TABLE OF CONTENTS

Gambling in Canada Research Report No. 8

CANADIAN GAMBLING BEHAVIOUR AND ATTITUDES:

SUMMARY REPORT

by Jason J. Azmier,
Director of Gambling Studies
FEBRUARY 2000

ISBN #1-895992-65-6

P.O. BOX 6572 Station D
Calgary, AB CANADA T2P 2E4
ph: (403) 264-9535
fax: (403) 269-4776
e-mail: cwf@cwf.ca
web site: www.cwf.ca

Gambling is ubiquitous in Canada. Although it has only been 30 years since the first lotteries were introduced in Canada, there are now over 50 permanent casinos, 21,000 slot machines, 38,000 video lottery terminals, 20,000 annual bingo events, and 44 permanent horse race tracks in Canada. Over the same period, a national debate has emerged over the appropriate level of gambling in our communities. To date, Canada's gambling debate has not been informed by public opinion data. The Canada West Foundation's Public Opinion on Gambling survey attempts to fill this void.

The Public Opinion on Gambling survey provides a benchmark of gambling behaviours and attitudes across Canada. The survey findings provide a context for current debate, and can be used to track future changes in gambling opinion and behaviour. Topics explored in the survey include:

1. The gambling patterns of adult Canadians with a focus on frequency of, and motivation for, playing various games.
2. Play of various types of games with a focus on demographic differences among players.
3. The perceptions and attitudes of Canadians towards various gambling issues with a focus on the regional and demographic variations.
4. The perceived impact of gambling upon individuals, communities, charities, and governments.
5. The extent to which Canadians view gambling as a social problem.

The survey findings are presented in two reports. This summary report, intended for a general audience, provides an overview of the key survey findings. The main report presents the data in greater detail, and includes additional analyses looking at population segments, regional variations, types of players by game preference, and types of players by motivation for gambling.

METHODOLOGY

The results and analysis of this study are based on a random sample telephone survey of Canadians 18 years of age or older. Environics West administered the survey instrument to 2,202 respondents in June 1999 on behalf of the Canada West Foundation using a Computer Assisted Telephone Interviewing (CATI) system.

SAMPLING

Gambling policy in Canada is provincially regulated; as a result, different policies are in force in each province. Because regulatory policies are most similar within Canada's five lottery regions (BC, Western Canada, Ontario, Quebec and Atlantic Canada)[1] these regions were chosen as the basis for sampling. An equal number of respondents were chosen from four of the regions; the three Prairie provinces (hereinafter referred to as the Prairie region) were oversampled due to

1. Each province operates separate agencies to regulate lottery play and umbrella organizations (Western Canada Lottery Corporation and Atlantic Lottery Corporation) administer lottery services in Alberta, Saskatchewan, Manitoba and Atlantic Canada on behalf of those provincial governments. In 1999, Nova Scotia announced its withdrawal from the Atlantic Lottery Corporation by March 2000.

the greater diversity of gambling policies in that region. Overall, the sample includes 400 interviews from British Columbia, 600 from the Prairies, 400 from Ontario, 400 from Quebec (in both French and English), and 402 from Atlantic Canada. Within the Prairie region, 200 respondents were chosen from each province.

WEIGHTING

The survey sampling was designed to accommodate a regional analysis. However, in the presentation of aggregate national data, a weighting adjustment factor was applied to match each region's sample weighting to its portion of the national population 18 years of age and over. Table I contains the weighting correction data.

TABLE I: WEIGHT FACTORS

PROVINCE	WEIGHT FACTOR
British Columbia	weight=0.74
Alberta	weight=1.03
Saskatchewan	weight=0.36
Manitoba	weight=0.40
Ontario	weight=2.07
Quebec	weight=1.36
New Brunswick	weight=0.44
Nova Scotia	weight=0.44
Prince Edward I.	weight=0.42
Newfoundland	weight=0.41

CONFIDENCE INTERVAL

Based on a 2,202 random sample of the adult population of Canada, there is a 95% certainty that the results are within +/– 2.1% accurate. That is to say, given a finding of 50.0% on a particular question, you can be confident that the result falls between 47.9% and 52.1% nineteen times out of twenty.

QUESTIONNAIRE DESIGN

The questionnaire was developed after an examination of the small body of existing gambling opinion survey work done in Canada and internationally. In particular, the survey framework was influenced by the six annual Community Gambling Patterns and Perceptions surveys undertaken by the state of Victoria, Australia.

The questionnaire was designed to measure both gambling behaviour and attitudes towards gambling. Attitudinal questions focused on gambling's acceptability, gambling regulation, charitable gaming, First Nations gambling, usage of gambling revenues, and the impact of gambling upon individuals and communities. The survey instrument was designed to avoid explicit references to any positive or negative elements of gambling prior to the opinion section of the questionnaire.

Although questions related to gambling participation, frequency and motivation attempted to capture both legal and informal forms of gambling, illegal gambling activities were not explicitly probed. Secondary forms of wagering for money (e.g., speculating on stocks) were included only if respondents viewed them as gambling activities.

ANALYSIS

Survey data were subjected to regional, weighted and segmentation analyses. This summary report presents only weighted sample analysis; thus regional comparisons represent weighted values. In the main report, all three forms of analysis are presented.

POPULATION/SAMPLE COMPARISONS

Five demographic characteristics were measured by the survey: age, gender, income, education and employment status. When significant demographic variations exist on survey questions, these variations are identified in the related discussion. Survey sampling did not place quotas on any of the five demographic characteristics, and as a result there are some differences between the sample and the total Canadian population. Due to demographic variations in gambling attitudes, these differences may introduce some biases in the aggregate sample that must be acknowledged. Briefly, the differences include:

AGE: The sample overrepresents those aged 25-44 and underrepresents those 65 or older. Based on the responses of respondents in these age groups, this oversampling likely introduces a pro-gambling bias in the sample.

GENDER: 57% of the sample were female and 43% were male. The overrepresentation of females in the survey introduces an anti-gambling bias. The results suggest that women are less likely to participate in gambling activities and are more concerned about the social consequences of gambling.

INCOME: Because the sample is wealthier than the national population, a pro-gambling bias may be introduced as lower income respondents indicated a greater concern regarding the social costs of gambling.

EDUCATION: No significant biases were introduced by this variable.

EMPLOYMENT: Although, employment data correlate strongly with the latest available labour force statistics, the sample does slightly underrepresent the unemployed. The unemployed possess more anti-gambling views, and this underrepresentation might cause a pro-gambling bias.

Taken together, there appears to be a modest pro-gambling bias. A full description of the differences can be found in the main report.

GAMBLING IN CANADA

Many Canadians gamble. Over 70% of Canadians have participated in some form of gambling in the last year and nearly half have bought a lottery ticket. About one-quarter are regular gamblers, playing their favourite game at least once a week. Eight out of ten Canadians who gamble do so for the thrill of winning.

Canadians participate in myriad forms of gambling that may be classified into four main categories. First, there is regulated gambling, including provincial lotteries, bingo, casino games, Sports Select, raffles, pull tickets, video lottery, and horse racing. A second category is informal betting among friends and colleagues: wagering on the outcomes of sports games, playing poker with spare change, bets on trivia contests, joining office sports pools, and betting on the outcome of billiard and dart games. Although not commonly thought of as gambling, these informal activities form part of the Canadian gambling culture. The third category is illegal gambling through bookmakers, illegal card rooms, after hours casinos and internet gambling. Finally, there are some who view speculating on the stock market as a means of gambling. People will invest small amounts of money in stocks they know very little about based on tips they receive about "sure things," a form of wagering, that is often less of an investment and more of a gamble.

GAMBLING PARTICIPATION

Despite the wide availability of gambling options, the majority of Canadians do not seek out gambling opportunities. When asked to describe their gambling behaviour, 57% said they either do not gamble or do not like to gamble. Although the gambling participation data clearly show that many of these respondents DO participate in gambling behaviour, they do not express a preference to do so. Only 43% indicate that they enjoy the opportunity to gamble—nearly equal to the 41% who indicate that they "never gamble."

The Public Opinion on Gambling survey measured the extent of participation in both regulated gambling and unregulated gambling.[2] Using a total of 19 forms of gambling, the study found that 72% of respondents participated in some form of gambling behaviour in the last 12 months. Considering only regulated forms of gambling (including out-of-country casino), 58% of Canadians have gambled in the last 12 months on at least one form of regulated gambling.

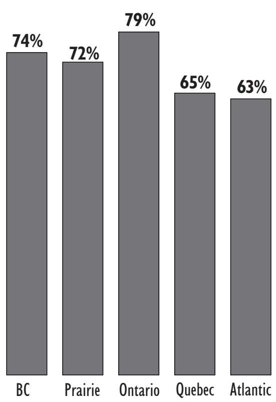
The most popular forms of gambling (in terms of participation rate) are presented in Table 2. Lotteries are the most popular activity: one half of Canadians (49.6%) have played a lottery in the last year. The least popular forms of gambling include sports tickets (3.1%), horse racing (3.5%) and gambling in card rooms (3.6%). Despite being one of the most significant revenue generators for governments in Canada, video lottery terminals are not highly popular games as only 8.4% of the population participated in this form of gambling in the last year (VLTs are not available in British Columbia and Ontario).

TABLE 2: GAMBLING PARTICIPATION

REGULATED GAMES	PARTICIPATION[2]
Lotteries	49.6%
Scratch tickets	41.5%
Raffles	32.2%
Casino	17.1%
Slot machines	17.0%
Break-open tickets	11.9%
Bingo	11.2%
Video lottery terminals	8.4%
Out-of-country casino	5.8%
Out-of-province casino	4.7%
Card rooms	3.6%
Horse racing	3.5%
Sport tickets	3.1%
UNREGULATED GAMBLING	
Card games with friends	15.3%
Sports pools	15.0%
Stock speculation	14.5%
Bets with friends	11.5%
Games of skill (pool, darts)	7.3%
Internet	0.4%

2. Respondents who indicated they "never gamble" were coded as "no" on all regulated gambling activity and directly questioned regarding their unregulated gambling activity.

FIGURE 1: GAMBLING PARTICIPATION (BY REGION)



Ontario leads the nation in gambling participation rates, with 79% of respondents reporting gambling in the last year (Figure 1). Ontario is followed by BC (74%), the Prairies (72%), Quebec (65%) and the Atlantic region (63%). In addition to regional variations, significant variations in participation rates were found between:

- men (76%) and women (69%)
- the employed (75%) and those not employed (66%)
- respondents with no post-secondary degrees (71%) bachelor's degrees (78%), professional degrees (86%) and those with master's degrees (65%) and doctorates (60%).

