



National Gambling Board
South Africa
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Socio-economic impact of gambling in South Africa (2017)

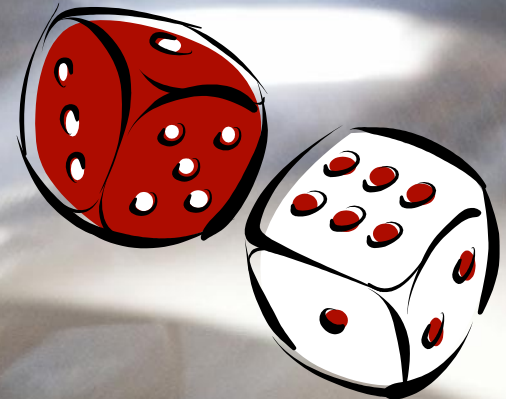
Key findings and recommendations

Presentation to:

National Gambling Policy Council

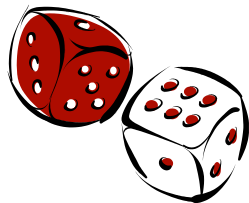
12 March 2018

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Snr Manager: Research & Information



CONTENT

- Introduction
- Methodology
- Key findings
- Key recommendations



METHODOLOGY

(a) Quantitative survey

- Proportionate probability random sampling method (sample = 4 000)
- STAGE 1: Proportionate distribution by interview method:
 - CATI (telephone) interviews: 1 000 questionnaires
(Randomly selected from telephone directory).
 - Face-to-face interviews: 3 000
- STAGE 2: Proportionate distribution of sample (3 000) by provincial group, urban/rural divide and proximity to gambling facilities

(b) Qualitative research

12 focus groups by NGB gambling mode plus pensioners, youth & non-gamblers

(c) Secondary information



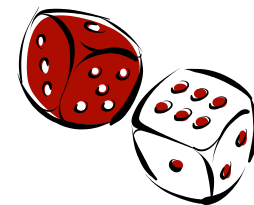
KEY FINDINGS – QUANTITATIVE

Incidence of gambling

- Gamblers : 30.6%
- Non-gamblers : 69.4%

Comparison with NGB survey (SA)

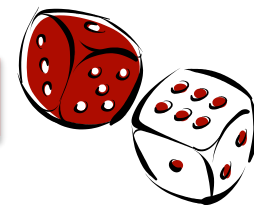
- Gamblers 2005 : 49.8%
- Gamblers 2009 : 34.9%



KEY FINDINGS – QUANTITATIVE

Gambling incidence by mode

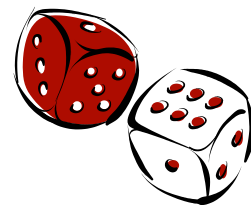
- Average number of modes per gambler : 1.8
- | | 2009-2017 | |
|------------------------|------------------|---------|
| • National lottery | 81.3% | (-2.9%) |
| • Lucky draws | 14.3% | (..) |
| • Casinos | 14.2% | (-4.1%) |
| • Scratch cards | 13.9% | (-4.5%) |
| • Sport/horse betting | 12.6% | (+4.3%) |
| • Bingo | 2.4% | (+1.7%) |
| • LPMs | 2.0% | (-0.7%) |
| • All unlicensed modes | 27.0% | (+3.9%) |



