socio-economic IMPACT of legalised gambling in SOUTH AFRICA 05

National Gambling Board
a member of the dti group
SOCIO-ECONOMIC IMPACT OF LEGALISED GAMBLING IN SOUTH AFRICA

A study commissioned by the

NATIONAL GAMBLING BOARD

Compiled by

Prof AA Ligthelm

BUREAU OF MARKET RESEARCH
University of South Africa

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NATIONAL GAMBLING BOARD

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ABBREVIATIONS AND GLOSSARY

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<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
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<tr>
<td>BMR</td>
<td>Bureau of Market Research</td>
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<tr>
<td>CASA</td>
<td>Casino Association of South Africa</td>
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<tr>
<td>DSM</td>
<td>Diagnostic and Statistical Manual of Mental Disorders</td>
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<td>GA</td>
<td>Gamblers Anonymous</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GGB</td>
<td>Gauteng Gambling Board</td>
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<td>GGR</td>
<td>Gross Gambling Revenue</td>
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<tr>
<td>HDI</td>
<td>Historically Disadvantaged Individuals</td>
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<tr>
<td>LPM</td>
<td>Limited Payout Machine</td>
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<tr>
<td>NCSG</td>
<td>National Centre for the Study of Gambling</td>
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<td>NGB</td>
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<td>NLB</td>
<td>National Lotteries Board</td>
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<td>NRGP</td>
<td>National Responsible Gambling Programme</td>
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<tr>
<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<td>SARGT</td>
<td>South African Responsible Gaming Trust</td>
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<td>SMME</td>
<td>Small, Micro and Medium Enterprise</td>
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<td>SOGS</td>
<td>South Oaks Gambling Screen</td>
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National Lottery includes the entity as well as the products/games and should be regarded as a broad concept.

Lottery (games, tickets, activities) refers to both lotto and scratch cards.

Lotto and lotto plus refers to activities surrounding the selection of numbers 1 to 49.

Gambling refers to gambling activities in all modes of gambling.

Fafi refers to an unlicensed Chinese numbers game played where participants predict a number to be drawn by the operator.

Dice refers to an unlicensed game played by using a dice.

Cards refers to unlicensed card games.
FOREWORD

The National Gambling Act of South Africa (Act No. 7 of 2004) provides that is one of the objects and functions of the National Gambling Board (“Board”) to monitor socio-economic patterns of the gambling activity in the Republic and conduct research, identify factors relating to, patterns, cause and consequences of the socio-economic impact of gambling and addictive or compulsive gambling.

In 2002 the NGB commissioned a socio-economic impact study to establish a baseline on the South African population’s gambling conduct and behaviour with regard to various aspects such as propensity to gamble, the impact of gambling on household welfare levels and the frequency of visiting gambling outlets. The study was conducted under the leadership of Prof. André Ligthelm of the Bureau of Market Research (BMR), a unit of the University of South Africa (UNISA).

The Board in 2005 deemed it prudent to commission a follow-up study which included social aspects, as well as a chapter on qualitative research findings conducted and compiled by the Board staff Ms. Estelle Jonkheid and Ms. Thabiso Mango. On the basis of the findings in this report, it can be concluded that the gambling industry in South Africa has attained a high level of maturity within a relatively short time span. Gambling patterns, trends and understanding of gamblers' behaviour and thinking are reflected in this report which will inform the public, stakeholders and the decision-makers, and stimulate future debate on gambling in South Africa.

The National Gambling Board expresses its sincerest appreciation to the BMR for the professional way in which Prof André Ligthelm and his team approached, conducted and executed this research project.

CHRIS FISMER
CHAIRPERSON: National Gambling Board
### CHAPTER 5: SOCIAL IMPACT OF GAMBLING: A QUALITATIVE PERSPECTIVE

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EXECUTIVE SUMMARY

1. INTRODUCTION

The gambling industry grew rapidly during the 1997 to 2002 period with various gambling modes and/or facilities being introduced. In 2002 the National Gambling Board (NGB) commissioned a socio-economic impact study to establish a baseline on the South African population’s gambling conduct and behaviour with regard to various aspects such as propensity to gamble, the impact of gambling on household welfare levels and the frequency of visiting gambling outlets. The study found that the gambling industry showed typical characteristics of a developing gambling market with substantial volatility. Participants reported high winning expectations in a newly established gambling marketplace. The study concluded that gambling market maturity will probably only be achieved once the various gambling modes have been established. The intention was also expressed by the NGB to embark on a follow-up socio-economic impact study in two to three years’ time.

2. MAIN AIM OF THE STUDY

Consequently the NGB decided to commission a follow-up study in 2005 within a more matured gambling marketplace to gauge the socio-economic impact of gambling on the South African society, to identify trends and to inform the Board on its regulatory responsibilities.

3. METHODOLOGY

A national survey among 3 100 respondents was conducted during October and November 2005. A research instrument similar to the 2002 questionnaire was used to allow longitudinal comparisons with regard to various aspects including participation levels, impact of gambling on household welfare, propensity to gamble, household expenditure displacement, household budgetary behaviour with regard to gambling and the extent of problem gambling. However, the 2005 study was extended with a series of focus group discussions to determine the social impact of problem gambling.

4. GAMBLING PARTICIPATION AND COMMUNITY ATTITUDES

4.1 PARTICIPATION IN GAMBLING ACTIVITIES

The propensity of the South African population 18 years and older to participate in legalised gambling activities during the three months (approximately July to September 2005) preceding the survey was reported as follows:

- 45.8% bought lotto tickets
- 7.8% bought scratch cards
- 7.1% participated in casino gambling
• 1,6 % wagered on horses
• 1,1 % participated in sports betting
• 0,9 % played LPMs
• 0,4 % played bingo
• 0,2 % participated in internet gambling
• 50,2 % abstained from gambling

Illegal gambling was conducted as follows:

• 4,2 % played fafi
• 1,8 % played dice
• 0,4 % participated in other modes (eg cards)

Longitudinal comparisons suggest a decline in the propensity to gamble among the South African population. The following trends were recorded (see chapter 3 for comparability of data):

• Participation in the national lottery (lotto and scratch cards) declined from 71,3 % in 2002, 69,1 % in 2003 (lotto only) to 45,8 % in 2005 (lotto only).
• The percentage of respondents visiting casinos declined from 19,3 % in 2001, 10,4 % in 2003 to 7,1 % in 2005.
• Respondents who did not participate in any gambling activity increased from 43,2 % in 2002 and 2003 to 50,2 % in 2005.

4.2 REASONS FOR ABSTAINING FROM GAMBLING

Just more than half (50,2 %) of the respondents who abstained from gambling during the three months preceding the survey, cited the following reasons:

• 42,9 % were not interested
• 20,0 % lack of money
• 13,1 % against religious beliefs
• 12,6 % don’t gamble at all
• 1,8 % have no access to gambling facilities

Comparisons with previous surveys suggest that:

• ‘Against religious beliefs’ is becoming a less important justification for not gambling.
• ‘Lack of money’ becomes a less important reason.
• ‘Not interested in gambling’ was not only the most important reason advanced in all the surveys but becomes more and more prominent.
4.3 PERSONAL VIEWS ON GAMBLING

Personal views of respondents on gambling reveal that:

- 55.6% find gambling acceptable
- 25.1% find it not acceptable to themselves but have no objections to gambling by others
- 19.3% find it unacceptable

The above findings for the South African population correlated with a similar question posed to the USA population. The corresponding percentages (with the SA percentages in brackets) were: 51.0% (55.6%), 28.0% (25.1%) and 16.0% (19.3%).

4.4 GAMBLING AS A LEISURE ACTIVITY

In response to the question ‘Do you regard gambling as an important leisure activity for South Africans?’

- 42.7% agreed
- 35.7% disagreed
- 21.6% couldn’t say or don’t know

4.5 UNDER-AGE GAMBLING

Just more than a third (37.1%) of respondents affirmed awareness of under-age gambling. The gambling modes in which the youth participated, as reported, by respondents were:

- Dice 64.7%
- Lottery and scratch cards 43.7%
- Fafi 24.8%
- Cards 12.6%

4.6 GAMBLING OUTLETS

On the of question of the adequacy of gambling outlets

- 32.2% indicated that there are enough
- 22.1% indicated that there are not enough
- 21.0% indicated that there are too many outlets

Respondents who expressed a need for more outlets were younger than 40 years, were unemployed or engaged in part-time work, have a secondary education or less, belong to the African population group, were males and fall in the lowest income category.
4.7 BUYING OF LOTTO TICKETS

The frequency of buying lotto tickets by those who procured lotto tickets during the three months preceding the survey was as follows:

- 45,1 % buy lotto tickets twice a week
- 27,6 % buy lotto tickets once a week
- 9,6 % buy lotto tickets once every two weeks
- 9,7 % buy lotto tickets once a month
- 8,0 % buy lotto tickets less often

A comparison with the findings of previous surveys suggests a gradual decline in the buying frequency of lotto tickets. Those who bought lotto tickets at least once a week showed the following trend:

- 85,0 % in 2002
- 83,5 % at the beginning of 2003
- 76,5 % at the end of 2003
- 72,7 % in 2005

4.8 VISITING OF CASINOS

Those who visited casinos confirmed the following frequency:

- 0,5 % daily
- 9,7 % once a week
- 16,2 % once every two weeks
- 32,9 % once a month
- 40,7 % visit casinos less often

Casino visiting patterns show the following since the 2002 NGB survey:

- High frequency visitors (daily and once a week) remain unchanged at around 10 % of patrons.
- Those who frequented casinos once or twice a month increased from 26,6 % to 49,1 % of patrons.
- Those who visited casinos less than once a month lessened substantially, probably due to the waning of the novelty effect which was prominent during the establishment phase of casinos.

4.9 GAMBLING ON LIMITED PAYOUT MACHINES (LPMs)

The recent establishment of LPMs that are operational in only three provinces (Mpumalanga, Western Cape and Eastern Cape) implies limited exposure of the South African population to such facilities. LPM players captured in the survey show that:
• 3.8% played LPMs daily
• 23.1% played once a week
• 11.5% played once every two weeks
• 19.2% played once a month
• 42.3% played less often

4.10 WAGERING ON HORSES/SPORTS EVENTS

The 2.6% of respondents who recorded their wagering on horses/sports events during the three months preceding the survey confirmed the following propensities:

• 9.2% wagered daily
• 31.6% wagered once a week
• 17.1% wagered once every two weeks
• 13.2% wagered once a month
• 28.9% wagered less often

4.11 ALLOCATION OF WINNINGS

A response on the way in which winnings would have been allocated may be indicative of the needs of respondents that may range from household necessities to luxury items. A strong basic need orientation may be interpreted as the involvement of poor and needy people in gambling activities. The following were the perceived allocation of winnings:

• 54.1% of respondents indicated an allocation to savings
• 40.1% to basic household necessities
• 28.5% to purchasing of luxury items
• 28.1% to payment of debt/bond
• 31.1% to other

Note that the respondents were allowed to mention more than one item. The percentages are therefore not indicative of the relative amounts that respondents would spend on items, but the number of respondents who would spend some of their winnings on a particular item.

Those who prioritise the purchase of necessities from winnings portray the following characteristics:

• younger people (18-40 years)
• with no formal schooling or primary school qualifieds
• overwhelmingly from the African population groups
• with a personal income level of less than R1 000 per month
4.12 BUDGETING FOR GAMBLING EXPENDITURE

The budgeting behaviour of respondents participating in gambling reveals that

• 30.0% of respondents budgeted a specific amount for gambling
• 70.0% indicated that they did not budget a specific amount for gambling

Of those who did not budget for gambling expenditure

• 38.1% engaged themselves regularly in impulsive gambling on a regular basis
• 61.9% engaged themselves occasionally in impulsive gambling

4.13 SUMMARY

The gambling marketplace appears to portray a far more matured character compared to the findings of the 2002 NGB study. Participating in gambling activities declined substantially compared to the frequency levels reported during the establishment phase of the industry (1997-2002). The waning of the novelty effect together with more realistic expectations on the winning of prizes may, inter alia, contribute to this behaviour.

5. PROBLEM GAMBLING: QUANTITATIVE PERSPECTIVE

5.1 MAGNITUDE OF PROBLEM GAMBLING

Methodological difficulties surround the measurement of the magnitude of problem gambling. All figures should therefore be treated as rough estimates only.

This study applied the 20 Gamblers Anonymous (GA) questions to determine the extent of problem gambling. In the survey, the 20 GA questions were put to all high frequency gamblers, i.e. respondents who bought lotto tickets at least twice a week, visited a casino at least once a week, played LPMs at least once a week or wagered on horses/sport events at least once a week. The following reveals the percentage of respondents answering 14 or more of the 20 GA questions in the affirmative:

• 0.52% of all respondents who gambled in the three months preceding the survey
• 0.26% of the total population 18 years and older

The following six GA questions attracted the most affirmatives:

• GA8 ‘After a win, have you felt a strong urge to return and win more?’: 49.8% of high frequency lotto players and 43.6% of high frequency players involved in other modes of gambling.
• GA7 ‘After losing have you felt you must return as soon as possible and win back your losses?’: 41.7% and 47.3% respectively.
• GA5 ‘Have you ever gambled to get money with which to pay debts or otherwise solve financial
difficulties?': 32,5 % and 40,0 % respectively.
• GA19 ‘Have you ever had an urge to celebrate any good fortune by a few hours of gambling?': 28,4 % and 29,1 % respectively.
• GA14 ‘Have you ever gambled more than you had planned?': 23,0 % and 34,5 % respectively.
• GA4 ‘Have you ever felt remorse after gambling?’ 16,4 % and 30,9 % respectively.

The above shows that the most affirmatives centred largely around financially-related reactions after winning or losing money. As could be expected, the winning motive captured the imagination of the majority of high frequency players.

5.2 PERCEPTION ON THE IMPACT OF GAMBLING

The response to the question ‘Does gambling by members of your household have a negative impact on your household welfare?’ reveals that:
• 6,7 % confirmed a negative impact while
• 93,3 % perceived no negative impact

5.3 AWARENESS OF ASSISTANCE TO PROBLEM GAMBLERS

Of the respondents participating in gambling, 23,6 % confirmed their awareness of programmes available to problem gamblers. Of those participating in casino gambling, 39,2% were aware of the availability of programmes.

6. SOCIAL IMPACT OF GAMBLING

The majority of regular gamblers tend to visit gambling venues more than once a week with the purpose of winning some easy money. The rest are in search of fun or to de-stress and socialise, especially the bingo players. Generally, gamblers are aware of the risks involved but the majority struggle to control their spending or lack the self discipline to do so. The resultant overspending often leads to stressful interpersonal relationships, deterioration of family life, debt and the consequent inability to meet financial obligations. Some gamblers may share their feelings of stress, depression and anxiety caused by the loss of money, whilst others may lead a very lonely life of not sharing their feelings with anybody, withdrawing from society and lying to others about every aspect in their lives. The loss of tangible and emotional assets caused a few respondents to overcome their gambling habits and regain control over their spending. Not all respondents were informed about the NRGP or self-exclusion programmes and none of them have received any gambling-related counselling to date. Respondents suggested that problem gambling can be reduced by proper education and access to information on gambling, the risks involved and where to get assistance for problem gambling habits. Gamblers feel that they should be monitored to assist them in keeping control over their spending.
7. IMPACT OF GAMBLING ON HOUSEHOLD WELFARE

7.1 PROPENSITY TO GAMBLE

Propensity to gamble is defined as the percentage of household expenditure allocated to gambling (i.e. gambling expenditure minus prizes paid out, except the jackpot in the lotto and lotto plus). For South Africa as a whole it is calculated that households allocated 1.70% of their household expenditure to gambling as follows:

<table>
<thead>
<tr>
<th>Mode</th>
<th>Propensity (%)</th>
<th>Allocation of each R100 spent on gambling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casinos</td>
<td>1.21</td>
<td>R 71.38</td>
</tr>
<tr>
<td>Bingo</td>
<td>0.003</td>
<td>15c</td>
</tr>
<tr>
<td>Horse betting</td>
<td>0.11</td>
<td>R 6.22</td>
</tr>
<tr>
<td>LPMs</td>
<td>0.003</td>
<td>20c</td>
</tr>
<tr>
<td>Lotto</td>
<td>0.30</td>
<td>R 17.34</td>
</tr>
<tr>
<td>Lotto plus</td>
<td>0.07</td>
<td>R 4.06</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>0.01</td>
<td>65c</td>
</tr>
<tr>
<td><strong>Total gambling</strong></td>
<td><strong>1.70</strong></td>
<td><strong>R100.00</strong></td>
</tr>
</tbody>
</table>

The total amount forfeited on gambling by households amounted to R11 662.6 million in 2005. The disaggregation by mode shows that:

- R8 324.2 million was forfeited on casino gambling
- R2 022.1 million was forfeited on the lotto
- R725.1 million was forfeited on horse betting
- R474.1 million was forfeited on the lotto plus
- R75.8 million was forfeited on scratch cards
- R23.0 million was spent on LPMs
- R17.8 million was spent on bingo

Comparisons of the 2005 NGB study with previous surveys suggest the following trends:

- Casino gambling remains the most important gambling mode (from an expenditure point of view) attracting just more than 70% of total legal gambling expenditure. Propensity to casino gambling increased from 0.91% in the 2003 NGB survey to 1.21% in the 2005 survey. A propensity of just above 1.20% was maintained since 2003 and may suggest a stabilisation of the propensity in the order of 1.20% of household expenditure. This implies casino GGR growth for the country as a whole more or less similar to average salary increases.

- Horse betting shows a slight decline from 0.20% in 2002 to 0.11% in 2005. The somewhat higher propensity of 0.16% in Gauteng in 2003 compared to the country as a whole (0.11%)
may be explained, inter alia, by accessibility to betting facilities and higher income levels in Gauteng.

- The allocation of household expenditure to lottery games shows a downward trend since 2003. The propensity to play lottery games declined from 0.50% in 2003 to 0.38% in 2005.
- Bingo attracted only 0.003% of household expenditure and will probably remain on this relatively low level.
- The propensity to play LPMs may increase in future from its 2005 level of 0.003% as a result of licensing LPMs in more than the existing three provinces.

### 7.2 HOUSEHOLD EXPENDITURE DISPLACEMENT

Forfeiture of household expenditure in favour of gambling may range from small cuts in various items in a household budget to the substitution of one or two items with gambling. Household budget behaviour often consists of small cuts on various discretionary items rather than one large substitution. Alternatively, additional expenditure (such as gambling) may also be sourced from income increments.

The following expenditure displacement effects were reported by respondents (note that the percentages refer to the number of respondents who mentioned a particular item and not to the gambling money sourced from the various items).

- 61.8% from household necessities
- 27.5% from savings
- 14.5% from other entertainment
- 13.8% from luxury items
- 8.1% from other items

Displacement from household necessities to gambling featured more prominently among younger respondents, the unemployed, those with no formal schooling and the lowest income category.

### 7.3 REDISTRIBUTIONAL EFFECT OF GAMBLING

Gambling has a significant redistributional effect. On average, a significant number of punters spend small amounts while only a small percentage receives large amounts of prize money. This is particularly true with regard to the lotto and can be illustrated as follows by using the lotto draw of 14 January 2006 as an example:

- Total ticket sales: R28.9 million
- Total prize pool: R14.9 million
- Approximate number of participants: 2.9 million
- Average expenditure by participants: R10.00
- 1 person received: R4.3 million
- 2 persons each received: R259 715
- 0.01% of participants each received: R3 457
• 0,01 % of participants each received R1 603
• 0,5 % of participants each received R150
• 0,4 % of participants each received R124
• 8,0 % of participants each received R20
• 91,0 % of participants received no prizes

7.4 THE LESS AFFLUENT AND GAMBLING

A clear indication emerges from the survey that the less affluent parts of the South African population are important participants in gambling activities. For example:

• 27,2 % of gambling participants were unemployed
• 13,5 % occupied part-time jobs
• 3,9 % had no formal schooling
• 12,8 % attained only primary school qualifications
• 51,7 % earned less than R1 000 per month

The question arises of what gambling modes the less affluent part of the community are active in. Of those that earned less than R1 000 per month:

• 73,3 % bought lotto tickets
• 15,3 % bought scratch cards
• 6,4 % frequented casinos
• 3,2 % wagered on horses
• 1,2 % played LPMs

Of the unemployed:

• 74,6 % bought lotto tickets
• 14,4 % bought scratch cards
• 7,0 % visited casinos
• 2,5 % wagered on horses
• 1,0 % played LPMs
8. THE CONTRIBUTION OF THE GAMBLING SECTOR TO THE SOUTH AFRICAN ECONOMY

- The initial (or direct) GDP contribution of the gambling sector in 2004/05 amounted to R5.2 billion with an additional spillover effect (indirect effect) to other sectors of the economy of R6.2 billion. This total value added impact of the gambling sector of R11.5 billion represented 0.9% of the GDP of South Africa. It is expected that this contribution to the economy of approximately 1% will probably remain at this level for the foreseeable future.

- The GDP multiplier of the gambling sector is calculated at 2.2. This means that for every R100 value added (GDP) generated by the gambling sector, a further R120 value added (GDP) is produced through the indirect and induced effects (multiplier) in other sectors of the economy.

- In contrast with operational expenditure, capital investment is a once-off expenditure activity not repeated at the same level on an annual basis. No less than R15.6 billion was invested by the gambling sector between 1997 and 2005, representing 1.2% of the total South African capital formation during this period.

9. CONCLUSION

It can be concluded that the gambling sector in South Africa attained a high level of maturity within a relatively short time span. The rapid development during the 1997 to 2002 period with the establishment of new casinos and the introduction of the national lottery, exposed the South African population to a totally new experience that was previously confined to horse racing and betting, and a few casinos in the erstwhile homelands. This created expectations of winning valuable prizes while people were also attracted to gambling facilities for recreational purposes. Just less than half of the respondents confirmed that gambling is an important leisure activity for South Africans.

By comparing the 2005 survey findings with previous surveys the following gambling patterns and trends are suggested:

- Since 2003 a clear declining trend with a smaller propensity to participate in gambling has become evident. The gambling levels and visiting frequencies as established in the 2005 study will probably continue in the foreseeable future.

- Problem gambling will remain an inherent part of gambling behaviour and needs continued attention from regulatory bodies and the private sector roleplayers within the industry.

- A significant portion of the less affluent part of the community is active participants in gambling (especially lottery games). Proper education and information campaigns to highlight the nature of and risks involved with gambling would not only benefit this portion of the community but may also inform the general public to alert them against problem gambling.

- The propensity to allocate money to gambling expenditure stood at 1.7% of household budgets. This expenditure level is expected to continue in future implying that the GGR in the gambling industry would probably increase in tandem with salary and wage increments.

- The gambling sector’s contribution to the national economy is estimated at just less than 1% of GDP and will probably remain at this level for the foreseeable future.
The above suggests a stabilisation in trends implying that growth in gambling will largely follow movements in personal disposable income.

A few prominent issues associated with gambling that need continuous attention from regulators and other roleplayers are the support and counselling of problem gamblers, the involvement of the youth in gambling and the impact of gambling on the less affluent part of the community.
CHAPTER 1
INTRODUCTION AND OBJECTIVE OF THE STUDY

1.1 INTRODUCTION

In 1994, the gambling industry in South Africa extended from horseracing to include casinos, bingo, sports betting, the national lottery and, more recently, limited payout machines (LPMs). The first casino license was allocated during the second half of 1997 while the national lottery was launched during March 2000.

The industry grew rapidly from 1997 to 2002 with various gambling modes and/or facilities being introduced during that period. The National Gambling Board (NGB) decided in 2002 to determine the socio-economic impact of gambling on the South African society and economy. A study was commissioned and a report entitled Economic impact of legalised gambling in South Africa was published by the NGB in 2003. This study established a baseline on the South African population’s gambling conduct and behaviour with regard to various aspects such as propensity to gamble, the impact of gambling on the displacement of household expenditure, the frequency of visiting gambling outlets and the impact of gambling on the less affluent part of society. The study found that the gambling industry showed typical characteristics of a developing gambling market with substantial volatility during the establishment phase of the industry. It concluded that gambling market maturity will probably only be achieved once the various gambling modes have been established and developed and have marketed their products. The intention was also expressed in the report that a follow-up socio-economic impact study would be considered in two to three years’ time.

Consequently, the NGB decided to conduct a follow-up study in 2005 within a more mature gambling marketplace. The findings of such a study would allow the NGB as a statutory body, established in terms of the National Gambling Act 33 of 1996, to carry out its statutory responsibilities.

The project was managed and conducted jointly by the NGB and the Bureau of Market Research (BMR) of the University of South Africa (Unisa). The BMR was also involved in the 2002 NGB study ensuring methodological stability in the investigation and therefore reliable longitudinal comparisons. The NGB was responsible for conducting the qualitative research that forms the basis for establishing the social impact of gambling. The BMR conducted the national household survey and calculated the impact of gambling on household welfare levels and on the South African economy as a whole.

1.2 COMPOSITION OF THE GAMBLING INDUSTRY IN SOUTH AFRICA

The gambling market in South Africa is regulated by two independent statutory bodies. The NGB is responsible for regulating all gambling modes with the exception of the national lottery, including the following modes: casinos, horse/sports betting, bingo and LPMs. The National Lotteries Board is responsible for regulating the national lottery that includes the lotto, lotto plus and scratch cards.
The legalised gambling industry in South Africa consists of the following licensed gambling venues and activities:

(a) **Casinos**

**Eastern Cape**
- The Boardwalk, Port Elizabeth  
  Opened: October 2000
- Hemingways, East London  
  Opened: September 2001
- Wild Coast Sun, Bizana  
  Opened: December 1981

**Free State**
- Goldfields Casino, Welkom  
  Opened: December 2003
- Naledi Sun  
  Opened: May 1989
- Windmill Casino, Bloemfontein  
  Opened: October 2005
- Frontier Inn & Casino, Bethlehem  
  Scheduled opening: November 2006

**Gauteng**
- Montecasino, Fourways  
  Opened: September 1998
- Gold Reef City, Johannesburg  
  Opened: March 2000
- Emerald Casino Resort, Vanderbijlpark  
  Opened: May 2001
- Emperors Palace, Kempton Park  
  Opened: September 1999
- Carnival City, Brakpan  
  Opened: December 1998

**KwaZulu-Natal**
- Suncoast Casino and Entertainment World, Durban  
  Opened: November 2002
- Sibaya Casino and Entertainment Kingdom, Durban  
  Opened: December 2004
  (Replaced the temporary Sugar Mill Casino, Mount Edgecombe, operating since February 2001)
- Tusk Umfolozi, Empangeni  
  Opened: May 2002
- Monte Vista Casino and Resort, Newcastle  
  Opened: September 1999
- Golden Horse, Pietermaritzburg  
  Opened: September 2001

**Limpopo**
- Meropa, Polokwane  
  Opened: March 2002
- Tusk Venda Casino Hotel, Thohoyandou  
  Opened: July 1985
Mpumalanga
• Champions Casino, Witbank       Opened: September 2002
• Graceland Hotel, Casino and Country Club, Secunda       Opened: July 1998
• Emnotweni, Nelspruit       Opened: October 1998

North West
• Sun City, Pilanesberg       Opened: December 1979
• Tusk Rio, Klerksdorp       Opened: December 2004
• Morula Sun, Mabopane       Opened: June 1987
• The Carousel, Hammanskraal       Opened: November 1991
• Tusk Mmabatho Casino Resort, Mmabatho       Opened: December 1978

Northern Cape
• Flamingo, Kimberley       Opened: March 2002
• Desert Palace Hotel Resort, Upington       Opened: June 2000

Western Cape
• GrandWest, Cape Town       Opened: December 2000
• Caledon Casino, Hotel & Spa, Caledon       Opened: October 2000
• Club Mykonos, Langebaan       Opened: November 2000
• Garden Route, Mossel Bay       Opened: December 2002

(b) Bingo
• Currently six bingo centres are operational.  Five in Gauteng and one in the North West Province.

(c) Horse/sports betting
• Total number of horseracing tracks : 11
• Total number of bookmakers : ±300
• Total number of tote outlets : ±400

(d) Limited Payout Machines (LPMs)
LPMs have been introduced in the following three provinces:
• Mpumalanga, June 2004
• Western Cape, November 2004
• Eastern Cape, April 2005
1.3 OBJECTIVE

The main aim of the study is to monitor and assess the socio-economic impact of gambling in terms of the following:

- participation in and community attitudes towards gambling
- impact of gambling on household welfare levels
- the propensity to gamble and expenditure displacement effects of gambling
- impact of gambling by socio-demographic variables such as age, educational level, employment status, population group, gender and personal income level
- budgetary behaviour with regard to gambling
- the extent of problem gambling with regard to both the magnitude of the problem and the social impact of gambling

Longitudinal comparisons will be conducted by comparing the findings of this study with previous studies. This will allow the establishment of trends with regard to the gambling behaviour of the South African population.

1.4 METHODOLOGY

Due to the large variation in calculations contained in the report, various methodologies are applied, including community survey procedures, focus group discussions and propensity calculations. Each methodology is discussed in the chapter in which it is applied. The only exception is the survey methodology and the procedure applied during the focus group discussions, which are discussed separately in chapter 2.

1.5 OUTLAY OF THE REPORT

The first chapter provides background to the study, its objective and the outline of the report. A detailed description of the community survey and the procedures applied in the focus group discussions are elaborated upon in chapter 2. Chapter 3 portrays the main findings of the community survey. Chapter 4 contains an estimate of the magnitude of problem gambling while chapter 5 provides a qualitative assessment of the social impact of problem gambling. The impact of gambling on the welfare of households, including the less affluent households, is highlighted in chapter 6. Chapter 7 calculates the contribution of the gambling sector to the economy. The main conclusions of the study are contained in a concise executive summary at the beginning of the report.
CHAPTER 2
RESEARCH METHODOLOGY

2.1 INTRODUCTION

In order for the NGB to effectively exercise its responsibility as a regulatory authority, a well-founded comprehension of the gambling sector and its impact on the economy and society is imperative. These impacts were determined through primary research implementing both quantitative and qualitative survey techniques. Quantitative information was collected through a national household survey while qualitative information, particularly with regard to problem gambling, was gathered through a series of focus group discussions at various casinos, LPMs and horseracing and bingo outlets. The discussion in this chapter provides the basis for the scientific foundation of the study and hence the quality, validity and reliability of the data. The first part of the chapter focuses on the research methodology used in the household survey. This is followed by a discussion of the focus group research methodology.