The most popular region of play for each game is presented in Table 3. These variations reflect both consumer taste and availability of game by area (not all types of gambling are available in all regions in Canada). Significant variations in playing habits include:

- higher rates of horse race gambling in the Prairies and Ontario
- less out-of-country casino activity in the Atlantic region and Quebec
- much higher break-open ticket activity in Ontario
- much lower rates of raffles participation in Quebec
- less scratch ticket gambling in the Prairies and Atlantic Canada
- higher rates of slot machine gambling in Ontario
- higher out-of-province casino activity in Ontario.

FREQUENCY

A full 27% of Canadians are "regular gamblers" at a particular game. This means they play that game at least once a week. Bingo is the game most likely to draw regular participants, followed by lotteries, card games with friends, scratch tickets, video lottery terminals and betting on games of skill.

Three variables impact frequency of play: age, income and region. Frequent gamblers are more likely to be 45-64 years of age, have annual household incomes in the $30,000-$79,999 range and reside in Ontario or the Prairie provinces. Of the three, age is the strongest determinant of gambling frequency.

TABLE 3: HIGHEST NATIONAL PARTICIPATION BY GAME

REGULATED GAME	REGION	
Lotteries	Ontario	(55.3%)
Scratch tickets	Ontario	(45.0%)
Raffles	Ontario	(39.8%)
Casino	Ontario	(21.0%)
Slot machines	Ontario	(21.5%)
Break-open tic.	Ontario	(20.5%)
Bingo	Ontario	(14.0%)
VLTs	Prairie	(18.4%)
Out-of-coun. cas.	BC	(8.2%)
Out-of-prov. cas.	Ontario	(7.5%)
Card rooms	Atlantic	(5.2%)
Horse racing	Ontario	(5.0%)
Sport tickets	Prairie	(4.6%)
UNREGULATED GAMBLING		
Card games	Ontario	(16.5%)
Sports pools	Prairie	(19.1%)
Stock speculation	BC	(19.2%)
Bets with friends	BC	(13.7%)
Games of skill	BC	(10.2%)
Internet	Ontario	(0.7%)

GAMBLING MOTIVATION

People gamble for different reasons. Some gamble as a social activity, others gamble for entertainment, profit, to help charities, or even to escape their lives for a moment with the dreams of something better. Respondents' motivations for gambling can be grouped into five categories of response: (1) entertainment, (2) thrill of winning, (3) to donate to charity, (4) social reasons, and (5) other reasons. Overall, for all types of regulated gambling, the strongest motivator for gambling is the thrill and reward of winning; 83% of gamblers indicate that for at least one game they play, the primary motivator is the thrill of winning. The next strongest motivators are the desire to donate to charities (49%) and entertainment (43%).

The primary motivation for playing particular games varies dramatically (see Table 4). These data show the primary social interaction games are bingo and card room gambling. The games people play to win money are lotteries, scratch tickets, VLTs, break-open tickets and sport tickets. Casino games, slot machines and horse racing are primarily played for entertainment, and raffles are played as a means of making a donation to charity.

TABLE 4: GAMBLING MOTIVATION

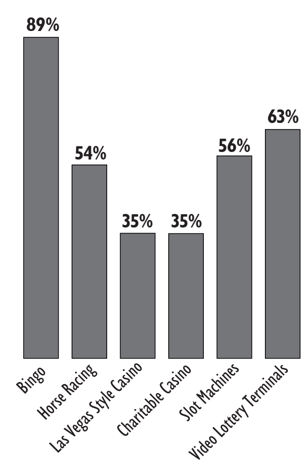
GAME	PRIME MOTIVATION
Lotteries	Thrill of Win (86%)
Scratch tick.	Thrill of Win (66%)
Raffles	Donate Charity(85%)
Casino	Entertainment (56%)
Slot machines	Entertainment (49%)
Break-open	Thrill of Win (58%)
Bingo	Social Reasons (43%)
VLTs	Thrill of Win (43%)
Out-of-coun. cas.	Entertainment (56%)
Out-of-prov. cas.	Entertainment (55%)
Card rooms	Social Reasons (39%)
Horse racing	Entertainment (58%)
Sport tickets	Thrill of Win (62%)

AVAILABILITY OF GAMBLING

To measure gambling accessibility, respondents were asked about availability of different types of games within a 50 km radius of their homes. The results (see Figure 2) indicate that respondents perceive a wide variety of gambling options available to them. It should be stressed that the perception of gambling availability is not a measure of actual availability. For example, VLT coverage is perceived at 63% overall, and yet 40% of BC respondents and 50% of Ontario respondents perceive VLTs within 50 kms despite the fact that these two provinces do not offer legal VLTs. These data may reflect respondents' confusion between VLTs and slot machines, respondents living near provincial borders, and the availability of illegal machines. In those regions with VLTs, 83% of Atlantic respondents, 90% of those on the Prairies and 73% of Quebec respondents live within 50 kms of a VLT.

Overall, nearly every respondent (97%) reported living within 50 km of one of the six forms of gambling mentioned in Figure 2. There is a perception of a high degree of gambling coverage among Canadians.

FIGURE 2: AVAILABILITY OF GAMBLING WITHIN 50 KMS OF HOME



GOVERNMENT INVOLVEMENT

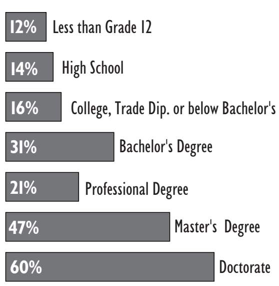
Canadians recognize gambling as an important source of government revenues, and prefer increased gambling to higher taxes. At the same time, Canadians want restricted access to VLTs, increased services for problem gamblers, and public consultations prior to the introduction of new games.

The Criminal Code of Canada allows provincial governments to set gambling regulations, and restricts gambling provision to the provinces, charities, exhibition associations and First Nations groups. This places provincial governments in a dual role as both the regulator and primary benefactor of gambling - a role that critics feel is a conflict of interest. To avoid this perception, many provinces operate their regulatory agencies at an arms length from government to ensure effective monitoring of provincial gaming operations. This chapter explores Canadians' perceptions of government involvement in the gambling industry.

GOVERNMENT REVENUE GENERATION

Canadians see gambling as a legitimate means for provincial governments to raise revenues. When asked, "if (your province) needed to raise more money, which of the following options would you support: raising taxes or more revenues from lotteries, VLTs and casinos," gambling revenue is the overwhelmingly preferred option. Two-thirds of respondents (67%) indicate that gambling revenue is a preferred method of raising money, 19% prefer raising taxes, and 13% favour neither option.

FIGURE 3: PREFER TAX REVENUE TO GAMBLING (BY HIGHEST EDUCATION LEVEL)



It is reasonable to assume that the current high tax rates in Canada played a role in this response. It is not a trivial matter to consider an increase in taxes in Canada, and yet, interestingly, almost one in five respondents preferred this option to increased gambling. This suggests a strong anti-gambling sentiment among these Canadians.

Responses to the "gambling versus higher taxes" questions are subject to regional variations. One-quarter (25%) of the Atlantic region respondents state a preference for higher taxes, while only 8% of Quebec respondents favour this option. There is also a near-linear relationship between preference for higher taxes and education, with preference for this option increasing with education level. (Only those with professional degrees [e.g., degrees in law, medicine, optometry, theology] broke this pattern–see Figure 3.) Of those respondents with a household income over $100,000, 28% favour increased taxes, a strong statement by those who carry the highest current tax burden.

It is interesting to note the relationship between gambling participation rates and willingness to use gambling to raise government revenues. Those who do not gamble are less willing to raise revenue through gambling (59%) than those who do gamble (70%). These data suggest that non-gamblers may hold anti-gambling feelings.

DEBT FINANCING

Overall, Canadians are willing to use gambling revenues to fund a variety of government obligations, including debt repayment. When asked if "gambling revenue should be used to help governments pay off debt," 66% of respondents agree that they should (38% strongly agreeing). Only 31% disagree.

Increased gambling is seen as a particularly good solution to current debt situations in those regions with high provincial debt. For example, in Quebec three-quarters of respondents agree (49% strongly agreeing) that gambling revenue should go to debt financing.

GAMBLING AS VOLUNTARY TAXATION

An explanation for the popularity of gambling as a revenue generator comes from the voluntary nature of gambling. As previous CWF public opinion research has suggested, Canadians view gambling as an activity in which you participate with the knowledge that you are paying additional tax revenue. In response to the statement "gambling is a good way for governments to raise revenues because it is a form of voluntary taxation," 62% agree (29% strongly agreeing)—twice as many as those that disagree (32%).

This attitude represents a discernable trend throughout the survey. Canadians view gambling participation as a choice. If people chose to over-contribute their share of tax revenue through gambling activity, this reduces the overall tax burden on the whole.

GOVERNMENT RESPONSIBILITY

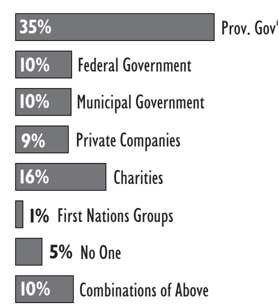
A review of the gambling literature indicates that gambling can have both positive and negative consequences for individuals and communities. As a result, the regulation of gambling must balance government revenue needs with community interests. This next section explores the extent to which government regulations fit with the attitudes and opinions of Canadians.

GOVERNMENT OPERATED GAMBLING

As indicated earlier, provincial governments operate and benefit from most forms of gambling either directly or through provincial Crown corporations. The provinces may also license charities to participate in gambling activity through raffles, pull tickets, and some bingos.

To measure satisfaction with this arrangement, respondents were asked "who should operate gambling in Canada" (see Figure 4). Municipal, provincial and federal governments, private industry, charities and First Nations groups were presented as possible responses. The findings support a retention of the current policy structure. A plurality (35%) indicate that the provincial governments should operate gambling with charities the second most common choice (16%).

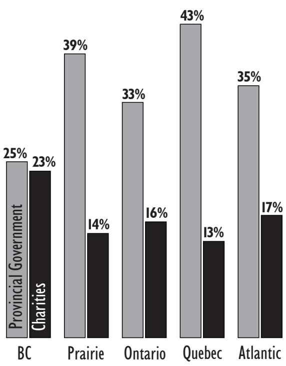
FIGURE 4: WHO SHOULD OPERATE GAMBLING IN CANADA



While these results support the status quo, it is worth noting that nearly half of the respondents favour another option. These results may indicate discord with the current provincial restrictions on the operation of gambling. Interestingly, 5% of the sample believe that no one should be operating gambling in Canada; this group likely includes the strongest opponents of gambling.

The support for private company operation of gambling deserves particular note. The introduction of private profit-making from gambling would significantly alter the nature of gambling in Canada, yet this option is indicated at nearly the same level as federal or municipal government operated gambling.

FIGURE 5: WHO SHOULD OPERATE GAMBLING IN CANADA (BY REGION)



The extremely small number of individuals (1%) who believe that First Nations should operate gambling is also of note. The issue of First Nations gambling will be addressed in a later chapter. However, it should be pointed out at this time that when asked to directly comment on whether First Nations gambling should be permitted, the results were significantly more favourable.