KEY FINDINGS – QUANTITATIVE

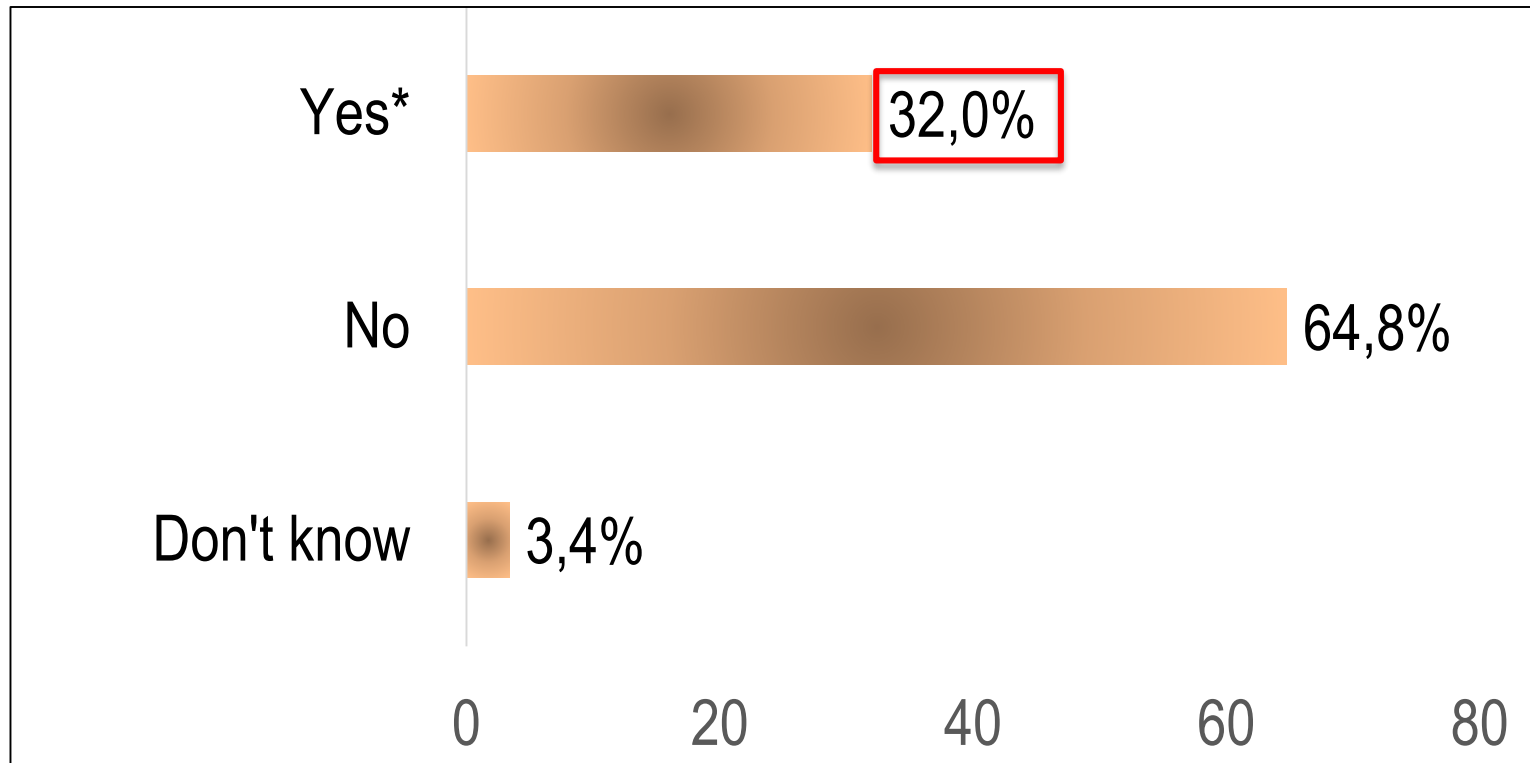
Most preferred gambling mode

- National lottery : 67.8%
- Sport/horse betting : 5.4%
- Fafi : 4.4% (unlicensed)
- Card games : 3.8% (unlicensed)
- Lucky draws : 3.2%
- Slot machines at casinos : 3.2%
- Scratch cards : 3.1%
- Dice games : 2.8% (unlicensed)
- Sport/horse betting : 2.0% (unlicensed)



KEY FINDINGS – QUANTITATIVE

Willingness to explore new gambling modes



* Yes = National Lottery, horse/sports betting & casinos

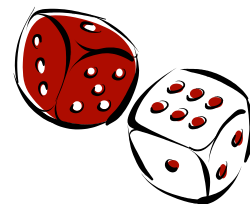


KEY FINDINGS – QUANTITATIVE

Implication of changes in gambling habits

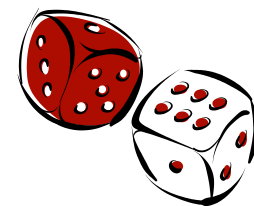
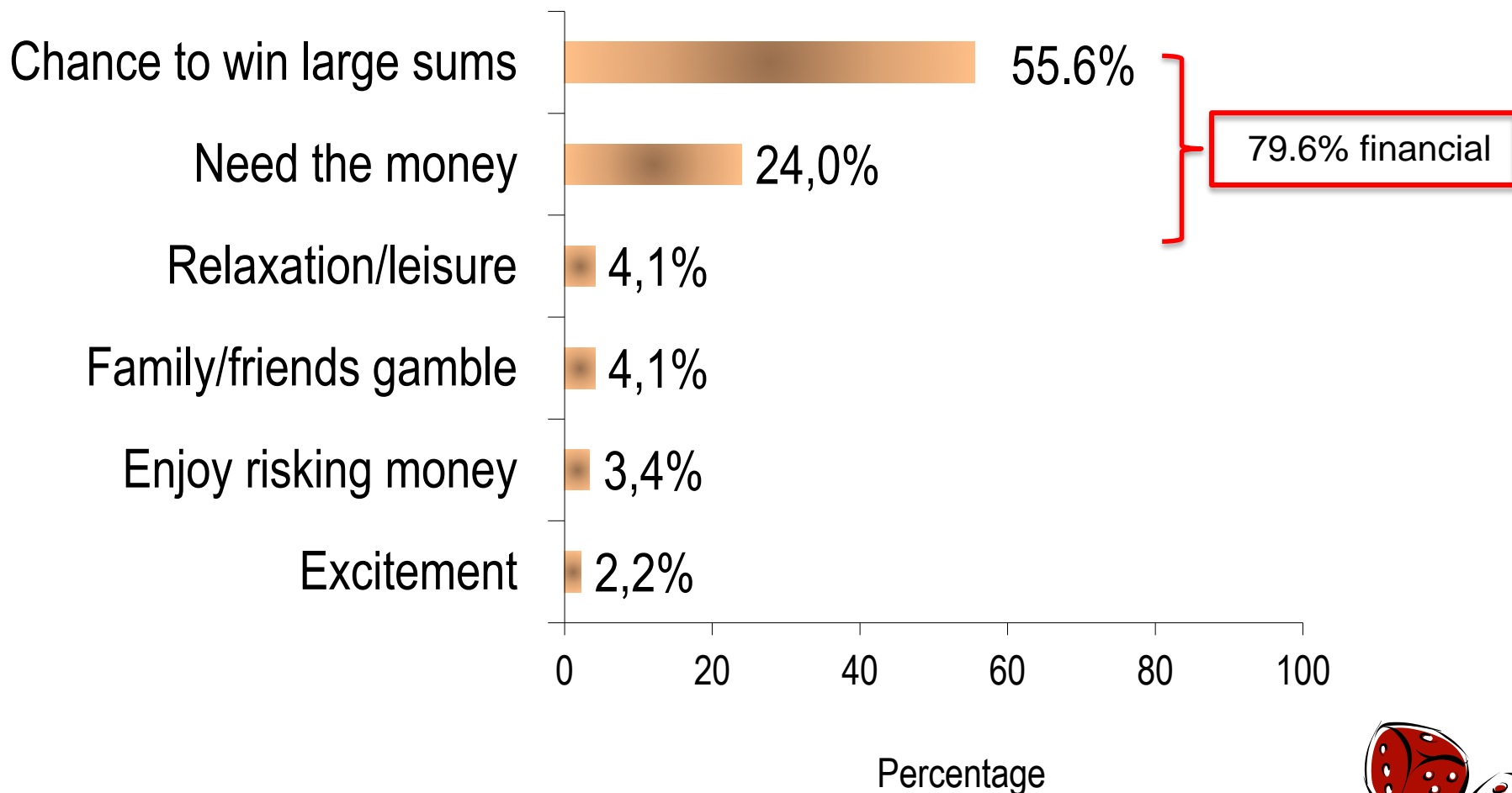
Structural change:

- Decline in lottery & casino
- Increase horse/sports betting, bingo & unlicensed modes



KEY FINDINGS – QUANTITATIVE

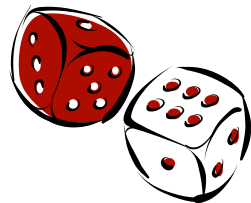
Main reasons for gambling



KEY FINDINGS – QUANTITATIVE

Perceptions on gambling (total sample)

