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October 31, 2012

His worship Mayor Ford
City Councillors
City of Toronto
City Hall, Toronto

Re: Health Impacts of the Proposed Toronto Casino: Framing the Debate

Dear His Worship Mayor Rob Ford and fellow Councillors,

Over recent months, there has been much conversation about the possibility of a casino being built in the City of Toronto. The debate has largely focused on the potential of a casino in providing a new revenue stream for the city versus exploring its concurrent social costs. We are conscious of the economic pressure brought to bear on Council by a well-financed and powerful private sector, including but not limited to, OLG and casino lobbyists.

I am writing to bring to your attention an important element that has been little discussed: the potential health and health equity impacts of a casino in Toronto. We will leave the rather dismal economic return arguments with the Martin Prosperity Institute recent findings and report. Therefore, in this brief we explain the health impacts of problem gambling and identify the populations whose health will be most affected. (Please refer to Appendix 1: *The Real Cost of Casinos.*)

Gambling is already prevalent in Canada. Research indicates that seventy-six percent of Canadians have gambled within the past 12 months and 85 percent have gambled at some point in their lifetime. While many Canadians enjoy occasional gambling, as many as 1.2 million Canadians exhibit indications of problem gambling. It is estimated that 4.7 percent of Ontarians who gamble are problem gamblers, amounting to 559,187 people.

The social and economic cost of problem gambling is well established: gambling harms financial well-being, contributes to job losses and lost work productivity, and can lead to addiction. But research shows that problem gambling also has significant health impacts. Problem gambling is connected to increased suicide rates, depression, insomnia, intestinal disorders, migraine, other stress-related disorders, and lower overall health. Additionally, problem gambling is often connected to problem drinking, and studies show that the combination of these factors can lead to increased rates of intimate partner violence.

An increase in problem gambling in Toronto could lead to an increase in direct health care and social service costs in addition to indirect costs such as lost productivity and increased absenteeism. It is estimated that the annual cost associated with each problem gambler ranges from \$20,000 to \$56,000, including loss of work, and court and treatment costs. With a population of 559,187 problem gamblers, this represents an annual cost of \$11.1 to \$31.3 billion in Ontario.

The health impacts of problem gambling impact our society as a whole, but their burden is not shared evenly – some populations are particularly negatively affected. Problem gambling is more prevalent among:

- People living in poverty, who are more likely to spend a higher proportion of their household income on gambling than higher income households; living in poverty is associated with increased financial risk taking.
- New Canadians, who are more likely to experience unemployment and underemployment, which can lead to poverty and increased financial risk taking. Newcomers may also experience high levels of social isolation, which can contribute to problem gambling.
- Seniors, who are more likely than other population groups to live on fixed incomes and accumulated savings.

Because these populations are at greatest risk of problem gambling, they also face greater health risks. The health burden of a Toronto casino would be disproportionately borne by populations that are already amongst the most vulnerable and marginalized in the city.

These inequitable health and health equity impacts of the proposed casino need to be considered. Council should direct staff to undertake a Health Equity Impact Assessment (HEIA), a tool used to analyze a new program or policy's potential impact on health disparities and on health disadvantaged populations. HEIAs can be completed rapidly and facilitate changes to planned policies to mitigate adverse effects on the most vulnerable and to enhance equity objectives.

The Wellesley Institute has expertise in this area and would be glad to provide assistance and support.

Until the health impacts of have been determined and inequitable impacts have been mitigated, we urge you to reject the proposal to build a casino in the City of Toronto.

Kind regards,

J. Richard Blickstead

In collaboration with Steve Barnes, Policy Analyst, Wellesley Institute



The Real Cost of Casinos

The Policy Issue

Over recent months, there has been much conversation about the possibility of a casino being built in the City of Toronto. The provincial government and the Ontario Lottery and Gaming Commission (OLG) have indicated that they intend to build a casino in the Greater Toronto Area, subject to receiving consent from the relevant municipality.¹

The debate about whether the City of Toronto should give consent has largely focused on 1) the potential of a casino to provide a new revenue stream for the city, and 2) the casino's possible social costs. The potential health and health equity impacts of a casino in Toronto have been little discussed. This paper addresses that crucial issue.

Prevalence of problem gambling

Gambling is common across the Canadian population. 76 percent of Canadians have gambled within the past 12 months and 85 percent have gambled at some point in their lifetime.² For most people, gambling does not significantly affect their lives and their well-being. Social, financial, and health problems arise, however, for problem gamblers. Problem gambling is not well-defined in debates about gambling; there is an assumption that unless the gambling is compulsive, it is healthy, responsible, and low-risk.