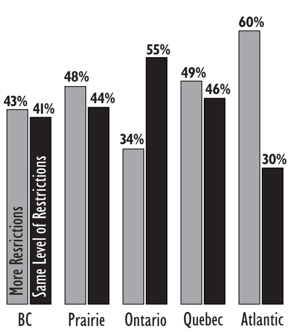
Beliefs regarding who should operate gambling vary across the regions, although provincial governments and charities are the top two choices throughout Canada (see Figure 5). Quebec, with fewer current charitable gambling opportunities, is the weakest supporter of charities as operators (13%). In British Columbia, where government involvement in gambling has resulted in several high profile political scandals, support for the provincial government operating gambling (25%) is nearly equal to that of charity-run gambling (23%). Surprisingly, the Prairie region does not indicate a preference for charity-run gambling despite the charitable gambling model in Alberta (the most populous province in the region).

GOVERNMENT REGULATION OF GAMBLING

In addition to operating most forms of gambling, provincial governments are responsible for the regulation of gambling. These regulations include restrictions on what games are available, who can gamble and when, the payout rates, and who can operate gambling. The survey measured the overall attitudes of Canadians toward governments' regulatory role in controlling gambling by asking whether respondents would like to see more restrictions, less restrictions or about the same level of restrictions on gambling in their province.

A significant number of respondents (43%) indicate that their governments should be doing more to restrict gambling in their province, while 47% are satisfied with the current level of restriction. Only 7% of respondents believe that there are too many restrictions on gambling.

FIGURE 6: DESIRED LEVEL OF RESTRICTIONS ON GAMBLING (BY REGION)



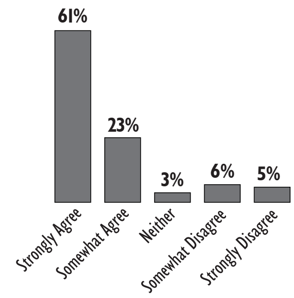
Because each province sets its own regulations, regional variations could be anticipated. In every region except Ontario, a plurality of respondents favours an increase in gambling restriction (Figure 6). In the Atlantic region, 60% of respondents indicate that they would prefer more restrictions on gambling, twice as many as those who would like to see the same level of restriction (30%). These results reflect an overall attitude of gambling tolerance in Ontario and an anti-gambling sentiment in the Atlantic region, one that permeates the survey results.

Not surprisingly, BC respondents were most favourable toward reduced restrictions, with 12% supporting this option. BC has Canada's most restrictive gambling policy, as unlike many other provinces, the BC government has not introduced video lottery or large destination casinos.

PUBLIC ACCOUNTABILITY

Because of the dual responsibility to operate and regulate gambling, government accountability for gambling policy has heightened importance. Perhaps the most significant measure of accountability is the use of public consultation mechanisms prior to changes in gambling policy. In Canada, these instruments of accountability have included plebiscites and referenda, public conferences, roundtable discussions, gaming review committees, and invitations for public submissions. However, only a fraction of gambling policy changes appears to be based upon public reviews or consultation.

FIGURE 7: DO YOU AGREE THAT: "gov't should hold public consultations before introducing new forms of gambling"



Involving citizens in policy decisions can be costly, time-consuming and can have unpredictable outcomes. Inviting citizen feedback also involves a high degree of openness with gambling-related data sharing. As a result, we have seen only a few formal reviews of gambling policy in Canada. The survey results indicate a strong public desire for increased public consultation. Overall 84% of the sample agree (61% strongly agreeing) with the statement "governments should hold public consultations before introducing new forms of gambling" (Figure 7). The strength of these data indicate a clear appetite for increased government accountability regarding gambling policy.

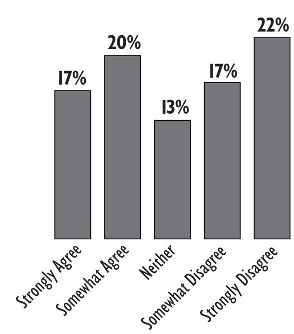
Support for public consultation varies with age and region. While all age groups agree in general that public consultation should precede gambling expansion, those respondents aged 55 or older are more likely (71%) to strongly agree than are those 18-34 (50%). Regionally, support for public consultation is highest in BC (89% agree or strongly agree), while opposition to the concept of consultation is greatest in Quebec (18% disagree or strongly disagree.)

A distinct conclusion emerges from these data. In every region Canadians want the opportunity to decide the level of gambling in their region through public consultation PRIOR to the introduction of new gambling forms. It is reasonable to conclude that, to some degree, this sentiment reflects a degree of public dissatisfaction with the lack of public consultation on past gambling policy changes. In particular, governments have been criticized for introducing VLTs in without formal public consultations.

GAMBLING POLICY ISSUES

On one hand, governments have been entrusted with the delivery of gambling; on the other hand, they are responsible for the providing treatment to problem gamblers and developing policies that limit the addictive potential of gambling. The next series of questions explores government policy related to limiting the harm of gambling.

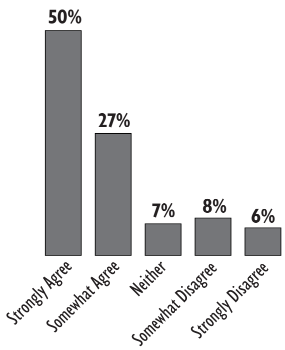
FIGURE 8: DO YOU AGREE THAT: "adequate services are in place to deal with problem gambling"



1. PROVISION OF SERVICES FOR PROBLEM GAMBLERS

Perhaps the greatest government obligation involves the problem gambler. Two questions measure the extent to which governments are fulfilling this obligation in the eyes of the public. First, respondents were asked to agree or disagree with the statement "adequate services are in place to deal with problem gambling." Respondents are divided on this question; 37% agree with the statement while 40% disagree (Figure 8).

FIGURE 9: DO YOU AGREE THAT: "the government should do more to limit the negative side effects of problem gambling"



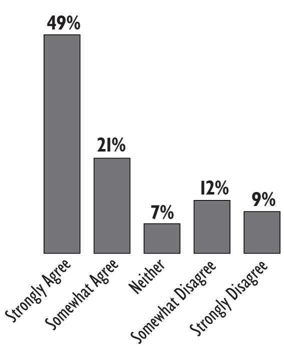
A second question, asked respondents to agree or disagree with the statement "the (province) government should do more to limit the negative side effects of problem gambling." Although the question left it up to the respondent to determine what those side effects are, a total of 77% agree with this statement compared with only 14% who disagree (see Figure 9). The level of agreement does not vary significantly by region.

Combined, these results suggest that while there is division of opinion regarding the adequacy of treatments for problem gamblers, respondents recognize the need to do more to limit the side effects of problem gambling. Gambling research suggests these negative side effects can include: family and marital stress, increased crime and fraud, lower job productivity and substance abuse.

2. VIDEO LOTTERY TERMINALS

Canada's most dramatic public gambling debates have centred on the issue of Video Lottery Terminals. Electronic gambling generates significant revenues for provincial governments, raising over $1.3 billion in net revenues for the provinces in 1998 (a value equal to between 1-3.5% of total provincial net revenues). These are significant revenues given that only 8.4% of Canadians report VLT play in the last year. Many residents and communities have taken notice of possible problems associated with generating that much revenue from such a small portion of the population. Provincial governments have responded to these concerns by capping the number of machines, allowing community plebiscites, and in some cases restricting access to the machines. Despite these steps the debate over the VLTs continues.

FIGURE 10: DO YOU AGREE THAT: "VLTs should be limited to casinos and race tracks"



Prior research by CWF and others has found high public support for restricting VLTs to casinos and racetracks. The survey measured this sentiment by asking participants to agree or disagree "whether VLTs should be limited to casinos and race tracks" (Figure 10). Overall, 70% agree with restricting VLTs to gambling-specific locations such as casinos and race tracks, with nearly half of all respondents strongly agreeing (49%). Based on these data, it appears that Canadians strongly disagree with current policies allowing VLTs in bars and lounges.

A second question considered the more hard-line position of a ban on VLT gambling altogether. Specifically, respondents were asked to agree or disagree that "video lottery gambling should be banned in (province)." On this issue, the results are split, with 43% disagreeing and 41% agreeing that VLTs should be banned (Figure 11). However, of those with a strong preference, the results favour a ban on the machines. This suggests that although the number of supporters is nearly equal for both positions, those seeking a ban on VLTs hold their views more strongly.

VLT debates have varied across the provinces, so it is to be expected that regional variations in VLT attitudes will exist (see Figure 12). Once again, respondents from the Atlantic region show a strong anti-gambling bias. Based on the strength of opposition to VLTs in the Atlantic region (at 45%, nearly twice as many respondents strongly agree with a ban on VLTs in Atlantic Canada as in Ontario and the Prairies), it is perhaps more accurate to describe the Atlantic region as anti-VLT than as anti-gambling. These data also suggest that, if the Atlantic region were to hold plebiscites on banning VLTs as Alberta and Manitoba did, many communities would reject the machines.

Curiously, Ontario respondents are the least supportive of banning VLTs (37%), and yet they live in one of only two provinces without the machines. This finding may be related to high Ontario support (73%) for restricting VLTs to casinos and racetracks.

Attitudes toward VLTs also vary with:

- Awareness of problem gambling. Knowing a problem gambler increases the likelihood of a respondent agreeing that VLTs should be banned (48% agree among those who know a problem gambler; 37% agree among those who do not know a problem gambler).
- Gender. Female respondents are more likely to agree (44%) that VLTs should be banned. Male respondents are more likely to disagree (51%) with the banning of VLTs.
- Age. Respondents 55 years of age and older are more likely to strongly agree (39%) with a ban on VLTs than those 18-34 (15%). Those aged 35-54 were the most likely group to agree (72%) that VLTs should be limited to casinos and race tracks.
- VLT usage. Respondents who have not played a VLT in the last year are more likely to agree with a ban (42%) than those who have played the machines (28%). Surprisingly, only 34% of VLT playing respondents strongly disagree with a ban on the machines and only 64% disagree overall. Similarly, a majority (55% agreeing overall, 41% strongly agreeing) of VLT players also agree that VLTs should be limited to race tracks and casinos. These data suggest that a number of VLT players themselves are willing to restrict access to the machines because of an acknowledgement of some negative element associated with the availability of the VLTs.
- Gambling participation. Among those who do not gamble, there is moderate support for preserving access to VLTs (32% disagree with a ban). This may be reflective of those supporting the right to gamble as well as those that want to preserve revenue from the machines.
- Church attendance. Respondents who attend church at least once a week are much more likely to agree that VLTs should be banned than are those who attend less frequently or not at all. In total, 60% of regular church attendees agree that VLTs should be banned (45% strongly agree with a ban). While regular church attendance and agreeing with a ban of VLTs were strongly co-related, less frequent attendance was not. Respondents who attend church less than once a month fell below the average of those wanting VLTs banned. Those who attend less than once a year or not at all are the least likely to agree with a ban on VLTs (33%).

