

# **Community Attitudes Towards Casinos and the Estimated Magnitude of Problem Gambling: The Mpumalanga Case**

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## **1. Introduction**

Over the past three years the casino industry in the Province of Mpumalanga, South Africa, has established itself as a prominent economic and social force. It provides direct jobs for 1 150 employees while more than 1 million visitors, who wagered approximately R3 billion, frequented the casinos in 2000 (Ligthelm 2001(b):2). Since the casinos in Mpumalanga were the first to be established under the new gaming dispensation in South Africa, they have been in operation for a sufficient length of time to allow proper evaluation of aspects such as community attitudes towards casino gambling, levels of participation in gambling and the extent to which gambling is seen as a social problem.

This report presents the results of a community survey aimed at monitoring community perceptions of and trends in gambling behaviour. The results of the survey also provide an indication of the possible magnitude of 'at risk' (problem) gambling in Mpumalanga. This information could be of great value in policy development and decision making with respect to the government's endeavour to design appropriate measures of the casino industry (*Sake Beeld* 2001:3).

## **2. Research Methodology**

The survey was designed to encompass the whole income spectrum of the community. Two sub-surveys were conducted, one telephonically and the other through personal interviews. In-home access to Telkom telephones was used as a proxy to distinguish between the affluent and poor segments of the population. Since the income differential and socio-demographic differences (for example work status and educational level) have been found to correlate closely with Telkom telephone subscription/nonsubscription, access to Telkom telephones was regarded as a valid variable for distinguishing between the two segments (Ligthelm 2000:35).

### **2.2 Survey Methodology: Telephone Survey**

The survey was conducted among the Mpumalanga population irrespective of the location of sample elements. In other words, the survey therefore included inhabitants of the three towns in which the casinos are located as well as the non-casino towns. The survey was conducted among 450 households. Telephonic contact was made with households after 19h00 on weekdays or during weekends to allow for randomness in the gender composition and work status of respondents. Confirmation of age was requested of respondents to ensure that only persons 18 years and older participated in the survey. The 2000 Mpumalanga telephone directory was used as

a sample frame to randomly select the households to be interviewed. The sampling procedure culminated in the following number of useable questionnaires by selected area (Table 1).

**Table 1: Number of Sample Units by Area**

District	Casino	Sample units	
		Number	%
Nelspruit, White River, Nsikazi	Emnotweni	98	22,0
Highveld Ridge	Graceland	25	5,6
Witbank, Middelburg	Champions	110	24,7
Other magisterial districts	None	212	47,7
Total	-	445	100,0

The same prestructured questionnaire was used for the collection of data in both subsurveys and was pretested prior to conducting the survey in October and November 2000.

### 2.3 Survey Methodology: Personal Interviews

As indicated above, use of the telephone directory as a sample frame excluded non-Telkom subscribers from the telephone survey. To ensure the inclusion of respondents without Telkom subscription in the face-to-face survey, a screening question was asked at the beginning of the interview to establish whether or not sample elements had access to a Telkom telephone at home. A negative answer to this question ensured inclusion in the survey. Households located in the three casino towns were selected for interviews. The following areas were included:

- Emnotweni casino: Nelspruit, White River, Kabokweni, Matsulu, Kanyamazane and Pienaar
- Graceland casino: Secunda
- Champions casino: Witbank and Middelburg.

Personal interviews were conducted with 150 respondents, 50 in each of the three casino towns. Interviews were conducted at various locations in and adjacent to each town. To ensure the inclusion of households living in areas with the lowest Telkom telephone penetration, the following locations were selected for interviews: shopping malls in close proximity to taxi ranks and shopping malls within township areas. Since there are no proper sample frames for households without Telkom subscription, the sample units (household members) were selected by interviewers at the identified locations. The interviewers were requested to pose the screening question (Telkom subscriber or not) and continue with the personal interview if respondents were eligible for inclusion.

Estimates show that 85 % of housing structures (formal and informal) in Mpumalanga do not have any Telkom telephone connections. Consequently, the weighted total presented in the article, where Telkom subscribers and nonsubscribers are jointly shown, is weighted as follows: Telkom subscribers 0,15 and non-Telkom subscribers 0,85.

