

Appendix E:
Social Considerations of Establishing a New Casino in Toronto

The establishment of new and/or expanded casino gaming facilities can present a diverse array of challenges and opportunities for a community's social cohesion and economic vitality that may, in part, be influenced by elements such as a casino's scale, scope, site geography, employment strategies and operational agreements with a variety of stakeholders. To date, the City has not formally received a specific proposal for the establishment of a standalone casino gaming facility and/or integrated entertainment complex (IEC) in Toronto. As such, City staff cannot provide a full analysis of the social impacts and opportunities a new casino gaming facility may have on the neighbourhood(s) adjacent to such a facility at this time.

A literature review was undertaken to identify social considerations and 'best practices' to be addressed in a potential Toronto Casino Social Contract. The conclusions of the literature review draws heavily upon the work of Robert J Williams, Jürgen Rehm and Rhys M G Stevens report *The Social and Economic Impacts of Gambling: Final Report* (2011). The report is a comprehensive review of 492 academic and non-academic studies on the social and economic impacts of gambling. Key findings include:

PROBLEM GAMBLING

Extensive research has been undertaken to understand different forms of addictive behaviour. Problem gambling behavior and related mitigation measures have received comparatively less focus than other addictive behaviors. Accurately assessing the impacts of problem gambling is challenging, given that only a minority of problem gamblers seek or receive treatment. Further, only a minority of identified problem gambling incidences include the involvement of police, child welfare and/or employment support services.

Problem gambling researchers are constrained in their ability to attribute direct causal linkage between the introduction and/or expansion of gambling activities and socio-economic trends at a community level due to the range of possible social, cultural, economic and environmental changes/variables that may occur at individual and community levels. Despite these constraints, researchers have identified several findings related to the social impacts of problem gambling, including:

- Problem gambling results in monetary and social costs for society, although only a small percentage of the population engages in or is at risk of problem gambling activity (between 1.2% and 3.4%).
- Increases in the availability of gambling is associated with increases in problem gambling rates, however there remains some dispute as to the degree to which incidence of problem gambling increases in direct relation to the introduction of a casino into a community. Some studies have found “increases in problem gambling

subsequent to casino introduction only occurred in regions without prior access to a casino, with no impact in regions where casinos were already available” (Williams 2011). It remains unclear what constitutes "prior access to a casino" and to what degree distance from a casino mitigates increases in problem gambling rates.

- Bankruptcy rates have been found to increase following the introduction of casinos and/or multiple forms of gambling.
- The relationship between increased access to gambling and suicides and divorces remains undetermined. Some studies have suggested a connection, but this has not been empirically established at this time.

Additional findings and analysis of the public health impacts of problem gambling can be found in the companion technical report prepared by Toronto Public Health and the Centre for Addiction and Mental Health, *The Health Impacts of Gambling Expansion in Toronto – Technical Report*, submitted to City Council.

CRIME

- A review of studies examining the relationship between increased access to gambling and crime rates found there is only a mixed evidentiary basis for this belief.
- A number of comprehensive studies reviewing the impact of the introduction of casinos in communities in the United States, Ontario and British Columbia generally failed to find increased crime rates associated with casino introduction or operations. While often a statistical increase in crime statistics were reported by studies, these increases were often small in magnitude and short-term in nature, mitigating their impact on community crime rates and crime rate trend analyses.
- Researchers identified a number of factors that may have contributed to mediating the relationship between gambling and crime, including "extensive prior exposure to gambling, a relatively small increase in the availability of gambling relative to population size, a temporal lag whereby crime increases take several years to occur or the existence of jurisdictional policies that protect against the negative impacts of gambling (e.g. effective programs to prevent problem gambling, limits on provision of readily available cheap alcohol in venues, enhanced security/policing in casinos, etc.)" (Williams 2011)

EMPLOYMENT

- The great majority of studies have found an increase in community employment resulting from the introduction of gambling facilities, including casinos.
- Of the variety of gambling facilities studied, research indicates that “the clearest employment gains are reported for Indian casinos, casinos in other impoverished

areas, the hospitality industry and in jurisdictions that attract gamblers for overnight stays” (Williams 2011) a majority gambling industry employment is largely low-skilled and lower wage employment.

- These findings correspond with Statistics Canada’s analysis of the Canadian gambling industry in 2010. Among the conclusions of the *Perspectives on Labour and Income “Gambling 2011”* report was that “compared with workers in non-gambling industries, those in gambling were more likely to be between age 15 and 34 (42% versus 36%), be paid by the hour (80% versus 65%), be paid less (\$21.95 hourly versus \$24.05) and receive tips at their jobs (27% versus 7%).”¹

SOCIO-ECONOMIC INEQUALITY

- Of the 22 studies reviewed that examined whether poorer individuals contributed disproportionately more to gambling revenues than people with higher incomes, all but two studies found that gambling was a form of regressive taxation.
- Researchers also concluded that while lower income households contribute proportionally more of their income to gambling than middle- and high-income households, total gambling revenue is still primarily contributed by the middle and higher income groups. (Williams 2011)
- These findings were supported by Statistics Canada’s analysis of the Canadian gambling industry, which demonstrated that in 2009, 46% of households with incomes of less than \$20,000 gambled and spent an average of \$390 per household, while 75% of households with incomes of \$80,000 or more gambled and spent an average of \$620 per household. Statistics Canada researchers found a similar pattern in regards to casino gambling, where 8% of households with incomes of less than \$20,000 gambled at a casino and spent an average of \$845 per household, while 21% of households with incomes of \$80,000 or more gambled at a casino and spent an average of \$1,025 in 2009.

Household expenditures on gambling activities

Income after tax	At least one gambling activity		Casinos, slot machines & VLTs	
	\$ (Avg. Spent)	% of household gambling	\$ (Avg. Spent)	% of household gambling
Less than \$20,000	390	46	845	8
\$20,000 to \$39,999	415	62	435	14
\$40,000 to \$59,999	495	70	655	17
\$60,000 to \$79,999	465	76	535	21
\$80,000 and over	620	75	1,025	21

¹ Marshall, K. (23 September 2011). Gambling 2011. *Perspectives on Labour and Income*. Statistics Canada. Available at: <http://www.statcan.gc.ca/pub/75-001-x/2011004/article/11551-eng.pdf>

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QUALITY OF LIFE

- Studies examining non-Aboriginal communities found “very little impact on overall quality of life [and] failed to observe differences in the specific areas of schooling outcomes or health care delivery.” (Williams 2011)
- A number of studies have included attempts to assess the impact on the quality of life of communities following the introduction and/or expansion of gambling activities. This presents a challenge for researchers due the lack of consensus as to what constitutes ‘quality of life’ and what objective indicators exist to measure and assess it. Where this research has been undertaken, it has principally focused on the impact the introduction of casinos on communities in Aboriginal communities and non-Aboriginal communities. Due to the difficulty of attributing quality of life impacts of gambling introduction at a community systems scale, some quality of life analysis has endeavoured to provide specific analysis of the impact on individuals engaged in problem gambling behaviour.
- When analysis is restricted to problem gamblers, studies emphasize the close association of poorer mental health and lower satisfaction with life with heavy involvement in gambling.
- Researchers note that due to the increased likelihood of problem gamblers being married and having children (based on population surveys of problem gamblers), “it is reasonable to assume that the percentage of people whose quality of life may be negatively impacted by problem gambling is actually three or four times the rate of problem gambling in the general population.” (Williams 2011)