Before leaving the VLT issue, careful consideration should be given to the implication of a large gap between public opinion related to VLTs and government policy on the machines. Given that even the VLT players favour a restriction of the machines to race tracks and casinos, public support for revised VLT legislation is likely to remain strong in many provinces.

FIGURE 11: DO YOU AGREE THAT: "video lottery gambling should be banned in (province)"

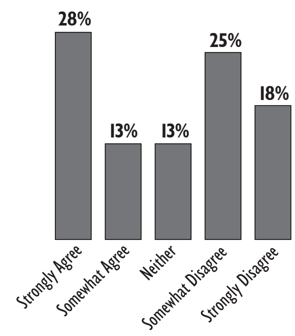


FIGURE 12: DO YOU AGREE THAT: "video lottery gambling should be banned in (province)" (BY REGION)

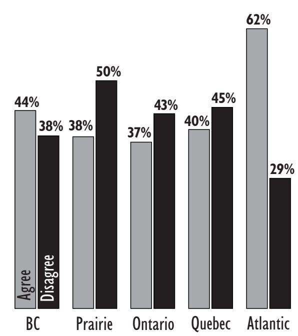


FIGURE 13: DO YOU AGREE THAT: "entrance into bingo halls should be restricted to those 18 years of age or older"

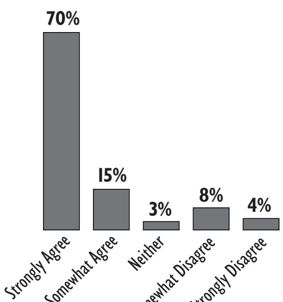
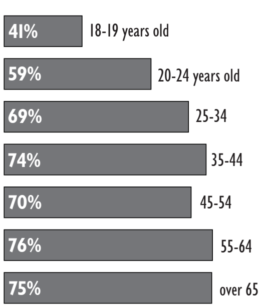


FIGURE 14: STRONGLY AGREE "entrance into bingo halls should be restricted to those 18 years of age or older" (BY AGE)



3. UNDERAGE GAMBLING

In general, gambling appeals most to younger adults. Those 18-19 years of age indicated the highest level of gambling participation over the last year (81%) while those over 65 indicate the least (65%). Although the data do not indicate how many of these 18-19 year old respondents also gambled before it was legal to do so, the high level of participation over the last 12 months for this age group suggests underage gambling warrants further study.

Mounting research with respect to the high rates of adolescent problem gambling and the emerging electronic gambling technologies have increased the attention paid to the issue of underage gambling. It is an issue in which governments face a dilemma. In order to maintain gambling revenue streams, governments attempt to make their games appealing to younger adult Canadians, but must also be wary of attracting underage gamblers through the same policies. For example, lotteries are a significant revenue source for provincial governments, but they are less popular with the 18-34 age cohort. To counter this trend, some lottery ads and games are designed to draw more interest from this younger group. However, these policies can draw criticism; for example, the Quebec government drew attention when it tested an interactive lottery program directed at attracting younger players.

The survey probed public concerns on underage gambling through a question related to bingo. Bingo was chosen both because it has been traditionally seen as a relatively benign form of gambling and because bingo is increasingly being marketed as a family-based activity. Despite stereotypes, bingo is not a seniors-dominated activity. In fact, at 13%, more 18-34 year olds played bingo in Canada last year than those 35-54 (12%) and those over 55 years of age (8%). To capitalize on this growing trend, a recent policy review in Alberta, where bingo play has been restricted to those 18 years of age or older since 1998, recommended that bingo halls be allowed to make infrequent exceptions to this regulation to allow rural bingo associations to serve their family-based clients.

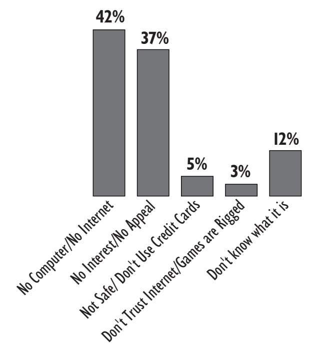
The survey asked respondents to indicated whether "ENTRANCE into bingo halls should be restricted to those 18 years of age or older." Their responses are displayed in Figure 13. Opinions on this issue are clear, with 70% of respondents strongly agreeing (85% agree overall) that the minimum age for entrance to a bingo hall should be 18–the highest level of strong agreement for any issue on the survey. While the strength of this opinion may be related to a myriad of factors, and not necessarily underage gambling, these data do imply that respondents believe that bingo halls should not permit underage gambling to occur. Because the question asked about ENTRANCE into halls and not gambling specifically, this high level of agreement was not anticipated. These data would also suggest potential implications for the volunteer base of the charitable organizations and bingo associations who rely upon youth volunteers to run events.

Age plays an important role in determining views on underage access to bingo. Not surprisingly, agreement with restrictions on entering bingo halls increases with age. This result is likely influenced by the "right to gamble" arguments. Younger persons are the strongest supporters of the right to gamble and are also the strongest supporters of allowing underage access to bingo (see Figure 14). Despite significant variations in strength of opinion, all age cohorts agree that minors should not have access to bingo facilities.

Regionally, some interesting variations also occur. Ontario, which restricts play but not entrance to bingo halls, is the region most in favour of this particular restriction, with 78% strongly agreeing (88% overall). This is somewhat in contrast with Ontario respondents' generally tolerant approach to gambling. In contrast, only 61% of Quebec respondents strongly agree (79% overall) with the restriction.

4. INTERNET GAMBLING

FIGURE 15: REASONS FOR NOT GAMBLING ON THE INTERNET



The issue of Internet gambling has received a great deal of attention as a possible emerging problem for both gamblers and governments. Gamblers are said to be more likely to become "addicted" to Internet-based gambling because of the easy access to gambling within their home, and young gamblers are particularly sensitive because of the degree to which they have embraced Internet technology.

Governments are concerned with the regulatory aspect of Internet gambling for a number of reasons. First, although Internet gambling and operating an Internet gambling site are technically illegal activities, the law is practically unenforceable, particularly in reference to the home gambler. Second, governments might lose revenue to Internet gambling as it cannibalizes other legal forms of gambling. Third, governments are expected to cover the negative social costs associated with Internet gambling problems while off-shore interests benefit.

Survey results indicate that Internet gambling is not popular in Canada. Of the 19 types of gambling respondents were asked about, Internet gambling is the least popular by a significant margin. Only 0.5% had tried Internet gambling in the past year and only one respondent out of 2,202 indicated he regularly gambled over the Internet. Although Internet gambling might be an issue to watch for, the need to regulate the games appears less urgent.

For a glimpse into the future of Internet gambling, the survey asked those respondents who gamble (n=1,295) to indicate the primary reason they had not tried this form of gambling. The results reveal the potential for the growth of on-line gambling (see Figure 15). Only 8% of respondents feel that the games are not safe or that the technology is a barrier. Rather, the primary reasons for respondents indicating they have not gambled on the Internet is their lack of access (42%), or a lack of interest (37%). This tacit acceptance of Internet gambling as a legitimate means of wagering suggests that as more people gain access to the Internet in their homes, the popularity of Internet gambling will grow. Interestingly, not one respondent indicated that the illegality of Internet gambling is a primary barrier to play.

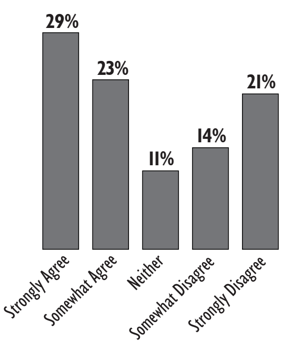
In spite of current restrictions, a majority of Canadians support the idea of First Nations on-reserve gambling if it occurs in conjunction with government operated gambling. This support appears to derive somewhat from economic development arguments.

Criminal Code restrictions limit First Nations on-reserve gambling in Canada. Unlike the American model, Canada's First Nations are only permitted to operate gambling when granted permission by provincial governments. Many First Nations believe their communities and people can greatly benefit from the significant revenues gambling can generate. This is particularly so in light of the many success stories from US on-reserve gambling. To date, First Nations in Canada have negotiated the right to operate on-reserve VLT gambling in Manitoba and Nova Scotia, casinos in Saskatchewan and British Columbia, and to share in profits from Ontario's on-reserve casino.

First Nations have been increasingly lobbying the federal and provincial governments to permit them to enter the gambling arena through a direct Criminal Code exemption. Opponents to such a change argue that on-reserve gambling would create dependency on gambling revenues within reserves, high rates of problem gambling among First Nations peoples and the over-saturation of the gambling market. Undoubtedly, a change in policy to allow more on-reserve gambling will not occur without significant consideration of the implications and a measure of public support. As a possible guide to the future, public attitudes toward First Nations gambling are examined below.

FIRST NATIONS OPERATION OF GAMING

FIGURE 16: DO YOU AGREE THAT: "governments should license gambling on Aboriginal/Indian Reserves"



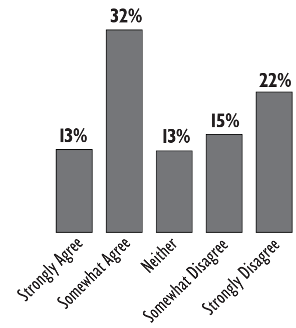
As noted earlier, only 1% of respondents stated First Nations as their choice to operate gambling. However, there are indications that Canadians may be more favourable toward on-reserve gambling than these data suggest. When asked specifically if "governments should license gambling on Aboriginal/Indian Reserves," respondents are substantially more positive toward First Nations gaming. As shown in Figure 16, 52% of respondents agree with on-reserve gambling and only 34% disagree. Clearly, Canadians do, on the whole, support the right of First Nations to operate gambling activities.

Due to the variety of agreements with First Nations across the provinces, a fair bit of regional variation was expected in response to this question. However, only Ontario, which has a large casino on the Rama Reserve, is strongly in favour of on-reserve gambling (57% agreement). BC (49% agree), the Prairies (49% agree), Quebec (48% agree) and the Atlantic region (48% agree) are each supportive of on-reserve gambling, but to a lesser degree.

Attitudes toward First Nations gambling among different age cohorts are strikingly different from other patterns in the survey. Younger respondents show generally more permissive attitudes toward gambling restrictions throughout the survey, and yet are the least strongly supportive of First Nations gambling. One-quarter of those 18-34 strongly agree with the licensing of on-reserve gambling. Older respondents, generally the least permissive toward gambling, showed the greatest support for on-reserve gambling (34% strongly agreeing). The reasons for these variations are not immediately clear and warrant future examination.

While a majority of respondents agree that gambling should be licensed on reserves, respondents were also clear that First Nations are not the preferred choice to operate gaming in Canada (see page 9). However, it appears that on-reserve gambling is a viable option if operated in conjunction with government-run gambling.

