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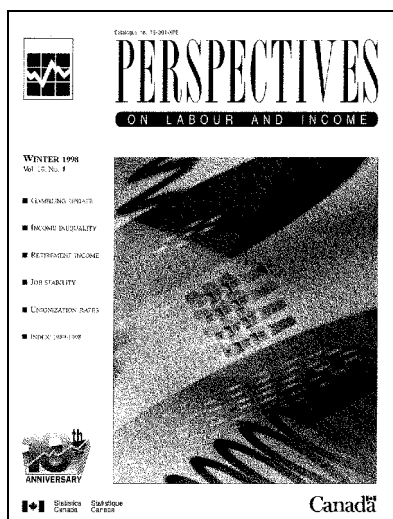
Wednesday, December 9, 1998

For release at 8:30 a.m.

MAJOR RELEASES

- **The gambling industry: Raising the stakes, 1992 to 1997** 3
Government-regulated casinos and video lottery terminals have turned gambling into a multi-billion dollar industry, the growth of which has far outstripped that of most other industries. In 1997, Canadians wagered \$6.8 billion on some form of government-run gambling activity, 2.5 times the total five years earlier.

(continued on following page)



Perspectives on labour and income

Winter 1998

The feature article in the winter issue of *Perspectives on labour and income* provides an update on the gambling industry. Since the introduction of casinos and video lottery terminals in the 1990s, growth in gambling has outstripped that of most other industries. Gambling profits to provincial governments have increased from \$1.7 billion in 1992 to \$3.8 billion in 1997.

A second article, "Family income inequality, 1970-1995", looks at the extent of, and changes in, family income inequality over the 25-year period. It also demonstrates the role of transfer payments and income taxes in reducing inequality. A third article, "Income transition upon retirement", provides a new approach to the study of how incomes compare before and after retirement.

Two other articles, "Job stability" and "The rise of unionization among women", along with a 1989-1998 index and a profile of students making the transition from school to work, conclude the issue.

The Winter 1998 issue of *Perspectives on labour and income* (75-001-XPE, \$18/\$58) is now available. For further information, contact Henry Pold (613-951-4608), Labour and Household Surveys Analysis Division.



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Area profiles series

1996 Census

The Area profiles series arranges the information from the 1996 Census by geographic area. The 14 profiles on CD-ROM released today include *Newfoundland* (95F0254XCB96000), *Prince Edward Island* (95F0255XCB96000), *Nova Scotia* (95F0256XCB96000), *New Brunswick* (95F0257XCB96000), *Atlantic Region* (95F0258XCB96000), *Quebec* (95F0259XCB96000), *Ontario* (95F0260XCB96000), *Manitoba* (95F0261XCB96000), *Saskatchewan* (95F0262XCB96000), *Alberta* (95F0263XCB96000), *Prairie Region* (95F0264XCB96000), *British Columbia* (95F0265XCB96000), *Northwest Territories* (95F0266XCB96000), *Yukon Territory* (95F0267XCB96000).

Each profile gives complete information from the 1996 Census for Canada, provinces and territories, census divisions and subdivisions; census metropolitan areas (CMAs) and census agglomerations (CAs); census tracts of CMAs and some tracted CAs; federal electoral districts (1987 Representation Order) and enumeration areas; federal electoral districts (1996 Representation Order); and forward sortation areas.

Prices range from \$300 (Prince Edward Island and the territories) to \$2,000 (Ontario). The CD-ROMs are packaged with the software Beyond 20/20. With many powerful features, the browser allows users to quickly and easily search and sort data, and to copy tables and charts to other Windows applications.

For further information, contact your nearest Statistics Canada Regional Reference Centre.

MAJOR RELEASES

The gambling industry: Raising the stakes

1992 to 1997

Government-regulated casinos and video lottery terminals, introduced during the 1990s, have turned gambling into a multi-billion dollar industry, the growth of which has far outstripped that of most other industries.

In 1997, Canadians wagered \$6.8 billion on some form of government-run gambling activity, 2.5 times the \$2.7 billion in 1992. Casinos and VLTs represented just 10% of all government gambling revenue in 1992. But by 1997, they accounted for a full 59%.

With the increase in revenue, profits for provincial governments have also soared. In 1997, provincial governments made \$3.8 billion from gambling, more than double the profit level of \$1.7 billion five years earlier.

The growth in gambling revenue has been reflected in the steep increase in economic output and employment in the industry. Between 1992 and 1997, gross domestic product in the gambling industry increased 125%, compared with 14% in all industries.