2.2 HOUSEHOLD SURVEY

2.2.1 Sample population

The scope of the survey extended across the whole of South Africa. For the purposes of this study the survey was divided into two separate categories. The first was a landline telephone survey among the South African population. Since this survey excluded the approximately 70 % of households without in-home landline telephones, it was decided to augment the survey with personal face-to-face interviews in areas with the lowest Telkom telephone penetration. The majority of these areas are located in relatively low-income areas such as squatter camps, RDP houses, informal housing settlements, and in agricultural communities located in typically rural areas. Due to cost considerations, agricultural communities characterised by a dispersed locational pattern, were excluded from the survey. The fact that the level of participation of these communities in legal gambling activities is generally lower than that of urbanised communities, implies that the average participation level for the population as a whole may be somewhat lower than the levels established in this report.

2.2.2 Sample plan design and sample size

The sample design applied for the household survey was a stratified multi-stage sample design. Firstly, the sample of 3 100 households was divided between landline (Telkom) and non-Telkom telephone owners. The reason being that households without in-home Telkom telephones were interviewed face-to-face while the rest were interviewed telephonically. The following division was implemented on the basis that just less than 30 % of all households in South Africa have access to residential landline telephone services:
A sample design where sample distribution is based on probability proportionate to population has the following advantages:

- It ensures that the sample distribution of respondents matches the distribution of the total population.
- It often leads to a self-weighting design that gives all ultimate sample units (households) the same probability of selection regardless of their access to landline telephones.
- It provides control over the sample size while still yielding a self-weighted design.

The allocation of sample elements in the telephone survey was proportional to the distribution of residential entries in the nineteen South African telephone directories. Table 2.1 shows the distribution of the sample by telephone directory. It ranges from 120 in the Cape Peninsula to 20 in some of the smaller directories.

### TABLE 2.1
**DISTRIBUTION OF SAMPLE ELEMENTS BY TELEPHONE DIRECTORY**

<table>
<thead>
<tr>
<th>Area</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boland &amp; West Coast</td>
<td>50</td>
<td>5,8</td>
</tr>
<tr>
<td>Cape Peninsula</td>
<td>120</td>
<td>13,8</td>
</tr>
<tr>
<td>Durban &amp; Surrounding Area</td>
<td>80</td>
<td>9,0</td>
</tr>
<tr>
<td>East London &amp; Border</td>
<td>30</td>
<td>3,1</td>
</tr>
<tr>
<td>East Rand</td>
<td>70</td>
<td>7,7</td>
</tr>
<tr>
<td>Free State</td>
<td>40</td>
<td>5,1</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>100</td>
<td>11,5</td>
</tr>
<tr>
<td>KwaZulu-Natal North Coast</td>
<td>20</td>
<td>2,1</td>
</tr>
<tr>
<td>KwaZulu-Natal South Coast</td>
<td>20</td>
<td>1,1</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>40</td>
<td>4,4</td>
</tr>
<tr>
<td>North West Province</td>
<td>40</td>
<td>4,2</td>
</tr>
<tr>
<td>Northern Province</td>
<td>30</td>
<td>2,8</td>
</tr>
<tr>
<td>Northern Cape &amp; Namakwaland</td>
<td>20</td>
<td>2,3</td>
</tr>
<tr>
<td>Port Elizabeth &amp; Eastern Cape</td>
<td>40</td>
<td>5,2</td>
</tr>
<tr>
<td>Pietermaritzburg &amp; KwaZulu-Natal</td>
<td>40</td>
<td>4,1</td>
</tr>
<tr>
<td>Pretoria &amp; Surrounding Area</td>
<td>70</td>
<td>7,3</td>
</tr>
<tr>
<td>Southern Cape &amp; Karoo</td>
<td>20</td>
<td>2,7</td>
</tr>
<tr>
<td>Vaal Triangle</td>
<td>20</td>
<td>2,3</td>
</tr>
<tr>
<td>West Rand</td>
<td>50</td>
<td>5,5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>900</strong></td>
<td><strong>100,0</strong></td>
</tr>
</tbody>
</table>
With regard to the face-to-face interviews the following aspects were considered in the sample plan:

- **Access to gambling facilities**
  The sample stratification distinguished between areas with easy access to physical gambling facilities and those further away from casinos. All the districts in South Africa within a radius of 50 km from the 31 casinos were regarded as ‘easy access districts’. The percentage of the population residing in these districts is:

  - **Africans** 42.8%
  - **Asians** 87.4%
  - **Coloureds** 68.8%
  - **Whites** 78.5%
  - **Total** 50.2%

- **Types of households to be interviewed**
  It is assumed that the majority of formal housing structures have access to landlines implying that face-to-face interviews were conducted in lower income areas such as informal settlements and RDP areas. A screening question ensured that houses with Telkom telephones were not selected for face-to-face interviews. This implies that personal interviews were extended to less affluent township areas as well.

- **Population groups**
  The majority of face-to-face interviews were conducted with African and Coloured households. Whereas almost four in every five Asian and White households have in-home access to landlines, the percentage for Coloureds is 43% and for Africans it is 13%. The first-mentioned two population groups were therefore covered largely through the telephone subsurvey and the latter two through face-to-face interviewing.

- **Rural areas (villages)**
  Deep rural areas (villages) and stand-alone agricultural units without in-home landlines were excluded from the survey due to cost considerations. This was also the approach followed in the 2002 NGB study (2003).

On the basis of the above considerations as well as in an attempt to include as many of the areas covered in the 2002 NGB study as possible, the following sample plan was introduced.

The 2 200 personal interviews were divided as follows with regard to their location viz-a-viz casinos.

- 59% to locations within a radius of 50 km from casinos (1 300 questionnaires)
- 41% to locations more than 50 km from casinos (900 questionnaires)

As close to 50% of the population reside in districts located within a radius of 50 km from casinos, a slightly higher percentage of questionnaires were allocated to such districts. The reason for this is that households located in deep rural areas and stand-alone agricultural units without landlines were
excluded from the survey population implying that the percentage of the survey population within a radius of 50 km increased to more than 50%.

Within each of the two face-to-face subsurveys the allocation of questionnaires was based on the proportion of the African and Coloured populations in the four provincial groupings as proposed in the project proposal. The following distribution materialised:

(a) Areas within a radius of 50 km from casinos

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>No of questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A</td>
<td>23,0</td>
<td>300</td>
</tr>
<tr>
<td>Gauteng</td>
<td>38,5</td>
<td>500</td>
</tr>
<tr>
<td>Group B</td>
<td>23,0</td>
<td>300</td>
</tr>
<tr>
<td>Group C</td>
<td>15,4</td>
<td>200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,0</strong></td>
<td><strong>1 300</strong></td>
</tr>
</tbody>
</table>

(b) Areas more than 50 km from casinos

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>No of questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group A</td>
<td>44,4</td>
<td>400</td>
</tr>
<tr>
<td>Group B</td>
<td>44,4</td>
<td>400</td>
</tr>
<tr>
<td>Group C</td>
<td>11,1</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,0</strong></td>
<td><strong>900</strong></td>
</tr>
</tbody>
</table>

Tables 2.2 and 2.3 contain the locations selected for the two face-to-face subsurveys.
### TABLE 2.2
AREA SELECTION AND NUMBER OF QUESTIONNAIRES FOR AREAS WITHIN A RADIUS OF 50 KM FROM CASINOS

<table>
<thead>
<tr>
<th>Province</th>
<th>Areas</th>
<th>No of questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North West, Limpopo province, Mpumalanga and the Free State</td>
<td>Mabopane (Pretoria)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Seshego (Polokwane)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Bapong (Rustenburg)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>KaNyamazane (Nelspruit)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Botshabelo (Bloemfontein)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>KwaGuqa (Witbank)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>300</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Gauteng</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attridgeville (Pretoria)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Soweto (Johannesburg)</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Evaton/Sebokeng (Vanderbijlpark)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Temba (Pretoria)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Duduza (Brakpan)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Tembisa (Kempton Park)</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Katlehong (Alberton)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Orange Farm (Johannesburg)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>500</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Group B</strong></td>
<td></td>
</tr>
<tr>
<td>KwaZulu-Natal and the Eastern Cape</td>
<td>Chatsworth (Durban)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Umlazi (Durban)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>KwaMashu (Durban)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Madadeni (Newcastle)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Motherwell (Port Elizabeth)</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>300</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Group C</strong></td>
<td></td>
</tr>
<tr>
<td>Western Cape and Northern Cape</td>
<td>Galeshewe (Kimberley)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Khayelitsha (Cape Town)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Mitchells Plain (Cape Town)</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>200</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,300</strong></td>
</tr>
</tbody>
</table>
TABLE 2.3
AREA SELECTION AND NUMBER OF QUESTIONNAIRES FOR AREAS MORE THAN 50 KM FROM CASINOS

<table>
<thead>
<tr>
<th>Province</th>
<th>Areas</th>
<th>No of questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North West, Limpopo province,</td>
<td>Lebowakgomo (Polokwane)</td>
<td>75</td>
</tr>
<tr>
<td>Mpumalanga and the Free State</td>
<td>Bakenberg (Mokopane)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Silobela (Carolina)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Siyabuswa/Ekangala</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>(Bronkhorstspruit)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Tumahole (Parys)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Mogale (Magaliesburg)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Refiloe (Cullinan)</td>
<td>400</td>
</tr>
<tr>
<td><strong>Group B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KwaZulu-Natal and the Eastern</td>
<td>Umtata</td>
<td>100</td>
</tr>
<tr>
<td>Cape</td>
<td>Butterworth</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Bizana</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Ezakheni (Ladysmith)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Ulundi</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Bhekaanzulu (Vryheid)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>400</td>
</tr>
<tr>
<td><strong>Group C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Cape and Northern</td>
<td>Paarl (Coloured township)</td>
<td>50</td>
</tr>
<tr>
<td>Cape</td>
<td>Paarl (African township)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>900</td>
</tr>
</tbody>
</table>

The basis of the above selections was an attempt to cover all area types proportionate to their representation in the African and Coloured populations with regard to their location relative to casinos and type of household (using in-home landline as a proxy). An attempt was also made to include as many of the areas selected for the 2002 NGB survey as possible.

2.2.3 Sample selection procedure
A two-pronged selection procedure was followed during the face-to-face interviews. Firstly, the houses (sample elements) were selected on the following basis:
- **Residential area with street names and numbers**
  Any house with a stand, house or street number that is divisible by 10, 30, 40, 150 or 180 was selected. For purposes of interviewing only one house was selected from a specific street in a suburb for. In other words, a second address in the same street was not selected.

- **Informal dwelling, squatter areas or villages**
  If the informal dwellings did not fall into a planned township but numbers were painted on the dwellings, residents of dwellings with numbers divisible by 10 were interviewed. If there were no numbers, fieldworkers started with any house in the area and then selected every 10th house for interviewing. The address, as indicated on the questionnaire, should be such that a return visit to the informal dwelling is possible for control purposes.

If the residents in the selected house refused to participate the same procedure as described above was followed to select the next house.

Once the house was selected the fieldworker was instructed to interview the household member aged 18 years or older who resides in the house at least two days per week and whose birthday followed after the day of the visit to the household. Interviewers were also instructed to conduct as many interviews as possible after hours or during weekends to prevent a bias towards the unemployed, women and low-income earners.

Fieldworkers reported some problems with the above procedure that may impact to some extent on the survey findings. The following problems were sometimes encountered:

- Household heads or their spouses insisted on acting as interviewees. This was particularly relevant in smaller towns and rural areas.
- Household members participating in gambling activities perceived themselves as better equipped to answer the questions and insisted on being selected as respondent. This may inflate participation levels to some extent.
- The level of crime and the lack of street lights in low-income areas often precluded the possibility of conducting interviews after hours. This may create some bias towards women and the unemployed.

However, it was established that although the above problems were reported the frequency thereof was limited and should not distort the findings significantly.

Sample elements (households) in the telephone survey were drawn according to a systematic sampling procedure implying that residential numbers were chosen in each directory at regular intervals after a random start. Interviews were conducted with the person who answered the telephone, if 18 years or older.
2.2.4 Research instrument
A prestructured questionnaire with dichotomous and multichotomous questions was used for the collection of data. It accommodated largely the questions posed in the 2002 NGB survey to allow for longitudinal comparisons particularly with regard to possible changes in the gambling behaviour of the South African population between 2002 and 2005. This time span represents a critical period in the gambling industry's development from an establishment phase (1998-2002) to a more established and matured sector in 2005.

The questionnaire was, however, expanded to include questions on:

- limited payout machines (LPMs);
- participation in illegal gambling activities;
- household budgetary behaviour with regard to gambling expenditure; and
- the extent and impact of problem gambling.

The standard questions on gambling participation by mode, reasons for abstaining from gambling, frequency of gambling involvement, household expenditure displacement effects, propensity to gamble and the demographic profile of gamblers and nongamblers were maintained in the 2005 questionnaire.

2.2.5 Fieldwork
The face-to-face fieldwork was conducted from September to November 2005 by a number of well-trained fieldworkers recruited largely within the selected areas. This allowed for easy selection of sample elements as well as for conducting interviews in the local languages. Strict interviewer control was exercised and a 20% checkback was conducted. A thorough editing process resulted in several questionnaires being returned to field managers for correction or replacement.

2.2.6 Participation
Generally, participants were positive about the survey. Few refusals were detected especially with regard to the face-to-face interviews. However, the questions on household income and expenditure on gambling were experienced as being sensitive and almost 10% of respondents did not want to divulge this information.

2.2.7 Validity of results
Any sample survey is subject to error, and as such, yields useful estimates but no precise values. The most common errors, namely sample errors, interviewer errors, and reporting errors are discussed below.

2.2.7.1 Sampling errors
Sampling error occurs when the sample selected is not perfectly representative of the population. To limit or minimise administrative sampling errors, Stats SA data were used to prevent any possible underrepresentation of the population by population group and type of area. The care with which the
sample was designed and executed largely ruled out administrative sampling errors. However, random sample error, caused by chance, cannot be excluded except when conducting a census. Consequently, random sample error requires a confidence interval approach reflecting the possible range within which the sample result may fall. The formula for the allowable sample error is

\[ E = \frac{\sigma}{z} \]

where \( E \) = allowable error and \( z \) = number of standard deviations that will yield the desired level of confidence (e.g., 95% level of confidence).

When taking the sample error into account, it is possible to state a confidence interval that would probably contain the corresponding population parameter. Some indication of the proportion assumed by sample errors can be gained by calculating the sample error of the percentage of the population participating in gambling activities. Table 2.4 shows the interval estimates for the total population based on a 95% level of confidence. The table shows the participation levels of the 3100 households that participated in the 2005 survey. Based on a 95% level of confidence, it is clear that the lotto participation level of 45.8% can be as low as 44.0% and as high as 47.6%. The standard error mean scores for the information reflected in Table 2.4 are fairly low. This implies that the sample of 3100 can be regarded as large enough to yield a fairly representative profile of the entire South African population.

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>Average percentage participation</th>
<th>Interval estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>National lottery</td>
<td>45.8</td>
<td>44.0</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>7.1</td>
<td>4.2</td>
</tr>
<tr>
<td>LPMs</td>
<td>0.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>7.8</td>
<td>6.9</td>
</tr>
</tbody>
</table>

### 2.2.7.2 Interviewer errors

Three types of errors can occur as a result of an interviewer’s behaviour, namely errors when asking questions, errors when recording answers, and errors due to cheating. The level of experience of fieldworkers largely eliminated the first two types of errors. During checkbacks, cheating was detected in a few cases, especially in the Cape Peninsula. Questionnaires were discarded and returned for replacement.
2.2.7.3 Reporting errors

Reporting errors usually stem from memory errors, misunderstanding of questions or reluctance to answer them. The need to minimise reporting errors in the survey was borne in mind when constructing the questionnaire and with the selection and training of interviewers.

2.3 LONGITUDINAL COMPARISONS

The findings of the 2002 NGB survey (NGB 2003) are incorporated in the analysis. This will allow a detection of changes in the gambling behaviour of the population between 2002 and 2005. In this comparison the following should be taken into consideration:

- The gambling industry experienced extremely rapid growth during the period 1998 to 2002. During the course of these few years the gambling sector has shown typical characteristics of a developing gambling market with substantial volatility (NGB 2003). It was a new experience for many South Africans resulting in high frequency levels as well as high winning expectations. Since then the sector has matured with more realistic winning expectations. This may imply a more stabilised gambling market with scaled-down expectations and more moderate frequency levels.

- The level of participation in gambling activities will also be lower in 2005 compared to 2002 on account of a change to the question enquiring about gambling participation. The 2002 questionnaire enquired about respondents' participation in gambling activities during the 12 months preceding the interview while the 2005 survey recorded gambling participation during the 3 months preceding the interview. This adjustment was effected to minimise memory errors that may emanate from a question expecting a 12-month recall period.

2.4 VALIDATION

The reliability of survey findings is measured by comparisons with secondary sources. A community survey was conducted in Gauteng during October to November 2003 (Ligthelm 2004). Although the survey was conducted in Gauteng only, this province by far the dominant player in the industry as it represents close to 50% of gross gaming revenue (excluding the lotto) and just more than 40% of lotto ticket sales. The quantitative contents of the Gauteng study as well as the methodology applied correlates closely with the 2005 NGB survey making it a valuable validation tool.

2.5 FOCUS GROUP DISCUSSIONS

2.5.1 Introduction

A series of 13 focus group discussions were conducted at selected casino, LPM, horseracing and betting, as well as bingo venues with regular gamblers countrywide between October and December 2005. The main aim of the focus groups discussions was to establish the social impact of gambling. The focus groups allowed for the exploring of in-depth feelings, attitudes, perceptions and beliefs as cited by respondents. Data gathered from the group discussions were useful in explaining how the socio-economic impact of legalised gambling in South Africa
respondents conceptualised gambling and the meaning that they constructed from it. Such information is usually not captured during quantitative surveys. The information collected from the focus group discussions cannot be seen to be representative of the opinions of the wider gambling community. However, the opinions may indicate how the wider gambling community feels towards particular issues and might explain some of the responses reflected in the quantitative survey.

2.5.2 Profile of groups

Each focus group was made up of between seven to ten respondents who were randomly selected from gambling venues around the country. A total of 119 respondents took part in the discussions. Respondents were regarded as regular gamblers if they took part in the same gambling activity more than once a week.

The different gambling modes that exist in South Africa were also taken into consideration when the sampling plan was put together. Most of the respondents (62.2%) were drawn from the casino gambling population (table 2.5) due to the fact that casinos provide the most popular gambling activities in the country as illustrated by the annual gross gambling revenue (GGR) figures of the gambling industry, as illustrated in table 2.5.

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casino</td>
<td>74</td>
<td>62.2</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>27</td>
<td>22.7</td>
</tr>
<tr>
<td>Horseracing and betting</td>
<td>10</td>
<td>8.4</td>
</tr>
<tr>
<td>Bingo</td>
<td>8</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>119</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The sample was spread across the nine provinces with more than one focus group discussion being conducted in the three provinces that have the highest contribution to the national GGR, namely Gauteng, Western Cape and KwaZulu-Natal.
TABLE 2.6
FOCUS GROUP DISCUSSIONS CONDUCTED PER PROVINCE AND PER GAMBLING MODE

<table>
<thead>
<tr>
<th>Province</th>
<th>Gambling mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gauteng</td>
<td>Casino</td>
</tr>
<tr>
<td></td>
<td>Bingo</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Casino</td>
</tr>
<tr>
<td></td>
<td>Casino</td>
</tr>
<tr>
<td></td>
<td>LPM</td>
</tr>
<tr>
<td>KwaZulu Natal</td>
<td>Casino</td>
</tr>
<tr>
<td></td>
<td>Horseracing &amp; Betting</td>
</tr>
<tr>
<td>Free State</td>
<td>Casino</td>
</tr>
<tr>
<td>North West</td>
<td>Casino</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>LPM</td>
</tr>
<tr>
<td>Limpopo</td>
<td>Casino</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>LPM</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>Casino</td>
</tr>
</tbody>
</table>

An attempt was made to include all the population groups in every focus group, but that was not always possible because of the demographics of the majority of the people that were found at the specific venues and the willingness of the gamblers to participate in the discussions (table 2.7).

TABLE 2.7
POPULATION GROUP BY GAMBLING MODE

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>Asian</th>
<th>African</th>
<th>Coloured</th>
<th>White</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casino</td>
<td>7</td>
<td>44</td>
<td>18</td>
<td>5</td>
<td>74</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>-</td>
<td>21</td>
<td>-</td>
<td>6</td>
<td>27</td>
</tr>
<tr>
<td>Horseracing and betting</td>
<td>-</td>
<td>9</td>
<td>1</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Bingo</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>74</td>
<td>19</td>
<td>19</td>
<td>119</td>
</tr>
</tbody>
</table>

At each gambling venue five males and five females were recruited.

2.5.3 Research Instrument

The focus group discussions were facilitated using a discussion guideline that was developed based on the Gamblers Anonymous (GA) questionnaire. The topics that were addressed include attitudes and perceptions towards gambling, nature of the respondents gambling activities, the impact that...
gambling has on their personal health, interpersonal relationships, work or studies and financial circumstances. The possibilities of conducting illegal acts in order to fund gambling habits were also discussed as well as the solutions for problem gambling.

### 2.5.4 Fieldwork

The respondents were randomly selected from the gambling venues by well trained fieldworkers. The respondents for the casinos and the LPM focus group discussions were recruited a day before the actual discussion took place, from about 14h00 to 20h00. The recruitments were done a day before the specified hours to ensure that the focus groups were well balanced between day time and night time gamblers. These discussions took place at an agreed venue after 17h00.

A different recruitment strategy was, however, used for the bingo and horseracing and betting focus group discussions. The respondents for these groups were recruited on the same day that the discussions took place. The change in recruitment strategy was brought about by the fact that the bingo outlets only opened on specific days and horseracing only took place at particular venues on specific days. The respondents were recruited either before the events took place or during the events and asked to remain at the end of the event for the discussion.

The focus group discussion were conducted in languages that the respondents were comfortable in, in order to allow the respondents to express themselves as freely and as openly as they could.

### 2.5.5 Participation

The response rate for the focus group discussion was generally positive although there were instances where some of the recruited casino and LPM focus group discussion participants did not show up the following day for the discussion even thought they had confirmed attendance. In such cases, the respondents that did not show up were substituted with respondents that were at the gambling venue on the day of the discussion.

Similar substitution methods were used for the bingo and horseracing and betting focus group discussions where some of the recruited respondents decided not to attend the discussion at the end of the gambling event because they had had a “bad gambling day” and were not in the mood to discuss gambling issues.

There were cases though where the target number of respondents could not be reached. In such instances the focus group discussion had to be conducted with the people that had showed up.
CHAPTER 3
FINDINGS OF THE COMMUNITY SURVEY

3.1 INTRODUCTION
This chapter presents the findings of the 2005 national household survey. The information is portrayed in a way that disaggregates community attitudes and gambling behaviour according to the following socio-demographic variables: age, work status, educational level, gender and personal income. The results of the 2005 survey are compared to the 2002 survey results (NGB 2003) to detect any behavioural changes between 2002 and 2005.

3.2 PARTICIPATION IN GAMBLING ACTIVITIES
The propensity of the South African population to participate in gambling activities is shown in figure 3.1. Note that the percentages exceed 100 % due to multiple participation by some of the respondents. The most popular gambling activity by far is the national lottery with 45,8 % of respondents having bought lotto tickets and 7,8 % having bought scratch cards in the three months preceding the survey (conducted during October and November 2005). The figure also shows that 7,1 % of respondents visited casinos, 1,6 % bet on horses, 1,1 % on sports events and 0,4 % played bingo. Participation levels in LPMs are still relatively small (0,9 % of respondents) given the fact that the development of these facilities is still in an infant stage and only licensed in Mpumalanga, the Eastern Cape and Western Cape. Internet gambling was extremely limited with only 0,2 % of respondents confirming their participation.

Respondents were also prompted on their participation in illegal gambling activities. Almost one in every twenty (4,2 %) respondents confirmed their participation in fafi and 1,8 % in dice. This level of participation can be regarded as conservative due to the probable reluctance of respondents to reveal their involvement in illegal gambling activities as well as the fact that fafi and especially dice is often played by the youth (less than 18 years) that was excluded from the survey population.

Just more than half (50,2 %) respondents reported that they had not participated in any gambling activities during the three months preceding the study.
When comparing the propensity to gamble as discussed above with previous studies there appears to be some decline in the propensity to gamble among the South African population since the establishment of the gambling sector in the 1997 to 2002 period. The following results were attained during previous surveys (table 3.1). It should be stated at the outset that the results of the various surveys are not always easily comparable due to differences in question phrasing, differences in study areas and the definition of gambling modes (national lottery versus the lotto and scratch cards separately).

Some of the pointers emanating from table 3.1 are:

• Participation in the national lottery (lotto and scratch cards) declined from 71,3 % in 2002 to 69,1 % in 2003 (lotto only) to 45,8 % (lotto only) in 2005.
• The percentage of respondents visiting casinos declined from 19,3 % in 2001, 10,4 % in 2003 to 7,1 % in 2005.
• Respondents who did not participate in any gambling activity increased from 43,2 % in 2002 and 2003 to 50,2 % in 2005.
TABLE 3.1
PARTICIPATION IN GAMBLING ACTIVITIES: PREVIOUS SURVEYS

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>2005 NGB survey (national)</th>
<th>2002 NGB survey (national)</th>
<th>2003 NLB survey (national)</th>
<th>2003 GGB survey (Gauteng)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Lotto tickets &amp; scratch cards</td>
<td>-</td>
<td>71,3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lotto</td>
<td>45,8</td>
<td>-</td>
<td>69,1</td>
<td>52,6</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>7,8</td>
<td>-</td>
<td>12,6</td>
<td>6,7</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>7,1</td>
<td>19,3</td>
<td>-</td>
<td>10,4</td>
</tr>
<tr>
<td>Horse/sports betting</td>
<td>2,7</td>
<td>15,3</td>
<td>-</td>
<td>6,3</td>
</tr>
<tr>
<td>No participation</td>
<td>50,2</td>
<td>43,2</td>
<td>-</td>
<td>43,2</td>
</tr>
</tbody>
</table>

1) Participation in the 3 months preceding the survey
2) Participation in the 12 months preceding the survey

Source: NGB 2003, NLB 2003, GGB 2006

3.2.1 Participation by age group
Table 3.2 shows the participation in gambling activities by age group. No significant peculiarities are evident. Buying lotto tickets was somewhat higher among the 31-50-year age group compared to the younger than 30 years, and older than 50 years. Casino gambling was fairly similar across age groups with a somewhat lower propensity among those younger than 30 years. Buying scratch cards is substantially higher among the younger two age groups compared to those older than 40 years.

Respondents between 18 and 30 years old and older than 50 years showed the highest abstention rate from gambling.
TABLE 3.2
PARTICIPATION IN GAMBLING BY GAMBLING MODE AND AGE GROUP

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>18-30</th>
<th>31-40</th>
<th>41-50</th>
<th>51-60</th>
<th>60+</th>
</tr>
</thead>
<tbody>
<tr>
<td>National lottery</td>
<td>44,5</td>
<td>49,1</td>
<td>46,5</td>
<td>44,3</td>
<td>43,6</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>5,7</td>
<td>8,6</td>
<td>7,7</td>
<td>7,3</td>
<td>7,3</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>1,5</td>
<td>0,7</td>
<td>0,5</td>
<td>-</td>
<td>0,9</td>
</tr>
<tr>
<td>Wagering (betting) on horses</td>
<td>0,8</td>
<td>1,5</td>
<td>2,8</td>
<td>2,3</td>
<td>1,5</td>
</tr>
<tr>
<td>Sports betting</td>
<td>0,6</td>
<td>1,0</td>
<td>1,4</td>
<td>0,3</td>
<td>-</td>
</tr>
<tr>
<td>Bingo</td>
<td>0,2</td>
<td>0,1</td>
<td>0,7</td>
<td>0,6</td>
<td>0,9</td>
</tr>
<tr>
<td>Internet/online gambling</td>
<td>0,3</td>
<td>-</td>
<td>0,2</td>
<td>0,3</td>
<td>-</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>9,3</td>
<td>11,0</td>
<td>5,9</td>
<td>4,1</td>
<td>2,9</td>
</tr>
<tr>
<td>Fafi</td>
<td>4,3</td>
<td>4,4</td>
<td>4,4</td>
<td>2,9</td>
<td>4,4</td>
</tr>
<tr>
<td>Dice</td>
<td>3,5</td>
<td>1,6</td>
<td>0,7</td>
<td>0,3</td>
<td>0,3</td>
</tr>
<tr>
<td>Other</td>
<td>0,6</td>
<td>0,5</td>
<td>0,2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No gambling participation</td>
<td>50,9</td>
<td>46,4</td>
<td>49,8</td>
<td>53,7</td>
<td>53,2</td>
</tr>
</tbody>
</table>

3.2.2 Participation by work status

Table 3.3 depicts the level of participation by work status. The following is evident from the table: full- and part-time workers showed substantially higher propensities to buy lotto tickets than the unemployed, pensioners, those involved in home duties and students; frequenting casinos was the highest among full-time workers (11,7 %) and the lowest among the unemployed (4,0 %) and students (3,5 %). The unemployed were particularly active in buying lotto tickets (43,0 %), buying scratch cards (8,3 %) and playing fafi (6,2 %).