FIGURE 17: DO YOU AGREE THAT: "gambling provides opportunities for economic development on Indian Reserves"



ECONOMIC DEVELOPMENT ON RESERVES

Economic development arguments can be two pronged in nature. One side of this debate suggests that economic benefit is created in a community because the introduction of gambling brings new employment, business, tourism and revenue to the area. An opposing view suggests gambling hinders economic development because gambling tends to harm existing business, increases the level of addiction in a community, and generates most of its revenue from the surrounding community.

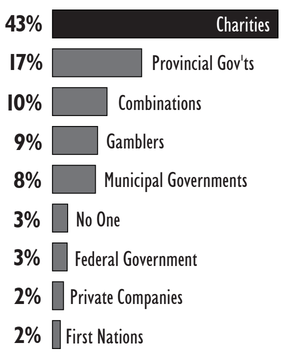
To explore why Canadians favoured on-reserve gambling, respondents were asked to agree or disagree if "gambling provides opportunities for economic development on Aboriginal/Indian Reserves." Surprisingly, LESS respondents agreed with this viewpoint (45%) than those that agreed with on-reserve gambling (52%) (see Figure 17). Some respondents appear to support on-reserve gambling for reasons other than the economic development of reserves.

The data also suggest that there may be a market for on-reserve gambling. Of those respondents who have gambled in the last 12 months, 55% agree (32% strongly agreeing) that governments should license on-reserve gambling. From a marketing perspective, these are the potential clients of First Nations gambling, and their support, although not overwhelming, suggests a potential market for on-reserve gambling.

These data cannot provide more than a glimpse of public attitudes toward First Nations gambling. What is apparent is that there exists a good basis of support for the concept of First Nations gambling.

While few Canadians cite funding charities as their motivation for gambling, Canadians do strongly believe that charities should be the primary beneficiary of gambling's proceeds. Canadians indicate that 60% of gambling proceeds should be targeted toward charities–significantly more than current levels. Overall, gambling is seen as an acceptable way to fund the charitable sector.

FIGURE 18: WHO SHOULD PRIMARILY BENEFIT FROM GAMBLING REVENUE



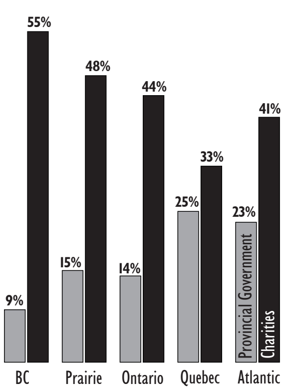
Charitable involvement in gambling in Canada started with raffles and bingo in the early 1900s. For most of this century, charities and exhibition associations were the sole operators of gambling permitted by Canada's Criminal Code. However, this changed in 1969 when the Federal government modified the Criminal Code to allow governments to conduct lotteries. This decision brought an end to the charitable monopoly over gambling and has subsequently given rise to a gambling system that is primarily operated by provincial governments. Despite this change, charitable gambling revenues have grown dramatically. In 1997, more than $700 million was generated through charitable gaming.

Charities have also been co-contributors to the expansion of gambling. They have successfully lobbied governments to protect their interests when considering new gambling policies. As a consequence, provincial gambling expansion programs are often accompanied by an expansion of gambling opportunities available to the charities. Additionally, when provincial gambling expansion replaced or made redundant one form of gambling for the charities, provinces have set up gambling profit-sharing schemes to offset revenue losses and appease the charitable sector's concerns.

Reliance upon charitable gaming revenues can present challenges for some charities, as some organizations have expressed concerns that they may be contributing to social problems. In addition, because of its reliance upon gambling revenue, the charitable sector risks being used by government to justify the expansion of gambling. Public attitudes related to charitable gaming are explored in the following section.

PROCEEDS OF GAMBLING

FIGURE 19: WHO SHOULD PRIMARILY BENEFIT FROM GAMBLING (BY REGION)



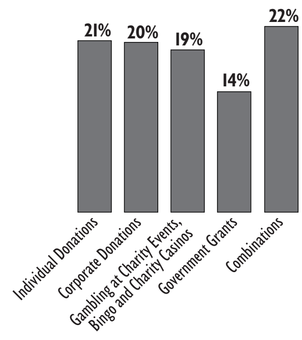
Of the $5.4 billion in net gambling profit (after expenses) generated each year in Canada, charities will share between 15-20% of the revenue. This total includes revenue generated directly from the operation of charitable games and lottery grants available in some provinces. The remaining 80-85% of revenue is retained by the provinces to fund programs and special projects, and to pay off debts. Although exact figures are unknown, charitable gaming revenues as a portion of total revenue derived from gambling have decreased steadily over the last ten years. Across Canada, it is the provinces, rather than the charities, who have been the primary beneficiaries of gambling expansion.

This pattern runs contrary to public opinion. When asked "who should primarily benefit from the proceeds of gambling," 43% of respondents indicate that charities should be the primary benefactor, more than twice the number of individuals who think the provinces should be the big winners from gambling (17%), and well beyond support for all three levels of government combined (28%) (see Figure 18). Other potential beneficiaries receive little public support:

- Nine percent feel that the gamblers themselves should benefit from the proceeds of gambling.
  This result might be interpreted as a call for more favourable payout rates from the games.

- Only 2% believe that private companies should benefit from gambling. This was an unexpectedly small result given the popularity of the for-profit gambling models in the US and abroad.
- Only 2% of respondents felt that First Nations should be the primary benefactors of gambling despite an overall favourable response to the concept of on-reserve gambling.

FIGURE 20: WHAT IS THE BEST WAY TO FUND CHARITIES IN CANADA

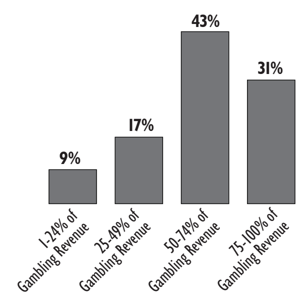


Support for directing gambling revenues to charities varies between the regions (Figure 19). In BC, 55% of respondents believe that the charities should primarily benefit from gambling and no other source was supported by more than 10% of the population. The provincial government, the current primary recipient of gambling revenue, receives only 9% support in BC. In contrast, Quebec respondents are more favourable to the notion of gambling revenue benefiting the province. One-quarter of Quebec respondents indicate that provincial governments should be the main recipient of revenue. However, Quebeckers still favour charities as the main recipient. Overall, all regions favour charities as the primary beneficiaries of gambling, with the highest levels of support found in BC and the Prairies.

There is an interesting relationship between the opinions of operators and beneficiaries. Respondents who favour the model of provincial-operated gambling are equally split on who should benefit from gambling: the province or the charities. Similarly, of those who favoured private operation, most (41%) feel that these activities should be run primarily for the benefit of charity and not the private company. Respondents appear comfortable with the notion of gambling operated by the provinces or industry on behalf of charities.

Overall, these data reinforce the importance placed on the association between gambling and charitable purposes in the attitudes of Canadians. The reality of current profit-sharing relationships runs counter to public preferences. This disequilibrium appears to be at the root of emerging debates regarding the proper use of gambling revenue.

FIGURE 21: % OF GAMBLING REVENUE TO FUND CHARITIES



FUNDING OF THE CHARITABLE SECTOR

While the above results suggest that Canadians strongly favour directing the proceeds of gambling revenue to charities, this does not imply that gambling is a preferred method of funding the sector. Studies suggest that gambling funding, despite its lucrative nature, might not be an ideal means of generating revenue. For example, dependency situations can arise if a charity becomes reliant upon the gambling revenue to fund its programs and ethical dilemmas can arise as charities evaluate the impact of gambling upon problem gamblers and lower income persons.

Respondents were directly asked "what is the best way to fund charities in Canada?" This question was asked at the outset of the survey to avoid any bias toward or against gambling. Respondents' views are split between gambling revenue (19%), individual donations (21%) and corporate donations (20%) (Figure 20). Based on these data, the public does not view gambling as a particularly problematic form of raising revenue for charities.

FIGURE 22: MOTIVATION FOR GAMBLING IS TO MAKE A DONATION (BY TYPE OF GAME)

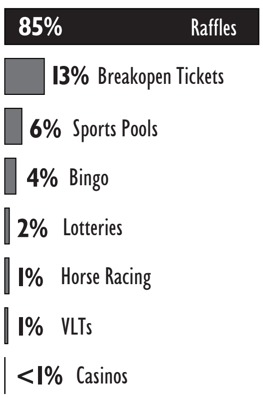
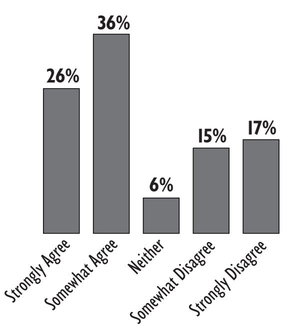


FIGURE 23: DO YOU AGREE THAT: "gambling at charitable events is not really gambling, it is like making a donation"



The least favourable reception to using gambling revenue to fund charities is in the Atlantic region. Consistent with other responses, Atlantic Canadians are the least willing to support the use of gambling revenues in general and for charities specifically. Only 12% of respondents in the Atlantic region favour the use of gambling revenue to fund the sector, less than those who favour individual donations (30%), corporate donations (24%), and government grants (17%).

Respondents were further probed to directly indicate the amount of gambling revenue (as a percentage) that they felt ought to be directed to the charitable sector. Nearly three-quarters of respondents (74%) indicate that charities should get at least half of the revenue from gambling (see Figure 21), with 11% indicating that charities should get all the revenue. Overall, the mean response value for respondents is 57%. This mean value represents approximately three times the current amount of gambling revenue that the sector receives.

MOTIVATION AND PARTICIPATION IN CHARITABLE GAMBLING

Only 39% or respondents indicated participating in charitable gambling through charitable bingo, raffles and break-open ticket activities.[3] It is from this group that charities derive their gambling funding. (As mentioned earlier, some provinces will also provide charity grants from provincial lotteries and other gambling revenue.)

Surprisingly, of those who do gamble at charitable events, few participate for the express purpose of funding charities. Rather, motivational data suggest that the funding of charities is an unintended consequence of the act of gambling for most gambling activities. As shown in Figure 22, only raffles have any significant motivational tie to a charitable purpose. High profile charitable activities like bingo, breakopen tickets, and casinos appear to draw nearly no support as a result of the charitable purposes. The act of charitable gambling is primarily a by-product of people pursuing an opportunity to win money, a means of entertainment or an opportunity to socialize.

The motivation for charitable gambling is worth examining because of the impact that charitable gambling may have upon individual charitable donations levels. If respondents view gambling as a means of making a donation to charity, it is important to consider whether increased gambling activity could lead to reduced levels of individual donations to charity. To measure this relationship, respondents were asked whether "gambling at charitable events is not really gambling, it is like making a donation to charity" (Figure 23). Respondents do acknowledge this link between gambling and supporting charities. A full 61% agree with this statement, about twice as many as those who disagree (32%).