Although gambling represented only 0.1% of economic output in 1997, it accounted for 0.5% of the total increase in gross domestic product during the previous five-year period.

At the same time, employment in gambling almost tripled, from 12,000 jobs to 35,000, while employment in all other industries increased only 8%. Although employment in gambling represented just 0.3% of all jobs in 1997, the net increase of 23,000 jobs since 1992 accounted for 2% of all employment growth during the five-year period.

In 1997 alone, employment in gambling increased by 10,000, about 4% of all job growth that year.

Definitions

Gambling operation refers to any establishment primarily engaged in legal gambling operations, such as casinos, lotteries and bingos. (Horse racing is classified as a commercial spectator sport.)

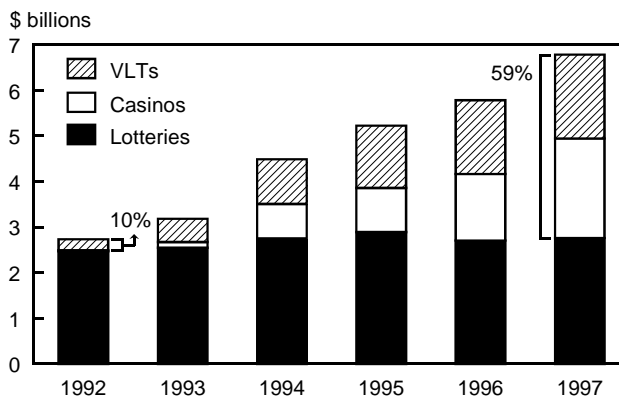
Video lottery terminal (VLT) refers to a coin-operated, free-standing electronic game of chance. Winnings are paid out through a computer-receipt system, as opposed to cash payments from slot machines. Such terminals are regulated by provincial lottery corporations.

Government casino refers to a government-regulated commercial casino.

Gambling revenue consists of all revenue from provincial and territorial government-run lotteries, casinos and VLTs, less prizes and winnings. Gambling revenue generated by and for charities, and on Indian reserves, is excluded.

Gambling profit refers to the net income from provincial and territorial government-run lotteries, casinos and VLTs, after deducting prizes and winnings, and operating expenses (wages and salaries, payments to the federal government and other overhead costs).

Gambling revenue* jumped \$4 billion in five years



Source: National Accounts

* Refers to total wagers on lotteries, casinos and VLTs, minus prizes and winnings.

Gambling profits increased in every province

Profits from gambling have increased in every province and territory during the past five years. Furthermore, gambling profits as a proportion of total government revenue also increased in every province, except British Columbia.

In 1992, gambling profits represented less than 3% of total government revenue in all provinces. By 1997, half of all provinces had reached at least 3% and two, Alberta and Manitoba, had surpassed 4%.

Alberta recorded the largest percentage increase in gambling profits of any province between 1992 and 1997. Alberta's profits increased more than five times, from \$125 million to \$643 million.

British Columbia had the smallest percentage increase in provincial gambling profits, largely because it, along with the two territories, had not permitted government casinos or VLTs as of 1997.

Ontario recorded the highest profits from gambling among the provinces in 1997 (over \$1.2 billion) followed closely by Quebec (\$1.1 billion).

Quebec adults spent an average of \$348 on gambling in 1997, the highest level of any province. They were followed by adults in Prince Edward Island, who spent an average of \$340, and those in New Brunswick and Alberta at \$328. Alberta's average more than tripled from the 1992 level of \$99.

Provincial profits¹ from gambling

	Gambling profits				
	Total		Share of total revenue ²		
	1992	1997	1992	1997	
	\$ millions		% change	%	
Newfoundland	43	75	74	2.3	3.6
Prince Edward Island	8	13	63	1.8	2.4
Nova Scotia	69	102	48	2.6	3.4
New Brunswick	48	68	42	1.9	2.1
Quebec	473	1,054	123	1.6	3
Ontario	530	1,242	134	1.3	2.6
Manitoba	105	211	101	2.4	4.1
Saskatchewan	40	141	253	1	2.7
Alberta	125	643	414	1.1	4.2
British Columbia	239	262	10	1.6	1.2
Yukon/Northwest Territories	—	1	100	—	0.3

¹ Total gambling revenue less operating and other expenses (see Definitions).

² Refers to the fiscal year, and excludes transfer payments from the federal and local governments.

— Amount too small to be expressed.

