

Problem Gambling



Noteworthy:

- Of the \$2.2 billion wagered in 2003 by Albertans, \$992 was dedicated to the Alberta Lottery Fund which supports local charities and community initiatives.
- It is estimated that 131,905 adult Albertans, or 4.8% of the gambling population, is considered to have a moderate to severe gambling problem.
- We estimate that these problem gamblers contributed roughly 17% of the total \$2.2 billion wagered in 2003 or about \$378.5 million.
- Based on the above figures, we estimate that each problem gambler wagered roughly \$2,418 of their disposable income on gambling activities.
- The main sources of revenue from gaming activities in Alberta are casinos, video lottery terminals and slot machines.
- While the economic prosperity as measured by the Gross Domestic Product has increased in Alberta, so too has the amount of money individuals pay on gaming activities.

Gambling in Alberta: How Much?

Gambling is big business in Alberta and one of the most explosive growth industries in Canada. According to Alberta Gaming statistics, Albertans wagered or spent about \$2.2 billion on all forms of legal gambling in 2003. In 1973-74, Albertans wagered a mere \$110 million on all forms of legal gaming activities. This is significantly less than the amount wagered in 2003 and the increase in the amount of money

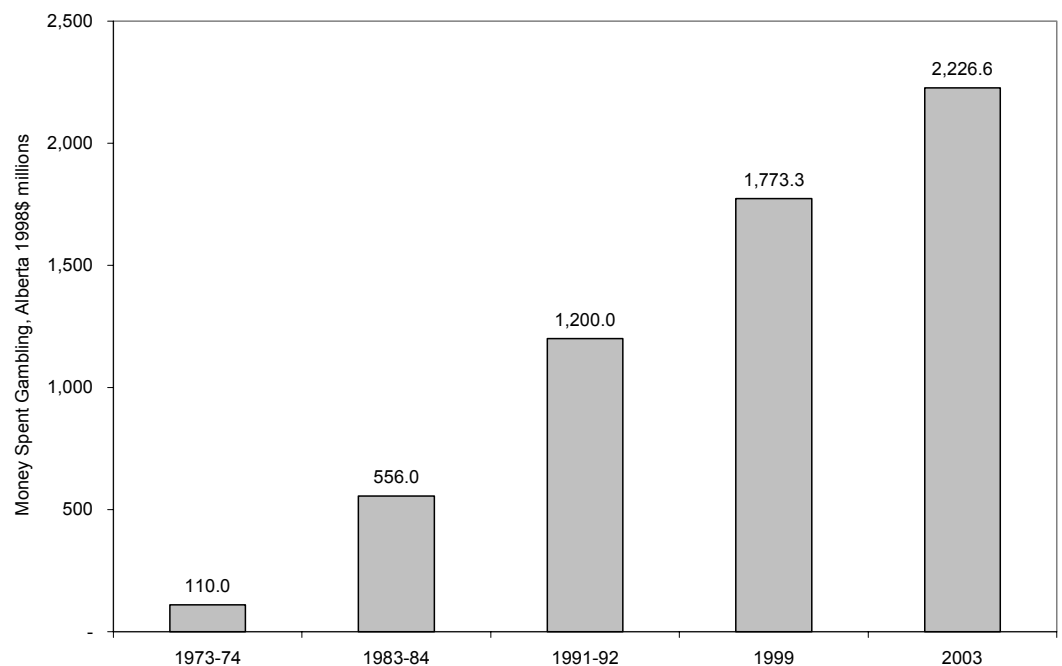
spent between 1973-4 and 2003 is staggering. The main sources of revenue from gaming activities are casinos and video lottery terminals. Slot machines are also a prominent source of revenue.

While \$2.2 billion left the pockets of Albertans in 2003, most of it is paid back in winnings and prizes to gaming operations and to charities. In 2003, for example, the Al-

berta government dedicated \$992 million to various sources, mainly charities. This represents 45% of the total amount wagered on gaming activities in Alberta in the same year.

While an estimated 87% of Albertans participate in some form of gambling, only 4.8% of the gambling population is considered to have moderate to severe gambling problems.