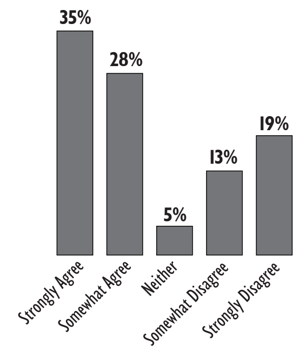
Although the motivation for gambling may be unrelated to the donations, the JUSTIFICATION for gambling losses often is the donation to charity. Whether this justification issue has an impact on the level of donation is unknown. At minimum, these data suggest that this is an area that merits further study.

3. Although participants might also gamble at charitable casinos but the survey data do not allow for a distinction between charitable and non-charitable casino.

IMPACT OF GAMBLING

Gambling is seen as both a right and an acceptable activity in Canada. Canadians believe gambling to be an inevitable part of our culture in spite of the acknowledged consequences. On balance, gambling is seen to do more harm to our communities than good with Canadians perceiving no positive impact on Canadians quality of life. Only 10% of Canadians indicate that gambling has any kind impact upon them personally, positive or negative.

FIGURE 24: DO YOU AGREE THAT: "it is my right to gamble regardless of the consequences"

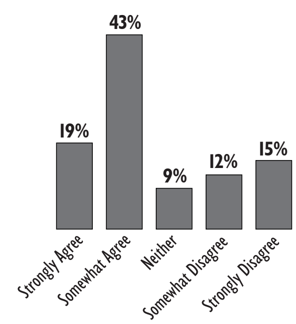


Gambling has both positive and negative consequences for communities. Gambling developments can bring in tourism and entertainment dollars, increase employment, fund charities and communities. At the same time, gambling expansion can harm existing businesses, increase crime, increase problem gambling and lower the quality of life. While a good deal of attention is paid to the quantifiable benefits of gambling (jobs created, revenue), the costs are more difficult to quantify, and are therefore easily misunderstood. As a result, few studies have successfully measured the cost and benefits of gambling in a community. Public attitudes and opinions towards these issues are, however, more measurable and concrete. To provide a measure of certainty on this issue, the survey outlines Canadians' attitudes and perceptions on the harm and benefit of gambling in their communities.

THE RIGHT TO GAMBLE

Canadians place a value on the right to gamble. Although not everyone chooses to participate in gambling, preserving the opportunity to gamble is important to respondents. The survey measured this importance by asking respondents to indicate whether they agree or disagree with the statement,"it is my right to gamble regardless of the consequences." In total, 63% of the sample agree or strongly agree with this statement (see Figure 24). Western Canadians have the strongest views that they have the right to participate in gambling. Respondents from the Prairies (40% strongly agreeing) and BC (39% strongly agreeing) are the strongest in favour of this statement, while Quebec (20% strongly disagreeing) and Atlantic respondents (25% strongly disagreeing) have the strongest levels of disagreement.

FIGURE 25: DO YOU AGREE THAT: "on the whole, gambling is an acceptable activity in (province)"



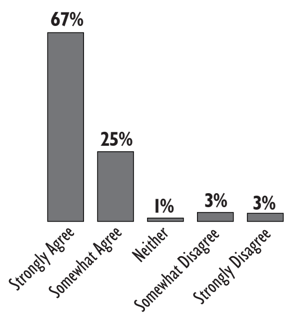
Responses vary with age. Younger respondents expressed a stronger interest in preserving their rights. Those aged 18-34 are more likely to agree (71%) that the right to gamble is more important than the consequences than are those 55 years of age or older (56%).

THE ACCEPTABILITY OF GAMBLING

Respondents also view gambling as an acceptable community activity. As shown in Figure 25, 63% of respondents agree that "on the whole, gambling is an acceptable activity in (their province)." There is not however a strong sense of agreement, as the plurality (43%) only somewhat agree with the statement. On the whole, this question serves as a good barometer of public opinion on gambling in Canada. Although the majority support the acceptability of gambling, this support is not strongly held. In contrast, while those who do not view gambling as acceptable may be few in number, their opinions are held more strongly.

Regional variations present now familiar patterns. Ontario respondents are most likely to agree that gambling is acceptable (67%), while Atlantic respondents are the most likely to disagree (34%). Quebec respondents show the highest level of ambiguity on this question.

FIGURE 26: DO YOU AGREE THAT: "people will find a way to gamble even if it is illegal"



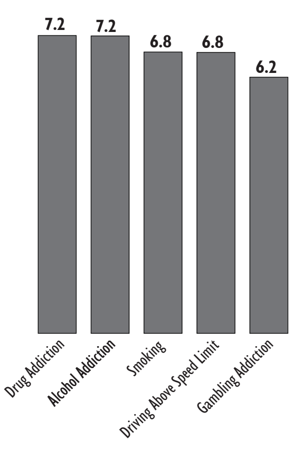
THE INEVITABILITY OF GAMBLING

As was seen in the above analysis of gambling's acceptability, Canadians are willing to concede that gambling is an acceptable part of our community standards. However, this should not be interpreted as embracing the good and bad elements associated with gambling. On the contrary, gambling's acceptability appears rooted in the perception that gambling is an inevitable part of our culture that cannot be muted. Respondents were asked to indicate whether they agree or disagree that "people will find a way to gamble even if it is illegal." A very strong majority (92%) agree with this statement (67% strongly agreeing) (Figure 26).

The strength of this sentiment is important to our understanding of public opinion on gambling. Canadians are aware of the problems associated with gambling, but do not feel these problems would go away if gambling opportunities were restricted. On the contrary, gambling is seen as an entrenched and permanent part of our culture. As a result, the regulation and operation of gambling by government are seen as the preferred means of controlling gambling's negative consequences.

SOCIAL IMPACT

FIGURE 27: SERIOUSNESS OF SOCIAL PROBLEMS IN PROVINCE (mean out of 10)



Canadians do not consider gambling to be as serious a social problem as some other issues. Using a ten point scale, respondents where asked to rate the seriousness of drug addiction, alcohol addiction, gambling addiction, smoking, and driving above the speed limit. The mean scores are presented in Figure 27. At 6.2 out of ten, gambling addiction scores the lowest relative to these other social problems. If we assume a midpoint of 5.0, a score of 6.2 indicates that respondents view gambling as a moderately serious problem.

These data may be interpreted in a number of ways. Although gambling rated below smoking and driving too fast, these are both activities that lead to a high number of deaths each year. Although gambling-related deaths are just as tragic, they occur less frequently. It is also interesting to note that the high variability on the gambling addiction responses (standard deviation=2.5, highest of all five problems examined). Those who feel gambling to be a problem rate it as a very serious problem, while those respondents who feel it to be a less serious social problem rate it very low. This splitting of opinion into extremes is a distinguishable pattern, one that influences responses throughout the survey. Strongly divergent opinions exist on the importance of problem gambling as a social issue.

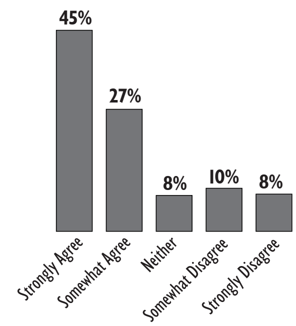
IMPACT ON THE POOR

Why is gambling seen by some to be a social problem? Part of the answer appears to lie in the extent to which gambling is funded by the poor and problem gamblers. Some forms of gambling are known to create a situations of regressive taxation because players of all income levels that gamble similar amounts will lose at equal rates. Consequently, lower income gamblers pay proportionately more "voluntary tax" dollars than higher income gamblers. Respondents were asked to indicate whether they agree or disagree with the statement "gambling is an unfair tax on the poor." Contrary to the regressive theory, a plurality (46%) of respondents disagree.

Significant regional variations are once again present. In particular, discrepancies are noticeable between Atlantic respondents and those from Ontario. On this question, 38% of Atlantic respondents strongly agree that gambling is an unfair tax while only 18% of Ontario respondents strongly agree. This perception might reflect the nature of cross-border play at the Ontario casinos by United States residents. The tourist-based casinos are less likely to draw lower income players from the US.

Respondents have a stronger appreciation for the plight of the problem gambler. Problem gamblers are known to significantly over-contribute gambling losses, as some studies suggest that problem gamblers contribute seven or eight dollars in losses for every dollar lost by a non-problem gambler. The survey asked whether respondents felt that "those with gambling problems are those who financially can least afford to lose money." As shown in Figure 28, 72% of respondents agree (45% strongly agreeing) that problem gamblers are becoming more impoverished as a result of their habit.

FIGURE 28: DO YOU AGREE THAT: "those with gambling problems are those who financially can least afford to lose money"

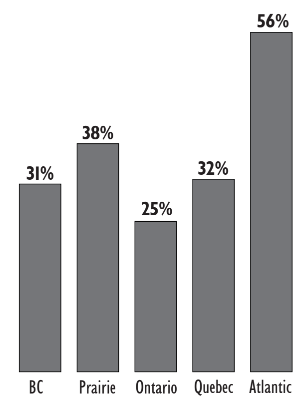


AWARENESS OF PROBLEM GAMBLERS

Nearly one-third of Canadians (32%) indicate that they know someone "who is a problem gambler, that is they spend more than they can afford on gambling." Although based on respondents' perceptions and not a true measure of the prevalence of problem gambling, these data do provide a sense to which Canadians are aware of problem gambling as an emerging social issue. Given the lack of visible symptoms with problem gambling in comparison with other forms of addiction, these survey results suggest a high level of awareness of the potential for problem gambling among the population. (Prevalency work estimates that actual problem gambling rates are 3-5% for the Canadian population.)

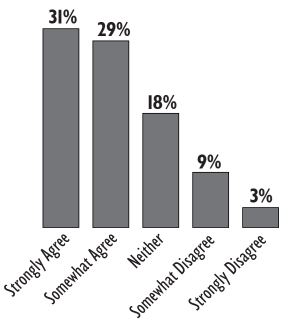
Figure 29 shows the regional variation for this question. Respondents from the Atlantic region are significantly more likely (56%) to report knowing a problem gambler than respondents from any other region. These data are somewhat surprising as prevalence estimates suggest that problem gambling rates in the Atlantic region are not significantly different than for the rest of the country. One possible explanation is that the lower-than-average incomes in the Atlantic region may have caused more respondents to indicate they knew of a person "spending more than they can afford." The pattern of less favourable attitudes toward gambling in the Atlantic region noted throughout the report may be influenced by these high levels of reported problem gambler knowledge.

FIGURE 29: RESPONDENTS WHO KNOW A PROBLEM GAMBLER (BY REGION)



It is also interesting to note that 11 respondents (0.5%) self-identified to our researchers that they themselves are problem gamblers. This group is too small for statistical analysis.