- 50%+ agreement with statements:
 - Gambling is addictive (91.6%)
 - Gambling usually leads to a lack of basic necessities (79.5%)
 - People should have the right to gamble (63.4%)
 - Gambling industry create jobs (58.7%)
- More than 50% disagreement with the following:
 - Gambling is acceptable to me (50.2%)
 - Gambling does not usually lead to domestic violence (53.3%)



KEY FINDINGS – QUANTITATIVE

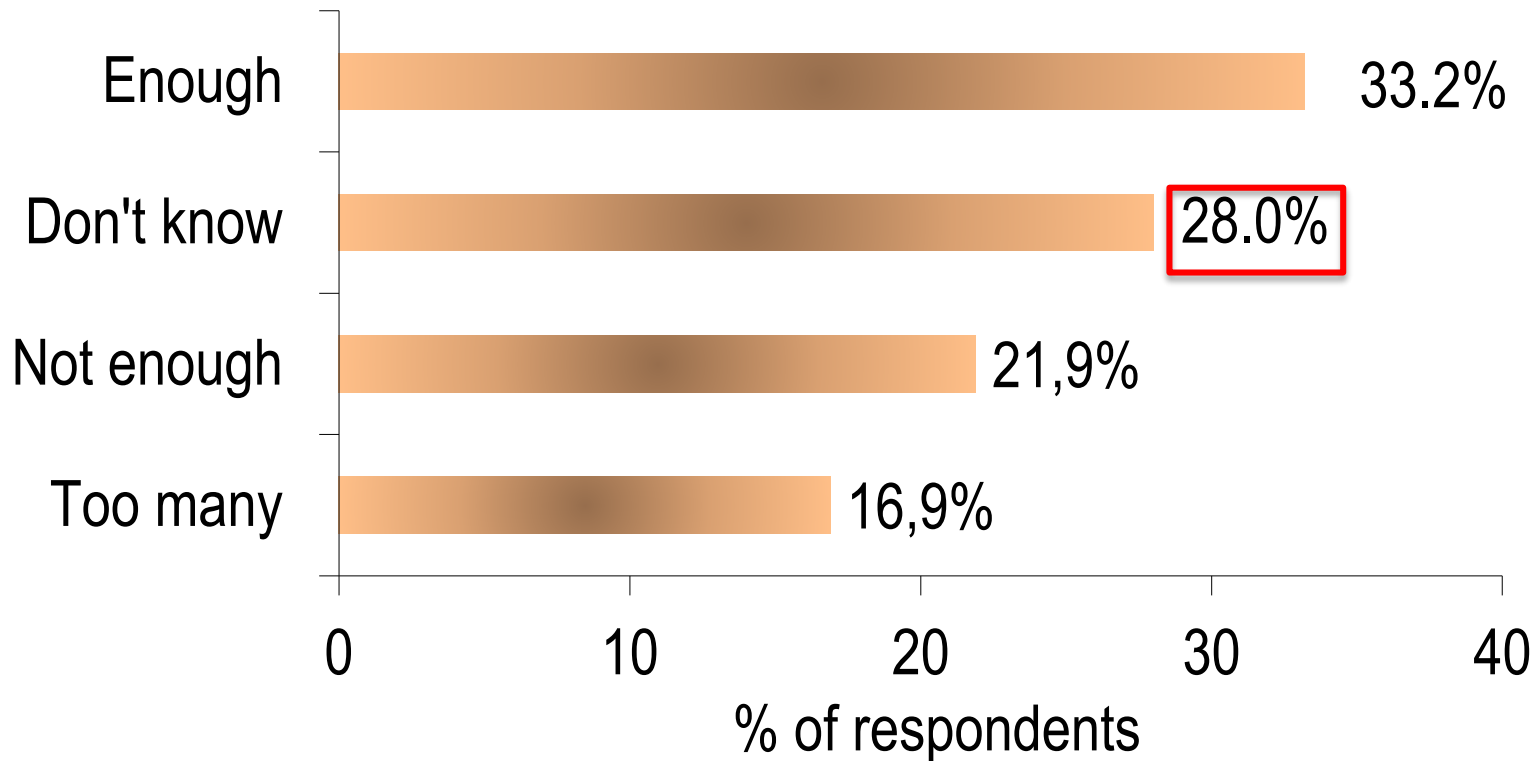
Perceptions on gambling (total sample)

- Agreement with the following (50%+):
 - Aware of info about nature and risks of gambling (69.6%)
 - Aware of the existence of legal and illegal gambling modes (67.8%)
 - Living close to outlets (within 30 km) can stimulate problem gambling (59.6%)
- Disagreement with following statements (in excess of 30%):
 - Awareness of programmes to assist compulsive gamblers (37.2%)
 - Gambling by family members has a negative impact on my welfare (36.7%)
 - Awareness of the NGB (35.7%)



