at-risk (5.7%) or problem (0.6%) gambling behaviour.

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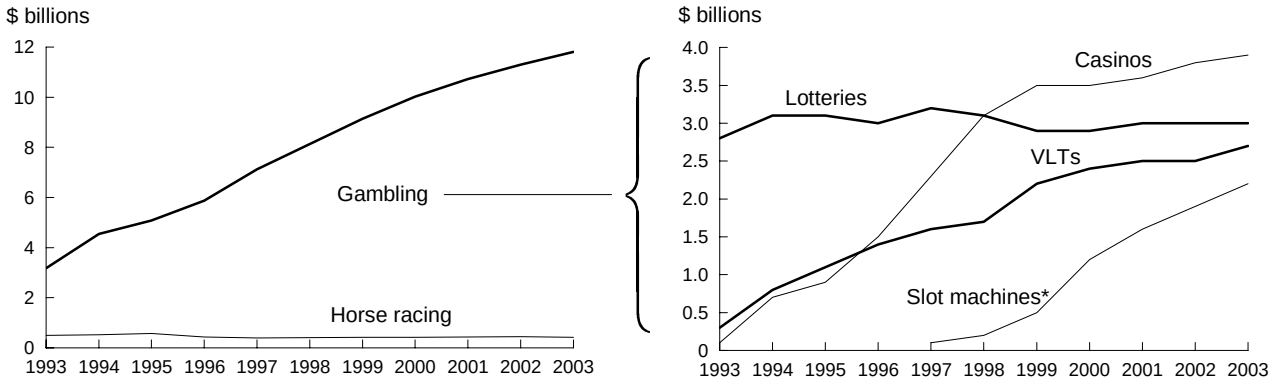
Net revenue from government-run gambling has increased steadily.



Source: National Accounts
* *Refers to ones found outside government-run casinos.*

Gambling revenues and profits

	Gambling revenue*		Gambling profit**		Share of total revenue***		Expenditure per capita (18+)†	
	1993	2002	1993	2002	1993	2002	1993	2002
	$ millions (current)				%		$	
Canada	**3,180**	**11,734**	**1,964**	**6,021**	**2.1**	**5.6**	**147**	**483**
Newfoundland	90	198	48	106	2.7	5.0	211	483
Prince Edward Island	22	31	10	15	3.0	3.0	227	296
Nova Scotia	141	366	74	165	3.2	6.1	201	499
New Brunswick	129	197	53	101	3.0	3.6	229	333
Quebec	754	2,701	489	1,427	1.9	4.9	138	460
Ontario	919	4,666	581	2,002	1.9	6.7	113	502
Manitoba	229	494	114	353	3.7	5.6	277	568
Saskatchewan	76	437	52	279	1.3	6.1	105	589
Alberta	406	1,456	320	914	2.8	5.9	210	620
British Columbia	409	1,182	221	656	2.0	4.5	150	366
Yukon, Northwest Territories and Nunavut	5	7	2	3	0.3	0.3	81	103

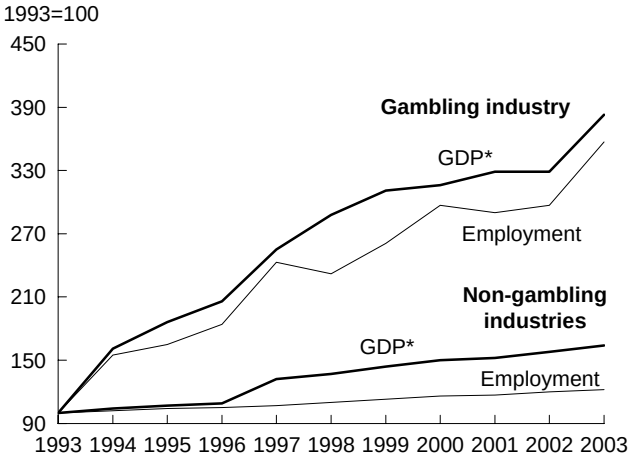
Sources: National Accounts, Public Institutions (Financial management statistics) and post-censal population estimates.
* *Total revenue from wagers on government controlled lotteries, casinos and VLTs, minus prizes and winnings.*
** *Net income of provincal governments from total gambling revenue, less operating and other expenses (see* Data sources and definitions*).*
*** *The 2002 share of total revenue calculation is based on 2002 gambling revenue and 2001 total provincial revenue. The 2002 provincial revenue will be available autumn 2004.*
† *Net wagers; persons 18 and over were selected as this is the legal age of gambling in most provinces.*