Abstaining from gambling activities varies quite substantially by work status. It ranged from 69,9 % among those involved in home duties to 40,7 % among part-time workers.
TABLE 3.3
PARTICIPATION IN GAMBLING BY GAMBLING MODE AND WORK STATUS

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>Employed full-time</th>
<th>Employed part-time</th>
<th>Unemployed or looking for work</th>
<th>Retired or pensioner</th>
<th>Home duties</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>National lottery</td>
<td>54,4</td>
<td>54,5</td>
<td>43,0</td>
<td>41,8</td>
<td>25,5</td>
<td>32,2</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>11,7</td>
<td>7,2</td>
<td>4,0</td>
<td>5,7</td>
<td>5,1</td>
<td>3,5</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>1,0</td>
<td>1,7</td>
<td>0,6</td>
<td>0,5</td>
<td>-</td>
<td>1,2</td>
</tr>
<tr>
<td>Wagering (betting) on horses</td>
<td>2,7</td>
<td>2,6</td>
<td>0,8</td>
<td>1,2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sports betting</td>
<td>2,1</td>
<td>1,7</td>
<td>0,6</td>
<td>-</td>
<td>-</td>
<td>0,8</td>
</tr>
<tr>
<td>Bingo</td>
<td>0,6</td>
<td>0,2</td>
<td>0,1</td>
<td>0,7</td>
<td>0,5</td>
<td>-</td>
</tr>
<tr>
<td>Internet/online gambling</td>
<td>0,3</td>
<td>-</td>
<td>0,1</td>
<td>-</td>
<td>-</td>
<td>0,4</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>9,6</td>
<td>11,2</td>
<td>8,3</td>
<td>3,2</td>
<td>1,4</td>
<td>6,6</td>
</tr>
<tr>
<td>Fafi</td>
<td>2,6</td>
<td>3,8</td>
<td>6,2</td>
<td>5,0</td>
<td>3,7</td>
<td>3,1</td>
</tr>
<tr>
<td>Dice</td>
<td>0,8</td>
<td>3,6</td>
<td>2,7</td>
<td>0,5</td>
<td>-</td>
<td>3,1</td>
</tr>
<tr>
<td>Other</td>
<td>0,2</td>
<td>1,2</td>
<td>0,6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No gambling participation</td>
<td>43,1</td>
<td>40,7</td>
<td>52,7</td>
<td>53,7</td>
<td>69,9</td>
<td>62,0</td>
</tr>
</tbody>
</table>

3.2.3 Participation by educational level

The propensity to participate in the lotto and casino gambling correlates positively with the level of education (table 3.4). The percentage of respondents buying lotto tickets increased from 33,9 % of those with no formal schooling to 46,8 % of those with a tertiary qualification. This positive correlation is even stronger among casino attendees. Only 0,8 % of those without formal schooling visited casinos in the three months preceding the survey while the percentage for tertiary qualifieds was 10,9 %). The opposite is true with regard to horse betting. It dropped from 3,3 % among those with no schooling to only 1,1 % of those with tertiary qualifications.

With regard to illegal gambling activities the table shows the highest propensity to play fafi among those with primary education or less while dice is particularly prevalent among secondary school qualifieds.

Those that abstained from gambling during the three months preceding the survey are the most prevalent among the respondents without any formal schooling (62,0 %) and taper down as qualifications increase, with a slightly higher level among those with tertiary qualifications compared to secondary school qualifications.
TABLE 3.4
PARTICIPATION IN GAMBLING BY GAMBLING MODE AND EDUCATIONAL LEVEL

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>No formal schooling</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>National lottery</td>
<td>33,9</td>
<td>36,6</td>
<td>48,2</td>
<td>46,8</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>0,8</td>
<td>3,5</td>
<td>6,8</td>
<td>10,9</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>-</td>
<td>0,3</td>
<td>1,1</td>
<td>0,7</td>
</tr>
<tr>
<td>Wagering (betting) on horses</td>
<td>3,3</td>
<td>2,3</td>
<td>1,5</td>
<td>1,1</td>
</tr>
<tr>
<td>Sports betting</td>
<td>-</td>
<td>0,8</td>
<td>1,3</td>
<td>1,0</td>
</tr>
<tr>
<td>Bingo</td>
<td>-</td>
<td>-</td>
<td>0,5</td>
<td>0,3</td>
</tr>
<tr>
<td>Internet/online gambling</td>
<td>-</td>
<td>-</td>
<td>0,2</td>
<td>0,1</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>4,1</td>
<td>5,6</td>
<td>9,0</td>
<td>6,6</td>
</tr>
<tr>
<td>Fafi</td>
<td>5,8</td>
<td>8,1</td>
<td>4,2</td>
<td>1,6</td>
</tr>
<tr>
<td>Dice</td>
<td>0,8</td>
<td>1,8</td>
<td>2,1</td>
<td>1,3</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>1,3</td>
<td>0,4</td>
<td>-</td>
</tr>
<tr>
<td>No gambling participation</td>
<td>62,0</td>
<td>57,6</td>
<td>47,9</td>
<td>50,0</td>
</tr>
</tbody>
</table>

3.2.4 Participation by gender

Table 3.5 confirms that for the majority of gambling modes males were inclined to gamble more than women. The male:female participation rates for the most prominent modes are: lotto 57,5 % for male and 39,4 % for female, casino 8,2 % against 6,5 %; wagering on horses 3,4 % against 0,6 %; and dice 4,9 % against 0,2 %. Females were more active in bingo (0,5 % against 0,2 %) and fafi (4,7 % against 3,3 %).
TABLE 3.5
PARTICIPATION IN GAMBLING BY GAMBLING MODE AND BY GENDER

<table>
<thead>
<tr>
<th>Mode</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National lottery</td>
<td>57,5</td>
<td>39,4</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>8,2</td>
<td>6,5</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>1,1</td>
<td>0,8</td>
</tr>
<tr>
<td>Wagering (betting) on horses</td>
<td>3,4</td>
<td>0,6</td>
</tr>
<tr>
<td>Sports betting</td>
<td>2,5</td>
<td>0,4</td>
</tr>
<tr>
<td>Bingo</td>
<td>0,2</td>
<td>0,5</td>
</tr>
<tr>
<td>Internet/online gambling</td>
<td>0,2</td>
<td>0,2</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>8,6</td>
<td>7,4</td>
</tr>
<tr>
<td>Fafi</td>
<td>3,3</td>
<td>4,7</td>
</tr>
<tr>
<td>Dice</td>
<td>4,9</td>
<td>0,2</td>
</tr>
<tr>
<td>Other</td>
<td>0,6</td>
<td>0,3</td>
</tr>
<tr>
<td>No gambling participation</td>
<td>38,5</td>
<td>56,6</td>
</tr>
</tbody>
</table>

3.2.5 Participation by personal income group

The propensity to gamble is strongly influenced by personal income level. Table 3.6 shows that abstention from gambling was 55,5 % among the unemployed. The abstention rate decreased as income increases. The lowest abstention rate was recorded in the R24 000-R60 000 annual income category. It started to increase after this category with the highest abstention rate recorded by the highest income category (56,9 %).

Casino gambling was positively correlated with personal income increasing from 3,2 % in the lowest income category (less than R6 000 per annum) to 15,9 % among those in the highest income category (R120 000 and more per annum). Participation in the lottery remained fairly high in all income categories (between 44,6 % and 51,7 %) with the exception of the less affluent category (less than R6 000 per annum) where only 39,5 % of respondents affirmed their buying of lotto tickets.
### TABLE 3.6
PARTICIPATION IN GAMBLING BY GAMBLING MODE AND INCOME GROUP

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>Less than R6 000 pa</th>
<th>R6 001- R12 000 pa</th>
<th>R12 001- R24 000 pa</th>
<th>R24 001- R60 000 pa</th>
<th>R60 001- R120 000 pa</th>
<th>More than R120 000 pa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>National lottery</td>
<td>39,5</td>
<td>44,6</td>
<td>53,4</td>
<td>55,8</td>
<td>48,6</td>
<td>51,7</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>3,2</td>
<td>4,4</td>
<td>8,3</td>
<td>10,2</td>
<td>12,5</td>
<td>15,9</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>0,6</td>
<td>1,0</td>
<td>1,5</td>
<td>0,7</td>
<td>1,1</td>
<td>0,6</td>
</tr>
<tr>
<td>Wagering (betting) on horses</td>
<td>1,2</td>
<td>0,8</td>
<td>3,5</td>
<td>2,2</td>
<td>1,1</td>
<td>1,1</td>
</tr>
<tr>
<td>Sports betting</td>
<td>0,6</td>
<td>1,0</td>
<td>1,8</td>
<td>3,5</td>
<td>0,4</td>
<td>-</td>
</tr>
<tr>
<td>Bingo</td>
<td>0,1</td>
<td>0,2</td>
<td>0,5</td>
<td>0,7</td>
<td>1,1</td>
<td>1,1</td>
</tr>
<tr>
<td>Internet/online gambling</td>
<td>0,2</td>
<td>-</td>
<td>0,3</td>
<td>0,2</td>
<td>0,4</td>
<td>-</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>8,5</td>
<td>8,9</td>
<td>10,8</td>
<td>8,9</td>
<td>4,6</td>
<td>1,7</td>
</tr>
<tr>
<td>Fafi</td>
<td>5,4</td>
<td>7,1</td>
<td>3,8</td>
<td>2,0</td>
<td>0,7</td>
<td>-</td>
</tr>
<tr>
<td>Dice</td>
<td>2,6</td>
<td>3,2</td>
<td>1,5</td>
<td>0,5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>0,6</td>
<td>0,8</td>
<td>-</td>
<td>0,2</td>
<td>-</td>
<td>0,6</td>
</tr>
<tr>
<td>No gambling participation</td>
<td>55,5</td>
<td>50,6</td>
<td>43,8</td>
<td>41,9</td>
<td>47,9</td>
<td>56,9</td>
</tr>
</tbody>
</table>

#### 3.2.6 Participation by population group
Table 3.7 shows the propensity to gamble by population group. The African population group with a gambling participation rate of 51,6% presented themselves as the most active in gambling activities. They are followed by Whites (48,4% participation), Asians (40,7%) and Coloureds (35,8%). For the population as a whole 49,8% indicated that they participated in gambling in the three months preceding the survey. The above figures refer to both legal and illegal gambling activities. The abstention rate in legal gambling activities only by population group was as follows:

- Africans : 48,4%
- Asians : 59,3%
- Coloureds : 64,2%
- Whites : 51,6%
TABLE 3.7
PARTICIPATION IN GAMBLING ACTIVITIES BY GAMBLING MODE AND POPULATION GROUP

<table>
<thead>
<tr>
<th>Gambling mode</th>
<th>Africans</th>
<th>Asians</th>
<th>Coloureds</th>
<th>Whites</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>National lottery</td>
<td>47,2</td>
<td>37,0</td>
<td>34,2</td>
<td>45,5</td>
</tr>
<tr>
<td>Casino gambling</td>
<td>5,4</td>
<td>19,4</td>
<td>9,1</td>
<td>11,2</td>
</tr>
<tr>
<td>Limited Payout Machines</td>
<td>0,8</td>
<td>2,8</td>
<td>1,1</td>
<td>0,8</td>
</tr>
<tr>
<td>Wagering (betting) on horses</td>
<td>1,8</td>
<td>4,6</td>
<td>0,5</td>
<td>0,4</td>
</tr>
<tr>
<td>Sports betting</td>
<td>1,2</td>
<td>2,8</td>
<td>1,6</td>
<td>-</td>
</tr>
<tr>
<td>Bingo</td>
<td>0,1</td>
<td>0,9</td>
<td>2,1</td>
<td>0,8</td>
</tr>
<tr>
<td>Internet/online gambling</td>
<td>0,1</td>
<td>0,9</td>
<td>0,5</td>
<td>0,2</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>9,4</td>
<td>5,6</td>
<td>7,0</td>
<td>1,6</td>
</tr>
<tr>
<td>Fafi</td>
<td>5,5</td>
<td>-</td>
<td>1,6</td>
<td>-</td>
</tr>
<tr>
<td>Dice</td>
<td>2,4</td>
<td>-</td>
<td>1,1</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>0,5</td>
<td>-</td>
<td>-</td>
<td>0,2</td>
</tr>
<tr>
<td>No gambling participation</td>
<td>48,4</td>
<td>59,3</td>
<td>64,2</td>
<td>51,6</td>
</tr>
</tbody>
</table>

With regard to the different gambling modes, the following can be highlighted:

- Coloureds showed the lowest propensity (34.2 %) to play the lotto while Africans were the most active participants (47.2 %).
- Casino gambling is the most popular among Asians (19.4 %) and Whites (11.2 %) and the least popular among Africans (5.4 %). However, it should be noted that although the representation of Asians in the sample exceeds their share in the total South African population, (3.5 % in the sample and 2.5 % of the South African population), the number of Asian respondents in the sample amounted to only 108. A disaggregation of this number may cause some instability in the figures. This may explain the relatively high casino frequency of Asians.
- Whites (0.4 %) and Coloureds (0.5 %) were less active horse betters while Asians presented themselves as fairly active in horse wagering (4.6 %).
- Scratch cards were the most popular among Africans (9.4 %) and Coloureds (7.0 %) while it attracted only 1.6 % of the White population group.
- Fafi and dice were predominantly played by Africans (5.5 % and 2.4 % respectively) while it was totally absent among Asians and Whites.
3.3 REASONS FOR ABSTAINING FROM GAMBLING

The 50.2% of respondents who did not participate in gambling activities during the three months preceding the survey were requested to advance a reason for abstaining. Figure 3.2 shows that almost two in every five (42.9%) nonparticipants indicated that they were not interested in gambling. One in every five (20.0%) nonparticipants advanced a lack of money as the main reason while 13.1% mentioned that gambling is against their religious beliefs and 12.6% do not gamble at all. Only 1.8% mentioned that the lack of access to facilities was the main reason for their abstention.

Table 3.8 shows the findings of previous surveys regarding the above question. Note that the alternatives in the multi-choice alternatives differ from the more recent surveys. A fixed multiple-choice question often compels respondents to take a stand on an issue implying that the absence of ‘not interested’ in the 2002 NGB survey may compel respondents to select one of the other stated alternatives. The following trends are evident:

- ‘Lack of money’ become a less important reason (decline from 29.7% in 2002 to 20.0% in 2005) supporting the income redistributinal effects of the government’s policies.
- ‘Against religious beliefs’ is becoming a less important impediment for not participating in gambling activities.
- ‘Not interested in gambling’ was not only the most important reason advanced in all the surveys but became more and more prominent. (A large portion of the 32.8% under ‘Don’t gamble’ in the 2002 survey would probably be recorded under ‘not interested’ should that have been stated as an alternative).
TABLE 3.8
REASONS ADVANCED FOR ABSTAINING FROM GAMBLING BY RESPONDENTS NOT PARTICIPATING IN GAMBLING

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of money</td>
<td>29.7</td>
<td>27.6</td>
<td>22.2</td>
<td>20.0</td>
</tr>
<tr>
<td>Against religious beliefs</td>
<td>21.9</td>
<td>18.0</td>
<td>16.4</td>
<td>13.1</td>
</tr>
<tr>
<td>Don’t gamble at all</td>
<td>32.8</td>
<td>9.9</td>
<td>13.8</td>
<td>12.6</td>
</tr>
<tr>
<td>No access to gambling facilities</td>
<td>0.8</td>
<td>1.0</td>
<td>0.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Not interested</td>
<td>-</td>
<td>33.3</td>
<td>38.6</td>
<td>42.9</td>
</tr>
</tbody>
</table>


The following variations are evident regarding the reasons for abstaining from gambling by demographic variables:

- ‘Against religious beliefs’ were positively correlated with age group implying that a larger percentage of older people advanced this reason compared to the younger age groups.
- With regard to the work status of respondents the following materialises: ‘lack of money’ was very prominent among the unemployed as a reason for abstaining; and ‘against religious beliefs’ was a much stronger motivation for abstention among pensioners and those involved in home duties compared to students.
- Respondents with no formal schooling or primary educational qualifications experienced the lack of money as a much stronger impediment for gambling participation than those with a post-matric qualification. A large percentage of respondents with no formal qualification indicated that they ‘don’t gamble at all’ than those with primary, secondary or tertiary qualifications.
- Some variations are evident with regard to abstaining from gambling by population group. A larger percentage of the African population group advanced ‘lack of money’ as a reason than was the case with Whites while ‘against religious beliefs’ was advanced by substantially more Asians than especially Africans.
- The motivational pattern for abstention was quite similar by gender.
- As could have been expected ‘lack of money’ correlates negatively with income level. It also appears that ‘against religious beliefs’ materialises more prominently among the higher income groups where the Asian and White population groups are strongly represented.

3.4 PERSONAL VIEWS ON GAMBLING

Respondents were questioned on their personal views towards gambling. The following alternatives were presented to them:
• gambling is acceptable to me
• gambling is not acceptable to me but I have no objections to gambling by others
• gambling is not acceptable to me

Figure 3.3 depicts that 55.6% of respondents confirmed that participating in gambling was acceptable to them while a further 25.1% indicated that gambling was not acceptable to them but that they had no objections to gambling by others. This resulted in only 19.3% of respondents indicating that gambling was not at all acceptable to them.

A similar question was posed to respondents in Gauteng which resulted in much the same response structure albeit marginally less conservative. The ‘acceptable to me’ category received 61.1% in Gauteng (compared to the 55.6% in this survey) while the ‘not acceptable to me’ category received 17.4% compared to the 19.3% in this survey (GGB 2006).

The above findings for the South African population correlate with a similar question posed to the United States population in 2002. However, it is important to note that the South African question refers to acceptability of gambling generally, as opposed to the USA question requesting acceptability of casino gambling only. Table 3.4 confirms that 16% of the USA population found casino gambling unacceptable, which is slightly less than the 19% for South Africa. However, the percentage of those that express total acceptance is higher in South Africa (56%) than in the USA (51%) (American Gambling Association 2002:13).
3.4.1 Personal views by age group

The acceptability of gambling correlates negatively with age. Approximately 60% of those below the age of 40 years found gambling acceptable. The percentage dropped to 43% in the 60 plus age group. Those that found gambling unacceptable remained fairly constant around 18% to 20% for all age groups.

<table>
<thead>
<tr>
<th>Views</th>
<th>18-30 years</th>
<th>31-40 years</th>
<th>41-50 years</th>
<th>51-60 years</th>
<th>Older than 60 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptable to me</td>
<td>59,1%</td>
<td>61,9%</td>
<td>54,2%</td>
<td>45,7%</td>
<td>43,0%</td>
</tr>
<tr>
<td>No objections to gambling by others</td>
<td>22,2%</td>
<td>19,6%</td>
<td>24,7%</td>
<td>33,3%</td>
<td>38,9%</td>
</tr>
<tr>
<td>Not acceptable to me</td>
<td>18,7%</td>
<td>18,5%</td>
<td>21,2%</td>
<td>20,9%</td>
<td>18,1%</td>
</tr>
<tr>
<td>Total</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

3.4.2 Personal views by work status

The level of acceptability of gambling by work status is depicted in table 3.10. The lowest levels of acceptability were reported by respondents involved in home duties (41,7%) and pensioners (44,0%). The highest levels of acceptability were reported by the unemployed (60,9%) and those involved in full-time (56,0%) and part-time (56,9%) work.
TABLE 3.10
PERSONAL VIEWS ON GAMBLING BY WORK STATUS

<table>
<thead>
<tr>
<th>Views</th>
<th>Employed full-time</th>
<th>Employed part-time</th>
<th>Unemployed or looking for work</th>
<th>Retired or pensioner</th>
<th>Home duties</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Acceptable to me</td>
<td>56,0</td>
<td>56,9</td>
<td>60,9</td>
<td>44,0</td>
<td>41,7</td>
<td>53,9</td>
</tr>
<tr>
<td>No objections to gambling by others</td>
<td>24,9</td>
<td>24,2</td>
<td>18,6</td>
<td>37,3</td>
<td>32,4</td>
<td>24,0</td>
</tr>
<tr>
<td>Not acceptable to me</td>
<td>19,1</td>
<td>18,9</td>
<td>20,5</td>
<td>18,8</td>
<td>25,9</td>
<td>22,1</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.4.3 Personal views by educational level

There are some minor differences of opinion on the acceptability of participation in gambling by educational level. Table 3.11 shows a somewhat lower level of acceptability (48,8 %) among respondents with tertiary qualifications compared to those with primary (58,2 %) and secondary (58,0 %) qualifications. The level of nonacceptability was fairly stable around 20 % for all categories.

TABLE 3.11
PERSONAL VIEWS ON GAMBLING BY EDUCATIONAL LEVEL

<table>
<thead>
<tr>
<th>Views</th>
<th>No formal schooling</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Acceptable to me</td>
<td>51,2</td>
<td>58,2</td>
<td>58,0</td>
<td>48,8</td>
</tr>
<tr>
<td>No objections to gambling by others</td>
<td>30,6</td>
<td>21,3</td>
<td>23,8</td>
<td>29,8</td>
</tr>
<tr>
<td>Not acceptable to me</td>
<td>18,2</td>
<td>20,5</td>
<td>18,2</td>
<td>21,4</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.4.4 Personal views by population group

Table 3.12 depicts fairly large differences in the levels of acceptability of gambling by population group. The highest level of acceptability was recorded by the African population group (62,0 %) which was almost twice as high as the 33,3 % recorded by Asians. Levels of acceptability stood around 38 % for both Coloureds and Whites.

The level of unacceptability also varies by population group. Asians (36,1 %) and Coloureds (32,3 %) recorded the highest level of unacceptability which is substantially higher than the 17,2 % of Africans and 20,2 % of Whites. The relatively strong Muslim representation in these two population groups is explanatory to this variation.
3.4.5 Personal views by gender

Females seem to be more conservative when it comes to gambling. Table 3.13 reports that 63.4 % of males found gambling acceptable compared to the 51.2 % for females. The level of unacceptability increased from 16.6 % for males to 20.9 % for females.

3.4.6 Personal views by income group

Some variations are evident in the acceptability of gambling by income group (table 3.14). Acceptability levels decreased from around 57 % for all four personal income categories below R60 000 per annum to 45.3 % of respondents earning an income of between R60 000 and R120 000 per annum and to 39.8 % of those with an income exceeding R120 000 per annum. This may be accountable mainly to the large percentage of Whites in the high income groups that reported a far lower level of acceptability than the African respondents.
TABLE 3.14
PERSONAL VIEWS ON GAMBLING BY INCOME GROUP

<table>
<thead>
<tr>
<th>Views</th>
<th>Less than R6 000 pa</th>
<th>R6 001-R12 000 pa</th>
<th>R12 001-R24 000 pa</th>
<th>R24 001-R60 000 pa</th>
<th>R60 001-R120 000 pa</th>
<th>More than R120 000 pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptable to me</td>
<td>58,3%</td>
<td>57,4%</td>
<td>57,7%</td>
<td>57,3%</td>
<td>45,3%</td>
<td>39,8%</td>
</tr>
<tr>
<td>No objections to gambling by</td>
<td>19,9%</td>
<td>25,5%</td>
<td>26,4%</td>
<td>25,8%</td>
<td>33,1%</td>
<td>34,1%</td>
</tr>
<tr>
<td>others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not acceptable to me</td>
<td>21,8%</td>
<td>17,1%</td>
<td>15,9%</td>
<td>16,9%</td>
<td>21,6%</td>
<td>26,1%</td>
</tr>
<tr>
<td>Total</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
<td>100,0%</td>
</tr>
</tbody>
</table>

3.5 GAMBLING AS A LEISURE ACTIVITY

Figure 3.5 shows the reaction to the question: ‘How would you respond to the following statement: Gambling is an important leisure activity for South Africans?’ Views on this statement differed significantly. Just more than two in every five (42.7%) respondents agreed with the statement while just more than one third (35.7%) disagreed with it while 21.6% were undecided.

FIGURE 3.5
GAMBLING AS AN IMPORTANT LEISURE ACTIVITY

Those that agreed with the statement that gambling is an important leisure activity presented the following characteristics:

- Younger people were far more in agreement with the statement than older people especially those older than 60 years.
- The level of agreement with the statement was significantly lower among pensioners and those involved in home duties compared to respondents engaged in full or part-time work, the unemployed and students.
- No large differentiation was evident according to educational level.
- With the African population group almost half the respondents agreed with the statement while only a quarter of Asians and Coloureds and one in every five Whites agreed with the statement.
- More males (48.0%) than females (39.8%) were in agreement with the statement.
• Agreement with the statement remains just below half the respondents in the poorer income categories (below R60 000 per annum) while it dropped to just more than one quarter in the income categories earning in excess of R60 000.

3.6 UNDER-AGE GAMBLING

The involvement of persons below the age of 18 years in gambling activities is a matter of concern for the NGB. The questionnaire enquired on the awareness among respondents of under-age gambling. Figure 3.6 confirms that 37.1% of respondents were aware of this phenomenon.

FIGURE 3.6
LEVEL OF AWARENESS OF UNDER-AGE GAMBLING

The awareness of under-age gambling was reported by respondents in all population groups. However, it was particularly prominent among the African and Asian respondents. Just less than half the respondents in these two groups expressed their awareness of under-age gambling. The percentage stood at 21.6% for Coloureds and only 10.2% for Whites.

Figure 3.7 shows the types of games mentioned by respondents in response to the question: ‘If you are aware of under-age gambling, what type of gambling do they perform?’ Illegal games such as dice (64.7%), fafi (24.8%) and cards (12.6%) featured prominently. However, awareness of involvement in legalised gambling was also reported, particularly the buying of lotto tickets and scratch cards (43.7%) and casino gambling (16.5%).
3.7 GAMBLING OUTLETS

Respondents were requested to express their opinion on the adequacy of gambling outlets. Figure 3.8 shows that almost one in every five (22.1%) respondents were of the opinion that there are not enough gambling outlets. Almost the same percentage (21.0%) expressed the view that there are too many outlets while almost a third thought that there are enough outlets. The finding that only one in every five respondents expressed the view that there are not enough outlets should be viewed against the fact that only 1.8% of nonparticipants advanced a lack of access to gambling facilities as a reason for abstaining from gambling. It would therefore appear that the respondents who indicated that there are not enough outlets referred more to a need for more convenient/easier access rather than an outright lack of access to gambling facilities.

FIGURE 3.8
Adequacy of Gambling Outlets
The demographic characteristics of the respondents who reported inadequate as well as an over-supply of gambling outlets are shown in table 3.15. The profiles of respondents who expressed a need for more outlets were younger than 40 years, were unemployed or engaged in part-time work, have a secondary education or less, belong to the African population group, were males and fall in the lowest income category.

**TABLE 3.15**

DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS WHO REPORTED INSUFFICIENT GAMBLING OUTLETS

<table>
<thead>
<tr>
<th>Demographic variable</th>
<th>Not enough outlets/opportunities</th>
<th>Too many outlets/opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Between 18-40 years</td>
<td>Older than 50 years</td>
</tr>
<tr>
<td>Work status</td>
<td>Part-time workers, unemployed</td>
<td>Full-time workers, pensioners, home duties</td>
</tr>
<tr>
<td>Educational level</td>
<td>Primary&amp; secondary education, No formal schooling</td>
<td>Tertiary qualification</td>
</tr>
<tr>
<td>Population group</td>
<td>African</td>
<td>Whites</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Personal income</td>
<td>Lower income group</td>
<td>Highest income groups</td>
</tr>
</tbody>
</table>

Figure 3.9 depicts the types of outlets required by those (22.1% of respondents) who reported inadequate availability of gambling outlets. The most prominent requirement was for more lotto and scratch card outlets (65.1%), casinos (58.3%), LPMs (10.4%) and tote and bookmakers (8.4%).

**FIGURE 3.9**

ADDITIONAL GAMBLING OUTLETS REQUIRED
3.8 BUYING OF LOTTO TICKETS

Respondents who confirmed their buying of lotto tickets during the three months preceding the survey were requested to indicate the frequency of their buying habit. It is important to note that the percentage in this section was calculated on those respondents who bought lotto tickets and not on the total population interviewed.

Figure 3.10 confirms a relatively high buying frequency. Just less than half the respondents (45.1%) bought lotto tickets twice a week while a further 27.6% bought tickets once a week. This implies that almost three in every four (72.7%) lotto players bought lotto tickets at least once a week.

FIGURE 3.10
FREQUENCY OF BUYING LOTTO TICKETS

A comparison of the above figures with the results of previous surveys suggests a gradual decline in the frequency of buying lotto tickets since the lottery's inception in 2002. Table 3.16 compares the buying frequencies reflected during four surveys. Respondents who bought tickets twice a week declined from 60.5% in 2002 to 45.1% in 2005. Those who bought tickets at least once a week (i.e., the twice and once a week combined) declined from 85.0% in 2002 to 72.7% in 2005. This suggests a downward trend of the novelty effect as well as a more realistic perception of winning chances.

TABLE 3.16
FREQUENCY OF BUYING LOTTO TICKETS: PREVIOUS SURVEYS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>60.5</td>
<td>53.4</td>
<td>46.6</td>
<td>45.1</td>
</tr>
<tr>
<td>Once a week</td>
<td>24.5</td>
<td>30.1</td>
<td>29.9</td>
<td>27.6</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>3.3</td>
<td>6.3</td>
<td>6.6</td>
<td>9.6</td>
</tr>
<tr>
<td>Once a month</td>
<td>6.3</td>
<td>6.0</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Less often</td>
<td>5.4</td>
<td>4.2</td>
<td>7.2</td>
<td>8.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Sources: NGB 2003, NLB 2003, GGB 2006
3.8.1 Buying of lotto tickets by age group

Table 3.17 shows a negative correlation between the buying of lotto tickets and age group (from 30 years and older). More than half (53.2%) respondents in the 31 to 40-years age group bought lotto tickets twice a week. This percentage gradually declined to 26.8% of respondents 60 years and older. The once a week buyers remain fairly constant in the 26% to 29% range for all age categories.