Leading researchers have defined low risk gambling as:

- Gambling no more than 2-3 times per month
- Spending less than a total of \$501-1000 per year; or
- Gambling less than 1 percent of gross family income.³

People who exceed one or more of these criteria can be described as problem gamblers. 4.7 percent of Ontarians who gamble are (559,187 people) are problem gamblers.⁴ There is evidence that problem gambling is an increasing problem in Canada. According to Statistics Canada, 1.2 million Canadians

¹ Ontario Lottery and Gaming Corporation, *Modernizing Lottery and Gaming in Ontario: Strategic Business Review*, http://www.olg.ca/assets/documents/media/strategic_business_review2012.pdf.

² Shawn R. Currie, David C. Hodgins, JianLi Wang, Nady El-Guebaly, Harold Wynne, & Sophie Chen, 'Risk of harm among gamblers in the general population as a function of level of participation in gambling activities', *Addiction*, Vol. 101, No. 4, April 2006, pp. 570-580.

³ Currie et al, 'Risk of harm among gamblers in the general population as a function of level of participation in gambling activities'.

⁴ Margot Andresen, 'Governments' conflict of interest in treating problem gamblers', *Canadian Medical Association Journal*, Vol. 175, No. 10, November 2006.

exhibit at least one indication of problem gambling. Between 1992-2001, the amount that Canadians spent on gambling each year tripled from \$130 to \$447 per person.⁵

Impacts of problem gambling

Financial

Gambling yields significant tax revenue for governments. OLG reports that it contributes \$1.7 to \$2 billion in net profit to the provincial government each year.⁶ This represents a significant proportion of the \$3.7 billion in total revenue generated by OLG's operations each year.

While many Ontarians gamble, problem gamblers contribute a disproportionately high share of gaming revenues. It is estimated that between 30 and 40 percent of gambling revenues in Ontario are derived from problem gamblers.⁷

Social and economic impacts of problem gambling

The social and economic cost of problem gambling is well established. Research shows that problem gambling increases stress, harms financial well-being, increases crime, contributes to job losses and lost work productivity, and can lead to addiction.⁸

While Ontario sets aside two percent of gross gaming revenues for problem gambling prevention, research, and treatment, this allocation is insufficient to cover the true costs of problem gambling. Problem gambling increases the need for medical care, policing, courts, prisons, and social assistance, all of which represent significant public costs. On top of this, problem gambling also contributes to individual hardships that have social and economic costs, such as business loss, bankruptcy, family breakup, fraud, theft, and homelessness.⁹

It is estimated that the annual cost associated with each problem gambler ranges from \$20,000 to \$56,000, including loss of work, and court and treatment costs. 4.7 percent of Ontarians who gamble (559,187 people) are problem gamblers – this represents an annual cost ranging from \$11.1 to \$31.3 billion.¹⁰ Given that a high proportion of these costs represent public expenditure, and comparing this

⁵ Currie et al, 'Risk of harm among gamblers in the general population as a function of level of participation in gambling activities'.

⁶ Ontario Lottery and Gaming Corporation, *Modernizing Lottery and Gaming on Ontario*

⁷ Currie et al, 'Risk of harm among gamblers in the general population as a function of level of participation in gambling activities'.

⁸ Jason J. Azmier, *Gambling in Canada 2005: Statistics and Context*, Canada West Foundation, 2005.

⁹ Andresen, 'Governments' conflict of interest in treating problem gamblers'.

¹⁰ Andresen, 'Governments' conflict of interest in treating problem gamblers'.

to the annual tax revenue yielded of up to \$2 billion, the cost-benefit ratio policy makers should be considering is very poor.

Health impacts of problem gambling

The debate about a casino for Toronto has largely excluded the health impacts of problem gambling, but these impacts are well documented. Research shows that:

- The stress, financial harm, lost work productivity, and addiction associated with problem gambling can contribute to lower overall health status.¹¹
- Problem gambling can contribute to depression, insomnia, intestinal disorders, migraine, and other stress-related disorders.¹²
- There are clear links between problem gambling and problem drinking. This combination increases risk of intimate partner violence.¹³

The health impacts of problem gambling create increased demand for health care services. One in four moderate to severe problem gamblers in Canada report being under a doctor's care for emotional or physical problems due to stress, and more than one in three report feeling depressed.¹⁴

Populations at greatest risk

Not all populations are at equal risk of problem gambling. Research shows that high risk populations include¹⁵:

- **People living in poverty**, who are more likely to spend a higher proportion of their household income on gambling than higher income households. Living in poverty is associated with increased financial risk taking.
- **New Canadians**, who are more likely to experience unemployment and underemployment, which can lead to poverty and increased financial risk taking. Newcomers may also experience high levels of social isolation, which can contribute to problem gambling.
- **Seniors**, who are more likely than other population groups to live on fixed incomes and accumulated savings. Problem gamblers can cause long-term financial harm by gambling

¹¹ Jason J. Azmier, *Gambling in Canada 2005*.

