



# GAMBLING RESEARCH REVEALS

## Albertan investigators seek to understand the degree to which the public supports “good causes” using gambling revenues

by Rhys Stevens

IT IS COMMON PRACTICE IN ALBERTA for the provincial government to distribute a portion of gambling-generated revenues to support “good causes” such as amateur sports and recreation through the Alberta Lottery Fund (ALF). Each year, voting takes place in the provincial Legislature to determine the specific allocation of approximately \$1.4-billion of funds in the ALF that are generated from provincial lottery revenues. These funds are generally distributed to such initiatives as school renewal and construction, seniors’ facility upgrades, health facility construction, provincial highways, agricultural fairs, gambling research, museums, and amateur sports and recreation. But to some Albertans, the use of gambling proceeds as a means of supporting good causes is something that they cannot justify in principle regardless of any possible benefits.

A survey by the then existent provincial department of Alberta Gaming in 2006 revealed that 71% of Albertans do report satisfaction with the present system. There was, however, a fairly large group of people (19%) who reported being dissatisfied while a further 10% had no opinion on the matter. It was this group of dissatisfied individuals that caught the attention of Dr. Gordon Walker and Dr. Daniel Mason of the University of Alberta’s Faculty of Physical Education and Recreation. Mason says that he and his colleagues were interested in “probing the reasons behind this dissatisfaction and finding out how supportive people are when it comes to supporting the province’s amateur sports organizations from gambling proceeds.”

### **A survey of public opinion on allocations from the Alberta Lottery Fund**

The objectives of this Institute-funded study by Walker and Mason were to investigate: 1) the willingness of Albertans to fund amateur sports and recreation using gambling monies; 2) the variables that predict Albertans’ support for using

The Alberta Gaming Research Institute is a consortium of the Universities of Alberta, Calgary, and Lethbridge. Its primary purpose is to support and promote research into gaming and gambling in the province.\*

#### OUR MISSION

To significantly improve Albertans’ knowledge of how gambling affects society

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gambling funding on amateur sports, and; 3) whether Albertans feel that current funding levels are deficient, sufficient or excessive. In order to answer these questions, a CATI questionnaire telephone survey (n=759) was employed to interview citizens from Edmonton, Calgary and rural Alberta. The true/false questions used in the survey were designed to establish socio-demographic information about individuals, ascertain their knowledge and awareness of the funding system in Alberta, and to obtain their opinion on whether specific ALF allocations are adequate.

Results of the survey pertaining to individuals' knowledge indicated that 84% of respondents knew that the province generated in excess of \$1-billion in revenues from gambling. Additionally, 73% knew revenues went to the Alberta Lottery Fund, 49% knew that revenue spending decisions were voted on by the legislature, 83% knew that funds were allocated to gambling research, and 56% knew that funds were allocated to arts and culture. Participants were next informed of the actual amounts spent on these programs funded using gambling revenues and asked if these allocations should be increased, decreased or left alone. For gambling research (\$1.5-M in fiscal 2005), 37% felt that the figure should be increased; 19% said it should be less; 42% said about the same. For horse racing (\$45-M in fiscal 2005), 78% said less.

### **Findings from public opinion survey**

After an analysis of the telephone survey results, it was found that the majority of study participants (59%) strongly supported ALF providing funding to amateur sports and recreation while a further 26% slightly supported it. The six statistically significant socio-demographic variables influencing this result were gender, age, education level, religion, gambling participation, and moral norms. According to Walker, it was the moral norm question

(i.e., "Would you feel guilty of supporting amateur sports using Alberta Lottery Fund money?") that was the single biggest predictor of whether this practice was viewed favourably. He notes that, "If a person held the belief that gambling was morally wrong, they were much more likely not to support the statement."

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Consequentialists are committed to the claim that right actions consist of maximizing good consequences and/or minimizing bad consequences, summed over all members of the community. Deontologists maintain that the goodness of the act lies not in its consequences, but in the inherent quality of the act itself.

Religious leaders and commentators have increasingly taken a deontological perspective toward using gambling revenues to fund "good causes." For instance, Calgary's Bishop Fred Henry has argued that Catholic schools must wean themselves off funding their programs through gambling because the practice is "morally problematic."

Other factors that proved to be the greatest predictors of level of support were gender and religiosity. Male participants and non-religious participants were greater supporters of using gambling monies to support amateur sports than were females and those identifying themselves as Christians.

With respect to the adequacy of current ALF funding levels, the vast majority of participants supported maintaining the status quo or increasing funding for

amateur sports and recreation. They were also of the opinion that funding for the horse racing industry should be reduced from fiscal 2005 levels.

### **Implications for amateur sports and recreation organizations**

Though the overall survey results indicated that people were generally in favour of using gambling revenues to support amateur sports and recreation, Dr. Walker feels that, "There is a possibility that some people will eventually be turned off because they aren't as supportive of grants to some other funding initiatives... for example, horse racing." Of those respondents not in favour of using gambling-generated funds, Walker points out that, "They seem to be saying that, 'You can't do the right thing the wrong way.'" Thus, regardless of whether these respondents felt the activities themselves were beneficial, the use of gambling funding to support them was morally problematic. He surmises that, "These are likely individuals who might have been negatively affected [by gambling] or know of the potential harmful outcomes of the activity... also those with strong moral