**TABLE 3.17**

**FREQUENCY OF BUYING LOTTO TICKETS BY AGE GROUP**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>18-30 years</th>
<th>31-40 years</th>
<th>41-50 years</th>
<th>51-60 years</th>
<th>Older than 60 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>45.4%</td>
<td>53.2%</td>
<td>48.1%</td>
<td>37.7%</td>
<td>26.8%</td>
</tr>
<tr>
<td>Once a week</td>
<td>29.1%</td>
<td>27.1%</td>
<td>25.9%</td>
<td>25.8%</td>
<td>28.2%</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>10.0%</td>
<td>6.6%</td>
<td>8.3%</td>
<td>10.6%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Once a month</td>
<td>10.0%</td>
<td>8.9%</td>
<td>8.6%</td>
<td>9.9%</td>
<td>12.8%</td>
</tr>
<tr>
<td>Less often</td>
<td>5.5%</td>
<td>4.2%</td>
<td>9.0%</td>
<td>15.9%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

3.8.2 Buying of lotto tickets by work status

Work status exercised a strong influence on the buying frequency of lotto tickets. Table 3.18 shows a particularly high frequency among part-time workers (53.1%), the unemployed (48.6%) and full-time workers (46.4%). This frequency dropped to 32.1% among pensioners and to 25.5% among those engaged in home duties. The latter shows the highest representation (40%) among the once a week buyers. The following reflects the percentages of respondents who bought lotto tickets at least once a week:

- Full-time workers : 69.5%
- Part-time workers : 82.5%
- Unemployed        : 78.2%
- Pensioners        : 59.5%
- Home duties       : 65.5%
- Students          : 74.7%
TABLE 3.18
FREQUENCY OF BUYING LOTTO TICKETS BY WORK STATUS

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Employed full-time</th>
<th>Employed part-time</th>
<th>Unemployed or looking for work</th>
<th>Retired or pensioner</th>
<th>Home duties</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>46,4</td>
<td>53,1</td>
<td>48,6</td>
<td>32,1</td>
<td>25,5</td>
<td>39,8</td>
</tr>
<tr>
<td>Once a week</td>
<td>23,1</td>
<td>29,4</td>
<td>29,6</td>
<td>27,4</td>
<td>40,0</td>
<td>34,9</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>10,2</td>
<td>7,0</td>
<td>8,6</td>
<td>13,1</td>
<td>9,1</td>
<td>9,6</td>
</tr>
<tr>
<td>Once a month</td>
<td>10,6</td>
<td>7,5</td>
<td>8,8</td>
<td>11,9</td>
<td>9,1</td>
<td>10,8</td>
</tr>
<tr>
<td>Less often</td>
<td>9,6</td>
<td>3,1</td>
<td>4,7</td>
<td>15,5</td>
<td>16,4</td>
<td>4,8</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.8.3 Buying of lotto tickets by educational level

Table 3.19 shows a negative correlation between educational level and the twice a week buying frequency. It dropped from a high of 56,1 % among respondents with no formal schooling to 41,1 % among those with tertiary qualifications. The once-a-week buyers moved in a 24 % to 29 % range for all educational levels.

TABLE 3.19
FREQUENCY OF BUYING LOTTO TICKETS BY EDUCATIONAL LEVEL

<table>
<thead>
<tr>
<th>Frequency</th>
<th>No formal schooling</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>56,1</td>
<td>49,0</td>
<td>45,5</td>
<td>41,4</td>
</tr>
<tr>
<td>Once a week</td>
<td>29,3</td>
<td>24,1</td>
<td>29,1</td>
<td>24,2</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>2,4</td>
<td>6,9</td>
<td>10,0</td>
<td>10,7</td>
</tr>
<tr>
<td>Once a month</td>
<td>2,4</td>
<td>11,0</td>
<td>8,5</td>
<td>13,2</td>
</tr>
<tr>
<td>Less often</td>
<td>9,8</td>
<td>9,0</td>
<td>6,9</td>
<td>10,4</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.8.4 Buying of lotto tickets by population group

Distinct variations are evident in the frequency of buying lotto tickets by population group. Table 3.20 shows a particularly high frequency among the African population group with 52,8 % buying lotto tickets twice a week. This percentage dropped to 32,5 % for Asians, 28,1 % for Coloureds and only 16,4 % for Whites. The following percentages show the buying of lotto tickets at least once a week.

- Africans : 79,7 %
- Asians : 67,5 %
- Coloureds : 60,9 %
- Whites : 44,4 %
TABLE 3.20
FREQUENCY OF BUYING LOTTO TICKETS BY POPULATION GROUP

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Africans</th>
<th>Asians</th>
<th>Coloureds</th>
<th>Whites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twice a week</td>
<td>52,8</td>
<td>32,5</td>
<td>28,1</td>
<td>16,4</td>
</tr>
<tr>
<td>Once a week</td>
<td>26,9</td>
<td>35,0</td>
<td>32,8</td>
<td>28,0</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>7,5</td>
<td>5,0</td>
<td>14,1</td>
<td>19,0</td>
</tr>
<tr>
<td>Once a month</td>
<td>8,1</td>
<td>22,5</td>
<td>6,3</td>
<td>15,9</td>
</tr>
<tr>
<td>Less often</td>
<td>4,7</td>
<td>5,0</td>
<td>18,8</td>
<td>20,7</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.8.5 Buying of lotto tickets by gender

The frequency of buying lotto tickets is slightly higher among males than females (table 3.21). The twice-a-week frequency was 51,8 % for males and 39,8 % for females. Slightly more females bought tickets once a week (30,0 %) compared to males (24,6 %).

TABLE 3.21
FREQUENCY OF BUYING LOTTO TICKETS BY GENDER

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>51,8</td>
<td>39,8</td>
</tr>
<tr>
<td>Once a week</td>
<td>24,6</td>
<td>30,0</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>8,6</td>
<td>10,5</td>
</tr>
<tr>
<td>Once a month</td>
<td>9,3</td>
<td>9,9</td>
</tr>
<tr>
<td>Less often</td>
<td>5,7</td>
<td>9,8</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.8.6 Buying of lotto tickets by personal income group

The frequency of buying lotto tickets regularly is particularly high among the middle income groups where just more than half the respondents bought tickets twice-a-week (table 3.22). This percentage was 44,2 % among the lowest income group (income of less than R6 000 per annum) and 26,4 % among the most affluent group (income of more than R120 000 per annum). The incidence of buying lotto tickets at least once a week by income group was:

- <R6 000 pa : 76,1 %
- R6 001-R12 000 pa : 77,8 %
- R12 001-R24 000 pa : 77,8 %
- R24 001-R60 000 pa : 76,5 %
- R60 001-R120 000 pa : 55,1 %
- >R120 000 pa : 49,5 %
TABLE 3.22
FREQUENCY OF BUYING LOTTO TICKETS BY PERSONAL INCOME GROUP

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Less than R6 000 pa</th>
<th>R6 001- R12 000 pa</th>
<th>R12 001- R24 000 pa</th>
<th>R24 001- R60 000 pa</th>
<th>R60 001- R120 000 pa</th>
<th>More than R120 000 pa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>44,2 %</td>
<td>52,9 %</td>
<td>52,8 %</td>
<td>51,6 %</td>
<td>30,1 %</td>
<td>26,4 %</td>
</tr>
<tr>
<td>Once a week</td>
<td>31,9 %</td>
<td>24,9 %</td>
<td>25,0 %</td>
<td>24,9 %</td>
<td>25,0 %</td>
<td>23,1 %</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>9,3 %</td>
<td>7,1 %</td>
<td>9,0 %</td>
<td>9,3 %</td>
<td>14,7 %</td>
<td>13,2 %</td>
</tr>
<tr>
<td>Once a month</td>
<td>8,4 %</td>
<td>8,4 %</td>
<td>9,0 %</td>
<td>9,8 %</td>
<td>11,8 %</td>
<td>20,9 %</td>
</tr>
<tr>
<td>Less often</td>
<td>6,3 %</td>
<td>6,7 %</td>
<td>4,2 %</td>
<td>4,4 %</td>
<td>18,4 %</td>
<td>16,5 %</td>
</tr>
<tr>
<td>Total</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
</tr>
</tbody>
</table>

3.9 VISITING OF CASINOS

Respondents who confirmed their visits to casinos during the three months preceding the survey were prompted on the frequency of their visits. Figure 3.11 reflects that just more than one in every ten (10,2 %) casino patrons frequents casinos at least once a week. Daily visitors amounted to only 0,5 %. The overwhelming majority of casino patrons visited the casinos less frequently – 16,2 % once every two weeks, almost a third (32,9 %) once a month and 40,7 % less often.

FIGURE 3.11
FREQUENCY OF VISITING CASINOS

Table 3.23 shows the findings regarding the frequency of casino visits during two previous surveys in comparison with the 2005 NGB survey. The high frequency visitors (daily and once a week) remain unchanged at around 10 % of patrons. The 2002 NGB survey shows that patrons visiting the casinos less than once per month declined from 64,1 % in 2002 to 40,7 % in 2005. This can be explained largely by the novelty effect during the establishment of the casino industry that faded as the casino market became more integrated in general community behaviour.
TABLE 3.23
FREQUENCY OF CASINO VISITS: PREVIOUS SURVEYS

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2002 NGB survey</th>
<th>2003 GGB survey</th>
<th>2005 NGB survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>0,8</td>
<td>0,7</td>
<td>0,5</td>
</tr>
<tr>
<td>Once a week</td>
<td>8,5</td>
<td>10,3</td>
<td>9,7</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>5,8</td>
<td>9,4</td>
<td>16,2</td>
</tr>
<tr>
<td>Once a month</td>
<td>20,8</td>
<td>28,8</td>
<td>32,9</td>
</tr>
<tr>
<td>Less often</td>
<td>64,1</td>
<td>50,8</td>
<td>40,7</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.9.1 Visiting of casinos by age group

The visiting pattern of casino patrons by age group is reflected in table 3.24. Regular visitors to casinos were spread fairly evenly across age groups. Patrons visiting casinos at least once every two weeks show the following age representation:

- 18 to 30 years : 27,0 %
- 31 to 50 years : 27,2 %
- Older than 50 years : 24,0 %

The once-a-month visitors were more concentrated in the younger age groups while those visiting casinos less than once a month were positively correlated with age.

TABLE 3.24
FREQUENCY OF CASINO VISITS BY AGE GROUP

<table>
<thead>
<tr>
<th>Frequency</th>
<th>18-30 years</th>
<th>31-50 years</th>
<th>Older than 50</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Daily</td>
<td>1,6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Once a week</td>
<td>7,9</td>
<td>12,6</td>
<td>6,0</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>17,5</td>
<td>14,6</td>
<td>18,0</td>
</tr>
<tr>
<td>Once a month</td>
<td>42,9</td>
<td>31,1</td>
<td>24,0</td>
</tr>
<tr>
<td>Less often</td>
<td>30,2</td>
<td>41,7</td>
<td>52,0</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.9.2 Visiting of casinos by work status

Casino patrons by work status are shown in table 3.25. The highest frequency was reported by full- and part-time workers and the lowest by the unemployed. The percentages of patrons visiting casinos at least once a week were:
### TABLE 3.25
FREQUENCY OF CASINO VISITS BY WORK STATUS

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Employed full-time</th>
<th>Employed part-time</th>
<th>Unemployed or looking for work</th>
<th>Retired or pensioner</th>
<th>Home duties</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Daily</td>
<td>0,9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Once a week</td>
<td>11,1</td>
<td>13,3</td>
<td>5,9</td>
<td>8,7</td>
<td>9,1</td>
<td>-</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>13,0</td>
<td>10,0</td>
<td>17,6</td>
<td>26,1</td>
<td>27,3</td>
<td>33,3</td>
</tr>
<tr>
<td>Once a month</td>
<td>29,6</td>
<td>36,7</td>
<td>41,2</td>
<td>26,1</td>
<td>27,3</td>
<td>44,4</td>
</tr>
<tr>
<td>Less often</td>
<td>45,4</td>
<td>40,0</td>
<td>35,3</td>
<td>39,1</td>
<td>36,4</td>
<td>22,2</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

#### 3.9.3 Visiting of casinos by educational level

Significant variations of casino patrons by educational level were recorded. The composition of casino patrons by educational level shows the following pattern:

<table>
<thead>
<tr>
<th>Educational level</th>
<th>% of patrons</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal schooling</td>
<td>0,5</td>
</tr>
<tr>
<td>Primary education</td>
<td>6,5</td>
</tr>
<tr>
<td>Secondary education</td>
<td>59,5</td>
</tr>
<tr>
<td>Tertiary education</td>
<td>33,5</td>
</tr>
</tbody>
</table>

Only 7,0 % of casino visitors reported an educational level of primary education or less. More than nine in every ten casino patrons (93,0 %) attained a secondary qualification.

Table 3.26 shows the visiting pattern by educational level. Patrons with secondary and tertiary qualifications showed fairly similar frequency patterns with 9,4 % of secondary qualifieds and 11,1 % of tertiary qualifieds visiting casinos at least once a week.
TABLE 3.26
FREQUENCY OF CASINO VISITS BY EDUCATIONAL LEVEL

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>-</td>
<td>0,8</td>
<td>-</td>
</tr>
<tr>
<td>Once a week</td>
<td>14,3</td>
<td>8,6</td>
<td>11,1</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>28,6</td>
<td>16,4</td>
<td>12,5</td>
</tr>
<tr>
<td>Once a month</td>
<td>28,6</td>
<td>32,8</td>
<td>33,3</td>
</tr>
<tr>
<td>Less often</td>
<td>28,6</td>
<td>41,4</td>
<td>43,1</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.9.4 Visiting of casinos by gender

Table 3.27 reports limited variation in casino visiting behaviour by gender. High frequency visits (at least once a week) were reported by 9,0 % of males and 11,2 % of females. Visits once a month or less often showed limited variation – 74,1 % for males and 72,8 % for females.

TABLE 3.27
FREQUENCY OF CASINO VISITS BY GENDER

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily</td>
<td>1,1</td>
<td>-</td>
</tr>
<tr>
<td>Once a week</td>
<td>7,9</td>
<td>11,2</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>16,9</td>
<td>16,0</td>
</tr>
<tr>
<td>Once a month</td>
<td>34,8</td>
<td>30,4</td>
</tr>
<tr>
<td>Less often</td>
<td>39,3</td>
<td>42,4</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.9.5 Visiting of casinos by income group

The visiting frequency of casinos by personal income group is reflected in table 3.28. The distribution of high frequency visitors (at least once a week) were:

- R12 000 or less pa : 12,3 %
- R12 001 – R60 000 pa : 8,1 %
- R60 000 or more pa : 13,4 %

Percentages for visits once a month or less often also showed limited variation by income group:

- R12 000 or less pa : 68,4 %
- R12 001 – R60 000 pa : 77,0 %
- R60 000 or more pa : 69,9 %
TABLE 3.28
FREQUENCY OF CASINO VISITS BY INCOME GROUP

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Less than R12 000 pa</th>
<th>R12 001-R60 000 pa</th>
<th>More than R60 000 pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>-</td>
<td>-</td>
<td>1,7</td>
</tr>
<tr>
<td>Once a week</td>
<td>12,3</td>
<td>8,1</td>
<td>11,7</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>19,3</td>
<td>14,9</td>
<td>16,7</td>
</tr>
<tr>
<td>Once a month</td>
<td>43,9</td>
<td>33,8</td>
<td>26,6</td>
</tr>
<tr>
<td>Less often</td>
<td>24,5</td>
<td>43,2</td>
<td>43,3</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

3.10 GAMBLING ON LPMs

The relatively recent establishment of LPMs as well as the licensing thereof in only three provinces (Mpumalanga, Western Cape and Eastern Cape) implies limited exposure of the South African population to such facilities. As a result only a small percentage of respondents (0,9 %) confirmed their gambling at such machines. Therefore only 27 respondents gambling on LPMs were captured in the sample. Due to the limited number of observations, playing patterns on LPMs as shown in figure 3.12 should therefore be interpreted with caution. Almost a quarter (26,9 %) of respondents confirmed playing at least once per week, 11,5 % once every two weeks, 19,2 % once a month and 42,3 % less often. The new exposure of people to these machines may result in an initially higher frequency than would probably be the case when this market attains maturity.

FIGURE 3.12
FREQUENCY OF PLAYING ON LPMs

3.11 WAGERING ON HORSE/SPORTS EVENTS

The 2,5 % of respondents who recorded their wagering on horses and/or sports events during the three months preceding the survey were requested to indicate the frequency of their wagering activity. Figure 3.13 confirms a fairly high frequency of horse/sports betting. Almost one in every ten (9,2 %) respondents indicated a daily involvement in horse/sports betting while a further almost one third (31,6
%) wagered once a week. A further 17,1 % betted once every two weeks and 13,2 % every month. This implies that almost three in every four (71,1 %) wagerers on horse/sports events, betted at least once a month.

FIGURE 3.13
FREQUENCY OF BETTING ON HORSE/SPORTS EVENTS

The relatively high frequency of horse/sports betters in the 2005 NGB survey is supported fully by the findings of the 2003 GGB survey which shows very similar frequency patterns (see table 3.29). A comparison of the 2005 and 2002 NGB surveys show a somewhat lower frequency pattern in 2002. This may be explained by the introduction of various new gambling modes during the 1998 to 2002 period (especially the lotto and casinos) with some gambling displacement at that time from horse betting to the new modes.

TABLE 3.29
FREQUENCY OF HORSE/SPORTS BETTING: PREVIOUS SURVEYS

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2002 NGB survey</th>
<th>2003 GGB survey</th>
<th>2005 NGB survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>11,1 %</td>
<td>8,8 %</td>
<td>9,2 %</td>
</tr>
<tr>
<td>Once a week</td>
<td>21,5 %</td>
<td>31,1 %</td>
<td>31,6 %</td>
</tr>
<tr>
<td>Once every two weeks</td>
<td>4,8 %</td>
<td>13,9 %</td>
<td>17,1 %</td>
</tr>
<tr>
<td>Once a month</td>
<td>9,2 %</td>
<td>13,4 %</td>
<td>13,2 %</td>
</tr>
<tr>
<td>Less often</td>
<td>53,4 %</td>
<td>32,8 %</td>
<td>28,9 %</td>
</tr>
<tr>
<td>Total</td>
<td>100,0 %</td>
<td>100,0 %</td>
<td>100,0 %</td>
</tr>
</tbody>
</table>

3.12 GAMBLING EXPENDITURE AND BUDGETARY BEHAVIOUR

Several questions in the research instrument touched on gambling expenditure, perceived allocation of winnings and household budgetary behaviour. Findings on these questions may enlighten an interpretation on the impact of gambling on household welfare levels. These aspects are highlighted in the rest of this sector.
3.12.1 Allocation of winnings

Respondents were requested to indicate on what they would spend winnings from gambling. The question was phrased as follows: ‘If you win any money from gambling today, on what would you spend it?’ The response to this question would be indicative of the needs of respondents that may range from household necessities to luxury items. A strong basic need orientation in the response may be interpreted as the involvement in gambling activities of poor and needy people. A strong representation of the purchase of luxury items or savings in the response may be indicative of the involvement in gambling of more affluent people.

The results of the responses to the above question are reflected in figure 3.14. The following three items were evident:

- savings: 54.1%
- purchase of necessities: 40.1%
- payment of debt/bond: 28.1%

The 31.3% other include, inter alia, contributions to charity, paying of school fees, starting a business and donations to the church, old age homes and schools.

It is important to mention that respondents were prompted to mention more than one item on which they would spend their winnings. Percentages allocated to the above items are therefore not necessarily indicative of the relative amounts that winners would spend on such items. A respondent mentioning, for example, savings and purchase of household necessities would not necessarily allocate equal amounts to these items. The percentages merely refer to the number of respondents who would spend some (or all) of his/her winnings on a particular item.

FIGURE 3.14
PERCEIVED ALLOCATION OF WINNINGS

The response embraces a wide spectrum of needs covering both household necessities as well as luxury expenditure. Respondents who prioritise the purchase of necessities portray the following characteristics:
Younger people in the 18 to 30 and 31 to 40-year categories.
Respondents with no formal schooling, followed by those with a primary educational level.
Overwhelmingly representative of the African population group.
People with personal annual income of less than R12,000.

3.12.2 Expenditure on gambling

Respondents were requested to indicate the total amount spent on gambling in the month preceding the survey. Figure 3.15 shows the distribution of personal monthly expenditure on gambling by expenditure group. Almost two thirds (65.4%) of respondents reported gambling expenditure of less than R50 per month. A further 23.2% spent between R51 and R150, implying that almost nine in every ten (88.6%) spent less than R150 per month. However, it should be kept in mind that expenditure of say R50 per month by a poor household earning a meagre income may represent a substantial portion of the household budget compared to the same amount spent by an affluent household. The figure also shows that 7.1% spent between R151 and R300, 2.7% between R301 and R500 and 1.5% more than R500 per month.

FIGURE 3.15
PERSONAL EXPENDITURE ON GAMBLING PER MONTH

The average expenditure on gambling amounted to the following:

- An average of R45.35 per month for the total population.
- An average of R97.55 per gambler.

In interpreting the expenditure reported by respondents, the following should be considered:

(a) It is generally found in surveys that respondents are often reluctant to divulge income and expenditure data. This also applies to this survey. Unwillingness to disclose is often more
prevalent among high-income respondents, implying that the expenditure figures tend to be conservative.

(b) Enquiry on individual expenditure items often results in overreporting since the procedure does not allow for balancing expenditure with disposable income. In this survey, expenditure figures were only requested for gambling, which may result in a degree of overreporting.

(c) The extent to which respondents perceive expenditure on gambling as negative, neutral or positive may also influence the extent of over- or underreporting. Expenditure on gambling is often perceived as negative, which may lead to a degree of underreporting.

(d) In selecting the respondent (sample unit) within the selected household (sample element), the head of the household or a person that participated in gambling sometimes insists on being the respondent. This may also inflate the reported amount expended on gambling by the population at large.

This aspect will be explored further during the calculation of the propensity to gamble (see chapter 6).

In table 3.30 the gambling expenditure profile of two previous surveys is compared with the 2005 NGB survey. In all three surveys approximately 88% of respondents spent less than R150 per month on gambling. However, it appears that in 2002 slightly more respondents spent between R51 and R150 per month compared to the subsequent two surveys. The table also shows that less than 1% of gamblers spent more than R1 000 per month. It should also be kept in mind that although high affluent gamblers represent a small percentage of total gambling patrons, their expenditure tend to inflate average gambling expenditure.

### TABLE 3.30
**EXPENDITURE ON GAMBLING PER MONTH: PREVIOUS SURVEYS**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2002 NGB survey</th>
<th>2003 GGB survey</th>
<th>2005 NGB survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Less than R50</td>
<td>57,1</td>
<td>66,2</td>
<td>65,4</td>
</tr>
<tr>
<td>R51-R150</td>
<td>30,5</td>
<td>22,7</td>
<td>23,2</td>
</tr>
<tr>
<td>R151-R300</td>
<td>9,1</td>
<td>5,6</td>
<td>7,1</td>
</tr>
<tr>
<td>R301-R500</td>
<td>2,1</td>
<td>3,0</td>
<td>2,7</td>
</tr>
<tr>
<td>R501-R1 000</td>
<td>0,9</td>
<td>1,7</td>
<td>0,8</td>
</tr>
<tr>
<td>R1 001-R2 000</td>
<td>0,3</td>
<td>0,5</td>
<td>0,3</td>
</tr>
<tr>
<td>R2 001-R5 000</td>
<td>0,1</td>
<td>0,2</td>
<td>0,3</td>
</tr>
<tr>
<td>More than R5 000</td>
<td>-</td>
<td>0,1</td>
<td>0,1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
<td><strong>100,0</strong></td>
</tr>
</tbody>
</table>

Sources: NGB 2003, NLB 2003 & GGB 2006
The expenditure on gambling by work status showed the following average amounts:

<table>
<thead>
<tr>
<th></th>
<th>Average monthly expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time workers</td>
<td>R 124</td>
</tr>
<tr>
<td>Part-time workers</td>
<td>R  75</td>
</tr>
<tr>
<td>Unemployed</td>
<td>R  61</td>
</tr>
<tr>
<td>Retired/pensioner</td>
<td>R138</td>
</tr>
<tr>
<td>Home duties</td>
<td>R140</td>
</tr>
<tr>
<td>Students</td>
<td>R  45</td>
</tr>
</tbody>
</table>

Average expenditure by educational level was distributed as follows:

<table>
<thead>
<tr>
<th></th>
<th>Average monthly expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal schooling</td>
<td>R 101</td>
</tr>
<tr>
<td>Primary education</td>
<td>R 104</td>
</tr>
<tr>
<td>Secondary education</td>
<td>R  82</td>
</tr>
<tr>
<td>Tertiary education</td>
<td>R  98</td>
</tr>
</tbody>
</table>

Average expenditure by gender revealed an average of R120 by males and R81 by females.

Average expenditure by personal income group and the percentage of total expenditure contributed by each income group amounted to the following:

<table>
<thead>
<tr>
<th>Income group</th>
<th>Average monthly expenditure</th>
<th>% contribution to total expenditure</th>
<th>% contribution of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than R6 000 per annum</td>
<td>R  63</td>
<td>21,7</td>
<td>33,9</td>
</tr>
<tr>
<td>R6 001 – R12 000</td>
<td>R  83</td>
<td>14,4</td>
<td>17,0</td>
</tr>
<tr>
<td>R12 001 – R24 000</td>
<td>R  90</td>
<td>14,7</td>
<td>15,9</td>
</tr>
<tr>
<td>R24 001 – R60 000</td>
<td>R133</td>
<td>22,7</td>
<td>16,6</td>
</tr>
<tr>
<td>More than R60 000</td>
<td>R150</td>
<td>26,4</td>
<td>17,1</td>
</tr>
</tbody>
</table>

The above data show that the less affluent income group spent, on average, R63 per month on gambling compared to the R150 per month of the most affluent group. It is also evident that the less affluent group contributed 21,7 % to total gambling expenditure while they represented 33,9 % of participants. The most affluent group represented 17,1 % of punters and contributed just more than a quarter (26,4 %) of total gambling expenditure.
3.12.3 Budget behaviour regarding gambling expenditure

In an effort to establish the budget behaviour of South African households with regard to gambling expenditure the following question was put to respondents who participated in gambling activities: ‘Is money used for gambling (a) a specific amount budgeted for in your budget or (b) not budgeted for?’

Figure 3.16 shows that only one in every three respondents made specific provision for gambling expenditure in their budgets.

**FIGURE 3.16**
**BUDGETARY PROVISION FOR EXPENDITURE ON GAMBLING**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>A specific amount budgeted for</th>
<th>Not budgeted for</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>0</td>
<td>70.0</td>
</tr>
<tr>
<td>20-30</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>40-50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60-70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Further findings regarding budgetary behaviour are:

- The lack of sufficient budgetary provision for gambling expenditure was relevant across all age groups where between 25 % and 35 % made budgetary provision.
- Employment status has a limited influence on this behaviour. Between 25 % and 33 % of all employment groups made provision for gambling expenditure. This includes full- and part-time workers, the unemployed, pensioners, students and those involved in home duties.
- As with employment status, educational level has a marginal influence on budgetary practices. Provision is made by between 27 % and 31 % of all educational levels.
- Africans tend to budget more (32,4 %) for gambling expenditure compared to Whites (19,4 %). Asians and Coloureds occupy a middle position between those two extremes.
- Budgetary behaviour with regard to gambling correlated negatively with income level. Almost a third of the income groups earning an income of less than R60 000 per annum confirmed their budgetary provision for gambling while this percentage dropped to below 15 % for the R240 000 plus per annum income category.

A follow-up question enquired on the level of impulsive (unforeseen quick) gambling expenditure. The 70 % of respondents who did not budget for gambling were prompted on their impulsive behaviour – whether it occurred regularly or only on an occasional basis. Three in every five (61,9 %) respondents
confirmed their engagement in impulsive gambling on an occasional basis while 38,1% said that they gamble impulsively on a regular basis (figure 3.17).

FIGURE 3.17
INCIDENCE OF IMPULSIVE GAMBLING EXPENDITURE

The noncompliance with personal budgets is a point of concern and is not only peculiar to gambling expenditure. Dittmar et al (1995) confirm the increasing prevalence and frequency of unplanned, nonessential purchases of consumers. There is rising evidence that impulsive buying constitutes a substantial ‘nonrational’ segment of purchasing behaviour, which is present in ‘normal’ consumer behaviour, but which can assume such excessive proportions that individuals find themselves in considerable financial debt and psychological distress. Some stores estimate that impulsive buying is as high as 50%, even in grocery and hardware stores (www.savvy-discounts.com). This behaviour confirms that ‘overexpenditure’ on items such as clothes, motor vehicles or even household necessities, is not peculiar and may be one of the base factors that may lead to ‘overexpenditure’ on gambling as well.

3.13 SUMMARY
The main findings of the community survey can be summarised as follows:

• The lottery is by far the most popular gambling mode. Just less than half (45,8%) the South African population bought lottery tickets during the three months preceding the survey.
• Scratch cards were the second most popular gambling mode. Just less than one in every ten (7,8%) South Africans bought scratch cards.
• Casino gambling was the third most popular gambling mode attracting just less than one in every ten (7,1%) South Africans.
• Just more than half (50,2%) South Africans abstained from participating in gambling activities.
• ‘Not interested in gambling’ was advanced as the major reason (42,9%) for abstaining from gambling.
• Only one in every five (19,3%) respondents indicated that they found gambling totally unacceptable to them.
• Just less than half (42,7%) the respondents regarded gambling as an important leisure activity for South Africans.
• Just more than a third (37,1 %) of respondents are aware of under-age gambling. The majority of under-age gamblers were involved in illegal gambling activities (mainly dice) while the buying of lotto tickets by under-age gamblers was also evident.

• Only one in every five (22,1 %) respondents expressed the view that there were insufficient gambling facilities.

• Just less than three in every four (72,7 %) lotto players bought lotto tickets at least once a week.

• The frequency of casino patrons was fairly irregular. Almost three quarters (73,6 %) visited casinos once a month or less. One in every ten patrons (10,2 %) frequents casinos at least once a week.

• Only a small percentage (0,9 %) of respondents played LPMs. Almost a quarter (27,9 %) of them played the LPMs at least once a week.

• The 2,5 % of respondents who wagered on horses/sports events reported a relatively high involvement. Two in every five (40,8 %) wagered on horses at least once a week.

• Almost nine in every ten (88,6 %) respondents spent less than R150 per month on gambling. The average expenditure per gambler amounted to R98 per month.

• Only one in every three (30,0 %) gamblers made provision for gambling expenditure in their budgets.
CHAPTER 4
PROBLEM GAMBLING: QUANTITATIVE PERSPECTIVE

4.1 INTRODUCTION

The NGB, as one of its main objectives, monitors the socio-economic impact of gambling activity on the South African population by means of regular research. This includes the identification of problem gambling as well as the patterns and consequences thereof. Information on the extent of problem gambling as well as its impact on the community is gathered in this study in two ways. The household survey contains a section on problem gambling generating some quantitative information on the magnitude of the problem while a series of focus group discussions concentrated on the social impact of problem gambling. This chapter reports on the findings of the survey and the focus group discussions. Reference is also made to aspects concerning problem gambling as summarised by the National Centre for the Study of Gambling (NCSG) in their report entitled Gaming and problem gambling in South Africa (Collins & Barr 2001); the booklet published by the South African Responsible Gaming Trust (SARGT 2001); and the website maintained by the SARGT. It is also important to note that the 2002 NGB study did not contain a section on problem gambling implying that no longitudinal comparisons with the 2002 NGB survey are possible.