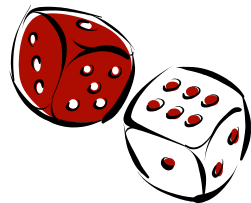
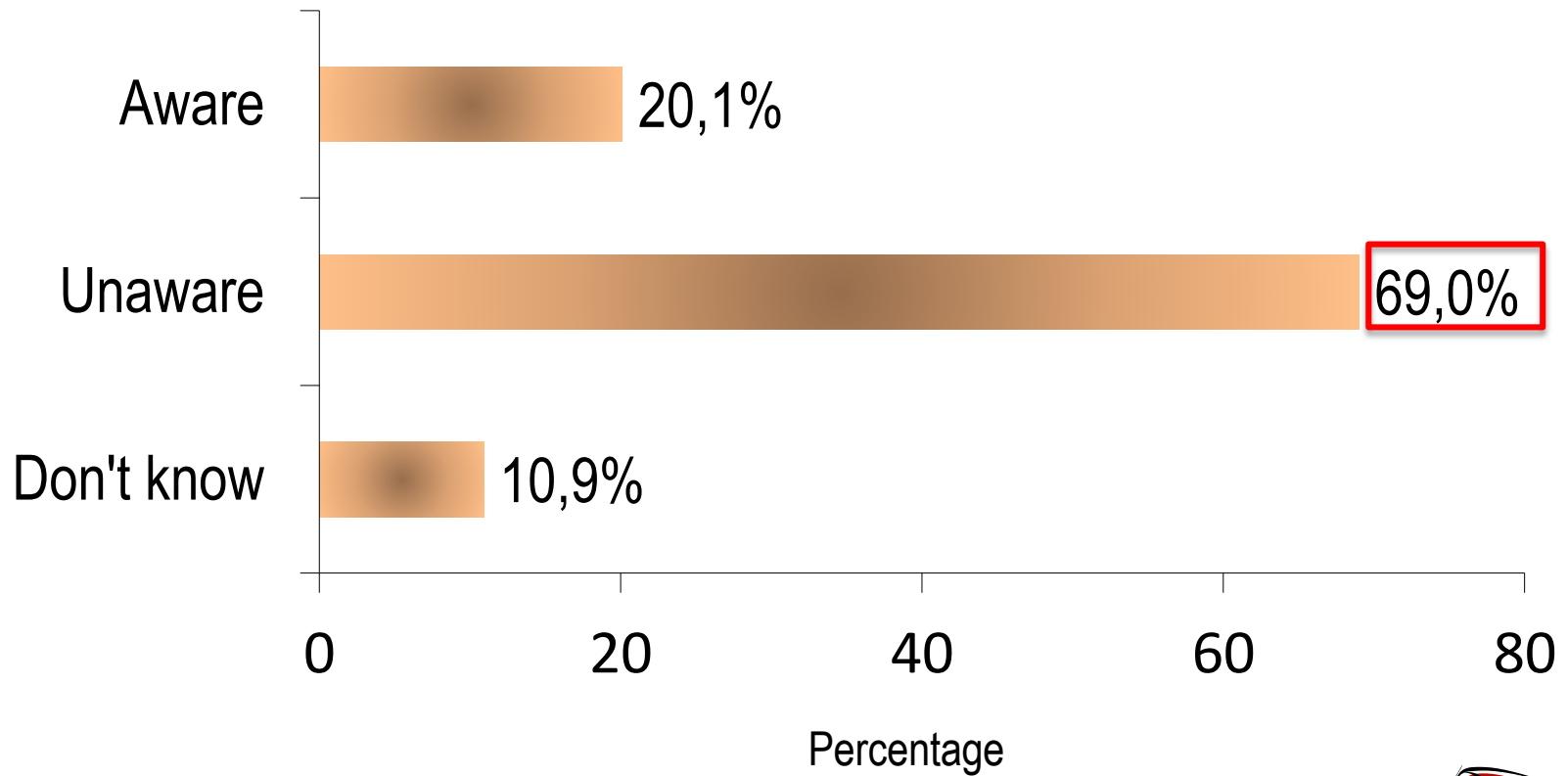
KEY FINDINGS – QUANTITATIVE

Opinions on adequacy of outlets (total sample)



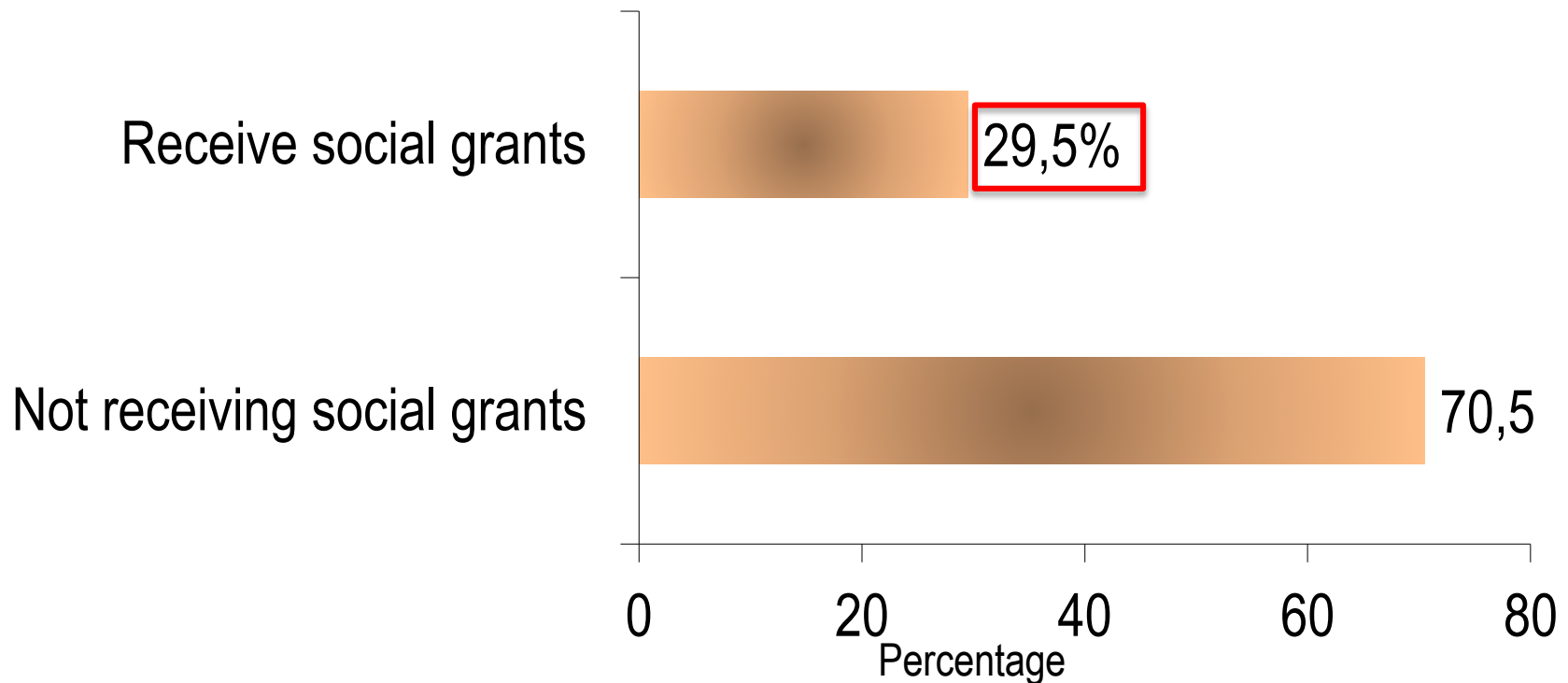
KEY FINDINGS – QUANTITATIVE

Awareness of under-age gambling (total sample)