Characteristics of workers

	Gambling		Non-gambling	
	1993	2003	1993	2003
		'000		
Total Employed	**14**	**50**	**12,843**	**15,696**
Sex		%		
Men	46	48	55	53
Women	53	52	45	47
Age				
15 to 34	62	49	44	37
35 and over	38	51	56	63
Education				
High school of less	73	47	55	45
Postsecondary certificate or diploma	20	41	28	34
University Degree	F	12	17	21
Work Status				
Full-time	57	83	81	81
Part-time	43	18	19	19
Provinces				
Atlantic provinces	6	5	7	7
Quebec	11	21	24	23
Ontario	38	45	39	40
Prairie provinces	29	20	18	18
British Columbia	15	10	13	13
Class of worker				
Employee	94	99	84	85
Self-employed	F	F	15	15

Source: Labour Force Survey
* *May include some uncompleted postsecondary.*

Gambling outpaced other industries.



Sources: Labour Force Survey; National Accounts
* *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.*

Characteristics of jobs

	Gambling		Non-gambling	
	1997	2003	1997	2003
			'000	
Employees*	**34**	**50**	**11,387**	**13,284**
			%	
Unionized**	30	34	34	32
Non-unionized	70	66	66	68
Permanent job	91	92	89	88
Temporary job	9	8	11	12
Usually receive tips	27	25	7	7
No tips	73	75	93	93
Paid by the hour	81	81	61	64
Not paid hourly	19	19	39	36
Average hourly earnings†			$	
Men: full-time	13.50	20.00	17.80	20.70
Women: full-time	13.00	15.70	14.80	17.40

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

Household expenditures on gambling activities

	At least one gambling activity		Government lotteries		Other lotteries/raffles, etc.		Casinos, slot machines and VLTs		Bingos	
	$	%	$	%	$	%	$	%	$	%
All households										
1998	462	77	251	68	81	34	432	20	700	10
1999	499	76	246	67	76	32	631	20	655	10
2000	492	74	245	64	84	31	546	21	743	9
2001	513	72	257	62	98	30	554	20	815	9
2002	570	73	263	63	129	30	679	21	905	8
One-person households*	452	65	192	54	214	22	546	18	684	7
Men	613	68	238	58	343	24	807	21	889	4
18 to 44	437	69	165	58	87	22	739	24	273	3
45 to 64	618	70	285	60	121	24	956	18	1,908	3
65 and over	1,080	64	330	55	1,190	30	734	19	472	5
Women	297	62	145	50	82	20	245	16	616	9
18 to 44	132	59	98	46	43	22	141	15	79	4
45 to 64	276	75	162	64	59	24	274	19	406	9
65 and over	380	56	149	43	118	18	261	15	783	12
All households										
Newfoundland	486	70	243	62	80	32	447	8	749	17
Prince-Edward-Island	526	63	239	43	116	39	235	8	1,724	10
Nova Scotia	593	75	267	61	70	44	435	22	1,377	11
New Brunswick	462	69	265	61	63	35	308	11	784	13
Quebec	431	79	265	74	57	20	350	19	735	9
Ontario	689	71	275	60	190	31	818	25	1,114	6
Manitoba	589	70	244	55	87	34	501	28	1,026	11
Saskatchewan	620	73	232	54	87	50	904	26	497	9
Alberta	678	69	236	56	145	38	1,023	18	1,119	9
British Columbia	467	70	256	63	94	30	696	17	407	4
Income after tax										
Less than $20,000	280	56	167	47	74	15	275	11	442	9
$20,000 to $39,999	457	73	249	62	98	25	357	20	1,004	8
$40,000 to $59,999	659	78	296	69	121	34	848	24	885	8
$60,000 to $79,999	559	78	287	69	95	36	627	25	767	6
$80,000 and over	905	80	288	69	224	46	1,131	29	1,763	5

Source: Survey of Household Spending
Note: Expenditures are per spending household. Unless otherwise indicated, figures are for 2002.
* *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.*

Household expenditure on all gambling activities by income groups, 2002

	Average expenditure[3]			Gaming as % of total income	
	All households	Reporting households	Percentage reporting	All households	Reporting households
	$	$	%	%	%
Income after tax	**415**	**570**	**73**	**0.7**	**0.9**
Less than $20,000	156	280	56	1.2	2.0
$20,000 to 39,999	333	457	73	1.1	1.5
$40,000 to 59,999	514	659	78	1.0	1.3
$60,000 to 79,999	435	559	78	0.6	0.8
$80,000 and over	726	905	80	0.7	0.8

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

The **Canadian Community Health Survey (CCHS)** provides regular and timely cross-sectional estimates of health determinants, health status, and health system utilization. The initial year (2000) and every odd year thereafter (from 2001) collects generic health information from 130,000 respondents. During the even years, the survey sample is smaller (roughly 30,000) and addresses a specialized topic. Cycle 1.2, on Mental Health and Well-Being, was held in 2002. Its main objective was to provide national and provincial estimates of major mental disorders and problems, and to illuminate the issues associated with disabilities and the need for and provision of health care. The survey contained questions on a wide range of disorders and problems, including a section on 'pathological gambling'.