4.2 PROBLEM GAMBLING

Gambling is defined as staking something valuable in the hope of winning a prize where the outcome is unknown to the participants. Playing the lotto, bingo and charity jackpots in newspapers as well as scratch cards, casino games and betting on horses and other sporting events are regarded as gambling activities.

Whether gambling is regarded as a vice or a form of recreation depends on moral judgements, which vary in different cultures, at different points in history and among different individuals. Recreational gambling, which is benign from the point of view of the gambler, provides at least the following pleasures:

• playing games
• fantasising about winning large sums of money
• feeling artificially endangered
• being in a stimulating environment

Gambling behaviour should be viewed as problematic when gamblers:

• gamble excessively and thereby cause significant harm to themselves and to others
• fail to control this excessive behaviour by themselves or without assistance
Sproston et al (2000:41) described ‘problem gambling’ as gambling to a degree that compromises, disrupts or damages family, personal or recreational pursuits.

On the basis of the above the NRGP recognises three different classes of gambling behaviour. While each may be difficult to distinguish at times, most of the authorities worldwide now recognise these three groups.

(a) Recreational gamblers gamble on social occasions with friends or colleagues. They have pre-determined acceptable losses and, by and large, their gambling activities cause little harm and their behaviour is associated with minimal guilt. They simply require information and education on gambling behaviour in order to make sensible decisions.

(b) Problem gamblers spend too much time and money on gambling. Their behaviour causes harm both to themselves and others and is associated with much guilt. Most NCSG patients requiring treatment fall into this group and often respond positively to the intervention.

(c) Compulsive and pathological gamblers have a psychiatric disorder diagnosable by strict criteria. It is regarded as a disorder of impulse control and has a very poor prognosis. Such gamblers are unable to control their gambling, with consequent significant damage to themselves and others, and they are very difficult to treat. They constitute less than 1 % of gamblers (SARGT 2001:2).

Compulsive expenditure is not peculiar to gambling. Studies have shown that between 1 % and 2 % of adults have some compulsive shopping tendencies. Psychiatrists in Britain, for example, have cautioned compulsive shoppers that their behaviour could soon be officially recognised as a psychiatric disorder. This addiction is expected to be included in the next edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and treatment can then be claimed from medical aid funds (news24 2004).

The NCSG stated that there are severe methodological difficulties surrounding attempts to measure the incidence of problem gambling, most of which apply to all studies of this kind but some of which are peculiar to, or apply with especial force in South Africa. Consequently, all figures for prevalence should be treated as rough estimates only.

4.3 INSTRUMENT USED IN THE COMMUNITY SURVEY

Three instruments are available to measure problem gambling, namely the South Oaks Gambling Screen (SOGS), DSM IV (Diagnostic and Statistical Manual) and the Gamblers Anonymous (GA) questionnaire. These instruments suffer from the following limitations implying that prevalence figures should be regarded as rough estimates only (Meyer 2004). The instruments do not discriminate between more or less severe symptoms while the questionnaires were originally developed for a clinical and not a general population. The questionnaires for measuring problem gambling invite respondents to identify themselves as having or not having particular symptoms of problematic behaviour. These symptoms vary in their severity and in the degree to which they manifest in people not identified as having a problem. All cut-off points, distinguishing between problem and nonproblem
gamblers, are therefore arbitrary (Collins & Barr 2001:7). This section looks at the results of applying the 20 Gamblers Anonymous (GA) questions to determine the extent of problem gambling.

Gamblers Anonymous offer the following questions to anyone who may have a gambling problem. Their 20 questions are provided to help the individual decide whether he or she is a problem gambler and wants to stop gambling, and read as follows:

- Have you ever lost time from work or school due to gambling?
- Has gambling ever made your home life unhappy?
- Has gambling affected your reputation?
- Have you ever felt remorse after gambling?
- Have you ever gambled to get money with which to pay debts or otherwise solve financial difficulties?
- Has gambling caused a decrease in your ambition or efficiency?
- After losing, have you felt you must return as soon as possible and win back your losses?
- After a win, have you felt a strong urge to return and win more?
- Have you often gambled until losing your last rand?
- Have you ever borrowed to finance your gambling?
- Have you ever sold anything to finance gambling?
- Have you ever been reluctant to use ‘gambling money’ for normal expenditures?
- Has gambling made you careless of the welfare of yourself or your family?
- Have you ever gambled longer than you had planned?
- Have you ever gambled to escape worry or trouble?
- Have you ever committed, or considered committing, an illegal act to finance gambling?
- Has gambling caused you to have difficulty sleeping?
- Do arguments, disappointments or frustrations create within you an urge to gamble?
- Have you ever had an urge to celebrate any good fortune by a few hours of gambling?
- Have you ever considered self-destruction or suicide as a result of your gambling?

A study by the NCSG (Collins & Barr 2001) contains a very comprehensive analysis of measuring compulsive gambling. They not only applied the GA questionnaire but also utilised other methodologies such as the SOGS questionnaire (South Oaks Gambling Screen) and the ten questions based on the Harvard DSM IV criteria as used in the UK prevalence study in 2000 (Sproston et al 2000:41).

In applying the above methodologies, the NCSG established a benchmark by questioning respondents who were already in a treatment programme. They were people who identified themselves and were identified by others as having problems with gambling. They were asked to answer the SOGS questionnaire and the ten questions based on the Harvard DSM IV criteria in addition to the 20 GA questions, on the basis of what was applicable to them before they came into treatment. On the basis of the above, the NCSG established that 14 or more affirmatives to the 20 GA questions constitute a conservative cut-off point for identifying problem or pathological gamblers (Collins & Barr 2001:72).
However, using different thresholds (number of ‘yes’ or affirmative responses) to identify problem gamblers is not without conceptual problems. The distribution of scores on gambling screens suggests that problem gambling is a continuous rather than a dichotomous variable, implying that the identification of a problem gambling threshold is an arbitrary one. Nevertheless, the distinction is a useful and necessary one which relies on a best estimate of where this threshold lies (Sproston et al 2000:42).

The 2005 NGB survey put the 20 GA questions to all respondents who buy lotto tickets twice a week, visit the casino daily or once a week, play LPMs daily or once a week or bet on horses/sports events once a week. The assumption was made that compulsive gambling implies, inter alia, excessive spending in relation to income, which, in turn, could be equated with buying lotto tickets at least twice a week, visiting the casino at least once a week, playing LPMs at least once a week or betting on horses/sport events at least once a week.

A total of 700 respondents qualified for answering the 20 GA questions. Of these 640 were lotto players, 22 were casino patrons, 7 were LPM players and 31 were horse/sports wagerers. Due to the relatively small number of observations captured in the non-lotto modes, some instability could be expected when these observations are further disaggregated into the 20 GA questions. Calculations will, however, be made separately for the lotto, non-lotto games and for gambling in total. The calculations for non-lotto games (casinos, horse betting and LPMs) should be handled with caution due to the small number of observations. The next section deals with the number of affirmatives with regard to the GA questions and the level of awareness of assistance available to problem gamblers.

4.4 IDENTIFICATION OF THE PROBLEM GAMBLER

Table 4.1 reflects the percentage of respondents according to the number of affirmative (‘yes’) responses to the 20 GA questions. Readers are reminded that the percentages refer only to the high frequency players. The percentages for all gamblers or the South African population at large would be considerably lower than those contained in the table, the reason being that the percentages are based on the high frequency categories and not on the South African population in total or those participating in gambling. It should also be noted that there is a strong possibility of an undercount of problem gamblers in community surveys due to the negative image attached to problem gamblers and therefore a reluctance to reveal full information.

Table 4.1 shows that one in every four lotto players (25,0 %) recorded no affirmatives at all and therefore experience no addictive problems whatsoever. The percentage distribution of affirmative responses tends to decline as the number of ‘yes’ counts increases. For example, 11,3 % of the lotto players gave two affirmative responses while only 1,1 % recorded ten affirmative responses. As indicated in the NCSG survey, those with a score of 14 or more affirmatives can be classified as addictive or pathological gamblers. As already indicated, the selection of cut-off points is arbitrary. The table provides sufficient information for the reader to select any cut-off point as required.
On the basis of a cut-off point of 14 or more affirmatives, the following proportions can be deduced regarding the magnitude of problem gambling with regard to the lotto:

(a) 0,94 % of those buying lotto tickets twice a week (640 respondents).
(b) 0,42 % of all the respondents who played lotto in the three months preceding the NGB survey (1 543 respondents).
(c) 0,20 % of the total survey population 18 years and older (3 100 respondents).

Table 4.1 further shows that the extent of problem gambling in the non-lotto modes seems to be somewhat more severe on the 14 or more cut-off point. Where only 0,9 % of respondents playing lotto reported 14 or more affirmatives, the percentage increased to 3,3 % in the case of non-lotto players.

The following proportions can be presented with regard to the magnitude of problem gambling for the gambling sector as a whole (all gambling modes):

(a) 1,10 % of high frequency gamblers (ie those buying lotto tickets twice a week, visiting casinos at least once a week or playing LPMs or betting on horses at least once a week).
(b) 0,52 % of all respondents who participated in gambling during the three months preceding the survey.
(c) 0,26 % of the total survey population 18 years and older.
TABLE 4.1
FREQUENCY COUNT OF AFFIRMATIVE RESPONSES FOR GAMBLERS BY GA QUESTIONS

<table>
<thead>
<tr>
<th>Number of affirmatives to GA questions</th>
<th>Other gambling modes(^1)</th>
<th>Lotto</th>
<th>Total gambling</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Distribution %</td>
<td>Cumulative %</td>
<td>Distribution %</td>
</tr>
<tr>
<td>0</td>
<td>30,0</td>
<td>30,0</td>
<td>25,0</td>
</tr>
<tr>
<td>1</td>
<td>8,3</td>
<td>38,3</td>
<td>11,3</td>
</tr>
<tr>
<td>2</td>
<td>8,3</td>
<td>46,6</td>
<td>13,9</td>
</tr>
<tr>
<td>3</td>
<td>6,7</td>
<td>53,3</td>
<td>11,7</td>
</tr>
<tr>
<td>4</td>
<td>8,3</td>
<td>61,6</td>
<td>10,8</td>
</tr>
<tr>
<td>5</td>
<td>13,3</td>
<td>74,9</td>
<td>8,4</td>
</tr>
<tr>
<td>6</td>
<td>6,7</td>
<td>81,6</td>
<td>6,1</td>
</tr>
<tr>
<td>7</td>
<td>0,0</td>
<td>81,6</td>
<td>4,1</td>
</tr>
<tr>
<td>8</td>
<td>1,7</td>
<td>83,3</td>
<td>3,0</td>
</tr>
<tr>
<td>9</td>
<td>1,7</td>
<td>85,0</td>
<td>1,9</td>
</tr>
<tr>
<td>10</td>
<td>3,3</td>
<td>88,3</td>
<td>1,1</td>
</tr>
<tr>
<td>11</td>
<td>3,3</td>
<td>91,6</td>
<td>0,6</td>
</tr>
<tr>
<td>12</td>
<td>0,0</td>
<td>91,6</td>
<td>0,5</td>
</tr>
<tr>
<td>13</td>
<td>5,1</td>
<td>96,7</td>
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</tr>
<tr>
<td>14</td>
<td>0,0</td>
<td>96,7</td>
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</tr>
<tr>
<td>15</td>
<td>3,3</td>
<td>100,0</td>
<td>0,5</td>
</tr>
<tr>
<td>16</td>
<td>0,0</td>
<td>100,0</td>
<td>0,2</td>
</tr>
<tr>
<td>17</td>
<td>0,0</td>
<td>100,0</td>
<td>0,2</td>
</tr>
<tr>
<td>18</td>
<td>0,0</td>
<td>100,0</td>
<td>0,0</td>
</tr>
<tr>
<td>19</td>
<td>0,0</td>
<td>100,0</td>
<td>0,0</td>
</tr>
<tr>
<td>20</td>
<td>0,0</td>
<td>100,0</td>
<td>0,0</td>
</tr>
<tr>
<td>Total</td>
<td>100,0</td>
<td>-</td>
<td>100,0</td>
</tr>
</tbody>
</table>

1) Include casinos, horse/sports betting and LPMs.

Table 4.2 shows the percentage of affirmatives among gamblers per GA question as well as the ranking of the questions. The table confirms that the following six issues recorded the most affirmatives for both lotto players as well as those who participated in other modes of gambling (ie casinos, horseracing and LPMs):

- GA8 ‘After a win, have you felt a strong urge to return and win more?’: 49,8 % of high frequency lotto players and 43,6 % of those involved in other modes of gambling.
- GA7 ‘After losing have you felt you must return as soon as possible and win back your losses?’: 41,7 % and 47,3 % respectively.
- GA5 ‘Have you ever gambled to get money with which to pay debts or otherwise solve financial difficulties?’: 32,5 % and 40,0 % respectively.
- GA19 ‘Have you ever had an urge to celebrate any good fortune by a few hours of gambling?’: 28,4 % and 29,1 % respectively.
- GA14 ‘Have you ever gambled more than you had planned?’: 23,0 % and 34,5 % respectively.
- GA4 ‘Have you ever felt remorse after gambling?’: 16,4 % and 30,9 % respectively.
The above shows that the most affirmatives centred largely around financially related reactions after winning or losing money. As could be expected, the winning motive captured the imagination of the majority of high frequency players.

What is also interesting to note is that GA4 (‘Have you ever felt remorse after gambling’) featured far more prominently with the other modes of gambling than with the lotto. A few other questions that attracted more affirmative responses with the other modes of gambling compared to lotto players are:

- GA2 ‘Has gambling ever made your life unhappy?’: Lotto players 9,8 % and other gambling modes 20,0 %.
- GA11 ‘Have you ever sold anything to finance your gambling?’: Lotto players 2,7 % and other gambling modes 23,6 %.
- GA13 ‘Did gambling make you careless of yourself and your family?’: Lotto players 5,3 % and other gambling modes 12,7 %.
- GA15 ‘Do you ever gamble to escape worry and trouble?’: Lotto players 13,1 % and other gambling modes 20 %.

### TABLE 4.2
FREQUENCY COUNT AND RANKING OF AFFIRMATIVE RESPONSES FOR GAMBLERS

<table>
<thead>
<tr>
<th>GA Questions</th>
<th>Other gambling modes</th>
<th>Lotto</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Affirmative %</td>
<td>Rank</td>
</tr>
<tr>
<td>GA1</td>
<td>9,1</td>
<td>19</td>
</tr>
<tr>
<td>GA2</td>
<td>20,0</td>
<td>9</td>
</tr>
<tr>
<td>GA3</td>
<td>10,9</td>
<td>17</td>
</tr>
<tr>
<td>GA4</td>
<td>30,9</td>
<td>5</td>
</tr>
<tr>
<td>GA5</td>
<td>40,0</td>
<td>3</td>
</tr>
<tr>
<td>GA6</td>
<td>14,5</td>
<td>14</td>
</tr>
<tr>
<td>GA7</td>
<td>47,3</td>
<td>1</td>
</tr>
<tr>
<td>GA8</td>
<td>43,6</td>
<td>2</td>
</tr>
<tr>
<td>GA9</td>
<td>23,6</td>
<td>8</td>
</tr>
<tr>
<td>GA10</td>
<td>18,2</td>
<td>11</td>
</tr>
<tr>
<td>GA11</td>
<td>23,6</td>
<td>7</td>
</tr>
<tr>
<td>GA12</td>
<td>12,7</td>
<td>15</td>
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<tr>
<td>GA13</td>
<td>12,7</td>
<td>16</td>
</tr>
<tr>
<td>GA14</td>
<td>34,5</td>
<td>4</td>
</tr>
<tr>
<td>GA15</td>
<td>20,0</td>
<td>10</td>
</tr>
<tr>
<td>GA16</td>
<td>1,8</td>
<td>20</td>
</tr>
<tr>
<td>GA17</td>
<td>14,5</td>
<td>13</td>
</tr>
<tr>
<td>GA18</td>
<td>16,4</td>
<td>12</td>
</tr>
<tr>
<td>GA19</td>
<td>29,1</td>
<td>6</td>
</tr>
<tr>
<td>GA20</td>
<td>10,9</td>
<td>18</td>
</tr>
</tbody>
</table>

1) Include casinos, horse/sports betting and casinos

socio-economic impact of legalised gambling in South Africa
4.5 PERCEPTIONS ON THE IMPACT OF GAMBLING

Questions were included in the community survey regarding the perceived impact of gambling on the household or community.

The first question enquired specifically on the welfare impact of gambling on the respondent’s household. It was phrased as follows: ‘Does gambling by members of your household have a negative impact on your household welfare?’ Figure 4.1 shows that 93.3% of households affirmed a negative welfare impact on their household.

FIGURE 4.1
IMPACT OF GAMBLING ON HOUSEHOLD WELFARE

A more general question enquired on the possible impact of gambling on the community as a whole. Respondents were asked to express an opinion on the question ‘Can participation in gambling lead to (a) domestic violence, (b) abuse of women and children, (c) abuse of men, or (d) lack of household basic necessities?’ Figure 4.2 depicts the percentage of affirmative (yes) answers to the question. The majority of respondents were of the opinion that gambling may have negative spin-offs. Approximately three in every ten indicated that gambling may lead to domestic violence (62.1%) and abuse of women and children (60.0%). Almost three in every four (73.2%) respondents expressed the opinion that gambling may result in displacing household expenditure from basic needs to gambling.

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The above suggests a negative perception of the possible spin-offs of gambling. The negative picture was primarily portrayed by:

- Older people with regard to domestic violence. Respondents in the 18-to-30 year group were particularly concerned about the abuse of women, children and men as well as the lack of basic household necessities.
- Unlike students who were particularly concerned with the impact of gambling on the abuse of women, children and men, the unemployed expressed their concern with the abuse of men and the lack of basic household necessities.
- Respondents with a primary school qualification expressed concern about the lack of household necessities while those with tertiary qualifications expressed their concern about the impact of gambling on domestic violence and the abuse of women and children.
- The African population group were far more concerned about all the possible negative effects of gambling than were especially the Asian and White population groups.
- No significant differences were evident by gender. Women were marginally more concerned about the abuse of women and children than were men.
- Respondents in the less then R6 000 per annum income group were proportionally more concerned with the negative impact of gambling on all the mentioned aspects compared to the more affluent groups.

