

Our Position on the Development of a new casino complex within the City of Hamilton

Background

The Hamilton Roundtable for Poverty Reduction was born out of concern for our community's poverty challenge. It came together in May 2005 to understand Hamilton's high poverty levels, focus the community's attention on poverty, and begin to find solutions.

Initially co-convened by the Hamilton Community Foundation and the City of Hamilton, the Roundtable today is a multi-sector 55-member body that has helped connect hundreds of organizations and thousands of individuals in Hamilton around the goal of reducing poverty and a community aspiration ~ to make Hamilton the best place to raise a child.

The Roundtable has actively engaged all levels of government in discussions to reduce and eliminate poverty through public policy initiatives. The current provincial proposals regarding the establishment and potential location of a *new* casino complex has been an opportunity for residents from across the community to participate in a critical civic debate. Members of the Hamilton Roundtable for Poverty Reduction also believe our organization should share its unique perspective around the prospective development and challenges associated with a new casino complex in Hamilton with the provincial government, Hamilton City Council and members of the Hamilton community.

Research

Roundtable members recognize the issues surrounding a proposed new casino development are complex: Potential economic benefits such as job creation, new economic investment and neighbourhood redevelopment must be weighed against the social ramifications of exposing vulnerable populations to more accessible gambling, promoting addictions and increasing the need for social supports.

With these concerns in mind, in late 2012, we commissioned a research report to ask several key questions:

- What are the local economic benefits of gambling and casinos?
- What are the social impacts of casinos on low income populations?
- Is there evidence to indicate low income households can be pulled out of poverty through the existence of casinos in their communities?

Dr. Wayland's report, Casinos and low income households is included as appendix 1.

Some key findings included:

- ☐ Casinos create local jobs, but they are mostly part-time, low skill jobs that do not pull households out of poverty.
- ☐ Low income households have lower incidences of gambling, but spend proportionally more.
- ☐ Low income households that gamble at casinos spend more than double the average spent by low income households on gambling overall.
- ☐ Proximity to a casino is associated with greater participation in gambling and greater expenditure.
- ☐ Research on the relationship between proximity to a casino and gambling disorders yields mixed results.
- ☐ Low income populations have higher rates of gambling disorders than the general population.
- ☐ Gambling disorders are related to a multitude of other social risk factors and are costly to society.
- ☐ the overall economic impact of casinos depends on location, timing and other factors and does not necessarily have any benefit for those living in deep poverty.

Our position

Based on information gathered through this research, recent community consultations, and after a thorough discussion at our meeting in December 2012, **members of the Hamilton Roundtable for Poverty Reduction have concluded that a new casino development would not advance our community's aspiration of Making Hamilton the Best Place to Raise a Child.**

We do not believe our strategic goals: of changing community attitudes about poverty, addressing income disparity, including all citizens in community life, or tackling concentrated poverty in Hamilton's neighbourhoods would be enhanced through the existence of a new casino in our community.

There is significant evidence that there are considerable health and social risks associated with casinos, and although community re-investment strategies can benefit individuals and families living in poverty, we believe those benefits come at too high a cost for the community as a whole. We also believe however that it is justifiable to put this critical civic question to the residents of Hamilton; we believe the provincial government should approve a referendum on the question to coincide with the next municipal election in 2014.

Criteria

We recognize the decision on whether to support a new casino development in Hamilton must factor in many considerations. Hamilton City Council, through the backing of a public referendum, may determine that the development of a casino complex is in the community's interests. If that decision were made, the Poverty Roundtable would recommend several key principles/criteria for approval for any casino complex in our community be required:

Any new jobs created must pay living wages

One of the Roundtable's key 'Action Plan' priorities is to encourage local businesses, private and not-profit enterprises in Hamilton to adopt Hamilton's living wage rate of \$14.95 (inclusive of benefits). Today in Hamilton, 30,000 individuals go to work every day but live below the low-income cut-off because minimum wage does not meet the costs of basic needs. We believe living wages benefit employees, employers and the community as a whole and help pull families out of poverty. Any casino operator should be required to pay Hamilton's living wage rate to all employees as part of its commitment to Hamilton.

Limit hours of operationⁱ

To discourage addictive behavior, Roundtable members would encourage Council to curtail the hours of operation of any casino (for example, to between 10am and midnight).

Community re-investment strategies must be directed to mitigate social harms of gambling and addictions

Health professional and social researchers have indicated casinos can feed gambling addictions which can have profound implications for individuals and communities. The Roundtable is extremely concerned by figures that indicate that a high percentage of the Ontario Lottery Corporation's casino revenue comes from a small percentage of problem gamblers.

"Casinos mostly redistribute income from gamblers to wages, profits and taxes – that is the business model. And because a large portion of those revenues come from a smaller percentage of problem gamblers, they are a tax predicated on harm to their (and their family's) well-being."

To mitigate the social harm, we would strongly encourage that profits from a proposed new casino be first directed to evidence-based harm-mitigation strategies, and that a larger community reinvestment strategy be developed in consultation with the community.

Local neighbourhoods must support the location of new casino within their community

The City of Hamilton along with community partners have embarked on an extraordinary engagement of residents through the Neighbourhood Development Strategy that seeks to implement local plans and strive for action. If Hamilton is to maintain affinity with that process we believe neighbourhoods should also have the opportunity to weigh in on whether they would benefit from a new casino development within their community. We do not believe Council or OLG should proceed to develop a new casino without the endorsement of local neighbourhoods in which it would be located.

ⁱ Lee, Mark "The dubious case for casinos" <http://www.progressive-economics.ca/2013/01/22/the-dubious-case-for-casinos/>