FIGURE 30: DO YOU AGREE THAT: "gambling-related problems in (province) have increased in the last three years"



GAMBLING-RELATED PROBLEMS

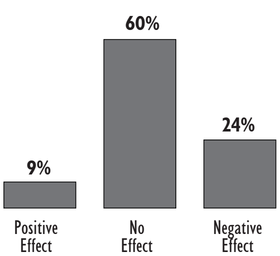
Related to knowing a problem gambler are perceptions of an increase in the number of problems related to gambling. Respondents were asked to consider whether they agree or disagree that "gambling-related problems in (province) have increased in the last three years." As Figure 30 demonstrates, a strong majority of respondents (60%) indicate that problems from gambling have increased. Only 12% of respondents disagree (3% strongly disagreeing) with this statement–the second lowest level of disagreement on any question in the survey.

Regional variations on this question reinforce the prevailing attitudinal trends throughout the survey. Respondents from the Atlantic region are the most likely to strongly agree (45%) that gambling problems have increased while respondents from Ontario are the least likely to strongly agree (21%). Quebec respondents, deviate somewhat from their usual pattern, as (42%) strongly agree that problems have increased.

Nationally, those indicating they knew a problem gambler are more likely to indicate that gambling problems have increased, as 45% strongly agree (73% agree overall) that gambling problems are up over the last three years. Among those with no specific knowledge of problem gamblers, the perception is still strong as 54% agree (24% strongly agreeing) that problems have increased.

It is worth noting that this question measures perceptions of increases in gambling related problems only. While the problems related to gambling may indeed be increasing, respondents' opinions are likely influenced to some degree by an increase in overall awareness of problem gambling. This profile may have been enhanced by an increased media focus on problem gambling issues specifically, and gambling in general.

FIGURE 31: OVERALL IMPACT OF GAMBLING ON COMMUNITIES



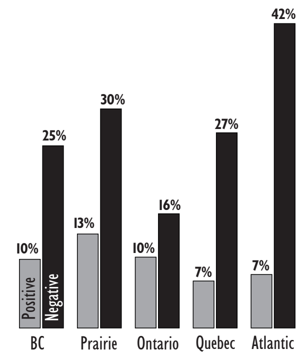
COMMUNITY IMPACT

On balance, gambling is not seen as having a positive impact on communities (Figure 31). Only 9% of respondents feel that gambling has an overall positive impact on their community, while 24% indicate that the impact is negative (60% indicate no impact). This result suggests the positive elements of gambling do not overshadow the negative consequences. The result is also noteworthy given that a majority of Canadians view gambling as a neutral impact activity.

Regionally, the strongest support for gambling's positive impact can be found in the Prairies, at 13% (see Figure 32). The strongest opinion that gambling has negative consequences on the community is found among Atlantic respondents; 42% of Atlantic respondents indicate that gambling has a negative effect and only 7% perceive a positive impact. Ontario respondents are not overly favourable nor negative toward gambling as two-thirds (67%) of respondents from this region indicate that gambling has no effect on their communities.

These data reinforce a general pattern. While the majority of Canadians have no strong opinion on the positive or negative aspects of gambling, of those with strong opinions, negative opinions are greater in number. Only a small minority of Canadians strongly favour gambling. The following analysis considers some factors that shape opinion on the impact gambling has upon communities.

FIGURE 32: OVERALL IMPACT OF GAMBLING ON COMMUNITIES (BY REGION)



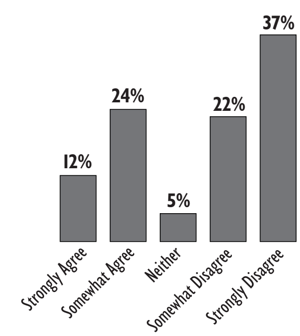
IMPACT ON TOURISM

Gambling proponents argue that gambling activity brings tourist dollars to a community. Tourism studies suggest that gambling can have a positive economic benefit on a region IF sufficient revenues are drawn from outside the community; otherwise gambling revenue will only be created at the expense of surrounding businesses.

To evaluate the impact of tourism benefits, respondents were asked whether they agree or disagree that their province "needs gambling to attract tourists." As shown in Figure 33, few respondents agree with this statement. Only 35% agree (12% strongly agreeing) that tourism needs gambling, and 59% feel that gambling is not needed to support tourism (37% strongly disagreeing). These results should not be interpreted as suggesting that respondents believe that gambling is irrelevant to tourism promotion. Rather, the question asked whether the tourism industry needs gambling venues, to which the answer was a clear "no."

Because some provinces currently operate casinos targeted at tourists (so-called "destination casinos"), a high degree of regional variation in attitudes was anticipated. In particular, it could be expected that those regions with large tourism-based gambling industries (Ontario and Quebec) would feel more favourably. Indeed data suggest that, Ontario and Quebec respondents are more favourable towards the need for gambling to promote tourism (42% and 46% agreeing respectively). However, in neither region do the majority agree with the need for gambling. Disagreement is the strongest in the Prairie and Atlantic regions. Nearly half of all respondents in the Prairie region strongly disagree (73% disagreeing overall) and two-thirds of Atlantic respondents strongly disagree (84% disagreeing overall) with the need for gambling to promote tourism. Not surprisingly, these regions also have the least tourism-based gambling in operation, although some provinces (Saskatchewan, Nova Scotia) operate resort-style casinos in an attempt to attract more tourism dollars.

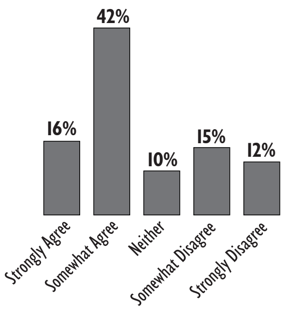
FIGURE 33: DO YOU AGREE THAT: "(province) needs gambling to attract tourists"



IMPACT ON EMPLOYMENT

Gambling is also argued to have a positive economic development impacts through construction jobs, direct gambling-sector employment, and employment in gambling-related services. Counter-arguments suggest that because gambling creates no new product, employment benefits come at the expense of job losses in surrounding business. The assumed benefits are only a transfer of employment from other sectors to gambling-based positions. This argument is strengthened by the popularity of electronic-based gambling. The majority of gambling revenue in Canada is generated from lottery, video lottery, and slot machine-based gambling, from which there are relatively few employment-related benefits.

FIGURE 34: DO YOU AGREE THAT: "gambling has increased overall employment in (province)"



A measure of the relative strength of these competing arguments is provided by the respondents. The survey asked Canadians to indicate whether they agree or disagree that "gambling has increased overall employment in (province)." On balance, respondents agree that overall employment is up, as 58% agree with this statement (Figure 34). Despite this majority position, this agreement is not particularly strong as only 16% strongly agree. Based on these data, it can be concluded that the positive employment argument has a role in shaping attitudes toward gambling's acceptability.

Regional variations might reflect the presence or absence of permanent casinos. Because of its service-oriented focus, casino-based gambling can have obvious impacts on the perception of employment benefits. For example, in Ontario and Quebec, the regions with the most prominent casino industries, the strongest support for the increase in jobs argument was recorded (67% and 63% respectively). In the Atlantic region, gambling is not seen as an employment benefit. Only 36% of respondents indicate agreement with the job creation benefits of gambling. With only two permanent Nova Scotia casinos in the Maritime region, the positive employment benefits of gambling may not be highly visible to respondents.

This sentiment also provides further explanation of the anti-gambling responses from Atlantic Canada that permeate the survey. The stronger anti-gambling sentiments in the Atlantic region in part may be due to the failure of respondents to see the positive employment benefits of gambling in their communities. Combined with the negative influence of higher rates of personally knowing a problem gambler and the sensitivity in this region to employment issues, this factor likely produces an overall negative opinion of gambling.

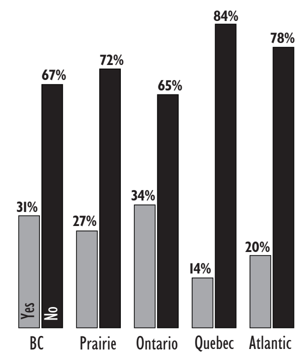
LOCATION OF CASINOS

In spite of the perceived positive employment benefits of gambling and the overall acceptability of gambling, Canadians do not want casinos in their own neighbourhoods. To assess Canadians' comfort with casinos in a close proximity, respondents were asked "if you were given the option, would you be willing to have a casino in your neighbourhood?" Respondents strongly indicate, by nearly a three to one margin (72% to 26%), that they would not. This 'not in my backyard' sentiment presents an interesting paradox: although respondents favour access to gambling overall, they do not wish to localize the problems nor benefits associated with gambling to their own communities. As indicated earlier, Canadians feel there are more overall negative than positive impacts of gambling. Given the combined strength of these data, it can be concluded that, on balance, respondents fear the negative impacts of gambling more than they acknowledge the benefits.

In interpreting these data, a note of caution should be raised regarding the definition of "neighbourhood." Respondents were free to interpret neighbourhood as they saw fit. As a result, it is possible to infer that some respondents may be willing to have casino development in their city, but not necessarily in their neighbourhood. Keeping this caveat in mind, the following can be noted:

- respondents currently living within 50 kms of a Las Vegas-style casino, do not have a significant difference in attitude toward whether they would choose to live near a casino if given the option. Of this group, 69% would not have a casino in their neighbourhood if given the choice.
- respondents who have gambled at an out-of-country casino in the last year are more willing (44% yes) to consider a casino in their neighbourhood than are those who have not (25% yes).
- respondents who gambled at an out-of-province casino in the last year are much more willing to have a casino in their neighbourhood (58% yes) than are those who have not (25%). Unlike out-of-country casino play which may be vacation or travel-orientated, out-of-province casino play appears to be a substitute for the lack of casino availability in their region.
- younger respondents (18-34) are more likely to want a casino in their neighbourhood (33% yes) than are those 35-54 (24% yes) and 55 and older (22% yes).
- respondents currently looking for work are NOT more likely to want a casino in their neighbourhood. The employment benefits of casino developments do not appear to have a strong impact on these individuals.
- respondents who do not participate in gambling are the least likely to want a casino in their neighbourhood. Only 13% indicated support for this option.
- Ontario and BC respondents, the two regions in which community-based casino developments are underway, are most favourable to having casinos in their neighbourhoods (see Figure 35). Even so, the majority of BC and Ontario respondents are opposed (67% and 65% respectively).
- Quebec and Atlantic respondents express the greatest opposition to casino developments in their neighbourhoods (84% and 78% respectively).