### 4.6 AWARENESS OF ASSISTANCE FOR PROBLEM GAMBLERS

Respondents were requested to indicate whether they were aware of any programme to assist compulsive or problem gamblers. Figure 4.3 shows that just less than one out of every four (23.6%) respondents participating in gambling activities are aware of any programme. However, visitors to casinos (40.3%) confirmed a substantially higher awareness than those participating in the lotto (23.9%).

```plaintext
FIGURE 4.2
PERCENTAGE AFFIRMATIVE ANSWERS ON THE IMPACT OF GAMBLING
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<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic violence</td>
<td>62.1</td>
</tr>
<tr>
<td>Abuse of women and children</td>
<td>60</td>
</tr>
<tr>
<td>Abuse of men</td>
<td>51.5</td>
</tr>
<tr>
<td>Lack of household basic necessities</td>
<td>73.2</td>
</tr>
</tbody>
</table>

Percentage

No significant differences were evident by gender. Women were marginally more concerned about the abuse of women and children than were men.

Respondents in the less then R6 000 per annum income group were proportionally more concerned with the negative impact of gambling on all the mentioned aspects compared to the more affluent groups.
4.7 SUMMARY

The magnitude of problem gambling in South Africa according to a cut-off point of 14 affirmatives on the GA questionnaire, is estimated at 0.52% of gambling participants and 0.26% of the South African population 18 years and older.

The perceived negative impact of gambling on household welfare is very high. Just more than one in every 20 respondents confirmed negative gambling effects on household welfare. A high percentage of respondents also expressed their concern on the negative spin-off effects of gambling on the community as a whole.
CHAPTER 5
PROBLEM GAMBLING: A QUALITATIVE PERSPECTIVE

5.1 INTRODUCTION
A total of 13 focus groups were held countrywide at selected casino, LPMs, horseracing and betting, as well as bingo outlets. A discussion guide was used to probe respondents (regular gamblers) on various gambling-related issues such as perceptions about gambling; promotion of gambling; problem gambling; impact of gambling on personal health, inter-personal relationships, work, studies, personal finance, awareness of specific gambling campaigns and/or programmes; as well as ways to address problem gambling. Verbatim quotes refer to group discussions held at different gambling modes generally and not to a specific venue or group eg casino, LPM, horseracing and betting or bingo.

5.2. PERCEPTIONS ABOUT GAMBLING

5.2.1 Motivation for gambling

5.2.1.1 Making ‘easy’ money
The majority of respondents reflected that the main reasons for their gambling were to possibly acquire a large sum of money without any real effort being expended or else just to earn some quick cash. This anticipation of winning and the lure of easy wealth were strong drivers and for some respondents it became a type of business mindset or habit to earn their disposable income in this manner. These people were also more inclined to justify the need for these gambling winnings to cover essential expenditures such as to care for the wife and kids, food, clothing and school fees and enjoy some degree of financial freedom. The anticipation of winning often resulted in losing some control over their spending and to spend money irresponsibly.

It is business. I gamble to win. My intention is to double or triple that amount of money. It becomes a habit. I get money to pay for my wife, children or school, buying food, clothing for the family. Trying to get money the easy way. [Casino] It is a mind set that you have. Gaining quick cash. We make a living for oneself. Financial freedom. Trying to be a millionaire. [LPM]

5.2.1.2 Recreation
Generally bingo players and the majority of those playing slot machines gamble purely for recreational purposes. For these respondents it was not just about winning, but rather to enjoy a few hours of relaxation and to have fun. This group tended to be more responsible gamblers and only used the money they could afford to lose. They consequently gambled with small amounts and did not overly regret any money lost in the game.
It is a form of relaxation. We have the option of having a good time, irrespective of whether we lose or win. I don’t spend a lot of money. To pass my spare time. It is curiosity. [Casino] To reduce stress. [LPM] A way of having fun. Entertainment. [Bingo]

5.2.2 Consumer perceptions of gambling risks

The majority of gamblers (especially those who supported casinos, LPMs and horseracing) were clearly aware that gambling was a game of chance or luck that carried with it a high degree of risk. The two distinct sides of gambling (the positive of winning and the negative of losing) caused conflict between the heart (winning the money) and the mind (need to win). However, despite the fact that consumers fully realise the consequences of their actions, they sometimes found it difficult to exercise any discipline. It was therefore their individual choice to keep on gambling to try and gain the magic break despite the financial risks involved.

It is a risk of taking what you have and hoping to get what you do not have. Nine times out of ten we want to kick ourselves when we have lost that money. Not all of us have the discipline. His heart tells him that he has won the money whereas his mind tells him that he needs to win. A game of chance. [Casino]. It is either you win or lose and there are some consequences in it. [LPM]

5.2.3 Perceived benefits associated with gambling

5.2.3.1 Winning money

The majority of respondents perceived that winning easy money was the most attractive reason for gambling. Earning additional disposable income in a relatively easy manner (part-time or full-time in the case of unemployed people) was a motivation for people to continue gambling. Not only would they be able to afford essential items, but they would also feel financially independent. In the gambler’s mind, the excitement and anticipation of winning consequently negated the risk of losing money.

Some people have a life through casino. They go and buy something for the family. It’s the exhilaration of generating money that I don’t have to work hard for that I keep on gambling. You are your own person. Gambling is like a part time job because I am not working. Magic of the machines. [Casino]

5.2.3.2 Supporting the community

Some respondents perceived that the money they lost through gambling activities benefited other people in that this money went towards supporting old age homes and orphanages. Furthermore the gambling industry also created job opportunities that allowed unemployed members of the community to earn an income.

The money that we put in goes towards supporting old age homes and orphanages, in a way the broader community benefits. [Casino]
5.2.3.3 A social lubricant

Many gamblers regularly frequented casinos as they regarded these places as a pleasant venue for socialising. The family could be safely invited along and a casino was seen as a fun place to play for everyone, young and old and even disabled people. Bingo players usually associate gambling with a relaxing and fun evening out with others.

In this place husbands can bring their wives along and children. We are all here playing together, winning together and spending time with each other. Made more friends in here. [Casino] If you go there to really enjoy yourself and have an evening out. [LPM]

5.2.3.4 Forced abstinence from women/alcohol

A few male gamblers felt that gambling prevented them from abusing alcohol and fraternising with women and so risk possible infection with AIDS/HIV.

It keeps you away from women and there is this HIV infection. Keeps me away from abusing alcohol. [Casino]

5.2.3.5 Legal gambling and secure environment

Patrons to casinos did so due to the fact that they could gamble legally and also because they felt it was a safe and secure environment.

We come here to play because it is legal. There is no violence. There is also a shelter there. I feel very secure within the gambling place. [Casino]

5.2.4 The negative impact of gambling

5.2.4.1 Chasing/losing money

Respondents acknowledged that gambling usually implied losing money and that the urge to continue playing to recoup this loss was often compulsive. This was prompted by wins that created a desire for even more money and often spiraled into a regrettable and vicious circle of chasing lost money that could otherwise have been more wisely spent to pay for essential things. Bingo and some of the LPM players were, however, the exception as they did not play with significant sums of money.

The more you get, the more you want. If you lose, you still want to come because we want to gain some of the losses. The money that I have lost, all my dreams could have been fulfilled long time. [Casino] So you find that you take the last money hoping that you are going to win and you loose. A person loses everything that he or she has earned. [LPM]

5.2.4.2 Overspending

Some gamblers admitted that they were inclined to become self-indulgent and consequently spent far too much money on gambling, often forfeiting necessary income or falling into debt. Instead of
refraining from gambling if they lost too much, they would borrow money from other sources like their bond account, while a few admitted stealing money from others or selling off some of their assets to get the needed money. Borrowed money was seldom paid back. Household expenditure was then also affected. Bingo players were the exception as they only use relatively small sums of money.

*Making more loans, getting into debts and that actually meaning, you will not be able to pay them back. You lose your income. Continued playing till I lost everything. Your greed is what makes you lose whatever winnings you get at any particular time. After losing the money they steal from others. [Casino] You find that you take the last money hoping that you are going to win and you lose.* [LPM]

5.2.4.3 Deterioration of family life
Gambling tended to become an overpowering obsession, to the exclusion of everything else, with people that had no control over their gambling habits. Interrelational problems tended to emerge at home as their gambling losses resulted in financial setbacks, the inability to settle debts or even the loss of valuable assets such as businesses, houses and cars. Apart from the financial suffering caused to the family, the gamblers usually became asocial, withdrawing from both the family and society as a whole. This state of affairs caused some gamblers major emotional frustration and often pushed them to resort to crime to pay for their habit or succumb to the lure of alcohol and/or drugs to ease the mental anguish. Bingo players were somewhat unaffected as they did not play with significant sums of money.

*A lot of us had a lot of things and we threw them away with gambling. I was involved in an eight year relationship, planning to get married, I even threw that away, through gambling. Our lives deteriorate instead of getting better. Gambling takes first priority in your life and your family comes next or last. There are a lot of business people who live here who have lost their business. [Casino] I am harsh and abusing my kids and doing that to myself. I cannot meet with the demands of my life. [Horseracing] You can never lose your business or house because of Bingo. Bingo is fun. We are all here for relaxation. We spend about R100 – R120. [Bingo]*

5.2.4.4 Negative impact on health
Some gamblers spent too much time at casinos and consequently developed bad eating habits that affected their health. Gambling not only had a negative impact on the physical health of gamblers, but could also lead to psychological disorders such as depression.

*Once you lose money, you cannot eat, you lose weight. It affects your health.* [Casino]

The impacts of gambling on health are discussed in more detail in section 5.5.
5.2.4.5 **Tendency to commit suicide**

Some respondents mentioned suicide as a means of escaping from their feelings of despair over their financial dilemma and social isolation due to uncontrolled gambling. A few respondents also mentioned that they were aware of other gamblers that not only considered it, but actually committed the deed as they had lost other people’s money.

> You find cases of people going out to the parking lot and shooting themselves because they have lost someone else’s money. I know of some people who wanted to take their own life because of this problem of gambling that they cannot stop and they have got into trouble because of gambling. [Casino]

5.2.5 **The emotional affects of gambling**

5.2.5.1 **Stress/depression**

Losing money led to depression, stress and unhappiness, lying to others and arguments with loved ones which were exacerbated by the obsession of regular gamblers to regain such losses.

> Depression. We lie to our children, we lie to our spouses and everybody. Getting into arguments. You become a different person. Sometimes you go home full of stress because you have lost your money. More or less like an illness. [Casino]

5.2.5.2 **Transient regret**

Although some gamblers regretted their actions, they tended to internalise this short-lived guilt and overcame it to return to gambling.

> Even at night, you cannot sleep, you will wake up and think, I have lost a lot of money, you find that you are complaining to yourself, alone. You only think of what you could have done when you have lost. Why did I do this, but tomorrow I come again. [Casino]

5.2.5.3 **Becoming addicted**

Gamblers readily admitted that the pursuit of money had changed their lives. For some money lost its value and the need for money had become an ongoing craving. Gambling became a daily routine. The instant satisfaction with a win only served to further indulge and negated the emotional trauma of a loss. Although only a few respondents admitted having a gambling problem, they were adamant that they were unlikely to change their behaviour. One respondent who had lost almost everything as a result of gambling stated that he was prepared to drive from the one end of Gauteng to the other to gamble at places where no one would recognise him.

> It does not matter how much counselling you give me, there is no way that I am no longer coming to the casino. Once money is involved, you tend to change. Money has no value. It has become part of me. When I lose I need to come back the next day to recover so it becomes a circle and it’s difficult to break that circle. [Casino] You know you have to stop but
5.2.6 Consumer perceptions on the fairness of gambling on slot machines

Some gamblers had strong perceptions on the methodology of machine pay-outs. They believed that slot machines were set to benefit only the casino owners and that significant sums of money had to be played as machines only paid out once a specific profit margin was achieved.

Someone [fiddles] with the computer. People come with a pad with the machine number on it. In five minutes of putting money in and out, they hit the jackpot. I only play on one machine. Only pay when they have achieved their profit margin. You call this number and you are going to win a jackpot at the casino. [Casino]

5.2.7 Taking responsibility for gambling habits

Responses suggested that the more addicted one became, the less responsible one’s gambling behaviour became. Despite existing information on the correct and healthy approach to gambling and the risks involved, indulging in gambling was still a personal choice that depended on self-control and self-discipline. Those respondents that felt they could be labelled as responsible gamblers suggested the following guidelines for responsible gambling:

- Understand the basics (principles, risks and nature) involved in gambling
- Stay within a set budget/limit
- Use your own money
- Be willing to lose money
- Playing only machines that you can afford
- Leave bank and credit cards at home
- First attend to household and family needs, debts and accounts
- Leave after winning
- Deposit winnings
- Use only free cash
- Abstain from gambling if you do not know your limits
- Base your gambling on logical thinking, not emotional needs

You must not gamble with your heart, gamble with your head. A question of choice and responsibility; the onus is always on you. I only come here when I have a certain amount of money left over after I have paid all my debts and accounts. In that way I am taking care of my life and being a responsible gambler. Before one comes to the casino one needs to make sure that his wife at home is well taken care of and that things at home run smoothly. [Casino] What should happen is that people should understand the basics of gambling and not use all the money in gambling. After finishing paying everything that needs to be paid. I
know that I am not going to feel sorry if I lose. People need to be educated on what are the consequences of gambling. [LPM] It depends on whether you are addicted or not or how you handle it. [Bingo]

5.2.8 Different types of gambling

Respondents were all familiar with the more common forms of gambling such as the lottery and rolling dice (for the unemployed), horseracing and playing the slot machines and tables at casinos (for the more financially secure). Some respondents also mentioned the playing of different card games and spin and sports betting. Unless specifically probed, very few respondents mentioned Limited Payout Machines or bingo as gambling opportunities. Some respondents also distinguished between legal gambling (mostly in white communities) and illegal dice and card games such as boom, five cards, fafi, mo-china and poker mostly played in African communities. However, these card games were more affordable than similar card games played in casinos. There was also the perception amongst respondents that Internet gambling was legal. It was interesting to note that some bingo players did not regard their activities as gambling, possibly because they regarded bingo as being a recreational, ‘fun’ game.

In the white community, most of the gambling is legal gambling, but within the black community, mostly they are into illegal gambling. Lotto and dice; these are the common forms of gambling for unemployed people because casinos are more for people who can afford, people who are employed and financially secured. [Casino] Gambling is not necessarily in a casino or a pub, there are many types and ways of gambling. [LPM] I don’t see casinos as gambling either. [Bingo]

5.3 PROMOTION OF GAMBLING

5.3.1 Discouragement

Most felt that there was no justification in deliberately encouraging people to gamble. This reserve stemmed from their own negative experiences of losing money and valuable assets, falling into debt and the resultant deterioration of their family and social lives.

They should not be encouraged to do that. Gambling can have very bad influence. Depends on the merit of someone – does the person have the responsibility to gamble. [Casino] It is like sentencing that person to death, you are actually killing that person. Some of them end up with no families, no wife, no kids and no future because some of the people cannot limit themselves. It is an incurable disease. If a person gets in, it is not easy to get out, they get hooked for life. [Horseracing] You have got to have a strong will power; you have to be tough to gamble. [Bingo]
5.3.2 Encouragement

Only a few respondents favoured the idea of encouraging others to gamble. They felt that everybody should have the opportunity to gamble and possibly win a substantial sum of money to afford luxuries. However, the main objective should be to have fun. Bingo players in particular felt that more people should be introduced to the game and the safe and responsible gambling environment it offered.

Yes, for relaxation. Maybe that is just where that particular person’s luck lies and maybe he misses that chance to make money. Positive – you are able to buy some of the things you cannot without money. [Casino] You just have to go there as way of having fun. [LPM] People should be encouraged to play Bingo. You can never lose your business or house because of Bingo. Bingo is fun. [Bingo]

5.3.3 Education

The overwhelming perception was that should gambling be actively promoted, it had to be accompanied by proper education on the risks and dangers involved, as well as sound coaching on responsible gambling habits.

The average person cannot play, they have to be educated that they can lose their money. [Casino] If you advertise gambling, then you will have to coach people. I am not saying people should not gamble but they need to be informed of what is there. [LPM] If you encourage, teach a person to gamble. [Horseracing]

5.3.4 The right to personal choice

A few respondents were of the opinion that it was the personal choice of an individual whether to gamble and that this choice should be honoured. People should be made aware of all the gambling options and their responsibility when exercising such options, rather than aggressively promote gambling.

People should be given the choice to choose to gamble or to stay away from gambling. [Casino] I would say give it as an option. It’s the decision you make, but you must be realistic about it. [LPM]

5.4 PROBLEM GAMBLING

5.4.1 Participation in gambling activities

Apart from gambling in casinos, the majority of respondents played the lotto or bet on horses. A few respondents also bought scratch cards or participated in sport betting, played various card games or dice for money.
5.4.2 Predisposition to gambling

5.4.2.1 Exposure to different gambling modes

Some respondents reflected that they grew up in an environment that condoned gambling and/or became involved in gambling at a very young age. These respondents indulged mainly in illegal gambling activities such as playing cards, spin, poker, and/or dice, while others betted on the horses or on the outcome of sporting events. Before the introduction of the lotto, many people bought scratch cards on a regular basis and deemed it a logical step to move from buying lotto tickets to playing the slot machines. The main motivator for starting serious gambling and developing a distinct gambling behaviour was an initial winning in one or more of the different gambling opportunities.

I started playing dice. Whenever I played, I won. I bought a scratch card and I won. I started gambling when I was still a child and I played throwing dice. [Casino] I then put in my numbers and I won. I did it when I was very, very young. I liked "spinning" and I used to win most of the time there. I started gambling at an early age. I played Lotto, did win. I started by playing spin in the location and cards. I then eventually moved to the machines. [LPM] Poker games and Poker nights at home. I have grown up with it, my dad used to gamble. [Bingo]

5.4.2.2 Influence of others

The majority of gamblers were influenced to gamble on hearing about sizeable winnings by friends, family or colleagues. A few respondents were influenced by the printed or electronic media, or professional punters involved in the game. Frequent wins served as motivation to continue gambling. Few respondents reflected that starting to gamble was a personal choice.

I was pulled in by a friend who won a car at the casino. Word of mouth. Through adverts. I would see them winning and I wanted to win as well. Followed other people who went to the casino by bus. [Casino] It was one of my friends, she had won on Lotto and I thought I might be lucky as well and win something for myself. [LPM] A real punter showed me how to play. We put together money and bet together and we won. A friend of mine used to show me tickets when he had won and never when he lost. [Horseracing]

I am an adult and I make my own decisions. No. You decide for yourself to start gambling. It was a personal decision for me. [Casino]
5.4.2.3 **Persuaded by dreams or visions from ancestors**

Some of the African respondents started gambling as a result of dreams or visions they had, in which images signifying winnings appeared.

* I had the feeling that I was going to win. I dreamt about winning money. I dreamt about three numbers I then put in my numbers and I won R18.00. [LPM] I believe in horses and they do help me out. The ancestors have a role they play in this, when you are down and out, you play, you are going to win. [Horseracing]

5.4.2.4 **Gambling environment**

A few respondents started gambling as a result of the atmosphere at a particular gambling venue and the flashing neon lights which appeared to encourage gambling.

* I was influenced by the environment. I played a machine – and I won. Nobody told me to come here, I saw those neon lights and that is what attracted and enticed me. I introduced myself into gambling. I saw someone winning and I also wanted to have as much winnings as he did. [Casino] Out of curiosity. To see what’s the excitement about. [LPM] It was curiosity. [Bingo]

5.4.3 **Reasons for people starting to gamble**

5.4.3.1 **To generate easy money**

The main reason for people starting to gamble was a desire to earn some easy money effortlessly and quickly to pay off existing debt, improve their current lifestyles, buy the things they always dreamt of or simply to double or triple their current income to lead a better life.

* Easy money; you can make it very fast so that life becomes better. I come because I have financial problems and I need to try my luck. [Casino] You just want extra cash. I wanted to pay my debts. [LPM] You need money, the little that you have, you wish to make it grow and hope that you will gain something. [Horseracing]

5.4.3.2 **Socialising and fun**

Some respondents liked the social atmosphere inside casinos. Apart from enjoying some social time with their partners, they also met other people at these venues and enjoyed the camaraderie and spirit amongst the gamblers. These respondents were therefore interested in gambling more for the fun and the chance to have a good time. In general they tended to gamble more responsibly.

* The casino had a big impact on people’s social lives. I come here with my husband and we have a great time talking and laughing the whole time. We have gotten to know more people. Inside the casino there is this comrade like spirit. Mostly for fun. [Casino]

5.4.3.3 **Convenient location of gambling venues**
Some people lived conveniently close to casinos or other gambling venues and would therefore be tempted to participate in gambling activities more frequently. Many of these respondents might visit the casino almost on a daily basis as they were serious about making money or winning back their accrued losses.

*I am here everyday, money or no money. The closer you are, the more tempting it becomes.*

*My car only knows one route. 3 to 4 times a week (majority). [Casino] Everyday. [LPM] As often as we have cash. [Casino]*

### 5.4.4 Problems related to gambling

#### 5.4.4.1 Lack of control

Many gamblers had learned how to manage their spending on gambling responsibly because they lost money in the past and had to rectify their behaviour the hard way. However, it was concerning that a few respondents admitted that although they had not as yet experienced any problems, they might not be able to control their gambling urge in the (near) future.

*No. I have had a problem. You have to watch out for self. I now have my gambling issues under control. I had a gambling problem but fortunately for me I had someone who was strong enough to make me realise my problem. Gambling is not a problem. Not yet. No. It is still in my power to gamble or stop. [Casino] Not yet. [LPM] It has been a problem to me before but now, I have learned to check myself. [Horseracing] No. Not so far. You have to know how to control it. [Bingo] You think you can control that. [LPM]*

#### 5.4.4.2 Overspending and possible addiction

The majority of gamblers admitted that they were spending too much money on their gambling habit and often used money meant for paying important bills and accounts. Money won was seldom kept or used to pay off accrued debt and they just borrowed more money from various sources to feed their addiction, constantly trying to win back some of the lost money. This became a vicious circle of ever increasing debt until people lose all their assets. Although some respondents realised that they had a problem, they found it difficult or impossible to break this addictive pattern.

*I cannot limit myself and I end up losing all the money I have won. I am going to ban myself for life. With the money that we are supposed to do something else with, we come to double it here and we never do win. When you loose that is when you think of the moneylenders and the credit buros and then it creates financial problems. [Casino] I have these worries now, when is the month going to end so that I can do something to the debt or problem I have. You want to claim back the money that you have lost. He goes and borrows money and sells stuff to come and play with promises to bring it back. Gambling is addictive. [Horseracing]*

socio-economic impact of legalised gambling in South Africa
5.4.4.3 Potential instigation of violence

A few respondents acknowledged that they became so angry and aggressive when they lost that they felt quite capable of hurting somebody in the process or damaging casino property. Cases of people committing suicide in public places were also mentioned as a result of big losses.

_This guy borrowed about twenty grands from somebody, he put everything in and lost, he shot himself in the toilet._ [Casino] _With the machines, you feel like you want to break the machines and take your money out. On the streets, if you have been losing too much, you feel like taking out a knife and stab each other and somebody could die._ [LPM]

5.4.4.4 Resultant acts of discrimination

A few isolated incidents of perceived discrimination were mentioned where gamblers felt that their loyalty cards were not properly honoured or they were not treated like valued clients by certain casinos. Some felt that they were excluded from promised benefits (e.g. the point system) and that the allocation of Platinum cards was biased.

_There is still a lot of discrimination. 99% are black, local, regulars, some of us had Platinum cards. It does not go well with the management. They went to a point of changing the point system at a particular area. There are certain groups of people getting Platinum cards there. You actually come and bring in your thousands and they do not give you anything, you are not even treated well._ [Casino]

5.4.4.5 Deterioration of family life and accumulating stress

Regular gamblers spent a lot of time on gambling and tended to lie to their families on their whereabouts or why there was a lack of money to make ends meet. They might even steal their own household money to gamble. The resultant stress of mounting debts detrimentally affected family relations and the gambler’s health because he/she could not sleep or eat and drink properly. This eventually led to a complete deterioration of the family life and pushed the gambler to eventually withdraw from society.

_You do not declare when you go. I sometimes take money that is set aside for kid's clothing, I will steal that money to come and gamble. You even fail to pay your instalments. You are no longer living that normal life. You do not have any social life, you become a liar. You cannot even sleep at night. You do not want to drink, eat or do anything. We forget about our health. When I loose money I get stressed._ [Casino]

5.4.4.6 Easy access

The readily available transport to venues, long trading hours and the convenient location of casinos near residential areas or townships made it too easy for many gamblers to visit casinos frequently and at all hours.
Now we are here almost every day. It is closer to home. There is public transport that will take you right into the casino. [Casino]

5.5 IMPACT OF GAMBLING ON PERSONAL HEALTH

5.5.1 Anxiety, depression and stress

Only a few respondents reflected that they did not experience any stress or anxiety as a result of their gambling. This could be due to the fact that they are responsible gamblers who know how to control their gambling behaviour. Alternatively, they gamble for recreational purposes only, especially the bingo players.

No – gamblers are very strong people because we are used to these problems associated with the gambling and winning and loosing. [Casino] Bingo gets rid of a lot of stress. [Bingo]

However, the majority of respondents admitted that their habit, especially when losing large sums of money, was associated with a high degree of stress, anxiety and often depression, which could lead to aggression and often even suicide. Not being able to share these feelings of guilt exacerbated the situation. Problem gamblers will resort to dishonesty in an attempt to recover their losses, or else fall deeper into debt by borrowing and even stealing money, using rent/bond money and selling goods. The resultant inability to meet financial obligations impacts negatively on family relations and personal health, which may lead to alcohol and/or drug abuse. Such gamblers often struggle to lead a normal life or cope with the ordinary demands of life. Bingo players on the other hand experienced very little stress as they participated in the game to socialise and de-stress.

You can see the desperation on some people's faces. It gets deep down. If you lose, you actually do not even feel like going home. There is a lot of fault finding and arguments. Sometimes I feel I can kill myself. [Casino] You just become depressed. You do not even want to talk to anyone. At that time, you start being violent. You sometimes even feel like committing a suicide thinking of so much that you have lost. So you regret everything. When you do not win, you become shattered. [LPM] You cannot sleep. You worry. You cannot fill that gap that you created, you are bound to feel these things, whether it is stress or depression. Thinking hard and not even sharing that with anybody, makes you feel more down. [Horseracing]

5.5.2 Gambling–related illnesses prompting visits to a hospital or clinic

The majority of respondents had never been officially admitted to a hospital or clinic for treatment of a gambling-related illness. The few respondents who required medical treatment for severe stress or depression caused by gambling refrained from divulging the cause of the stress, while some respondents suspected that they may need treatment in the near future.
I never admitted but I was sick and it was depression and when the doctor asked me what was wrong, I lied, never told the truth. I am still on treatment. It is complicated because of the stress. [Casino]

5.5.3 Counselling for compulsive gambling

Only a few people admitted seeking assistance from counsellors or social workers to deal with their gambling habits. Although some reacted positively to therapy, it would appear that gamblers either lacked the desire to address their gambling habits or did not know how and where to seek help. It was concerning to note that a number of respondents indicated that they may need counselling in future as they presently carried the burden alone and had difficulty dealing with the guilt and deceit.

I cannot say that it is counselling but I have talked to someone on an informal level about gambling. With the social workers, we had several meetings where they advised me to stop gambling. With the counselling, it did help me. [Casino]

5.6 IMPACT ON INTERPERSONAL RELATIONSHIPs

5.6.1 Loss of quality time with family members

Some respondents admitted that they generally did not spend enough quality time with their families. As family members usually did not approve of their gambling habits, arguments erupted and the ensuing conflict drove the family even further apart. However, the anticipation of winning and the need to visit a casino tended to override any feelings of guilt about neglecting their families. Problem gamblers therefore disregard all social and family responsibilities and feel justified in being dishonest about their habit as provided they can continue gambling.

You find that you don’t spend time with your family because you are always at the casino. I feel guilty sometimes. My children hate gambling, they blame me for gambling, but I still come here everything. I don’t want my neighbours and children to know where I am. [Casino] That is when gambling becomes addictive to you. You just ignore everything, girlfriend, your family. [LPM]

Only a few respondents indicated that they had found a balance between their gambling activities and spending quality time with their families. Some respondents discussed their gambling habits with their partners and obtained their approval, while others brought their families along.

I do spend time with my family. We are all here playing together, winning together and spending time with each other. We have to balance things. Not a problem – I have control. I discuss it with my better half. [Casino] I spend more time with the family. [LPM] We come together. [Bingo]
5.6.2 Broken relationship with a partner or a friend

Although most of the respondents reflected that their gambling behaviour had as yet not resulted in a broken relationship with a partner or a friend (because they could rectify their behaviour in time) others had experienced the opposite.

I broke up an eight years of relationship. I cannot get anybody because I do not have no social life. My girlfriend left me. Yes; I had a friend who I no longer see or hear from. [Casino]

5.6.3 Loss of contact with family or children

Generally respondents reflected that their families had been supportive of them regardless of their gambling behaviour, and they had not lost contact with them.

My family has not left me, they have always been there. I am really grateful for my mother because no matter what I did, she always stood by my side. Years ago, but now under control. [Casino]

5.6.4 Propensity to violence

Only a few respondents admitted becoming aggressive when losing money. However, those involved in illegal gambling were more inclined to violence (or even murder) especially when alcohol had been consumed.

No, except these illegal gambling and they fight a lot, they even kill each other. Drinking and gambling do not go together. So, that is when it messes things up. [Casino] Hitting the machine. [Bingo]

5.6.5 Financial arguments with partners/friends

A few respondents maintained that they did not become involved in financial arguments pertaining to their gambling activities with their partners. They either used their own money and ensured that they provided for household expenses, or they were dishonest about their losses. However, some respondents did enjoy an open relationship with their partners and could discuss their gambling losses with them.

No; when we come here we always make sure that we have money at home so that we can buy whatever we need when we leave. Mine does not know. You do not say when you lose. [Casino] I do not discuss money issues with my partner. [LPM] I can tell her that, I am holding on to this race card, I lost R200.00 yesterday. [Horseracing] I spend my own money. [Bingo]
The majority of respondents admitted that their gambling habits caused some arguments especially when they spent money intended for household expenses. Arguments also arose when partners discovered the source of the money used for gambling, if it was stolen. Not winning at gambling also caused disharmony in personal relationships.

At month end, when there is no food and I had spent money on gambling. We had a big fight about it. Often, I lie to my partner sometimes. My wife has this feeling that I should win every day and I can’t win every day, and then she gets cross. [Casino] You take that money without your partner’s approval and gamble with it. It becomes worse when you did not win. [LPM]

### 5.6.6 Setting a bad example for family members

Most of the respondents mentioned that their gambling habits did not influence others to start gambling. Apart from family members gambling on the odd occasion, it did not become a habit.

Mine [family] actually hates what I am doing with the gambling. [Casino] With me, my wife came with, she played for a little while and she stopped on her own. My eldest son hates gambling with passion, he does not want to hear anything about it. [Horseracing] My five kids are not interested. [Bingo]

However, a few respondents admitted that as a result of their winning streaks, some of their family members or friends became problem gamblers.

Now, it is my husband who gambles more than me. Even my friends. Since I have won my mother also comes with me to the casino because she saw that you can make money. [Casino] If they see you winning almost all the time they are there, they get hooked, they get interested and they then go on their own. [LPM] My kids gamble. I introduced my parents to gambling. [Bingo]