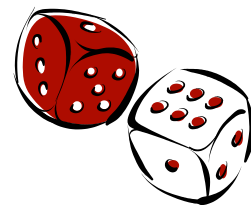
KEY FINDINGS – QUANTITATIVE

Gambling and social welfare grants



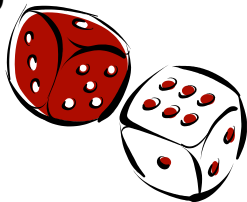
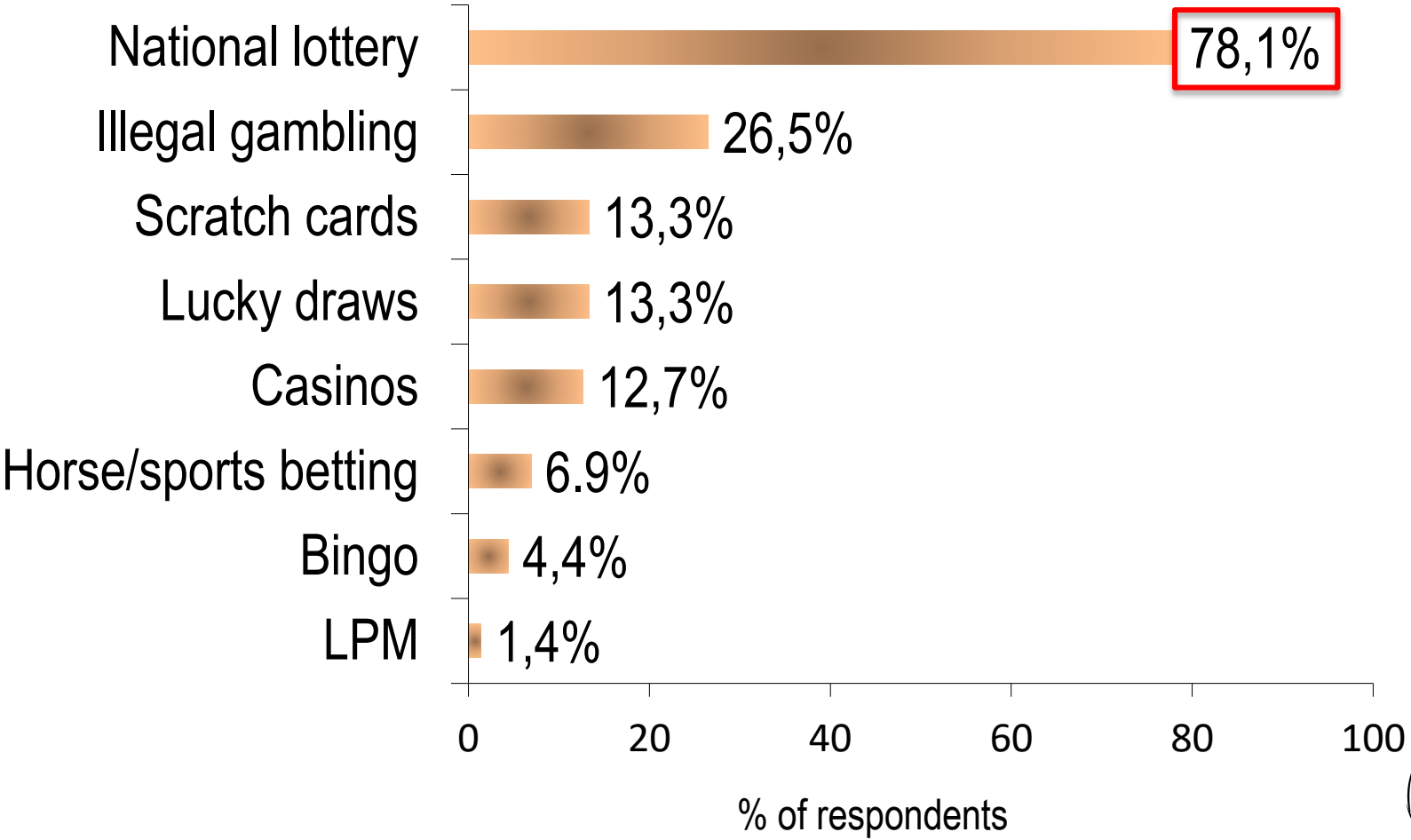
Type of grants:

- Child support 59.3%
- Old age pension 32.9%
- Disability grant 8.1%



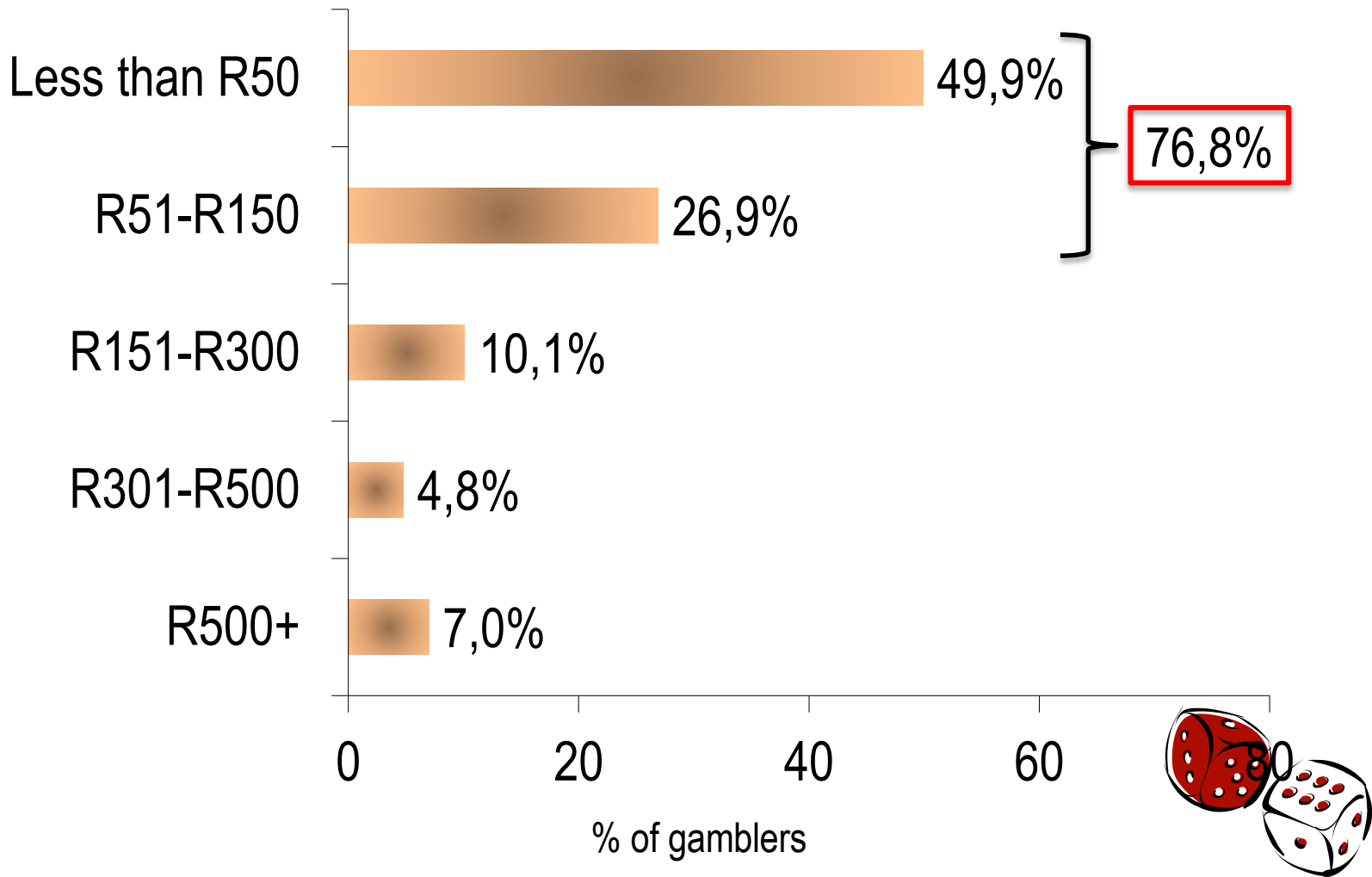
KEY FINDINGS – QUANTITATIVE

Gambling incidence of social grant beneficiaries (29.5%)



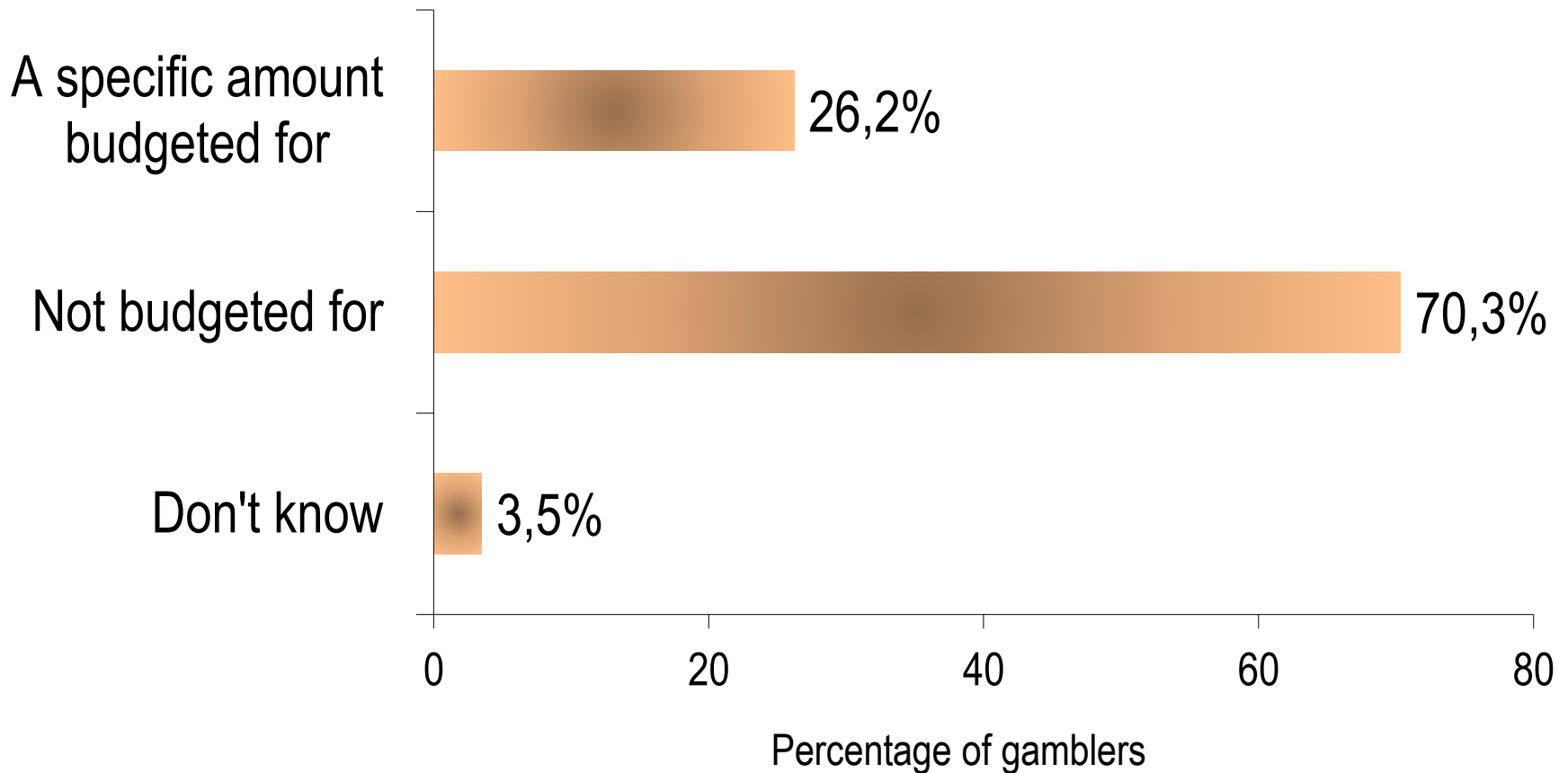
KEY FINDINGS – QUANTITATIVE

Personal monthly expenditure (under-reporting)