### 3. Survey Results and Findings

Figure 1 shows the response to the question ‘Has **any member of your household** participated in any of the following gaming activities during the past 12 months?’ The figure shows a fairly high participation rate of Mpumalanga households in the National Lottery and casino gambling.

Almost three out of every four (75,3 %) households participated in the National Lottery during 12 months preceding the survey conducted in November 2000. The figure for involvement in casino gambling amounted to almost one in every two households (45,5 %) during the year preceding the survey. These percentages correlates closely with a similar question asked in a survey in the Vaal Triangle area in 2001 where 80 % and 45 % of respondents confirmed their participation in the National Lottery and casino gambling respectively (Ligthelm 2001:20). A considerably smaller percentage of households participated in other forms of gaming, namely:

- machines outside casinos: 20,6 % of households
- wagering horses: 20,3 % of households
- sports betting: 8,9 % of households
- internet/on-line gaming: 0,6 % of households.

It is also interesting to note that almost one fifth (18,0 %) of Mpumalanga households did not participate in any form of gaming during 2000. The 20,6 % involvement in gambling on machines outside casinos is interesting in the light of the fact that route and site operations are not yet legalized in South Africa. It should further be recognized that participation in any form of gaming by Mpumalanga residents does not necessary imply that participation took place within the province.

**Figure 1: Participation of Mpumalanga Residents in Gaming Activities**

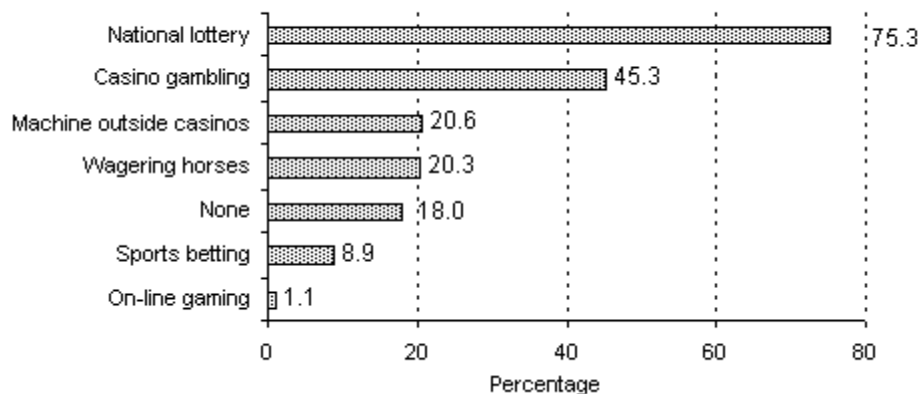


Figure 2 shows the response to the question: ‘How would **you** respond to the following statement: Casino gambling is an important leisure activity for South Africans?’ Both positive and negative responses to the statement manifested prominently. Just less than a third of respondents mildly/strongly disagree (29,6 %) with the statement. On the other side of the scale more than half mildly/strongly agree (54,2 %) with the statement. These two sides of the pendulum are even clearer if only strongly disagree and strongly agree are considered. Almost a quarter of respondents (24,8 %) strongly disagree with the statement while 40,5 % strongly agree.