### 5.7 IMPACT ON WORK OR STUDIES

#### 5.7.1 Absenteeism

Regular gamblers admitted that they lost valuable work time due to the fact that they arrived late or left early to go gambling, or simply stayed away on the preference of being ill. Gambling became the main focus in their life despite regular warnings and/or disciplinary hearings. Some of the gamblers were confident that they had maintained some balance between their gambling (eg only gamble after hours) and their hours of employment.

When you are gambling, you are always late or you never pitch up. I have even got a last warning at work because of gambling. [Casino] We sometimes leave work without permission to come and gamble. I realise that I was becoming addicted to gambling because
nothing really mattered. [Horseracing] Sometimes, you would rather concentrate on that machine rather than to go to school or even going to work. [LPM]

I am able to balance it as well. I always come after hours. It is after work or weekends. [Casino] It does not affect much of studies. I have time management. I allocate some time to gambling. [LPM] I really do not mix gambling with anything else. I do not mix work with gambling. [Horseracing]

5.7.2 Impact on work or study performance

People spending an inappropriate amount of time on gambling tended to perform less optimally at work. They had difficulty concentrating or focusing on their work due to lack of sleep or high stress levels related to the money they had lost. However, the majority of respondents felt that their gambling habits did not affect their performance at work.

Always ducking. You even sleep at work. You are not putting your all in what you are doing. [Casino] I have lost rent money, how can I go to work when my head is spinning. [Horseracing]

5.8 FINANCIAL IMPACT OF GAMBLING

5.8.1 Financial situation prior to gambling

The majority of respondents had not experienced any financial problems before they started gambling. The motivation for starting to gamble was therefore based more on greed or a need to attain a better standard of living.

When I started gambling it was not because of financial problems. The only way to reach such standards is through gambling. We had money before we started with gambling, now it is different. [Casino] It was a question of being greedy and that is the whole truth. I never had a financial problem, never. [Horseracing]

Only a few respondents were motivated to start gambling with a view to easing their financial situation.

When financial problems come, you begin to realise that maybe there is money growing here when you hear that people are winning. Gambling introduces itself as a new hope. Yes, its financial problems that cause you to want to gamble. [Casino] I had debts. [LPM]

5.8.2 Overspending

Spending more money than they could comfortably afford appeared to be a common problem amongst regular gamblers. Entire salaries or all their savings are often lost. The situation is worsened when
money is borrowed or when an overdraft is obtained for gambling purposes. The resultant financial
difficulties may then lead to a breakdown in family relations and the emergence of health and
psychological problems.

*I have lost money that does not belong to me and the consequences are bad. I can bring my
whole salary here. You get to spend more than what you have, especially if you have your
card with. [Casino] I don’t care, that’s when you go overboard. There is always that hope
that you are going to win. [LPM]*

Those respondents who could control their gambling, only spent the money they had budgeted for and
could therefore afford to lose such money.

*I still gamble, but not as much as I used to. You must know that you can only gamble with
what you have and nothing more. No. I only gamble what I can afford. [Casino]*

5.8.3 Debts

The majority of respondents were reluctant to admit that they had incurred debts as a result of their
gambling habits. The odd few who admitted to such debts would usually borrow money or withdraw it
from their credit cards or, in extreme cases, sell some of their assets in an attempt to settle these
debts.

*I would run out and borrow money to go and gamble. The other money that you borrow is
the credit money from the credit card. I had a lot of debts, I had to sell a house and two
cars to pay them all off. I have become blacklisted. Sometimes I take my account money to
gamble and I loose it and then I create problems for myself. [Casino]*

5.8.4 Repayment of debts

Generally respondents who borrowed money to gamble with usually repaid such money. However, a
number of respondents did not condone borrowing money for gambling purposes.

*If you take out a loan it is your responsibility to pay it back. I do borrow, I will pay it back. I
always pay back. [Casino] Wouldn’t dream of it. [Bingo]*

Some respondents admitted to borrowing money from family members without repaying it or only
refunding them in the event of their winning at gambling. Some gamblers took out loans from the bank
that they still struggle to pay back. This naturally led to feelings of guilt and caused tension within the
family unit.

*I borrowed from my mother and never paid it back. I will pay it back when I win. I took other
people’s money. It makes you feel bad and like you are robbing or stealing from them. I
have heard of people that are taking loans from the banks, and they are still owing the bank. [Casino]

5.8.5 Cheque fraud
Only one person admitted to deliberately issuing a cheque knowing that there were insufficient funds available, in order to pursue his/her gambling activities.

5.8.6 Disposing of assets
Only one respondent had surrendered an insurance policy to finance his/her gambling, while a few respondents mentioned having sold assets to raise money for gambling.

I have surrendered one policy. I even did some pawning to get money. [Casino] When you reach that stage, it means, it has gone very, very far. That is when people leave their homes, they are no longer going to work, they no longer go home because there is nothing else to take or bet with and they live on the streets. [Horseracing]

5.8.7 Material assistance from the government or a charity organisation
Not one respondent had received any material assistance from a government institution or charity organisation after losing money through gambling.

5.9 LEGAL IMPACT OF GAMBLING

5.9.1 Theft
Although most of the respondents had not stolen money to support their gambling habits, others admitted that they stole money from especially female members of their family (mother, wife or grandmother). This would include theft of school fees or money allocated to essential household purchases.

I stole dollars from him and cash them at the casino to get Rands. He realised that and I said, I needed money for something, I lied again. I stole my wife’s money once. From my grandmother’s purse. I have taken the money that was supposed to be for school fees. That urge of gambling would sometimes make you steal money. [Casino] Yes, from my mother. [LPM]

5.9.2 Criminal offences
No respondent admitted to any criminal charges having been laid against them for gambling-related activities, although one person mentioned that he/she had used false coins for gambling.
5.10 NATIONAL RESPONSIBLE GAMBLING PROGRAMME (NRGP)

5.10.1 Awareness of NRGP

Not all respondents were informed about the National Responsible Gambling Programme or had seen advertisements related to this programme. Some respondents had come across brochures and pamphlets distributed at casinos or had seen commercials on television that warned about the dangers of excessive gambling.

*We are aware. There is a toll-free number. Seen the pamphlets. I know the advert. Saw the brochures in the casino. Seen pamphlets and ads on TV. [Casino] I have seen an advert where it says, gamblers know when to stop. [LPM]*

5.10.2 Self-exclusion programme

Only a few respondents were familiar with the Self-exclusion Programme. However, they were not sure of the conditions set out in this programme or the objectives thereof, leading to some doubt about its validity. Respondents were of the opinion that any gambler could lift the imposed ban himself/herself, alternatively patronise another casino. Most respondents were unaware of the intentions underlying this programme.

*Ja, but what is the use of doing it here because you can still go to the next casino? Yes. I am aware of it. But you can lift that ban and come back. [Casino] Or they can ban you from the casino. [Bingo]*

5.11 REDUCTION OF PROBLEM GAMBLING

Respondents made the following suggestions for reducing problem gambling and meeting the needs of gamblers:

5.11.1 Ongoing campaigns

Respondents felt that the public on the whole and gamblers in particular needed additional information and proper education on the nature and operational details of gambling, the rules and regulations that govern the gambling process, the risks involved and legal versus illegal gambling. The nature of responsible gambling and ways to exercise better self-control, the consequences of excessive gambling and the signs that suggested problem gambling, as well as the nature of compulsive behaviour should also be communicated to gamblers. It was equally important to provide adequate information about rehabilitation centres that provide assistance or counselling for problem gamblers.

The relevant information should be readily available at gambling venues, at specially organised workshops, as well as by means of media campaigns. Specially trained people to monitor gamblers’
behaviour inside casinos should be available. Further more, advertisements related to gambling should reflect the risks involved together with the possible gain in wealth.

*Highlight the dangerous and negative things about gambling. No one says a thing about gambling addiction. The casino promises wealth and people come here in search of that wealth. Ensure that almost everybody who comes here, get the information on responsible gambling. More pamphlets – how to have more self control, budget – more information. [Casino] Workshops where people can learn about the rules, regulations and consequences of a gambling. [LPM] Something like a panel that would also give advice in order to help out people. People have to be responsible and accountable. They should also have these rehabilitation centres for gamblers like they have for alcoholics. [Casino] There should be counselling, that while you are gambling, there must be people that are looking around, checking. [LPM]*

### 5.11.2 Incentives to gamblers

A number of regular gamblers felt that the gambling industry should reward them for the amount of money they spent. Suggestions on the format and extent of the proposed benefits varied from a point system with points that could be paid out in cash, to free games, bigger jackpots, more frequent and bigger pay-outs, invitation of card holders to special functions/events/competitions, reduction in entrance fees, organised entertainment for children and an extension of operating hours to 24 hours per day, 7 days a week. A few respondents preferred quarterly meetings with casino managers where gamblers could raise concerns and get feedback from the managers.

*They should have some benefits for the people who spend. Even with some functions, they never bother to invite us the card holders. It would be nice to get something back when you have spent a certain amount on the machines. They should improve the rate of payments. Jackpots are not high. Machines should pay out more often. But want the money in cash, not on the card. Pay outs must be bigger. They should have comment boxes. Management should ensure that they meet the customers every 3 months. This report must end up with the casino bosses – as a form of recommendation. Reduce entrance fees. Some casinos, they do not provide places for kids to be entertained. It should be open 24 hours a day. [Casino] They should be open every day. [Bingo]*

### 5.11.3 Improvement of security, monitoring systems and transport:

A few gamblers that frequented casinos in the semi-urban or rural areas, or used gambling facilities located in shebeens (LPMs) complained that they had been robbed of their winnings and feared for their lives. This prompted some LPM players to suggest that gambling machines in townships may promote crime. Respondents suggested that winnings be paid out as postal orders or cheques, or that people who win money be escorted when leaving the gambling area, especially at night. There often is
not available transport to and from the gambling venues and public transport is unsafe to use when in possession of large sums of money.

Security should be stepped up. [Casino] Gambling machines should not be in the townships because that would promote crime. You struggle to get transport, so, they should make transport accessible for those people to come to the casinos. [LPM] If I had won some large amounts of money and I am using the public transport that is not very safe. [Casino]

5.11.4 Introduction of behavioural control mechanisms

Some respondents felt that certain control mechanisms should be put in place and enforced by the industry to protect gamblers against themselves. This could be done by doing a credit check on a person and then limiting the amount to be spent by that person. Age restrictions should be enforced, especially at LPMs, and the availability of money should be limited by making withdrawals at auto bank machines more difficult. Money lenders should be banned from gambling venues and less attention should be given to winners (eg no noise or flashing lights). A few respondents either wanted all gambling abolished and all casinos, lottery and horseracing venues closed down, or gambling venues made less accessible by reducing the number of venues and making it more difficult to reach them.

They would introduce something like a track record of all the gamblers. Individuals who earn less than R5000 a month should be barred from gambling. They should maybe have forced limits as to the amount of money you can spend. [Casino] Age restriction and proof of years from the ID. [LPM] If they do not have the ATMs here and they do not accept credit card here, most of the people's problems could be solved when they need to go home. [Casino] They should make money less accessible. [Bingo] I think that the moneylenders should be banned. They should close down the casinos, including the lottery and horse racing. They should do away with gambling in general. They should reduce the number of outlets. Make it more difficult to get there. [Casino] The whole atmosphere in a casino is gambling. When the machine goes, its best to keep it silent, and the lights as well. I think the noise must be taken out for a jackpot. I think those that are gambling and drinking, they are losing money. [LPM]

5.11.5 Offering a wider choice of gambling opportunities

Some respondents requested a general upgrading of slot machines in all casinos on a par with those at big casinos, as well as machines that take denominations smaller than ten cents (especially LPMs). They wanted a choice between coins and cards as some gamblers were illiterate and could lose control over their spending with a card or would not be able to keep track of their winnings. Some respondents wanted more bingo halls inside casinos, as well as other forms of entertainment. One person voiced some concern about the perceived illegal Internet gambling that was accessible to the general public.
Have other types of slot machine such as at other casinos. [Casino] 2 cents machines like in Cape Town. [LPM] Have more Bingo halls available in casinos as well. What is new now is the Internet gambling and people are sitting at home till three in the morning playing. That’s illegal. Really – but how do they advertise it then. [Bingo] Prefer the coins and not cards. With the card, you don’t know what you have or what you spent; not all people can read. [Casino]

5.12 CONCLUSION

The majority of regular gamblers tend to visit gambling venues more than once a week with the purpose of winning some easy money. The rest are in search of fun or to de-stress and socialise, especially the bingo players. Generally these gamblers are aware of the risks involved but the majority struggle to control their spending or lack the self discipline to do so. The resultant overspending often leads to stressful interpersonal relationships, deterioration of family life, debt and the consequent inability to meet financial obligations. Some gamblers may share their feelings of stress, depression socio-economic and anxiety caused by the loss of money, whilst others may lead a very lonely life of not sharing their feelings with anybody, withdrawing from society and lying to others about every aspect in their lives. The loss of tangible and emotional assets caused a few respondents to overcome their gambling habits and regain control over their spending. Not all respondents were informed about the NRGP or self-exclusion programmes and none of them have received any gambling-related counselling to date. Respondents suggested that problem gambling can be reduced by proper education and access to information on gambling, the risks involved and where to get assistance for problem gambling habits. A few also felt that they should be monitored to assist them in keeping control over their spending.
CHAPTER 6
IMPACT OF GAMBLING ON HOUSEHOLD WELFARE LEVELS

6.1 INTRODUCTION

The gambling industry is often accused of having a negative impact on household welfare levels. Grinols (http://www.casinowatch.org), for example, indicated that there is substantial evidence in the United States that lends credence to arguments that legalised gambling activities eventually cause increased taxes, loss of jobs for the region, economic disruption of other businesses, enormous social welfare costs for society in general and government agencies in particular. The NGB has to monitor the socio-economic impact of gambling activity within South Africa and consequently requested that information be collected to provide insight into the impact of gambling on household welfare levels. More specifically the following aspects are addressed in this chapter:

- propensity to gamble
- household expenditure displacement in favour of gambling
- the redistributional effect of gambling
- the impact of gambling on the less affluent part of the community

6.2 PROPENSITY TO GAMBLE

This section highlights the methodology used in calculating the propensity to gamble. No exact data are available on the propensity to spend on gambling, implying that various assumptions are made in the calculation process. The figures should therefore be regarded as estimates only.

6.2.1 Definition

Propensity to spend on gambling is defined as the percentage of household cash expenditure allocated to gambling. The amount of household budgets allocated to gambling is calculated as follows:

\[
\text{Total amount wagered by patrons/participants} - \text{amount returned to players} = \text{Gross Gaming Revenue (GGR) of gambling institutions. The GGR amount divided by total household expenditure equals propensity to gamble.}
\]

The above calculation implies that the prize money paid out by gambling institutions to patrons reverts back to households as part of the household income and expenditure stream. However, it should be noted that the allocation of prize money, especially with the lotto and lotto plus, is concentrated largely on a few households while gambling expenditure is incurred by a large number of households. This redistributional effect is discussed in section 5.4.
Propensity to buy lottery tickets (lotto and lotto plus) is calculated somewhat differently. 45% of the value of lotto ticket sales are allocated to the prize pool. Winnings are highly concentrated on a few households. An analysis of the lotto results of 14 January 2006, for example, shows that only 8.9% of lotto ticket buyers received prizes and that almost 90% of the winners (or 8% of ticket buyers) won R20 as prizes while the jackpot, received by one person, amounted to R14.9 million (see table 5.4).

On the basis of the above argument, the propensity to buy lotto tickets is calculated as follows:

\[
\text{Total value of lotto ticket sales} - (\text{minus} 36.787 \% \text{ of the above amount, constituting the total prize pool, minus the division 1 prize (ie the jackpot)}) = (\text{equals}) \text{ the amount forfeited by households to lotto tickets (63.213 \% of sales)}
\]

In the case of the lotto plus, 12.3% of the prizes won for the year ended 31 March 2005 were allocated to division 1 prizes that ranged from approximately R1 million to R2.6 million per draw. However, it should be noted that division 1 prizes constituted on average just less than one third of the prize pool in draws where division 1 prizes were won. The propensity to buy lotto plus tickets is regarded as total ticket sales minus division 2 to 7 prizes.

The rationale for excluding the jackpot from the prize pool reverting back to the household income stream is that the jackpot is normally invested and does not, therefore, form part of the normal household expenditure cycle. Although the above argument also holds true for casinos and other modes of gambling, only a small portion of prizes consists of large jackpots (see section 6.4).

### 6.2.2 Calculation of propensity to gamble

The propensity to gamble in South Africa can be calculated by using the gross gambling revenue (GGR) of casinos, horseracing and bingo as well as lottery ticket sales, less divisions 2 to 7 prizes (see section 6.2.1), as reported by the roleplayers in the gambling industry. GGR is defined as the total amount wagered by punters less the amount returned to players. GGR therefore represents the amount retained by gambling institutions, and the amount forfeited by households for gambling.

The following GGR figures and lottery tickets sales are available for the year ended 31 March 2005:

(a) **Casinos**
   
   The GGR figures reported by casinos in South Africa amounted to R8 324.1 million.

(b) **Bingo**
   
   The GGR reported by bingo halls amounted to R17.8 million.

(c) **Horse betting**
   
   The amount forfeited by households on horse betting amounted to R725.6 million.
(d) **Limited Payout Machines**

The total amount wagered at LPMs was R192,7 million. R169,7 million was paid out as prizes, resulting in a net amount of R23,0 million spent at LPMs. It is important to note that LPMs are introduced in only three provinces.

(e) **National Lottery**

(i) Lotto ticket sales in South Africa amounted to R3 198,8 million for the year ended 31 March 2005. The amount forfeited by households, as discussed in section 5.2.1, amounted to R2 022,1 million (ie R3 198 803 926 x 63,213 %).

(ii) Lotto plus ticket sales amounted to R858 542 684 for the year ended 31 March 2005. A total of R438 375 538 was paid out as prizes of which 87,7 % represented division 2 to 7 prizes and 12,3 % division 1 prizes. This implied that R474 163 132 was forfeited by households in favour of lotto plus tickets (ie total sales minus division 2 to 7 prizes).

(iii) R163 899 400 worth of scratch cards were sold for the year ended 31 March 2005. Subtracting the prizes (53,8 % of scratch card sales) paid out to buyers resulted in a net amount forfeited by households of R75 794 109.

(f) **Summary**

To summarise, the following constitutes the amounts forfeited by households in South Africa by gambling mode in 2005:

<table>
<thead>
<tr>
<th>% distribution</th>
<th>amount (R million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Casinos</td>
<td>8 324,2</td>
</tr>
<tr>
<td>• Bingo</td>
<td>17,8</td>
</tr>
<tr>
<td>• Horse betting</td>
<td>725,6</td>
</tr>
<tr>
<td>• LPMs</td>
<td>23,0</td>
</tr>
<tr>
<td>• Lotto</td>
<td>2 022,1</td>
</tr>
<tr>
<td>• Lotto Plus</td>
<td>474,1</td>
</tr>
<tr>
<td>• Scratch cards</td>
<td>75,8</td>
</tr>
<tr>
<td>• Total</td>
<td>11 662,6</td>
</tr>
</tbody>
</table>

The amount of R11 662,6 million allocated by households to legal gambling divided by total household cash expenditure of R685 451,2 million (table 6.1) resulted in a propensity to gamble of 1,70 %.
### TABLE 6.1
HOUSEHOLD CASH EXPENDITURE BY MAIN EXPENDITURE GROUP IN GAUTENG, 2004/05

<table>
<thead>
<tr>
<th>Expenditure group</th>
<th>Total expenditure (R'000)</th>
<th>% Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>147 786 883</td>
<td>21,6</td>
</tr>
<tr>
<td>Clothing, footwear &amp; accessories</td>
<td>26 485 339</td>
<td>3,9</td>
</tr>
<tr>
<td>Housing &amp; electricity</td>
<td>110 873 896</td>
<td>16,2</td>
</tr>
<tr>
<td>Fuel &amp; light</td>
<td>7 179 691</td>
<td>1,0</td>
</tr>
<tr>
<td>Transport</td>
<td>64 011 000</td>
<td>9,3</td>
</tr>
<tr>
<td>Medical &amp; dental</td>
<td>19 458 527</td>
<td>2,8</td>
</tr>
<tr>
<td>Education</td>
<td>18 707 247</td>
<td>2,7</td>
</tr>
<tr>
<td>Personal insurance</td>
<td>28 086 461</td>
<td>4,1</td>
</tr>
<tr>
<td>Recreation, entertainment &amp; sport</td>
<td>6 743 264</td>
<td>1,0</td>
</tr>
<tr>
<td>Household furniture &amp; equipment</td>
<td>21 486 698</td>
<td>3,1</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>21 025 579</td>
<td>3,1</td>
</tr>
<tr>
<td>Cigarettes &amp; tobacco</td>
<td>10 584 029</td>
<td>1,5</td>
</tr>
<tr>
<td>Washing &amp; cleaning materials</td>
<td>7 320 028</td>
<td>1,1</td>
</tr>
<tr>
<td>Personal care</td>
<td>23 116 890</td>
<td>3,4</td>
</tr>
<tr>
<td>Communication</td>
<td>16 449 035</td>
<td>2,4</td>
</tr>
<tr>
<td>Reading matter &amp; stationery</td>
<td>4 965 251</td>
<td>0,7</td>
</tr>
<tr>
<td>Domestic workers</td>
<td>8 517 237</td>
<td>1,2</td>
</tr>
<tr>
<td>Support to relatives (cash)</td>
<td>12 797 327</td>
<td>1,9</td>
</tr>
<tr>
<td>Holidays/weekend</td>
<td>3 981 938</td>
<td>0,6</td>
</tr>
<tr>
<td>Income tax</td>
<td>68 356 978</td>
<td>10,0</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>31 299 719</td>
<td>4,6</td>
</tr>
<tr>
<td>Savings</td>
<td>26 218 147</td>
<td>3,8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>685 451 164</strong></td>
<td><strong>100,0</strong></td>
</tr>
</tbody>
</table>

1) 2004 household cash expenditure inflated by 2% to portray an annual figure from April 2004 to March 2005

Source: Martins 2001 (Report 326)

#### 6.2.3 Gambling expenditure in comparison with other household expenditure items

A comparison of the R11 662,6 million expenditure on gambling with other household expenditure items reveals the following:

- Expenditure on gambling closely resembles the amounts spent on milk products and eggs (R13 517 million), vegetables (R14 843 million), soft drinks (R11 412 million) and white and brown bread (R13 001 million).
6.2.4 Propensity to gamble by mode

By using the GGR of the various gambling modes, the following propensity-to-gamble figures can be presented by mode for financial year ended 31 March 2005:

<table>
<thead>
<tr>
<th>Propensity (%)</th>
<th>Allocation of each R100 spent on gambling</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.21</td>
<td>R 71,38</td>
</tr>
<tr>
<td>0.003</td>
<td>15c</td>
</tr>
<tr>
<td>0.11</td>
<td>R 6,22</td>
</tr>
<tr>
<td>0.003</td>
<td>20c</td>
</tr>
<tr>
<td>0.30</td>
<td>R 17,34</td>
</tr>
<tr>
<td>0.07</td>
<td>R 4,06</td>
</tr>
<tr>
<td>0.01</td>
<td>65c</td>
</tr>
<tr>
<td>1.70</td>
<td>R 100,00</td>
</tr>
</tbody>
</table>

The above suggests that casinos represented by far the most important form of gambling in terms of household expenditure in 2005. Just more than R71,38 in every R100 spent on gambling was allocated to casinos, followed by the National Lottery (lotto, lotto plus and scratch cards) receiving R22,05 in every R100. Horse betting represented the third most important mode attracting R6,22 in every R100 gambled by patrons. Bingo and LPMs attracted minute volumes of R0,15 and R0,20 respectively for every R100 gambling expenditure. The importance of the latter mode may increase if the full LPM infrastructure is established countrywide.

The propensity to gamble of the South African population of 1,7% was considerably lower than the Australian figure of 3,1% in 1998 but higher than the 1,04% in New Zealand (1998) and the 0,6% of the USA in 2000 (NGB 2003).

6.2.5 Longitudinal comparisons

Table 6.2 shows the results of previous studies with regard to the propensity to gamble. The propensity calculations were similar in all four reports. The following inferences are suggested:
Casino gambling remains the most important gambling mode (from an expenditure point of view) attracting just more than 70 % of total legal gambling expenditure. Propensity to gamble increased from 0,91 % in the 2002 NGB survey to 1,21 % in the 2005 NGB survey. The 1,25 % in Gauteng is somewhat higher probably due to easier casino access compared to the rest of the country. The maintenance of a propensity of just above 1,20 % since 2003 may suggest a stabilisation of the propensity in the order of 1,20 %. This implies a casino GGR growth for the country as a whole similar to average salary increases.

Horseracing shows a slight decline from 0,20 % in 2002 to 0,11 % in 2005. The somewhat higher propensity of 0,16 % in Gauteng compared to the country as a whole (0,11%) may be explained by easier access to betting facilities and higher welfare levels.

The allocation of household expenditure to lottery games shows a downward trend since 2003. The propensity to play lottery games declined from 0,50 % in 2003 to 0,38 % in 2005. This trend corresponds with the decline in lotto ticket sales that shows the following volumes (www.nationallottery.co.za/lotto):

<table>
<thead>
<tr>
<th>Year</th>
<th>Lotto (Rm)</th>
<th>Lotto plus (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>R3 491,9</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>R4 202,7</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>R4 123,5</td>
<td>87,0</td>
</tr>
<tr>
<td>2004</td>
<td>R3 279,0</td>
<td>852,6</td>
</tr>
<tr>
<td>2005</td>
<td>R3 168,5</td>
<td>919,6</td>
</tr>
</tbody>
</table>

Bingo attracted only 0,003 % of household expenditure and will probably remain at this low level. The somewhat higher level (0,05 %) in Gauteng is explained by the fact that two of the three bingo halls are located in this province.

The propensity to play LPMs may increase in future from its 2005 level of 0,003 %. Only the LPMs in Mpumalanga, Western Cape and Eastern Cape were operational during the study period (September 2005 to October 2005).

On the basis of the above, it may be expected that the propensity of South African households to gamble will stabilise in the vicinity of 1,70 %.
TABLE 6.2
COMPARISON OF PROPENSITY TO GAMBLE WITH SECONDARY DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Casinos</td>
<td>0,91</td>
<td>1,25</td>
<td>-</td>
<td>1,21</td>
</tr>
<tr>
<td>Bingo</td>
<td>0,002</td>
<td>0,05</td>
<td>-</td>
<td>0,003</td>
</tr>
<tr>
<td>Horse betting</td>
<td>0,20</td>
<td>0,16</td>
<td>-</td>
<td>0,11</td>
</tr>
<tr>
<td>LPMs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0,003</td>
</tr>
<tr>
<td>Lottery games</td>
<td>0,19</td>
<td>0,50</td>
<td>0,48</td>
<td>0,38</td>
</tr>
<tr>
<td>Total</td>
<td>1,30</td>
<td>1,96</td>
<td>0,48</td>
<td>1,70</td>
</tr>
</tbody>
</table>

However, it is important to mention that an upward adjustment has been effected on household expenditure figures from 2005 onwards. This implies that the propensity to gamble will decline in future based solely on the fact that the GGR figures will be divided into a larger sum. In summary, it implies that the absolute amount of gambling will not be changed but the percentage share of gambling in total household expenditure will decline from the 1,70 % as calculated in this report to a percentage of approximately 1,40 %.

6.2.6 Expenditure displacement effects

Household expenditure patterns are experiencing structural changes, especially since the beginning of the 1990s. Households are trading off existing allocations for new expenditure avenues. Priorities change in tandem with new lifestyles and product and service alternatives. Expenditure items that show favourable growth are mobile phones, education, medical and dental services, household computers, security and gambling. Increased expenditure on these items could either be financed by increased income or displacing existing expenditure in favour of the above items.

Any calculation of expenditure displacement should be handled with extreme caution. Households (gamblers) find it difficult to indicate what household items are forfeited in favour of gambling. Furthermore, when asked about displacement, reference is normally made to only one or two items forfeited while there could have been several small cuts with regard to various items. Household budget behaviour often consists of small cuts on various discretionary expenditure items rather than substitution of one item by gambling. Gambling expenditure could also result in dissaving, implying no immediate displacement but the postponement of the purchase of durable goods, frequently funded from accumulated savings.

Substitution can, therefore, be effected with regard to the following broad product/service categories:

- other forms of gambling expenditure (from casinos to the lottery or vice versa, for example)
- retail spending on goods
- spending on services such as entertainment, communication or health
- savings
The magnitude of expenditure displacement may be minimised in a regime of reasonable to high salary adjustment.

It is also important to keep in mind that gambling represents an expenditure item for households as well as an income flow resulting from winnings. However, a significant number of persons spend numerous (small) amounts on gambling while the income stream is concentrated in one or two large amounts and payouts to fewer persons than originally participating in gambling expenditure.

To determine possible displacement effects the following question was included in the survey:

‘If you were not gambling, on what would you have spent the gambling amount instead?’ Although various responses such as ‘household necessities’ (food, soap, etc), ‘luxury items’, ‘savings’ and ‘other entertainment’ were provided in the questionnaire, interviewers were requested not to read out these alternatives, in order not to influence the reaction of respondents.

The result of the responses is shown in figure 6.1. Household necessities (61.8 %) are mentioned by the majority, followed by savings (27.5 %), other entertainment (14.5 %) and luxury items (13.8 %). Note that the percentages refer to the number of households that displaced some of their gambling money from the mentioned items. Since most respondents mentioned more than one item and did not indicate which percentage of money would be sourced from which item, it was not possible to determine the relative importance of the items. The response to this question therefore provides only the items from which displacement takes place and not the proportion of gambling money sourced from expenditure intended for the various items mentioned. A restriction on respondents to mention only one expenditure item for displacement would also not necessarily have portrayed a full picture.

**FIGURE 6.1**

**ITEMS FROM WHICH GAMBLING MONEY IS DISPLACED**

Displacement by demographic variable reveals, inter alia, the following:
Age differentials do not exert a substantial influence on displacement choices. However, what is clear is that the 60 year plus age group displaces less from household necessities, savings and luxury items than the other age groups.

Some differences present themselves by work status. Unemployed and part-time employed respondents report far more displacement from household necessities than other employment categories. Displacement from luxury items and savings is far lower among pensioners than in other work categories.

Displacement by level of education reveals substantially higher displacement from household necessities among those with no formal schooling or primary education than among those with a tertiary qualification.

Displacement from household necessities is substantially higher among Africans than among Whites, for example.

Displacement by gender is largely similar.

A negative correlation presents itself between income level and the percentage displacement from household necessities. For example, it drops from 66% in the less affluent groups to only 26% in the most affluent group.

The above patterns were confirmed by previous surveys (NGB 2002 and NLB 2003) and clearly suggest a far more negative influence of gambling among less affluent households compared to more affluent households. Displacement from household necessities to gambling featured more prominently among younger respondents, the unemployed and part-time employed, those with no formal schooling and the lowest income category.

A question closely related to the one on displacement, requested an opinion from respondents on the negative impact of gambling on household welfare levels. It was phrased as follows: ‘Does gambling by members of your household have a negative impact on your household welfare?’ Prior to presenting the results, it is important to note that respondents may not always acknowledge the possible negative effects of their gambling conduct on their fellow household members. One may therefore assume a degree of underreporting with regard to this question.

Figure 6.2 reflects that only 6.7% of respondents confirmed that they perceived a negative effect on their household welfare levels due to gambling. More than nine in every ten respondents (93.3%) indicated no negative impact.
In a 1997 Niagara Falls survey in Canada, respondents were specifically asked to estimate how much of the money spent at Casino Niagara they would have spent on entertainment, another form of gambling or household necessities. Responses that added up to more than 100% were excluded. The following was found on displacement. On average, these respondents reported that 80% of the money spent at Casino Niagara was diverted from some other type of expenditure: 62% from entertainment, 11% from other forms of gambling and 8% from necessities of life (food, rent, etc). This finding was also confirmed by another survey in Canada (Turner 1999:46). Note that the above percentages are based on the items from which displacement was effected while the percentages in the NGB study are based on households that indicated displacement from certain items. The income levels of the Canadian respondents were also substantially higher than is the case in South Africa.

The above information suggests that no exact displacement figures can be presented. The solution probably lies between a pro-rata allocation from other household expenditure items and the community survey results. Households do not always follow an approach of a pro-rata down-scaling of all their expenditure items to generate sufficient money for gambling, nor do they always substitute only one item in favour of gambling. In addition, some household expenditure items, such as income tax and insurance premiums, cannot be down-scaled.

The following items can therefore be regarded as important displacement items in favour of gambling and may differ substantially by income level of the gambler or his/her household:

- savings
- postponement of procuring luxury items
- other entertainment
- household necessities

6.3 THE REDISTRIBUTIONAL EFFECT OF GAMBLING

Gambling activities have a significant redistributional effect. On average, a significant number of punters spend small amounts while only a small percentage receive large amounts of prize money. This is particularly true with regard to the lottery. Due to the electronic availability of information on the lotto, this mode of gambling will be used to illustrate the redistributional effect.
The license contract with Uthingo as operator of the National Lottery stipulates that over the seven-year license term, money generated by the lotto should be allocated as follows (NLB 2003:98):

- Prizes : 50 %
- Distribution to good causes : 30 %
- Operations including salaries, advertising, overheads of the license holder : 15 %
- Commission to retailers : 5 %

However, the prize pool percentages for each game are different and range from 45 % for lotto to between 55 % and 60 % for scratch cards.

The license contract further stipulates that the 50 % allocation to prizes for lotto should, over the seven-year period, be divided as follows:

- Division 1 prize (jackpot) : 18,25 %
- Division 2 prize : 4,00 %
- Division 3 prize : 9,00 %
- Division 4 prize : 5,00 %
- Division 5 prize : 16,75 %
- Division 6 prize : 11,00 %
- Division 7 prize : 36,00 %
- Total : 100,00 %

The redistributional effect of the above is illustrated in tables 6.3 and 6.4. The tables show the total ticket sales and prize pool for the Saturday 14 January 2006 draw and Wednesday 4 January 2006 draw.