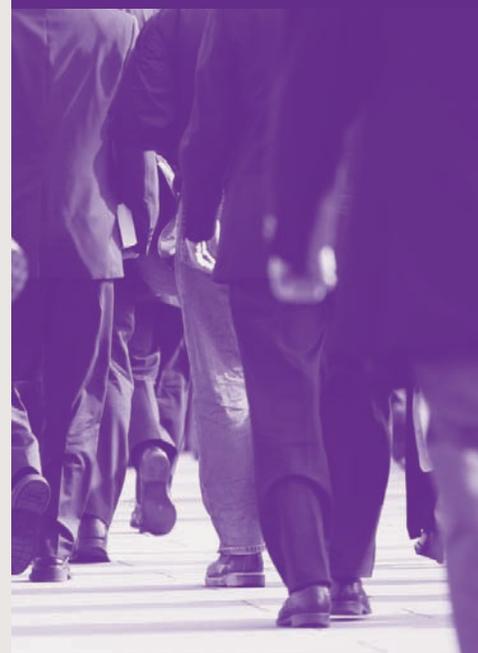
issues [against gambling as an activity]."

Though there are issues with the current arrangement, it would appear that funding of amateur sports and recreation in Alberta will be intertwined with gambling well into the foreseeable future. Subsidies from gambling revenues ensure that these activities continue to be broadly accessible to the populace. Walker notes that, "For charitable and not-for-profit organizations, it's tough to find other alternatives to gambling money when pushed."

Dr. Walker also says that responses to the moral norms survey question are proof that Albertans are cognizant of the moral and philosophical questions that swirl around this issue. It is precisely this philosophical aspect of gambling's place in society that will perhaps necessitate a more in-depth examination. Based on the work undertaken through this investigation, Walker is of the opinion that Albertans will soon need to consider the following critical question... "When do the rights of the majority outweigh community concerns when it comes to the use of gambling proceeds to support amateur sports and like initiatives?"

*This investigation was funded by the Institute as part of research project #43 "The Alberta Lottery Fund And Funding Amateur Sports And Recreation: Public Awareness And Willingness To Support." Principal investigators are Dr. Gordon J. Walker and Dr. Daniel S. Mason of the Faculty of Physical Education and Recreation, University of Alberta. Co-investigators are Dr. Bruce K. Johnson (James Graham Brown Professor of Economics, Centre College, Danville, Kentucky) and Dr. John C. Whitehead (Department of Economics, Appalachian State University).*

*A scholarly journal article reporting the results of this investigation has been accepted for publication in the peer-reviewed World Leisure Journal.*



"When do the rights of the majority outweigh community concerns when it comes to the use of gambling proceeds to support amateur sports and like initiatives?"



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### Appointment of Economics of Gaming Research Chair

The Institute is pleased to announce the appointment of Dr. Brad R. Humphreys as the inaugural Chair in the Economics of Gaming within the Department of Economics at the University of Alberta in Edmonton. Humphreys received his Bachelors in Economics from West Virginia University and his Master and PhD in Economics from the Johns Hopkins University. Before coming to the University of Alberta, he was an Associate Professor in the Department of Recreation, Sport and Tourism at the University of Illinois at Urbana-Champaign.

His research on the economics and public policy of sports—including research on the economic impact of sports franchises and facilities, the effect of Title IX<sup>1</sup> on intercollegiate athletic programs, and competitive balance in sports leagues—has been widely published in economics and public policy journals and he has written about sports and public policy for the Cato Institute. Dr. Humphreys also has an active research agenda in the economics of gaming.

### New Institute Board Members

The Institute Board welcomes the addition of two new members, Dr. Jo-Anne Fiske and Dr. Erin Gibbs Van Brunschot. Dr. Fiske is Dean of the School of Graduate Studies at the University of Lethbridge. She is also a Professor and Coordinator of Women’s Studies. She earned her doctorate degree in Anthropology from the University of British Columbia. Dr. Gibbs Van Brunschot is Associate Dean of Academic Programs in the Faculty of Social Sciences at the University of Calgary. She is an Associate Professor in Sociology and received her BA and MA in Sociology from the University of Calgary, and her PhD from the University of Alberta.

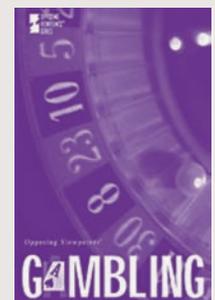
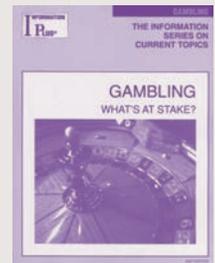
Special thanks to departing members Dr. Doug Peers and Dr. Dennis Fitzpatrick for their exemplary contributions while serving on the Institute’s Board.

### From the Institute Library...

Locating materials that provide a basic introduction to the issues surrounding gambling can sometimes be a challenge. The following two items are good starting points for students seeking to further their understanding of the topic:

*Gambling: What’s at Stake?* (2007) is part of the Information Plus Reference Series published by Thomson-Gale. Each of the book’s nine chapters is devoted to a particular aspect of gambling and includes information about commercial casinos, tribal casinos, lotteries, sports gambling, Internet gambling, etc. Although clearly focused on the United States, this book is a useful starting point for high school students and undergraduates who require a general overview of gambling as well as relevant facts.

*Gambling* (2007) is included as a volume in the Opposing Viewpoints series from Greenhaven Press. This book provides access to a diversity of opinions on specific controversies surrounding gambling (e.g., Indian Gaming Benefits Tribes vs. Indian Gaming Hurts Tribes). Opposing sides of gambling-related controversies are separately presented in a concise form which allows the reader to compare and contrast authors’ credibility, facts, argumentation styles, use of persuasive techniques, and other stylistic tools.



<sup>1</sup> Title IX United States law that states: “No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.”