FIGURE 35: % WILLING TO HAVE A CASINO IN NEIGHBOURHOOD (BY REGION)



GAMBLING AND CRIME

One reason for a "not in my backyard" response to gambling appears to be the perceived link between gambling and crime in the eyes of Canadians. The survey asked respondents to agree or disagree that "an increase in gambling leads to an increase in crime" (Figure 36). Overall, 64% of respondents agree with the link between increased gambling and crime, half of which strongly agree (32%). This perception impacts on the willingness to locate a casino in the respondent's neighbourhood: of the 32% of respondents who strongly agree with the gambling and crime link, 89% do not want a casino in their neighbourhood.

FIGURE 36: DO YOU AGREE THAT: "an increase in gambling leads to an increase in crime"

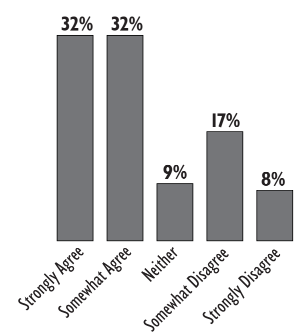
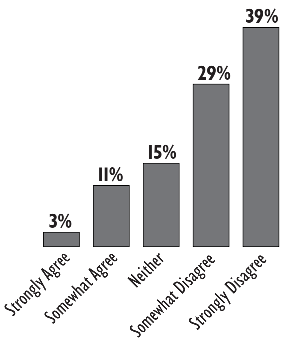


FIGURE 37: DO YOU AGREE THAT: "gambling has improved the quality of life in (province)"



Income appears to affect perceptions of this issue, with lower income respondents more likely to strongly agree that increased gambling leads to increased crime. Of those respondents with incomes less that $30,000, 42% indicated strong agreement with the link. Non-gamblers also had strong feelings on this subject as 42% of those who have not gambled in the last 12 months strongly agree with the gambling and crime link.

QUALITY OF LIFE IMPACT

Perhaps the best overall measure of gambling's impact on the individual and communities relates to quality of life. This measure can encapsulate both tangible (e.g., revenues, jobs, number of problem gamblers) and intangible (e.g., entertainment value, right to play, harm to the families) factors in a single measure of gambling's impact. The individual subjective nature of the quality of life measure personalizes the gambling issue and requires respondents to provide a response that moves beyond perceptions toward personal value judgements. To address this issue in the simplest manner, the survey asked respondents to agree or disagree whether "gambling has improved the quality of life in (province)." A very low 14% agree (3% strongly agreeing) that the quality of life has improved as a result of gambling, while 68% indicate that gambling has not improved the quality of life in their communities (Figure 37). This was by a substantial margin the lowest level of agreement on any question on the survey.

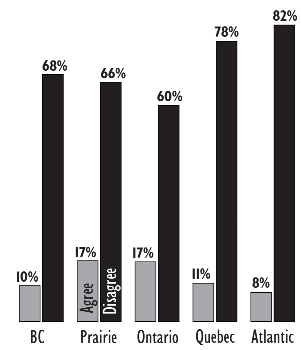
The stark nature of these data warrant careful consideration. It appears that arguments about the right to gamble, the entertainment value of the games, and employment benefits have nearly no impact on respondents' quality of life assessment. Clearly, when it comes to quality of life, the negative aspects of gambling merit the most consideration in forming the attitudes of Canadians.

Some interesting findings on the quality of life issue include:

- knowing a problem gambler does not significantly alter perceptions of the effect of gambling upon the quality of life; 13% of those who know a problem gambler agree that gambling IMPROVES the quality of life in their province, while 14% of those that do not know a problem gambler agree gambling improves quality of life.
- of those respondents who strongly agree that gambling is acceptable, the plurality (27%) strongly disagree that gambling improves quality of life. These data suggest that respondents do not link the acceptability of gambling to quality of life.
- lower income respondents (less than $30,000 per year) are more likely to strongly disagree (44%, 70% disagreed overall) that gambling has improved quality of life.
- respondents who have gambled in the last year are only more likely to agree that gambling improves quality of life (16% agree, 3% strongly agreeing). The strong majority of gamblers disagree that gambling improve quality of life (64% disagree, 35% strongly disagreeing).

- younger respondents (18-34) are the most likely (24%) to indicate that they see no impact on the quality of life. Older respondents (55+) are the most likely (51%) to strongly disagree that gambling has improved the quality of life in their province.
- Prairie and Ontario respondents are most likely (17% each) to agree that gambling has improved the quality of life in their provinces (Figure 38). Interestingly, in these regions provincial lottery grant programs put over $200 million of gambling and lottery revenues back into the community. Nonetheless, at 17%, these are still minority positions.
- Atlantic respondents strongly disagree (63%, 82% disagree overall) that gambling has improved their quality of life. Quebec respondents also show high disagreement (78%), but not as strong (only 39% strongly disagreed).

FIGURE 38: DO YOU AGREE THAT: "gambling has improved the quality of life in (province)" (BY REGION)

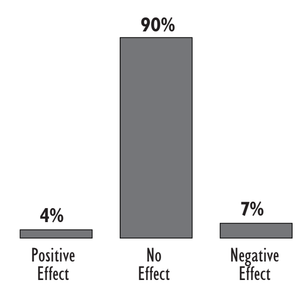


PERSONAL IMPACT

To measure the strength of gambling's impact, the survey asked respondents if, to their knowledge, they had PERSONALLY been impacted by gambling, positively or negatively. This measure is considered to be a true indicator of the harm of gambling as it asked respondents to consider only their personal experiences with gambling, not their impressions or perceptions of harm. Overall, 90% Canadians indicate that gambling has had no personal impact upon them (Figure 39). Of those who have been effected, 7% have been harmed by gambling while only 4% indicate a personal benefit.

Not surprisingly, knowing a problem gambler increases the likelihood of respondents reporting a negative personal impact. Of those that indicate knowing a problem gambler, 12% indicate that gambling has a negative personal effect. Perhaps more interesting is the 85% of those who know a problem gambler but indicate that gambling has had no impact upon them (3% even indicate gambling has had a POSITIVE impact). These data suggest that respondents who know problem gamblers are either not particularly close to the problem gambler, or do not feel the problem gambler's activity creates personal harm.

FIGURE 39: OVERALL PERSONAL IMPACT OF GAMBLING ON RESPONDENT



The paucity of respondents indicating any personal impact from gambling warrants additional comment. Inferring from the 90% of respondents who have felt no impact from gambling it appears that the benefits and costs associated with gambling may be less than estimated by both gambling's opponents and proponents. However, it must be restated that respondents may not be AWARE that they are harmed by the negative elements of gambling. This caveat cannot equally apply to the benefits of gambling. Personal benefits from gambling are more measurable (e.g., employment, winnings, entertainment value) and as a result more often known. While a gambler might try to hide their losses or problem, the benefits of gambling are increasingly documented and publically acknowledged by charities, governments and the gambling industry.

PERCEPTIONS OF IMPACTS: OVERVIEW

In this chapter, it was demonstrated that Canadians perceive many impacts of gambling, both positive and negative. It is logical to assume that opinions about gambling will get stronger the closer respondents are to the harms and benefits.

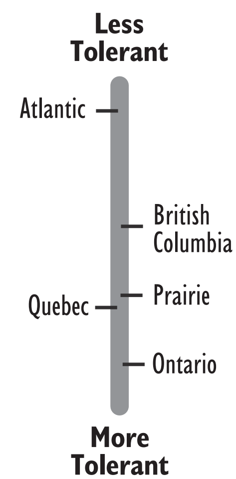
The harms of gambling can have strong individual-level impact, and it is not surprising that these harms generate concerns among respondents. Despite the strongly voiced concerns, gambling is seen as acceptable activity. This may be because only 7% of Canadians indicate personal harm from gambling. Despite negative opinions about the consequences of gambling, the actual harm caused by gambling remains distant for most respondents.

The benefits of gambling, unlike the harms, tend to be community-level (e.g., tourism, jobs). These benefits tend to generate fewer strongly held positions, but for the vast majority of Canadians not directly impacted by gambling, the PERCEPTION of benefit plays a role in establishing the overall acceptability of gambling.

CONCLUSION

Much like the gambling industry, Canadian's attitudes and perceptions toward gambling are maturing and developing. On most survey questions, respondents had little difficulty formulating an opinion. This report has highlighted a number of the patterns in gambling attitudes that permeate Canadians' thinking on the gambling issue. By means of conclusion, four overarching patterns warrant additional comment:

FIGURE 40: PUBLIC OPINION CONTINUUM



1. THE DICHOTOMY BETWEEN PUBLIC OPINION AND GAMBLING POLICY. In a number of policy areas, current provincial regulations run counter to prevailing public attitudes. In particular, government policies towards VLTs, charitable gambling, First Nations gambling, public accountability, and the negative impact of problem gambling do not to reflect the prevailing public attitudes or desires. It is unclear whether these incongruencies are sustainable given the volatility of some issues (e.g., VLTs) and the strength of opinion on others (e.g., public accountability, problem gambling treatment). In any event, it is reasonable to expect that these issues will continue to dominate policy debates.

2. REGIONAL VARIATION. As stated at the outset, Canada is characterized by a patchwork of different gambling policies. Provincial control over gambling has created markedly different gambling environments in the different regions. This policy patchwork is visible in the data; nearly every issue reveals statistically significant variations among the regions. There are measurable differences in gambling tolerance levels in the various regions. The continuum in Figure 40 represents an analysis of gambling tolerance levels in the various regions based on the survey data. This measurement considers both the strength of the issue and the strength of regional opinions. Although not a perfect measure, the data do clearly suggest that the Atlantic region represents the lowest level of gambling tolerance and Ontario the highest. The gaps between region reflect the relative strength of opinion; the Prairies and Quebec are each relatively close in tolerance with BC being only somewhat less tolerant.

3. DIVIDED OPINIONS. The gambling debate in Canada appears to be driven primarily by the smaller groups with strong opinions. While on the whole, the population is fairly tolerant of gambling, those with stronger opinions are less tolerant. Further, the strength of opinions grows more negative the closer respondents get to experiencing a personal impact. Much of the debate in Canada is likely generated by these smaller groups with strong opinions and real negative gambling experiences, and not by the larger more tolerant mass public whose attitudes are not guided by personal experiences, but by perceptions.

4. ACCEPTANCE OF GAMBLING. For the most part, Canadians tolerate current levels of gambling. However, the results suggest that this acceptance is linked to feelings of inevitability. This tolerance is measurably linked to the importance that Canadians place upon gambling as a revenue source for governments and charities. The perception of gambling's importance appears to relate more to its success as a government program of generating revenue than its entertainment or economic development benefits.

In summary, Canadians recognize that, on balance, gambling generates more harm that benefit but feel it to be an acceptable and inevitable an part of our culture. In exchange for the opportunity to maximize gambling revenues, provincial governments accept the responsibility to determine levels of gambling that are both publically acceptable and that limit harm. Based on this survey of Canadian attitudes, it is clear that in some policy areas governments have yet to achieve full success. These discrepancies will undoubtedly form the crux of the gambling debate in the coming years, particularly in those regions where gambling policy appears most at odds with current public opinion.