Money Wagered by Albertans on Gambling Activities, 1973-2003



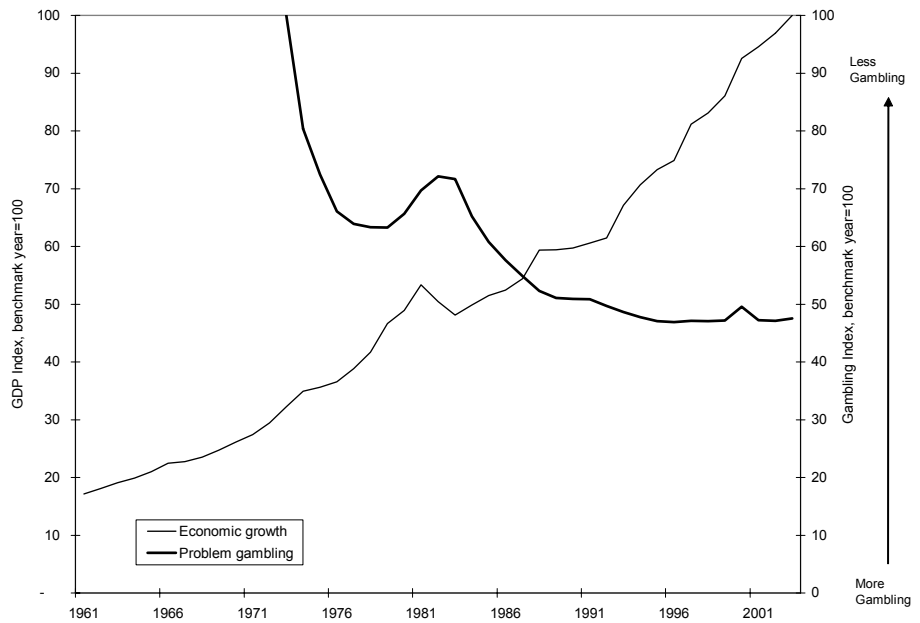
Source: Alberta Lotteries and Gaming, Annual Reports and Horse Racing Alberta Annual Reports

So What?

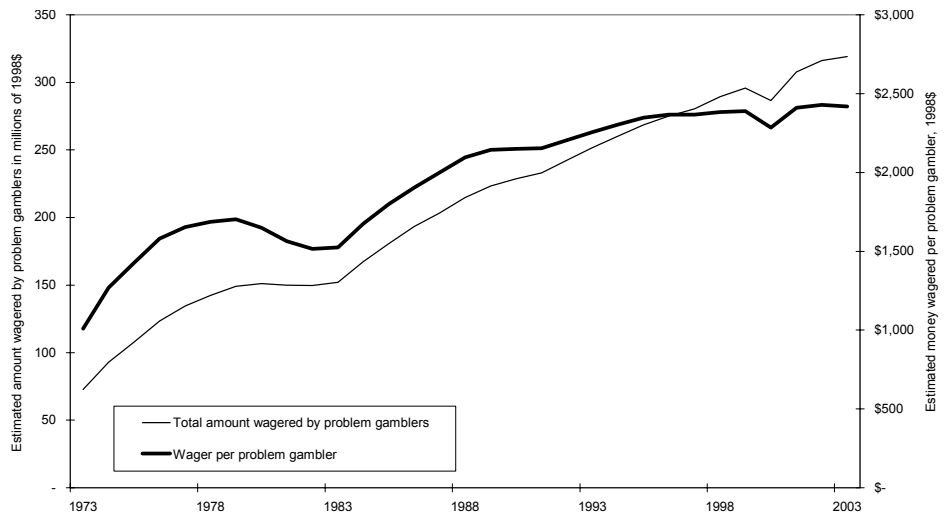
Does gambling contribute to genuine well-being? Is the rise in gaming expenditures a sign of an unhealthy society that has nothing better to do with its time and money? Or are we so financially stressed that many of us resort to the lure of a “get-rich-quick” activity? While recreational gambling may not be a problem for most Albertans, problem gambling (as an addiction) can erode the financial and personal well-being of individuals, households or whole communities. The figure to the right shows the substantial increase in problem gambling between 1973 and 2003. The GPI accounts identify problem gambling as a detraction from genuine well-being and progress. The estimated net amount of financial losses is used as a proxy for the problem gambling index; the same financial estimates represent a “cost” in the GPI income statement and are deducted from GDP in estimating the GPI.

Legalized gambling (casinos, video lottery terminals, bingos) is effectively a means of taxation, redistributing disposable income from gamblers to others by government. Money wagered on gambling activities might otherwise have gone to more genuine improvements in personal, household or societal well-being. The figure to the right shows the amount of money wagered by Alberta problem gamblers. The time spent on gaming activities can take time away from time with family or friends or from productive time at the office. These are real costs. Gambling viewed through this lens, while a boon to the economy and government coffers, imposes real financial stress on individuals and their families.

Alberta Gambling Index: Where are we today?



Money Wagered by Problem Gamblers, 1973 to 2003



As an index, problem gambling in 2003 scored 47 points on a scale of 0 to 100, where 100 is the lowest level of problem gambling recorded since 1973.

We estimate the cost of problem gambling to all of Alberta society on the basis of the proportion of all gambling money wagered by the problem gamblers (17% of the total wagered). In 2003, this equates to an estimated \$2,418 (1998\$) per problem gambler or a total of \$319 million (1998\$).