**Figure 2: Response to the statement: Casino gambling is an important leisure activity in South Africa**

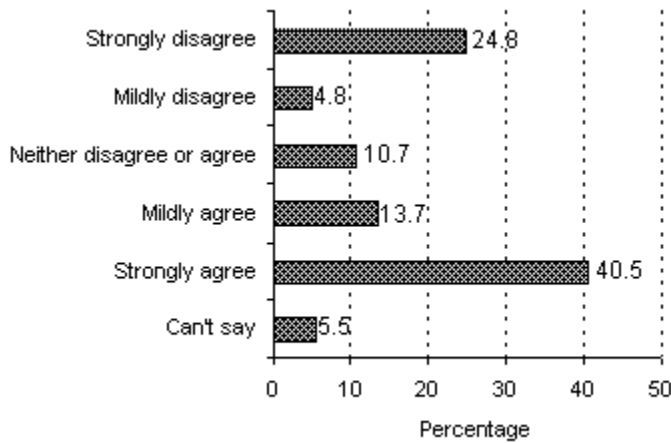
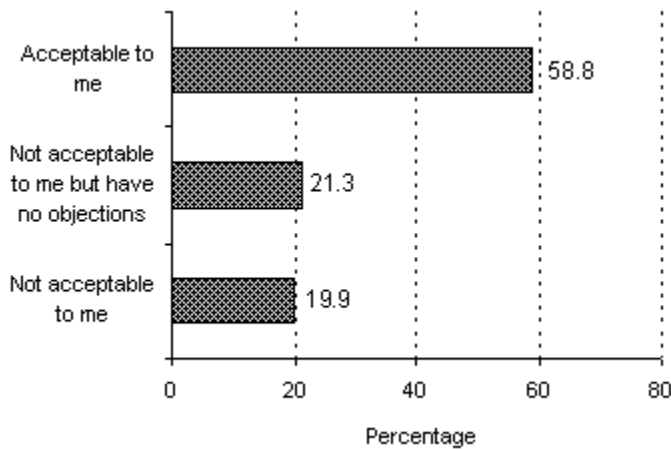


Figure 3 depicts the personal views of respondents on casino gambling. Among those expressing an opinion, the majority 58,8 % believe casino gambling is acceptable, 21,3 % occupy a neutral stance and only about one fifth (19,9 %) find casino gambling unacceptable.

**Figure 3: Personal views of respondents on casino gambling**



The above findings for the Mpumalanga population correlate closely with a similar question posed to the United States population in 1999. One study showed that 57 % of the US population find casino gambling acceptable while 15 % are opposed to it. (AGA 1999:10).

Table 2 contains the responses to the question: ‘What would you regard as the most positive effect of casino gambling?’ Interviewers were requested not to indicate any possible examples to respondents to avoid repetition of the example as the answer. The figure reflects the general responses of the 60 % of the respondents who answered the question. The rest of the respondents (40 %) either indicated that they don’t know or that they can’t say.

The most important positive aspects mentioned by respondents are winning money (49,1 %) and entertainment (35,6 %). Some less important positive aspects indicated by respondents are the creation of job opportunities (6,2 %), safe environment within which gambling can be practiced

(4,6 %) and the enhancement of tourism (3,1 %).

**Table 2: Positive Effects of Casino Gambling as Perceived by Respondents**

Response	Percentage
Winning money	49,1
Entertainment/relaxation	35,6
Creation of job opportunities	6,2
It is safe/no fighting/fair gambling unlike in streets	4,6
Encourages tourism	3,1
Nontaxable income	1,1
Generating funds for the country/welfare	0,2

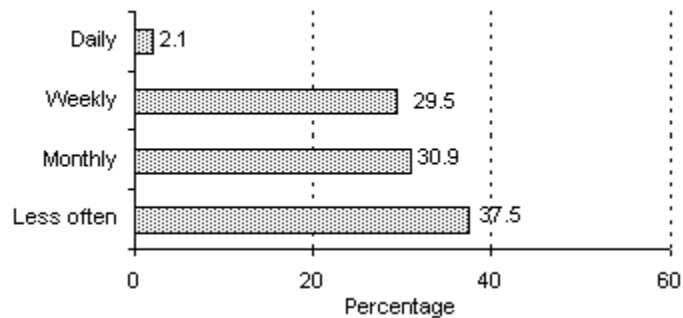
The negative aspects of casino gambling mentioned by respondents are contained in table 3. As is the case with the positive aspects, 60 % of respondents mentioned specific negative aspects. The figure reflects these responses. For Mpumalanga as a whole, just more than half the negative effects mentioned by the respondents, relate to losing/wasting money (33,1 %) and family problems (financial and relationships) (18,8 %). Other negative effects reported during the interviews are the incurrence of debt (9,6 %), the addictive nature of casino gambling (8,9 %), the creation of poverty (6,5 %) and community and social problems (5,4 %).

