



June 2006

PERSPECTIVES

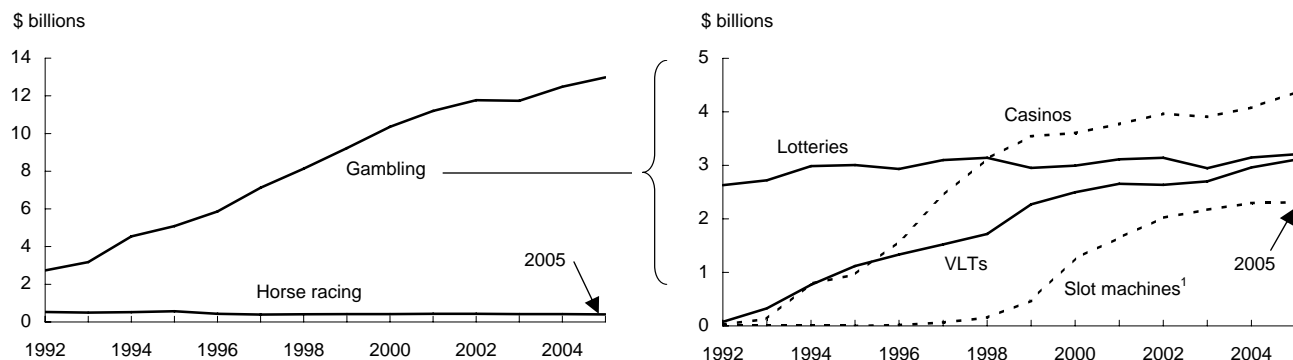
ON LABOUR AND INCOME

Gambling

- Net revenue from government-run lotteries, video lottery terminals (VLTs), and casinos rose from \$2.7 billion in 1992 to \$12.9 billion in 2005.¹ Of this \$12.9 billion, \$7.3 billion was profit.
- Net revenue from pari-mutuel betting (horse racing) dropped from \$532 million to \$399 million over the same period (1992 to 2005).
- In 2005, lotteries accounted for 25% of all net non-charity gambling revenue, casinos 34%, VLTs 24%, and slot machines not in casinos 18%.
- Average gambling revenue per person 18 and over in 2004 ranged from \$112 in the three territories to \$680 in Saskatchewan, with a national average of \$497.²
- Compared with workers in non-gambling industries, those in gambling were more likely to be women (54% versus 47%), under 35 (44% versus 37%), paid by the hour (80% versus 65%), and paid less (\$17 hourly versus \$19).
- Employment in the gambling industry rose from 11,000 in 1992 to 45,000 in 2005.
- One in seven women and men living alone reported spending money on casinos, slot machines or VLTs; however, the men spent more than four times as much as the women—\$1,390 compared with \$304.³
- Gambling participation and expenditure rates increased with household income. For example, 55% of households with incomes of less than \$20,000 gambled in 2004 and spent an average of \$283, while equivalent figures for those with incomes of \$80,000 or more were 79% and \$847.



Net revenue from government-run gambling has increased steadily



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

Gambling revenues and profits

	Gambling revenue ¹		Gambling profit ²		Share of total revenue ³		Revenue per capita (18+) ⁴	
	1992	2004	1992	2004	1992	2004	1992	2004
	\$ millions (current)				%		\$	
Canada	2,734	12,416	1,680	6,637	1.9	5.5	128	497
Newfoundland and Labrador	80	218	42	112	2.3	5.5	189	527
Prince Edward Island	20	34	7	17	2.7	3.2	209	319
Nova Scotia	125	376	72	173	2.8	5.6	180	505
New Brunswick	117	218	49	122	2.7	3.7	209	364
Quebec	693	2,837	472	1,561	1.8	4.8	128	473
Ontario	853	4,644	529	1,908	1.9	6.2	106	483
Manitoba	153	485	105	254	2.5	5.0	186	547
Saskatchewan	62	510	39	309	1.1	6.5	86	680
Alberta	225	1,716	125	1,180	1.6	6.3	118	702
British Columbia	403	1,371	239	770	2.2	5.0	153	411
Yukon, Northwest Territories and Nunavut	5	8	1	4	0.3	0.3	82	112

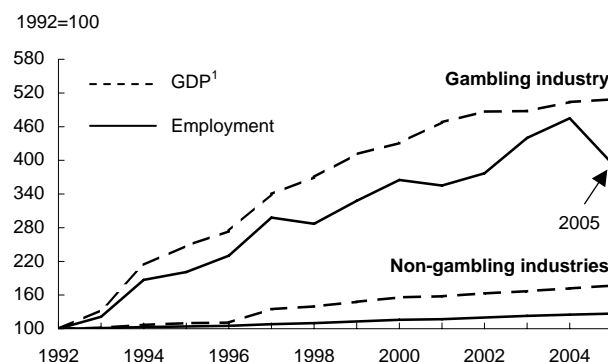
¹ Total revenue from wagers on government-controlled lotteries, casinos and VLTs, minus prizes and winnings.
² Net income of provincial governments from total gambling revenue, less operating and other expenses (see Data sources and definitions).
³ The 2004 share of total revenue calculation is based on 2004 gambling revenue and 2003 total provincial revenue. The 2004 provincial revenue will be available autumn 2006.
⁴ Persons 18 and over were selected as this is the legal age of gambling in most provinces.
Sources: National Accounts, Public Institutions (Financial management statistics) and post-censal population estimates.