¹² Mark Griffiths, 'Betting your life on it: Problem gambling has clear health related consequences', *British Medical Journal*, Vol. 3289, No. 7474, November 2004, pp. 1055-1056.

¹³ Robert L. Muelleman, Tami DenOtter, Michael C. Wadman, MD, T. Paul Tran, MD, and James Anderson, 'Problem Gambling In The Partner Of The Emergency Department Patient As A Risk Factor For Intimate Partner Violence', *The Journal of Emergency Medicine*, Vol. 23, No. 3, 2002, pp. 307-312.

¹⁴ Andresen, 'Governments' conflict of interest in treating problem gamblers'.

¹⁵ Howard J. Shaffer & David A. Korn, 'Gambling and Related Mental Disorders: A Public Health Analysis', *Annual Review of Public Health*, Vol. 23, 2002, pp. 171-212.

more than they can afford. It is believed that 2.2 percent of Ontario seniors are problem gamblers.

Because vulnerable and marginalized populations are more likely to engage in problem gambling, and because almost one-quarter of gaming revenue comes from problem gamblers, gambling is a regressive tax.

The real cost of a Toronto casino

Limited revenue generation

City staff estimates that building a casino in Toronto could generate the following revenues for the City.¹⁶

	Site within C1 Zone (includes Toronto Waterfront, Markham/Richmond Hill & South Mississauga)		Site within C2 Zone (North-West Toronto/Mississauga/Peel Region)	
	Integrated entertainment complex	Standalone casino	Integrated entertainment complex	Standalone casino
Hosting fees	\$106 million - \$168 million	\$66 million - \$120 million	\$70 million - \$120 million	\$32 million - \$95 million
Property taxes	\$27 million	\$10 million	\$12 million	No change
Annual revenue	\$133 million - \$195 million	\$76 million - \$130 million	\$82 million - \$132 million	\$32 million - \$95 million

Staff have also estimated that additional revenue ranging from \$0 to \$250 million could also be generated from the sale or lease of City land.

While the potential revenue that a casino could generate for the City of Toronto appears sizable, it is only a fraction of the \$1.3-\$2.0 billion that the Ontario Lottery and Gaming Corporation believes a casino could contribute to provincial revenues.¹⁷

¹⁶ Adapted from City Manager, *Considering a New Casino in Toronto*, October 22, 2012.

<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrd/backgroundfile-51514.pdf>. Zone maps are included as an appendix.

¹⁷ Oliver Moore, 'OLG pushes for Toronto casino in expansion bid', *The Globe and Mail*, September 6, 2012.

<http://m.theglobeandmail.com/news/politics/olg-pushes-for-toronto-casino-in-expansion-bid/article2366481/?service=mobile>

Moreover, the social risks and costs associated with casinos, such as increased crime and public health risks, will fall disproportionately on the City of Toronto. Thus Toronto will carry a large proportion of the risk but will receive only a small portion of the projected revenue.

Increases in precarious employment

The Ontario Lottery and Gaming Corporation argues that a downtown casino could create 12,000 jobs.¹⁸ However, the Corporation has not provided any information to support this claim.

The quality of our jobs has important health impacts. Many of the jobs associated with casinos are relatively low wage and low skill, such as hospitality and cleaning. These kinds of jobs are precarious: they have limited social benefits, are insecure, offer low wages, and high risks of ill health.¹⁹

There is also evidence that many the jobs that casinos 'create' come at the expense of employment in other industries if consumers substitute gambling for other consumption.²⁰ Thus a casino may take away good jobs and replace them with bad jobs.

Recommendations

It is clear that there will be significant health and health equity implications if a casino is built in the City of Toronto. The significant number of problem gamblers in Ontario and the evidence that problem gambling is increasing across Canada provide clear indications of the scope of the challenges that our society faces even with the existing gambling infrastructure. These challenges will worsen with the development of a new casino in Toronto, and vulnerable populations, such a people living in poverty, newcomers, and seniors, will be particularly negatively affected.

In light of the health and health equity impacts of the proposed casino, we recommend that council direct staff to undertake a Health Equity Impact Assessment (HEIA) and only consider approving a casino if this assessment determines that the health impacts would be positive and equitable. The Wellesley Institute has expertise in this area and would be glad to provide assistance and support.