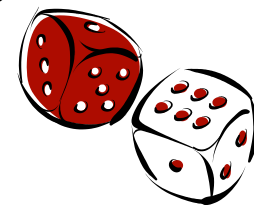
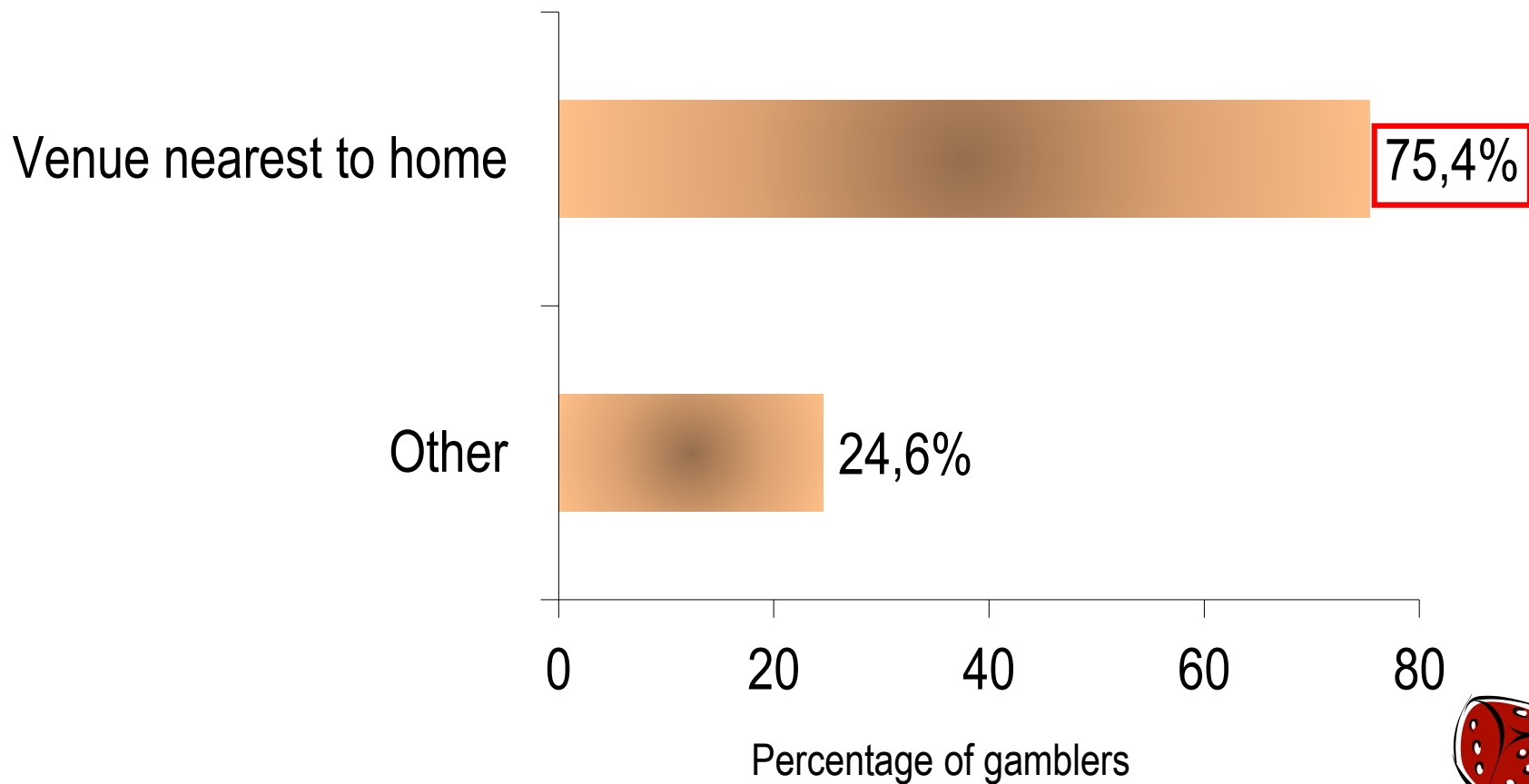
KEY FINDINGS – QUANTITATIVE

Budgetary provision for gambling expenditure



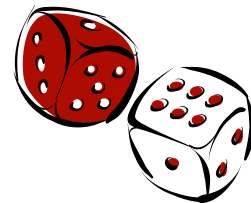
KEY FINDINGS – QUANTITATIVE

Where do gamblers go?



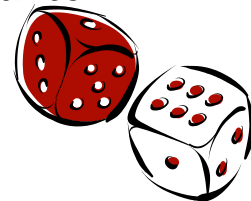
KEY FINDINGS – QUALITATIVE

- Gambling appeared to be associated with ‘quick money’ and taking chances involving a great risk of losing money and the loss of other valuable things, yet **gamblers are still keen to take chances without thinking of the consequences.**
- In general, **loyalty programmes, VIP areas**, etc are perceived to be strategies used by gambling companies (e.g. casinos) to **entice gamblers to increase level of gambling participation.**
- **Advertisements** are seen to be serving the same purpose. Actions by gambling companies with the motive of **enticing gamblers to increase participation activities.**
- **Lighting and service of food and alcoholic drinks** are also perceived as **enticing increased gambling activities.**
- The **transition from a non-gambler to a problem gambler is perceived to be self-induced starting from a lack of self-discipline** as well as acceding to **peer-pressure** to join gambling friends/colleagues/family who participate in gambling.
- Access to an **ATM within the gambling vicinity** appeared to be very **problematic.** It contributes to **unnecessary overspending.**



KEY FINDINGS – QUALITATIVE

- **Lack of support structures, facilities and resources to address issues related to problem gambling** was seen to contribute to **ineffectiveness of measures to address problem gambling**.
- Gambling institutions should support compulsive gambling awareness measures through **allocation of resources and facilities** which may involve services of **experts and professionals to counsel and rehabilitate problem gamblers**.
- Gambling may have a **devastating impact on job performance**, including the risk of losing a job. Gambling-related problems manifest at the work environment through lack of concentration, fatigue, lack of interest, and time to perform their duties.
- **Education, awareness campaigns, counselling, and imposing restrictions on compulsive gamblers were suggested as measures to address problem gambling**.
- **Mass media** was deemed to be the **appropriate delivery mode for the responsible gambling messages** including radio, television and newspapers. **Restrictive measures** should also be imposed against compulsive gamblers, including **access denial to gambling facilities and applying limitations in the participation levels and spending**.