Majority of households gambled some money

The majority of households in Canada gambled some money in 1996, according to data from the Family Expenditure Survey. Eight out of every 10 households (82%) put some money on at least one gaming activity, spending an average of \$423.

On average, households with higher incomes spent more on gambling than those with lower

incomes. However, their spending represented a smaller proportion of overall income before tax.

Among households that gambled, those with incomes of less than \$20,000 spent an annual average of \$296, or about 2.2% of total household income. Those with \$80,000 or more spent \$536, only 0.5% of total income.

Almost nine out of 10 households with an annual income of \$40,000 or more spent some money on at least one gambling activity in 1996, compared with seven out of 10 with annual income of less than \$20,000.

About three-quarters (74%) of households reported spending money on government-run lotteries, while 39% participated in non-government lotteries and raffles, and 17% said they spent money at casinos and on slot machines.

Only 12% of households reported that they played bingo. But of all households that participated in gambling, these households had the highest average expenditure (\$677).

Majority of workers were women

Those working in the gambling industry in 1997 tended to be young and female, and they tended to have high school education at most.

Slightly more than half (55%) of workers were women, compared with 45% in other industries. Six in every 10 workers (61%) were under 35 years of age, compared with 40% elsewhere. And 57% had at most high school education, compared with 48% in other industries.

About 77% of all jobs in gambling were full time in 1997, just under the rate of 81% in non-gambling industries. Half of all jobs in gambling were in Ontario, which in 1997 accounted for 39% of all jobs in Canada. This over-representation owed much to the three large government casinos in Ontario, as well as to its 300 roving Monte Carlo charity casinos.

However, even with tips included, the average hourly wage rate of full-time workers was less than that in other industries. For example, men in full-time gambling jobs earned an average of \$13.75 an hour, while women earned \$12.87. Conversely, men in non-gambling industries earned on average \$17.83, and women \$14.77.

This gap in pay between gambling jobs and others reflects in part the lower average age and education levels of workers in gambling.

This statistical portrait of the gambling industry in Canada is based on the article "The gambling industry:

Raising the stakes" in the Winter 1998 edition of *Perspectives on labour and income*, available today.

An update of an article published in the Autumn 1996 issue of *Perspectives on labour and income*, it examines economic output, jobs and government revenue and provides provincial comparisons.

The data came from the 1996 Family Expenditure Survey, the Labour Force Survey, National accounts, the 1996 Census, Public Institutions Division and provincial lottery corporations.

The Winter 1998 issue of *Perspectives on labour and income* (75-001-XPE, \$18/\$58) is now available. See *How to order publications*.

For more information, or to enquire about methods, concepts or the data quality of this release, contact Katherine Marshall (613-951-6890, marskat@statcan.ca) Labour and Household Surveys Analysis Division. ■

OTHER RELEASES

Steel pipe and tubing

October 1998

Steel pipe and tubing production for October totalled 214 908 tonnes, a 14.3% decrease from 250 908 tonnes a year earlier.

Year-to-date production to the end of October totalled 2 058 389 tonnes, up 2.4% from 2 009 855 tonnes during the same period in 1997.

The October 1998 issue of *Steel pipe and tubing* (41-011-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Greg Milsom (613-951-7093; milsomg@statcan.ca), Manufacturing, Construction and Energy Division. ■

Available on CANSIM: matrix 35.

PUBLICATIONS RELEASED

National economic and financial accounts,
Quarterly estimates 1961-1992
Catalogue number 13-001-SPB
(Canada: \$50; outside Canada: US\$50).

Perspectives on labour and income, Winter 1998,
Vol. 10, no. 4
Catalogue number 75-001-XPE
(Canada: \$18/\$58; outside Canada: US\$18/US\$58).

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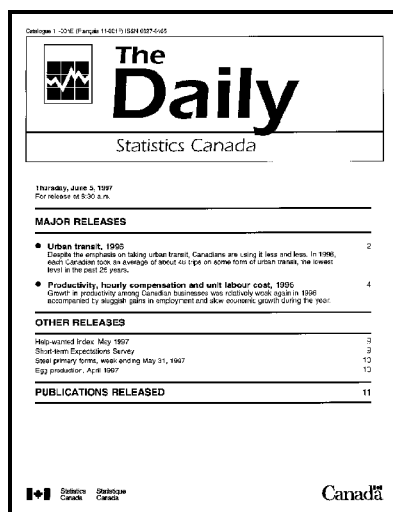
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Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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