**Table 3: What would you regard as the most negative effect of casino gambling?**

Response	Percentage
Losing all your money/wasting money	33,1
Family problems (financial and relationships)	18,8
Debt/gamble into debt	9,6
Addictive	8,9
Various reasons	6,7
Impoverishment of people/poverty	6,5
Community/social problems	5,4
Not enough jobs created	4,5
Other	3,4
Crime outside casinos/dangerous after winning money	3,1
Total	100,0

The results of the survey confirm that approximately one third of the Mpumalanga population visited the Mpumalanga casino nearest to their residence during the twelve months preceding the survey. This figure closely resembles the 29 % of USA households that visited a USA casino during 1998 (AGA 1999:21). The visiting pattern of casino patrons to their nearest Mpumalanga casino is shown in figure 5. The weekly (29, %), monthly (30,9 %) and less often than monthly (37,5 %) visitors are fairly evenly distributed with only 2,1 % of the patrons visiting the casino on a daily basis.

**Figure 4: Visiting Pattern to Mpumalanga Casinos**



This visiting pattern is slightly higher than the following pattern reported for Australia’s Melbourne casino in 1997 (Sharley 1997:26):

- Daily – weekly: 24 %
- Fortnightly – monthly: 26 %
- Every 2-6 months: 29 %
- Once yearly: 9 %
- First time: 11 %

The possible extent of problem gambling in the community was established by the following question: ‘Do any of your family members currently have casino gambling-related problems?’ No less than 5,7 % of respondents affirmed knowledge of a family member experiencing gambling-related problems. The results also show a greater prevalence of casino gambling-related problems in poorer households (7,2 %) (i.e. households without Telkom telephones) compared with more affluent households (2,7 %) (households with access to Telkom telephones). For purposes of this question, ‘family members’ is interpreted in a broader sense, including family other than only household members. Some remarks on interpreting the response to this question, are in order. Since more than one respondent may have family connections with a person experiencing casino gambling-related problems some over-reporting may have occurred. This is particularly true for the shopping mall personal interviews where contact with respondents is concentrated in a relatively small population and area. On the other hand, underreporting may result from the sensitive nature of the question and a possible reluctance to divulge family-related issues to strangers (interviewers). It should also be taken into account that the family member with problems might not necessarily reside within Mpumalanga.

A few positive and negative effects of casino gambling were assessed through respondents indicating whether a number of statements were applicable to them. Although an extensive list of such statements could have been included in a questionnaire (see University of Western Sydney 1996: 43-46), the telephone survey allowed for the inclusion of only a few statements. Hence, only four positive and four negative statements covering financial, work-related, relationship and personal aspects were included. Table 4 summarises the response of gamblers who frequent their local casinos to these statements.

**Table 4: Would you agree or disagree with the following statements regarding casino Gaming? Subscribers and Nonsubscribers**

Statement	P/N <sup>1)</sup>	Weighted total			
		Agree	Disagree	Can't say	Total
(a) When I gamble I risk only what I can afford	P	50,5	36,7	12,7	100,0
(b) Gambling has given me pleasure and fun	P	82,3	9,0	8,7	100,0
(c) I have gone gambling with family and friends	P	77,3	16,8	5,9	100,0
(d) When I gamble I feel relaxed	P	75,8	13,8	10,3	100,0
(e) I've borrowed money to gamble	N	15,3	76,9	7,8	100,0
(f) My gambling has stopped me working/studying efficiently	N	5,2	86,9	7,8	100,0
(g) I spend more than I can afford on gambling	N	13,8	75,9	10,3	100,0
(h) I have been for help with my gambling	N	4,6	85,4	10,0	100,0

<sup>1</sup> P = positive statement and N = negative statement

Although the reaction to the statements in table 4 shows fairly satisfactory responses, some instances of problems related to gambling can be detected. The statements, as contained in the questionnaire, are presented below. (Reaction to the statements was requested only from respondents visiting a casino during the preceding year.)

Statement: *'When I gamble I risk only what I can afford'*.

Only 50,5 % of respondents agree with the statement while 36,7 % disagree and 12,7 % 'can't say'. This points to the fact that probably more than a third of respondents gamble more than they can afford.