KEY FINDINGS – QUANTITATIVE

Problem gambling

Nine statement (self assessment – not clinically tested):

- Bet more than you can afford
- Gamble larger amounts to get same feeling of excitement
- Do you go back to try and win back money lost?
- Use borrowed money or sold something to gamble
- Feel that you might have a problem with gambling
- Gambling cause health problems (including stress/anxiety)
- Other people criticise your gambling habits
- Cause financial problems for you or your household
- Feel guilty about the way you gamble



KEY FINDINGS – QUANTITATIVE

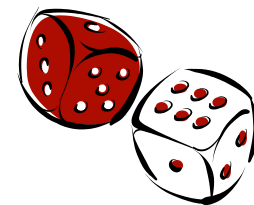
Problem gambling

Four response options per statement:

- 0 = never
- 1 = sometimes
- 2 = most of the time
- 3 = almost always

Problem gambling index:

<u>Score</u>	<u>Status</u>
0	= non-problem gambler
1 to 2	= low level of problems (no or few negative consequences)
3 to 7	= moderate level of problems (some negative consequences)
8 to 27	= problem gambler (negative consequences)



KEY FINDINGS – QUANTITATIVE

Gambling modes frequented by problem gamblers (multi-response)



KEY FINDINGS – QUANTITATIVE

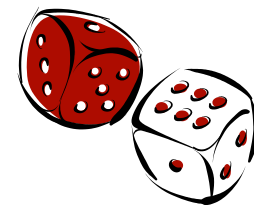
Problem gambling

Score	%	
0	45.2	} Gamblers
1-2	32.3	
3-7	16.7	
8+	5.8	

Profile of problem gamblers: Poorer segment of population

- 44.3% reported no income or monthly income less than R2 000
- 56.3% secondary school qualifications
- 42.3% unemployed

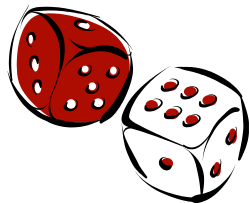
Include also middle to high income earners



KEY FINDINGS – QUANTITATIVE

Statements that attracted most “almost always” responses

- When you gambled, did you go back to try to win back the money you lost?
- Has gambling caused you any health problems, including stress and anxiety?
- Needed to gamble with larger amounts of money to get the same feeling of excitement.



KEY FINDINGS – DESK RESEARCH

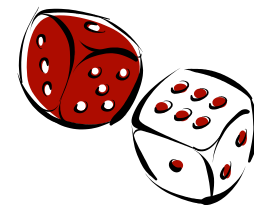
Impact of gambling on household welfare levels

	Propensity	Allocation of each R100 spent
• Casinos	0.61	R62.89
• Horse/sports betting	0.15	15.46
• LPMs	0.09	9.28
• Bingo	0.04	4.12
• Lottery	<u>0.08</u>	<u>8.25</u>
Total gambling	0.97	R100.00

(Household income of SA = R3 065.4 billion)

Comparisons with NGB studies for SA as a whole

Year	Propensity
2005	1.70
2009	1.34
2012	0.97
2016	0.97



KEY FINDINGS – DESK RESEARCH

The less affluent and gambling

- Less affluent population of SA are important participants in gambling activities:
 - 30.2% of unemployed in SA gamble
 - 28.0% of households earning less than R2 000 per month participated in gambling



KEY FINDINGS – DESK RESEARCH

The less affluent and gambling

Of the gambling population in South Africa

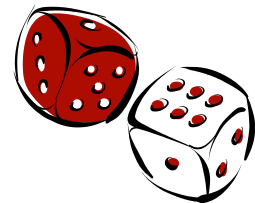
- 29.8% are unemployed
- 37.4% are from households earning less than R2 000 per month



KEY FINDINGS – DESK RESEARCH

The less affluent and gambling

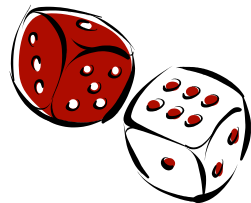
	Unemployed (%)	Households less than R2 000 (pm) (%)
• National lottery	80.1	78.6
• Unlicensed gambling modes	36.3	32.1
• Scratch cards	13.9	12.9
• Casinos	13.3	12.9
• Lucky draws	12.2	14.3
• Horse/sports betting (licensed)	11.1	9.8
• LPMs	2.5	2.9



KEY FINDINGS – DESK RESEARCH

Contribution regulated modes of gambling – FY2016

- GGR : R27 248.8 million
- Provincial tax/levy : R 2 746.4 million
- Direct employment : 23 081 employees



KEY FINDINGS – DESK RESEARCH

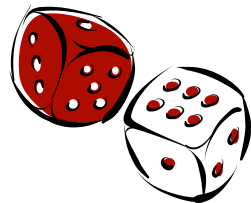
Contribution to GDP and employment

- GDP = 0.81% to South African economy
- Employment = 0.97% formal employment (106 110 direct and indirect employment opportunities)



KEY RECOMMENDATIONS

- Awareness campaigns on the illegality of unlicensed gambling, the potential risk of compulsivity, not receiving their winnings and forfeiture of winnings, no licences ever to be awarded to illegal operators, the odds / nature / risks of gambling.
- Proper education, information and awareness campaigns highlighting the potential negative impact of gambling on household welfare, amongst the less affluent.
- Although a large percentage of respondents acknowledge awareness of information about perceived risks, more information on programmes to assist compulsive/problem gambling is required.
- Ongoing support and counselling of the youth and problem gamblers.
- Raids on illegal gambling and closing down of illegal gambling outlets should be communicated.
- Law enforcements should be a high priority amongst all regulators.



QUESTIONS AND COMMENTS



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