Characteristics of workers

	Gambling		Non-gambling	
	1992	2005	1992	2005
Total employed	11	45	12,720	16,125
			'000	
Sex				
			%	
Men	35	46	55	53
Women	65	54	45	47
Age				
15 to 34	57	44	45	37
35 and over	43	56	55	63
Education				
High school or less	66	51	57	43
Postsecondary certificate or diploma	21	36	27	35
University degree	13	13	16	22
Work status				
Full-time	60	81	81	82
Part-time	40	19	19	18
Provinces				
Atlantic provinces	8	4	7	7
Quebec	F	16	24	23
Ontario	28	44	39	40
Prairie provinces	30	18	17	18
British Columbia	25	17	13	13
Class of worker				
Employee	99	100	85	84
Self-employed	F	F	15	15

Source: Labour Force Survey

Gambling outpaced other industries



1 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.

Sources: Labour Force Survey; National Accounts

Characteristics of jobs

	Gambling		Non-gambling	
	1997	2005	1997	2005
Employees¹	33	45	11,323	13,613
			'000	
Unionized²	29	32	34	32
Non-unionized	71	68	66	68
			%	
Permanent job	91	91	89	87
Temporary job	9	9	11	13
Usually receive tips	27	32	7	7
No tips	73	68	93	93
Paid by the hour	80	80	61	65
Not paid hourly	20	20	39	35
Average hourly earnings³				
			\$	
Men: full-time	13.51	20.17	17.83	21.71
Women: full-time	13.04	16.11	14.79	18.59

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: Labour Force Survey

Gambling

Household expenditures on gambling activities

	At least one gambling activity		Government lotteries		Other lotteries/raffles, etc.		Casinos, slot machines and VLTs		Bingos	
	\$	%	\$	%	\$	%	\$	%	\$	%
All households										
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
2003	506	74	243	66	96	29	670	19	799	8
2004	514	71	265	61	101	28	664	19	805	6
One-person households¹	457	60	216	50	74	17	856	14	664	5
Men	648	61	277	53	96	15	1,390	16	503	2
18 to 44	538	58	164	47	92	14	1,180	19	134	1
45 to 64	840	68	331	63	80	18	2,262	15	616	2
65 and over	501	58	407	51	144	14	335	13	572	4
Women	296	59	160	47	59	18	304	13	698	7
18 to 44	137	54	91	39	52	23	181	13	113	2
45 to 64	271	66	160	58	66	18	277	14	515	7
65 and over	391	56	191	44	59	16	396	12	868	9
All households										
Newfoundland and Labrador	502	70	298	60	72	37	407	9	724	15
Prince Edward Island	484	69	283	55	86	44	156	9	1,068	12
Nova Scotia	509	72	255	59	92	43	496	17	901	10
New Brunswick	418	72	252	61	70	37	322	10	691	13
Quebec	405	75	251	70	50	15	486	16	654	7
Ontario	620	70	295	59	107	30	791	23	932	5
Manitoba	655	67	315	52	71	37	731	24	862	9
Saskatchewan	504	74	212	53	95	49	655	24	712	8
Alberta	524	70	229	56	159	36	670	16	1,195	6
British Columbia	420	68	239	59	110	30	581	17	408	3
Income after tax										
Less than \$20,000	283	55	192	46	57	12	223	9	586	7
\$20,000 to \$39,999	504	68	245	60	76	23	705	16	947	7
\$40,000 to \$59,999	420	75	252	65	94	30	437	20	658	5
\$60,000 to \$79,999	495	79	274	69	96	37	491	24	989	5
\$80,000 and over	847	79	362	67	148	43	1,130	29	797	4

¹ 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 2004.

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 (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.

Household expenditure on all gambling activities by income groups, 2004

	Average expenditure		Percentage reporting	Gaming as % of total income	
	All households	Reporting households		All households	Reporting households
Income after tax	\$ 364	\$ 514	71	0.6	0.8
Less than \$20,000	155	283	55	1.2	2.0
\$20,000 to 39,999	345	504	68	1.2	1.7
\$40,000 to 59,999	313	420	75	0.6	0.8
\$60,000 to 79,999	390	495	79	0.6	0.7
\$80,000 and over	665	847	79	0.6	0.8

Source: Survey of Household Spending

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%.

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