The target population of the CCHS 1.2 excludes those living in the three territories, individuals living on reserves or crown land, residents of institutions, full-time members of the Armed Forces, and residents of some remote regions.

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): 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.

Personal characteristics and gambling behaviour

	Total gamblers		Non-problem	At-risk and problem gamblers			
				Total	At-risk		Problem
					Low	Moderate	
Total ('000)	**18,887**		**17,699**	**1,188**	**697**	**373**	**118**
%		**100.0**	**93.7**	**6.3**	**3.7**	**2.0**	**0.6**
	'000			%			
Men	9,610	100.0	92.2	7.8	4.4	2.6	0.7
Women	9,277	100.0	95.2	4.8*	2.9	1.4	0.5
				Years			
Average age**		44	45	40*	40	39	41
Personal income				%			
Less than $20,000	6,392	100.0	93.3	6.7	3.9	2.0	0.8
$20,000 or more	11,289	100.0	93.8	6.2	3.6	2.0	0.6
Level of education							
Less than postsecondary	9,689	100.0	92.4	7.6	4.5	2.4	0.7
Postsecondary	9,047	100.0	95.2	4.8*	2.8	1.5	0.5[E]
Racial background							
Non-Aboriginal	18,593	100.0	93.8	6.2	3.7	1.9	0.6
Aboriginal	217	100.0	81.5	18.5*	7.2[E]	8.3[E]	2.9[E]
Province							
Newfoundland and Labrador	330	100.0	93.7	6.3	3.7[E]	1.9[E]	F
Prince Edward Island	83	100.0	95.2	4.8[E]	2.5[E]	1.8[E]	F
Nova Scotia	588	100.0	94.3	5.7	3.3	1.4[E]	1.1[E]
New Brunswick	463	100.0	94.7	5.3	3.2[E]	1.5[E]	F
Quebec	4,787	100.0	95.4	4.6*	2.6	1.6[E]	0.4[E]
Ontario	7,213	100.0	93.5	6.5	3.8	2.1	0.6[E]
Manitoba	642	100.0	90.6	9.4*	5.3	3.3	0.8[E]
Saskatchewan	575	100.0	90.7	9.3*	5.4	2.5[E]	1.5[E]
Alberta	1,731	100.0	92.2	7.8*	4.7	2.3	0.7[E]
British Columbia	2,474	100.0	93.1	6.9	4.3	1.9	0.7[E]
Gambling frequency							
Daily	278	100.0	69.7	30.3*	16.4[E]	7.9[E]	6.0[E]
2 to 6 times a week	2,784	100.0	85.7	14.3*	7.2	5.4	1.6
Once a week	4,198	100.0	91.3	8.7	5.1	2.9	0.7[E]
Once a month	4,370	100.0	94.1	5.9*	4.2	1.2	0.5[E]
Once a year	7,257	100.0	98.9	1.1*	0.7	0.4[E]	F
Gambling activity							
Lotteries	16,202	100.0	93.5	6.5	3.8	2.1	0.6
Instant win	9,027	100.0	90.6	9.4*	5.5	2.9	1.0
Casinos	5,413	100.0	86.7	13.3*	7.6	4.4	1.4
Bingo	2,098	100.0	84.5	15.5*	9.1	5.0	1.4
VLTs outside casinos	1,512	100.0	74.4	25.6*	13.2	9.0	3.4
Horse racing	1,038	100.0	84.2	15.8*	7.0	6.7	2.1[E]
Average activities**		1.9	1.9	3.0*	2.9	3.2	3.2

Source: Canadian Community Health Survey 1.2, 2002

* *Statistically significant difference at the .05 level. Tests were done between the at-risk proportion of the reference category and other categories within each variable (except for the provinces, which were compared with the Canada total).*

** *Significance tests were done between the non-problem and at-risk gambling populations.*

Note: For more information, see Marshall and Wynne (2004).

Notes

1 Refers to total money wagered on non-charity lotteries, casinos and VLTs, minus prizes and winnings.

2 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.

3 The expenditure figures are not adjusted for any winnings. As well, households consistently under-report the amount of money they spend on gambling. Comparisons with Lottery Corporation figures, for example, have shown that households under-report their government lottery purchases by more than 50%.

References

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