On the basis of an average expenditure of approximately R10 per buyer per draw in 2005, table 6.3 shows that approximately 2,9 million people contributed to the ticket sales of R28,9 million for the 14 January 2006 draw. Only 258 604 people (8,9 % of buyers) received something back in the form of prizes. One person received R4,3 million, two persons received R259 715 each and 338 received division 3 prizes to the amount of R3 457 each. No less than nine in every ten winners (89,7 %) each received R20 (division 7 prizes). An extremely large number of people (almost 3 million) each spent small amounts while the prizes were heavily concentrated in only three people (division 1 and 2 prizes).
### TABLE 6.3
TOTAL LOTTO TICKET SALES AND PRIZE POOL,
SATURDAY 14 JANUARY 2006

<table>
<thead>
<tr>
<th>Total amount R</th>
<th>Total number of participants/winners</th>
<th>Individual payout R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ticket sales</td>
<td>28 857 288</td>
<td>2 885 728 ¹)</td>
</tr>
<tr>
<td>Total prize pool</td>
<td>14 873 968</td>
<td>258 604</td>
</tr>
<tr>
<td>Division 1</td>
<td>4 317 001</td>
<td>1</td>
</tr>
<tr>
<td>Division 2</td>
<td>519 430</td>
<td>2</td>
</tr>
<tr>
<td>Division 3</td>
<td>1 168 466</td>
<td>338</td>
</tr>
<tr>
<td>Division 4</td>
<td>649 215</td>
<td>405</td>
</tr>
<tr>
<td>Division 5</td>
<td>2 161 800</td>
<td>14 412</td>
</tr>
<tr>
<td>Division 6</td>
<td>1 417 816</td>
<td>11 434</td>
</tr>
<tr>
<td>Division 7</td>
<td>4 640 240</td>
<td>232 012</td>
</tr>
</tbody>
</table>

¹) Total sales ÷ R10

The same pattern emerges from table 6.4, illustrating the redistributional effects of a typical Wednesday draw. Approximately 2.3 million people bought lotto tickets while only 6.9% received something back. One person received the jackpot of R6.8 million and 141 010 (89.5%) received division 7 prizes to the amount of R26,00 each.

### TABLE 6.4
TOTAL LOTTO TICKET SALES AND PRIZE POOL,
WEDNESDAY 4 JANUARY 2006

<table>
<thead>
<tr>
<th>Total amount R</th>
<th>Total number of participants/winners</th>
<th>Individual payout R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ticket sales</td>
<td>22 868 168</td>
<td>2 286 816 ¹)</td>
</tr>
<tr>
<td>Total prize pool</td>
<td>14 850 029</td>
<td>157 530</td>
</tr>
<tr>
<td>Division 1</td>
<td>6 845 685</td>
<td>1</td>
</tr>
<tr>
<td>Division 2</td>
<td>411 624</td>
<td>8</td>
</tr>
<tr>
<td>Division 3</td>
<td>926 091</td>
<td>129</td>
</tr>
<tr>
<td>Division 4</td>
<td>514 532</td>
<td>307</td>
</tr>
<tr>
<td>Division 5</td>
<td>1 719 348</td>
<td>7 541</td>
</tr>
<tr>
<td>Division 6</td>
<td>1 126 488</td>
<td>8 534</td>
</tr>
<tr>
<td>Division 7</td>
<td>3 666 260</td>
<td>141 010</td>
</tr>
</tbody>
</table>

¹) Total sales ÷ R10
The redistributional effect is far less marked with regard to casinos. Only a small percentage of the amount returned to players by casinos constituted jackpot prizes exceeding R250 000.

6.4 THE LESS AFFLUENT AND GAMBLING

A clear indication emerges from the survey that the less affluent parts of the South African population are important participants in gambling activities. For example:

- Just more than one in every four (27.2%) gambling participants were unemployed.
- Just more than one in every ten (13.5%) occupied part-time jobs.
- 3.9% had no formal schooling.
- Just more than one in every ten (12.8%) attained only primary school qualifications.
- One third (35.5%) earned less than R6 000 per annum.
- Just more than half (51.7%) earned less than R12 000 per annum (R1 000 per month).

The following three socio-economic variables were selected to illustrate their involvement in gambling: earning a personal income of less than R1 000 a month, being unemployed and having no formal schooling or attaining only a primary school certificate.

In terms of participating in gambling by those earning less than R1 000 per month, the following materialises from the community survey:

- 73.3% bought lotto tickets
- 15.3% bought scratch cards
- 6.4% frequented casinos
- 3.2% wagered on horses/sports events
- 1.2% played LPMs

The unemployed respondents confirmed the following participation patterns:

- 74.6% bought lotto tickets
- 14.4% bought scratch cards
- 7.0% visited casinos
- 2.5% wagered on horses/sports events
- 1.0% played LPMs
The respondents with an educational level of primary school or less show the following participation levels:

- 75.9% bought lotto tickets
- 11.0% bought scratch cards
- 6.1% visited casinos
- 6.5% wagered on horses/sports events
- 0.4% played LPMs

The above clearly suggests that the less affluent gambling participants were overwhelming involved in national lottery games. Only a small minority participated in any of the gambling modes regulated by the NGB during the three months preceding the survey.

6.5 CONCLUSION

Household expenditure patterns are continuously changing due to the availability of new products and services. During the past decade numerous alternative expenditure possibilities have emanated, such as new communication and IT products and services. Changing government priorities favour the less affluent communities in terms of education and health expenditure but exercise greater demand on the more affluent communities especially with regard to expenditure on health, educational and security services. It is therefore clear that expenditure on gambling is but one of the factors contributing to changed household expenditure patterns.

The propensity to gamble was calculated at 1.70% of household expenditure with casino gambling and national lottery games (lotto, lotto plus and scratch cards) being the two major gambling modes with a propensity of 1.21% and 0.38% respectively. National lottery games attracted far more participants than casinos but generated far less expenditure than casinos.

Gambling expenditure is financed from displacement from other household expenditure items and/or from increased household income. The impact of such redirection of household budgets is much more critical in the case of less affluent households.

Gambling expenditure is also characterised by huge redistributional effects. Relatively small amounts are spent by millions of gambling participants while only a small minority benefit from prizes. This is particularly true for national lottery games.

Gambling activities are exercised by the whole community, from less affluent to the more affluent. National lottery games are favoured by the less affluent segment of the population while the higher income groups favour casino gambling as an important leisure activity.
CHAPTER 7
THE ROLE OF THE GAMBLING SECTOR IN THE SOUTH AFRICAN ECONOMY

7.1 INTRODUCTION

Major developments in the gambling industry followed the promulgation of the National Gambling Act in 1996. Considerable investments have taken place in the casino industry since 1997 with the establishment of new casinos, often accompanied by large supplementary investments such as hotels, convention centres, sports facilities and shopping and other retail facilities.

As part of this study, an attempt was made to collect information from various roleplayers in the gambling industry. Information was received from some of the institutions while estimates and assumptions were made in cases where information was not forthcoming. Data should therefore not be regarded as an exact picture of the sectors’ contribution to the South African economy but only as a rough estimate.

This chapter highlights the activities of the gambling industry in terms of capital expenditure, gambling turnover and GGR, and taxes paid. This is followed by the direct and indirect or multiplier effects of the gambling sector on the South African economy.

7.2 TURNOVER AND CAPITAL INVESTMENT

7.2.1 Turnover and gross gaming revenue (GGR)

Table 7.1 depicts the turnover and GGR of gambling institutions by mode. A total of R127\,259,3 million was spent on gambling entertainment and the buying of lotto tickets for the financial year ended 31 March 2005. Of this amount no less than 91,8 % was reverted back to players in the form of prizes, resulting in an amount of R11\,157,3 million being retained by gambling institutions.

The magnitude of these figures can be illustrated by the fact that the initial expenditure of R127\,259,3 million was equal to 18,6 % of total household expenditure that declined to 1,6 % after payment of prizes was taken into consideration. However, it should be noted that the gambling turnover amount of R127\,259,3 million represented a large element of double-counting due to the fact that the same R1 (or part thereof) was repeatedly gambled. Total gambling turnover is therefore not extracted in total from household budgets. Only a portion thereof is allocated by households to gambling and then gambled repeatedly (together with prizes) by punters.
TABLE 7.1
TURNOVER AND GGR OF THE GAMBLING SECTOR BY MODE, APRIL 2004 – MARCH 2005

<table>
<thead>
<tr>
<th>Mode</th>
<th>Turnover/ticket sales (Rm)</th>
<th>Gross Gaming Revenue (Rm)</th>
<th>% Return to players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casinos</td>
<td>127 259,3</td>
<td>8 324,1</td>
<td>93,5</td>
</tr>
<tr>
<td>Bingo</td>
<td>62,3</td>
<td>17,8</td>
<td>71,4</td>
</tr>
<tr>
<td>Horse betting</td>
<td>3 969,6</td>
<td>725,6</td>
<td>81,7</td>
</tr>
<tr>
<td>LPMs</td>
<td>192,7</td>
<td>23,0</td>
<td>88,1</td>
</tr>
<tr>
<td>Lotto</td>
<td>3 198,8</td>
<td>1 570,8</td>
<td>50,9</td>
</tr>
<tr>
<td>Lotto plus</td>
<td>858,5</td>
<td>420,2</td>
<td>51,1</td>
</tr>
<tr>
<td>Scratch cards</td>
<td>163,9</td>
<td>75,8</td>
<td>53,8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>135 705,1</strong></td>
<td><strong>11 157,3</strong></td>
<td><strong>91,8</strong></td>
</tr>
</tbody>
</table>

Sources: NGB 2006, Uthingo 2006

7.2.2 Taxes paid by the gambling industry

The gambling industry makes substantial contributions to government income. The figures below exclude any contributions made by activities originating from the national lottery.

The amount transferred to the provincial regulators for the period April 2004 to March 2005 amounted to R835,1 million. Only the Gauteng Gambling Board supplied comprehensive information that includes payments such as company tax and net VAT payments. Given the fact that Gauteng accommodated just less than half of gambling expenditure in South Africa, the Gauteng gambling figures below illustrate the magnitude of the gambling industry’s contribution to government income that may be approximately twice the amount indicated below:

- Provincial gambling taxes/levies: 340,5
- Company tax: 233,0
- Net VAT payments: 366,5
- Other transfers to government: 354,8
- National lottery: Excluded
- **Total**: 1 294,8

7.2.3 Capital expenditure

In contrast with operational expenditure, capital investment is a once-off expenditure not repeated at the same level on an annual basis. After the initial establishment of infrastructure and the erection of...
building structures, follow-up investment portrays far lower levels, primarily in the form of new vehicles, machinery and equipment. Large capital investments in the gambling industry have been made especially since 1997.

It is estimated that a total of R15 606,1 million has been invested by the gambling industry from 1997 to March 2005. Of these gambling investments the casino industry contributed 90,7 %. Total gambling investment represented just more than 1,2 % of the R1 261 060 million of gross fixed capital formation in South Africa between 1997 and 2004.

When interpreting the investment data, it should be recognised that the large investments by the casino industry effected during the period 1981 to 1991 in the erstwhile independent homelands (TBVC states), are not reflected in the above investment figures.

7.3 MULTIPLIER EFFECTS OF THE GAMBLING SECTOR

7.3.1 Introduction

In addition to the normal operational and investment activities of the gambling sector, previous studies (NGB 2003 and GGB 2006) confirm large multiplier effects of the gambling sector. Calculations of the multiplier effects or economic impact of an industry or project are normally based on a multisectoral input-output model (Nel 1999(a) and Nel 1999(b).

Suffices to say, in this report the input-output model comprises mathematical equations linking the economic flows between different sectors of the economy. This model is ideally suited for application in the field of economic impact analysis. For purposes of impact analysis the following can be measured in terms of both backward and forward linkages of the economy, namely:

- Impact on GDP (value added contribution) of the gambling sector
- Impact on employment. This is taken as the number of full-time employees. In cases of part-time employees, the numbers are adjusted to a forty-hour working week.

It should be noted that the impacts are measured as follows:

(a) Initial impact

The initial impact is calculated as the impact of a particular project on the economy. The initial impact on GDP of operating or constructing a casino, for example, is derived from the financial information provided by the casino industry. (This impact is sometimes referred to as the direct impact.)

(b) Indirect impact

Indirect impacts are determined from the activities of suppliers. For example, suppliers include those industries that deliver goods and services to the casino and include, for example, suppliers of cement, bricks and trusses in the construction phase and food and security
services during the operational phase. Activities of the latter industries are expanded as a result of establishing a casino. These industries are referred to as first-round suppliers that could in turn stimulate further demand in, for example, the electricity sector supplying additional electricity to cement and other producers (the first-round suppliers), etc. All these transactions originate from the initial establishment or management of a casino and can be attributed to the gambling sector.

(c) Induced impact

Induced impacts are the impacts on the economy due to increased demand for goods and services by households from the income earned due to the establishment of a gambling institution, i.e., the income of employees and shareholders of the project (say a casino) as well as the income arising through the backward linkages of this spending in the economy. Backward linkages are, for example, the additional employment created by retailers (e.g., Pick ‘n Pay), resulting from the increased demand for their products that in turn stimulate production in the agricultural sector supplying fresh produce to Pick ‘n Pay.

In summary, it can be stated that the initial impact can be regarded as the actual economic contribution of the gambling sector, while the indirect and induced impacts can be regarded as the spillover effects of the gambling sector to other sectors of the economy.

7.3.2 Methodology

In two previous studies (NGB 2003 & GGB 2006) conducted to determine the impact of gambling on the South African economy, extensive econometric modeling exercises were performed to calculate the GDP and employment multipliers. Table 7.2 shows the results of the exercise which confirmed fairly consistent results. The GDP multiplier for Gauteng shows a slight decline from 2.63 in 2002 to 2.0 in 2003. This differential is used to scale the 2002 multiplier of 3.0 somewhat down to 2.3 for application in this study.

<table>
<thead>
<tr>
<th>TABLE 7.2</th>
<th>GDP AND EMPLOYMENT MULTIPLIERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002 NGB survey</td>
</tr>
<tr>
<td>GDP multiplier</td>
<td></td>
</tr>
<tr>
<td>• South Africa</td>
<td>3.00</td>
</tr>
<tr>
<td>• Gauteng</td>
<td>2.63</td>
</tr>
</tbody>
</table>

Sources: NGB 2002 & GGB 2006

7.3.3 Value added by the gambling sector

Table 7.3 shows the value added (GDP) generated by the gambling industry in 2004/05. The value added represents the contribution of all gambling modes as well as the state/provincial regulatory
The value added contained in the table was calculated on a total operational expenditure of just more than R11 billion by all gambling modes.

Table 7.3 shows the initial, indirect and induced GDP generated by the gambling sector. The direct impact (value added) of the gambling industry itself amounted to R5 254,5 million. This was augmented by R2 985,3 million indirect and R3 172,5 million induced value added. The table reflects a GDP multiplier of 2.2 for the gambling sector. This means that for every initial R100 value added (GDP) generated by the gambling sector itself, a further R120 value added (GDP) was produced through the indirect and induced effects in 2004/05.

**TABLE 7.3**

**GDP (VALUE ADDED) CONTRIBUTION OF THE GAMBLING SECTOR TO THE SOUTH AFRICAN ECONOMY, APRIL 2004 - MARCH 2005**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Rmillion</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial impact</td>
<td>5 254,5</td>
<td></td>
</tr>
<tr>
<td>Indirect impact</td>
<td>2 985,3</td>
<td></td>
</tr>
<tr>
<td>Induced impact</td>
<td>3 172,5</td>
<td></td>
</tr>
<tr>
<td><strong>Total impact</strong></td>
<td>11 412,3</td>
<td>2,2</td>
</tr>
</tbody>
</table>

Table 7.4 reflects the contribution of the gambling sector to the South African economy in 2004/05. The initial contribution of the gambling industry amounted to 0,41 % of the South African GDP. A further 0,49 % was added to GDP through the indirect and induced effects implying that a total of just less than 1 % (0,90 %) was added to the South African economy as a result of establishing the gambling industry in South Africa.

**TABLE 7.4**

**CONTRIBUTION OF THE GAMBLING SECTOR TO GDP, APRIL 2004 – MARCH 2005**

<table>
<thead>
<tr>
<th>Impact</th>
<th>South African GDP at basic prices (Rm)</th>
<th>Gambling GDP (Rm)</th>
<th>% contribution to GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial impact</td>
<td>-</td>
<td>5 254,5</td>
<td>0,41</td>
</tr>
<tr>
<td>Indirect and induced impact</td>
<td>-</td>
<td>6 157,8</td>
<td>0,49</td>
</tr>
<tr>
<td><strong>Total impact</strong></td>
<td>1 268 042</td>
<td>11 412,3</td>
<td>0,90</td>
</tr>
</tbody>
</table>

The 0,9 % contribution of the gambling sector is somewhat less than the 1,1 % contribution in 2002. The slight decline in the contribution can be attributed to the stabilisation of the gambling sector after its rapid development up to 2002 while the aggregate economy expanded at a rate of 4,5 % in 1994 and close to 5,0 % in 2005.
On the basis of the prediction that the gambling sector’s GGR will probably increase in future in tandem with personal income growth, it could be predicted that the gambling sector’s contribution to the GDP of South Africa would be in the vicinity of 1 % of GDP in the foreseeable future.

7.4 ADDITIONAL CONTRIBUTIONS BY THE GAMBLING SECTOR

In addition to the direct and indirect effects of the gambling sector on the South African economy as calculated in the previous sections, several of the major private sector roleplayers (especially casino companies) are active participants in corporate social investment programmes. Millions of rands are allocated to, inter alia, support of old age homes, donations to charity institutions, support of SMMEs, support to crèches, donations to the South African Red Cross, donations to upliftment trusts, support to HIV/AIDS programmes, meals projects at schools, building of classrooms, and many more (see CASA, 2005 for a detailed exposition of the casino industry’s social investment programmes).

7.5 CONCLUDING REMARKS

The establishment of gambling facilities reached its height between 1998 and 2002. Construction activities levelled off from 2001 onwards while the majority of other activities in the gambling sector were in full operation by 2002. This study captured the activities of the gambling sector in their normal operational phase. Future movements would probably be sideways, implying that the magnitude of gambling activities would probably maintain their current levels.

The following mirror the contribution of the gambling sector in South Africa:

• The initial GDP (value added) generated by the gambling sector amounted to R5,3 billion in 2004/05. This amount is multiplied by direct and induced effects to a total GDP contribution of R11,4 billion. This represents an initial GDP contribution of 0,41 % with a further 0,49 % indirect and induced contribution. Total GDP contribution was 0,90 % that will probably remain at this level for the foreseeable future. The GDP multiplier was 2,2 meaning that for every R100 value added created by the gambling sector itself, another R120 was generated in other sectors of the economy.

• A total of R15,6 billion has been invested by the gambling sector from 1997 to March 2005. This amount represented just more than 1,2 % of the gross fixed capital formation in South Africa during the same period.

In addition to the above, the large private sector roleplayers (mainly casinos) in the gambling industry show a high degree of sensitivity regarding corporate social investment, especially in their neighbouring, less developed communities. BEE and HDI ownership is also prominent in the casino industry.
AGA, see American Gaming Association.


CASA, see Casino Association of South Africa.


Gauteng Gambling Board. 2006. Gambling behaviour in Gauteng. Pretoria: GGB. This report was jointly commissioned by the GGB and the Gauteng Department of Finance and Economic Affairs.

GGB, see Gauteng Gambling Board.


National Lotteries Board. 2003. The South African National Lottery: Community attitudes, behaviour and participation. Pretoria: NLB. This report was jointly commissioned by the NLB and Uthingo Management.


NGB, see National Gambling Board.

NLB, see National Lotteries Board.

SARGT, see South African Responsible Gambling Trust.


SARB, see South African Reserve Bank.


SOCIO-ECONOMIC IMPACT OF GAMBLING IN SOUTH AFRICA

SCREENING QUESTION FOR PERSONAL INTERVIEWS:
DO YOU HAVE A TELKOM TELEPHONE AT HOME?

If NO, continue with the face-to-face interview.

Name of respondent ____________________________________________________

Physical address of respondent ____________________________________________

Tel numbers of respondent

Home (code __________) _______________________________

Work (code __________) _______________________________

Cell ________________________________________________

Remarks ______________________________________________________________

Name of Interviewer ____________________________________________________

Tel no of Interviewer ____________________________________________________

Date completed _________________________________________________________

Time of interview _______________________________________________________

NATIONAL GAMBLING BOARD

AND

BUREAU OF MARKET RESEARCH,
University of South Africa

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0003

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University of South Africa • Universiteit van Suid-Afrika
School of Economic and Management Sciences • Skool vir Ekonomiese en Bestuurswetenskappe
INSTRUCTIONS TO INTERVIEWERS

1. GENERAL

   (a) All fieldwork will be checked by a second person revisiting or phoning some of the respondents. Interviewers found guilty of cheating will be dismissed immediately without any payment.
   (b) Interviews should only be conducted with persons 18 years and older.

2. SELECTION OF HOUSES FOR FACE-TO-FACE INTERVIEWS

   2.1 Only persons without an in-house Telkom telephone will be selected for face-to-face interviews (see screening question).
   2.2 The majority of interviews will be conducted with persons in RDP housing areas, squatter areas and informal housing areas.
   2.3 The selection of a house in these areas will be as follows:

      (a) **Residential area with street names and numbers**
          Any house with a stand, house or a street number that is divisible by 10, for instance 10, 30, 40, 150 or 180 can be selected. Only one house may be selected from a specific street in a suburb for purposes of interviewing. In other words, a second address may not be selected in the same street.

      (b) **Informal dwelling, squatter areas or villages**
          If the informal dwellings do not fall into a planned township but numbers are painted on the dwellings, residents of dwellings with numbers divisible by 10 may be interviewed. If there are no numbers, start with any house in the area and then select every 10th house for interviewing. The address, as indicated on the questionnaire, must be such that a return visit to the informal dwelling is possible for control purposes.

3. SELECTION OF A SPECIFIC PERSON TO BE INTERVIEWED IN THE SELECTED HOUSE

   (a) When you have selected a specific household, ask to speak to the head of the household, if available. Identify yourself and explain what you are doing. Hand the person your letter of introduction or read it aloud if necessary.
   (b) Ask for the birthdays of all the household members aged 18 years and older who reside (stay) at least two days per week in the house, whether or not they are present during your visit. Record these on the last page of the questionnaire. The interview should be conducted with the person whose birthday is next after the day of your visit to the household.
   (c) If the selected person is not present at your first visit, the household should be revisited to conduct the interview with that specific person. Ask when he or she will be back and what time would be the most convenient for the revisit. If that person will not be available at all, the household member second on the birthday list should be interviewed.
   (d) Interviews should preferably be conducted after hours or during weekends to ensure the maximum number of residents is present in the house. (Day visits will create a bias towards unemployed and women.) Interviews not conducted during weekends should include equal numbers of male and female respondents.
   (e) If the residents of the house refuse to participate, go to the next house divisible by 10.

4. SELECTION FOR TELEPHONE INTERVIEWS

   Interviewers will be supplied with lists of names and telephone numbers of respondents selected from relevant telephone directories.

5. IMPORTANT

   The above procedures are extremely important and should be strictly adhered to in order to ensure that the composition of the sample population is similar to the South African population. Only then, the findings of the study will be reliable.
Hi, my name is ........................................ I am phoning (or visiting) you on behalf of the University of South Africa (Unisa). Unisa has been appointed by the National Gambling Board to investigate the impact of gambling in South Africa. It would be appreciated if you would be prepared to answer a few questions. It will only take a few minutes of your time. All information will be treated confidentially.

NOTE: (a) PART A (QUESTIONS A1 TO A6.1) AND PART C (QUESTIONS C1 TO C7) SHOULD BE ASKED TO ALL RESPONDENTS.
(b) PART B (QUESTIONS B1 TO B10.1) SHOULD ONLY BE ASKED TO RESPONDENTS WHO PARTICIPATE IN GAMBLING, IE WHERE (12) IS NOT CIRCLED IN QUESTION A1.
(c) PART D SHOULD ONLY BE ASKED TO RESPONDENTS WHO BUY LOTTERY TICKETS AT LEAST TWICE PER WEEK (ie WHERE B1(a) IS CIRCLED), CASINOS ARE VISITED AT LEAST ONCE PER WEEK (ie WHERE B2(a) OR B2(b) IS CIRCLED), LPMs ARE PLAYED AT LEAST ONCE PER WEEK (ie WHERE B3(a) OR B3(b) IS CIRCLED OR HORSES/BETTING IS UNDERTAKEN DAILY OR ONCE PER WEEK (ie WHERE B4(a) OR B4(b) IS CIRCLED).

PART A : ASK TO ALL RESPONDENTS

A1 Have you participated in any of the following gaming activities during the past three months? (Read out) Circle one or more

(a) National lottery
(b) Casino gambling
(c) Limited Payout Machines (LPMs)
(d) Wagering (betting) on horses
(e) Sports betting
(f) Bingo
(g) Internet/on-line gaming
(h) Scratch cards
(i) Fafi
(j) Dice
(k) Other: (Specify) ________________

PART A & C (l) None of the above (not gambling at all)

ASK QUESTION A2 ONLY IF (12) IN QUESTION A1 ABOVE IS CIRCLED

A2 If you have not participated in any gambling activities during the past three months, what was the main reason? (Don’t read out. Probe) Circle one

(a) Lack of money
(b) Against religious beliefs
(c) Don’t gamble at all
(d) No access to gambling facilities
(e) Not interested
(f) Other (specify): ___________________

socio-economic impact of legalised gambling in South Africa
A3 What are your personal views on gambling? *(Read out)*

Circle one

- (a) Acceptable to me
- (b) Not acceptable to me but have no objections to gambling by others
- (c) Not acceptable to me

A4 How would you respond to the following statement: ‘Gambling is an important leisure activity for South Africans’? *(Read out)*

Circle one

- (a) Disagree
- (b) Agree
- (c) Can’t say/Don’t know

A5 Are you aware of under-age gambling ie persons less than 18 years participating in gambling?

Circle one

- Yes 1
- No 2

A5.1 If YES, what type of gambling do they perform?

Circle one or more

- (a) Lottery/scratch card
- (b) Casino gambling
- (c) Fafi
- (d) Dice
- (e) Other: (Specify) ________________________

A6 Do you think that gambling outlets/opportunities in South Africa are *(Read out):*

Circle one

- (a) Not enough
- (b) Enough
- (c) Too much
- (d) Don’t know

A6.1 If not enough outlets/opportunities (option 1 above), which gambling activities would you like more of?

Circle one or more

- (a) Lotto/scratch cards
- (b) Casinos
- (c) Limited Payout Machines (LPMs)
- (d) Tabs/Bookmakers
- (e) Bingo
- (f) Other (Specify) ____________________________

**PART B: ASK ONLY TO RESPONDENTS PARTICIPATING IN GAMBLING (SEE QUESTION A1 ABOVE)**

B1 LOTTO (NATIONAL LOTTERY)

If (01) in Question A1 is circled ask:

How often did you buy lotto tickets during the past three months? *(Read out)*

Circle one

- (a) Two times per week
- (b) Once per week
- (c) Once every two weeks
- (d) Once per month
- (e) Less often

**PART D**

(a) Two times per week

(b) Once per week

(c) Once every two weeks

(d) Once per month

(e) Less often

**socio-economic impact of legalised gambling in South Africa**
### B2 CASINOS
If (02) in Question A1 is circled, ask:
How often did you visit a casino during the past three months? (Read out)

<table>
<thead>
<tr>
<th>Part D</th>
<th>Circle one</th>
<th>Complete Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Daily</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(b) Once per week</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>(c) Once every two weeks</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>(d) Once per month</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>(e) Less often</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

### B3 LIMITED PAYOUT MACHINES
If (03) in Question A1 is circled, ask:
How often did you play on LPMs the past three months? (Read out)

<table>
<thead>
<tr>
<th>Part D</th>
<th>Circle one</th>
<th>Complete Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Daily</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(b) Once per week</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>(c) Once every two weeks</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>(d) Once per month</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>(e) Less often</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

### B4 HORSE/SPORTS WAGERING/BETTING
If (04) in Question A1 is circled, ask:
How often did you bet on horses/sports during the past three months? (Read out)

<table>
<thead>
<tr>
<th>Part D</th>
<th>Circle one</th>
<th>Complete Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Daily</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(b) Once per week</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>(c) Once every two weeks</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>(d) Once per month</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>(e) Less often</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

### B5 If you win any money from gambling today, on what would you spend it? (Do not read out. Probe)

<table>
<thead>
<tr>
<th>Circle one or more</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Payment of debt/bond</td>
<td>1</td>
</tr>
<tr>
<td>(b) Purchase of luxury items</td>
<td>2</td>
</tr>
<tr>
<td>(c) Purchase of necessities</td>
<td>3</td>
</tr>
<tr>
<td>(d) Saving</td>
<td>4</td>
</tr>
<tr>
<td>(e) Entertainment</td>
<td>5</td>
</tr>
<tr>
<td>(f) Gambling</td>
<td>6</td>
</tr>
<tr>
<td>(g) Other</td>
<td>7</td>
</tr>
<tr>
<td>(h) Don’t know</td>
<td>8</td>
</tr>
</tbody>
</table>

### B6 How much did you spend on legal gambling (ie all gambling modes (a) – (g) in A1) last month? (Read out spending categories)

<table>
<thead>
<tr>
<th>Circle one</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Less than R50</td>
</tr>
<tr>
<td>(b) R51 – R150</td>
</tr>
<tr>
<td>(c) R151 – R300</td>
</tr>
<tr>
<td>(d) R301 – R500</td>
</tr>
<tr>
<td>(e) R501 – R1 000</td>
</tr>
<tr>
<td>(f) R1 001 – R2 000</td>
</tr>
<tr>
<td>(g) R2 001 – R5 000</td>
</tr>
<tr>
<td>(h) More than R5 000</td>
</tr>
<tr>
<td>(i) Don’t read</td>
</tr>
</tbody>
</table>
B7 Is money used for gambling? (Read out)
(a) A specific amount budgeted for in your budget or
(b) Not budgeted for

B7.1 If not budgeted for, is your spending characterised by? (Read out)
(a) Impulsive (unplanned quick) gambling on an occasional basis (now and then) or
(b) Impulsive (unplanned quick) gambling on a regular basis

B8 If you were not gambling, on what would you have spent the above amount instead? (Do not read. Probe)
(a) Household necessities (food, soap, etc)
(b) Luxury items (eg furniture, cell phones, etc)
(c) Savings
(d) Other entertainment
(e) Other
(f) Don’t know

B9 Does gambling by members of your household have a negative impact on your household welfare?

B10 Are you aware of any programme to assist compulsive/problem gamblers?

PART C: ASK TO ALL RESPONDENTS

C1 How old are you? (Read out alternatives if necessary)

C2 How would you describe your work status? (Read out)
(a) Full-time work (including self employed)
(b) Part-time work (including self employed)
(c) Unemployed (Looking for work)
(d) Retired/pensioner
(e) Home duties
(f) Student

C3 What is your educational level? (Read out)

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socio-economic impact of legalised gambling in South Africa
C4 What is your population group?  (If possible, complete without asking the question)

(a) Asian
(b) African
(c) Coloured
(d) White

C5 What is your gender?  
(If possible, complete without asking the question.)

(a) Male
(b) Female

C6 What is your monthly income category (ie your estimated income per month or per annum)?  (Read out alternatives)  (Circle only one)

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Less than R500</td>
<td>(a) Less than R6000</td>
</tr>
<tr>
<td>(b) Between R501-R1000</td>
<td>(b) Between R6001-R12000</td>
</tr>
<tr>
<td>(c) Between R1001-R2000</td>
<td>(c) Between R12001-R24000</td>
</tr>
<tr>
<td>(d) Between R2001-R5000</td>
<td>(d) Between R24001-R60000</td>
</tr>
<tr>
<td>(e) Between R5001-R10000</td>
<td>(e) Between R60001-R120000</td>
</tr>
<tr>
<td>(f) Between R10001-R20000</td>
<td>(f) Between R12001-R240000</td>
</tr>
<tr>
<td>(g) More than R200000</td>
<td>(g) More than R2400000</td>
</tr>
</tbody>
</table>

C7 In your opinion, can participation in gambling lead to (Read out)

(a) domestic violence
(b) abuse of women and children
(c) abuse of men
(d) lack of household basic necessities (eg food)

PART D. ASK ONLY TO RESPONDENTS BUYING LOTTERY TICKETS AT LEAST TWICE PER WEEK (SEE B1(a)), VISITING THE CASINO DAILY OR ONCE PER WEEK (B2(a) or (b) PLAYING LPMs AT LEAST ONCE PER WEEK (B3(a) OR (b)) OR HORSE WAGERING AT LEAST ONCE PER WEEK (B4(a) OR (b)) DURING THE PAST THREE MONTHS

D1 Did you ever lose time from work/study due to gambling?  (Circle one)

Yes 1  No 2

D2 Has gambling ever made your home life unhappy?

Yes 1  No 2

D3 Did gambling affect your reputation (the way others see you)?

Yes 1  No 2

D4 Have you ever felt remorse (sorry for doing something wrong) after gambling?

Yes 1  No 2

D5 Did you ever gamble to get money to pay debts or otherwise solve financial difficulties?

Yes 1  No 2

D6 Did gambling cause a decrease in your ambition or efficiency (drive to succeed in life)?

Yes 1  No 2

D7 After losing, did you feel you must return as soon as possible and win back your losses?
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>D8  After a win, did you have a strong urge to return and win more?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D9  Did you often gamble until your last rand was spent?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D10 Did you ever borrow to finance your gambling?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D11 Have you ever sold anything to finance your gambling?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D12 Were you reluctant (not willing) to use gambling money for normal expenditure?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D13 Did gambling make you careless of yourself or your family?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D14 Do you ever gamble more than you had planned?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D15 Do you ever gamble to escape worry and trouble?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D16 Have you ever committed or considered committing an illegal act to finance gambling?</td>
<td>1</td>
<td>2</td>
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<tr>
<td>D17 Does gambling cause you to have difficulty in sleeping?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D18 Do arguments, disappointment or frustrations cause you to gamble?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D19 Do you have an urge to celebrate any good fortune by a few hours of gambling?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D20 Have you ever considered self-destruction as a result of your gambling?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

THANK YOU FOR YOUR COOPERATION
### Sequence of Birthdays of Household Members 18 Years and Older

Interview person whose birthday is due next after interview.

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Date of birth</th>
<th>Cross (x) the selected respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

**NOTE:**

If the person selected is not the one celebrating his/her birthday next, please specify why selecting an alternative respondent:

________________________________________________________________________________

________________________________________________________________________________
FOCUS GROUP DISCUSSION GUIDELINE

1. Knowledge, attitudes and perceptions on gambling
   a) What is gambling?
   b) What are the different types of gambling?
   c) How do you feel about gambling?
   d) Should people be encouraged to gamble?

2. Incidence of problem gambling
   a) What type of gambling activity do you participate in?
   b) How did you start gambling?
   c) Why did you start gambling?
   d) How often do you gamble?
   e) Has gambling become a problem for you?

3. Impact on personal health
   a) Do you experience any anxiety, depression or stress due to problem gambling?
   b) Have you ever had to go to a hospital or clinic as a result of illness related to gambling?
   c) How much time do you spend in counseling as a result of gambling?

4. Impact on interpersonal relationships
   a) Which of the following problems have you experienced because of gambling:
      i. Not spending enough time with your family?
      ii. Breaking up of a relationship with a partner or a friend?
      iii. Losing contact with your family?
      iv. Losing contact with your children?
      v. Resorting to violence due to gambling?
      vi. Argument over money with your partner?
   b) Has your gambling habit influenced your children or family members to gamble?
   c) Has a family member or friend influenced you to gamble?

5. Impact on work or studies
   a) Have you lost time from work or studies in the last year due to gambling?
   b) Has gambling affected your work or studies?
   c) Have you ever been fired from work due to gambling?
6. Financial impact

a) Before you started gambling, did you have financial problems?
b) Did the financial problems influence you to gamble?
c) Do you have debts caused by your gambling behaviour?
d) Have you borrowed money without paying it back?
e) Have you bounced cheques deliberately?
f) Have you sold property or surrendered a policy to finance gambling?
g) Have you ever spent more money on gambling than you could afford?
h) After losing money in gambling, did you or your family members receive material assistance from a government institution or a charity organization?

7. Legal impact

a) Have you ever stolen money to finance your gambling habit?
b) Has your gambling led to criminal charges?
c) Have you ever committed gambling-related criminal offences?

8. Solution

a) How can problem gambling be reduced?
b) How can the needs of gamblers be met?
Notes