¹⁸ CBC News, 'Proposed Toronto casino focus of town hall', *CBC News*, October 10, 2012.

<http://www.cbc.ca/news/canada/toronto/story/2012/10/10/toronto-casino-meeting.html>

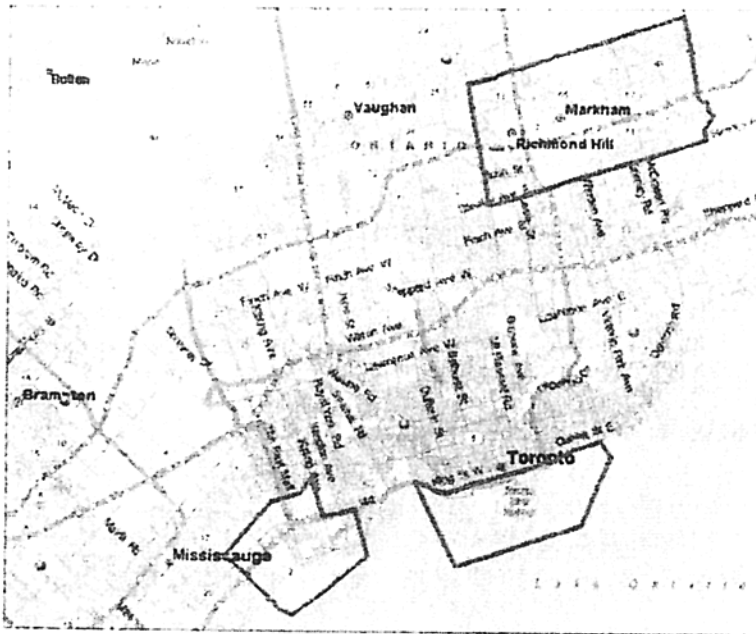
¹⁹ Sheila Block, *Work and Health: Exploring the impact of employment on health disparities*, Wellesley Institute, 2010.

<http://www.wellesleyinstitute.com/publication/our-working-lives-affect-our-health/>

²⁰ Thomas A. Garrett, 'Casino Gambling and Local Employment Trends', *Federal Reserve Bank of St. Louis Review*, Vol. 86, No. 1, January/February 2004, pp. 9-22.

Appendix – Potential casino sites

CENTRAL ONTARIO: ZONE C1



MUNICIPALITIES INCLUDED

Zone includes City of Toronto, City of Vaughan, York Region, City of Markham, City of Richmond Hill, York Region, Municipality of Wellington.

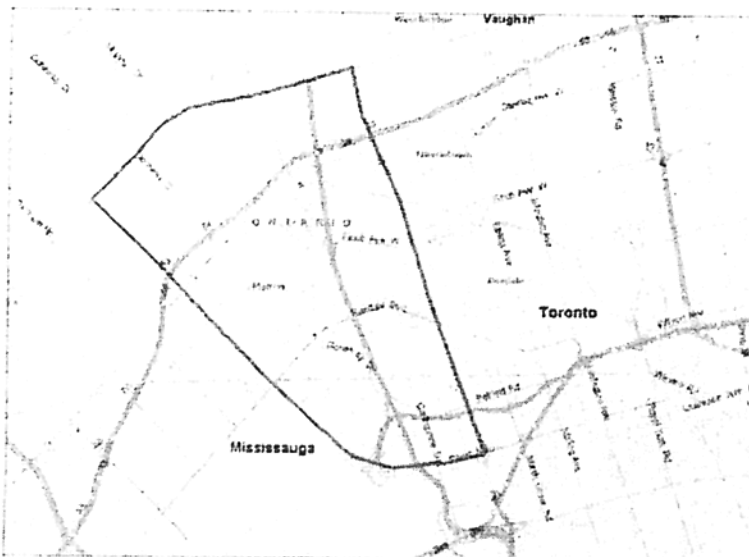
- Bingo hall part of revitalization
- Existing facility

GAMING OFFERING FLEXIBILITY

Maximum number of facilities	1 or 2 at the same time
Allowed range of slot machines	Up to 5,000
Allowed range of table games	150

Source: Ontario Lottery and Gaming Corporation, 2011

CENTRAL ONTARIO: ZONE C2



MUNICIPALITIES INCLUDED

Zone includes City of Toronto, City of Mississauga, York Region, City of Brampton, York Region, City of Vaughan.

- Existing facility

GAMING OFFERING FLEXIBILITY

Maximum number of facilities	1
Allowed range of slot machines	Up to 5,000
Allowed range of table games	150

Source: Ontario Lottery and Gaming Corporation, 2011