Statement: *'I've borrowed money to gamble'*.

No less than 15,3 % of respondents agree with the statement and 7,8 % 'can't say'. This response suggests that approximately one in every five patrons borrow money to gamble.

Statement: *'I spend more than I can afford on gambling'*.

13,8 % of respondents agree with the statement, 10,3 % 'can't say' and 75,9 % disagree. This distribution correlates closely with the response to the above statement and presents the probable reason for borrowing money to gamble.

Statement: *'Gambling has given me pleasure and fun'*.

9,0 % of respondents disagree with the statement, a further 8,7 % 'can't say' and 82,3 % agree. This confirms that although the majority of patrons regard casino gambling as a leisure activity, a sizeable portion of patrons do not experience any pleasure from their gambling activities.

Statement: *'When I gamble I feel relaxed'*.

Only 76,8 % agree with this statement while 13,8 % disagree and 10,3 % 'can't say'. This distribution largely resembles that of the response to the financial and personal statements confirming that probably one in every five persons experience some degree of uneasiness regarding their gambling.

Statement: *'My gambling has stopped me working/studying efficiently'*.

5,2 % of the respondents agree with the statement while a further 7,8 % 'can't say'.

Statement: *'I have been for help with my gambling'*.

4,6 % agree with the statement and 10 % 'can't say'.

The above findings suggest that approximately one in every five respondents (approximately 20 %) experienced some or other problem with their gambling. Some of these problems are of a financial nature (spend more than can be afforded or borrow money to gamble) while others are personal (do not find gambling relaxing or fun). However, it is evident from the last two findings above that only a small percentage of gamblers can probably be regarded as 'at risk' players. The response to

the last two statements suggests that probably one in every 20 respondents (approximately 5 %) experienced serious problems. This percentage correlates with the 5,7 % of respondents that affirm that one of their family members currently have casino gambling-related problems (section 2.6.7). In a similar study conducted in 1996 in New South Wales (University of Western Sydney 1996:45) it was found that approximately 3,5 % of the population confirmed that their gambling is *not* problem-free. The report further states that ‘...in previous studies in Tasmania and Western Australia this percentage of possible ‘at risk’ players was larger, of the order of 6 % of the population’. A better understanding of the so-called negative experiences reported by regular gamblers is presented in the New South Wales study (University of Western Sydney 1996:47), which places negative experiences in the context of how gambling-related problems may arise for the individual.

‘Firstly the personal experience of a gambler may change to include unrealistic expectations of winning and a style of gambling (such as chasing losses) and money management (e.g.. borrowing money to gamble) that is not adaptive. Motivation to gamble then may include not just the positive aspects of relaxation and excitement ... but also escape or coping with depression and frustration. At this stage, control of gambling for the individual is difficult ... and actual negative impacts may then occur impinging on family and friends, on work-related matters and even legal impacts such as the misappropriation of money to fund gambling’.

It should be stressed that the above provides only an approximation of the possible extent of casino gambling-related problems. The survey contains no questions to determine the severity of individual problems. This may range from a perceived problem by the respondent to a serious problem impacting negatively on aspects such as financial well-being, family and personal life and even the work situation. The responses also confirm a wide variety of individual experiences enjoyed by people during casino gambling. These may vary not only from one player to another but also from occasion to occasion for the same player.

## **Conclusion**

The Mpumalanga community holds fairly divergent views on casino related issues: from finding casino gambling acceptable to an abhorrence thereof. Gaming trends were also found to vary: from actively participating in gaming related activities to abstaining from them. It would seem that the more negative views on casino gambling (finding it unacceptable and refraining from any participation) are more prevalent among the higher income groups.

A large majority of casino patrons regard gambling as an important leisure activity. It is also evident from the response that the winning motive is strongly prevalent among certain patrons and serves as a motivation for participation in gambling. Some responses suggest the prevalence of problem gambling to the order of approximately 5 to 6 % of patrons.

The above empirical evidence on the dynamics of the casino industry and especially the community’s attitudes to and perceptions of casinos is indispensable for appropriate policy development.

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