

A close-up photograph of a hand dropping a coin into a white ceramic piggy bank. The background is blurred, showing a person's face and a smartphone. The text 'FINANCIAL LITERACY & GAMBLING' is overlaid on the image.

# FINANCIAL LITERACY & GAMBLING

gAp

Gambling  
Awareness  
Program



# FINANCIAL HARM & GAMBLING

There are numerous ways in which gambling can harm us financially:

1. **The inability to meet basic needs** - the more money dedicated to gambling means there is less money to spend on basic needs like housing, food, utilities, etc. that in turn has the potential to harm both our mental and physical health.
2. **Credit card debt or debt in general** - credit cards or loan services may be used to obtain money to gamble with or to pay for basic needs in an attempt to keep up appearances. This can increase our personal debt quickly.
3. **Loss of property** - as someone experiencing a gambling problem accumulates debt and bills go unpaid, they run the risk of potentially losing property/assets through foreclosure, eviction and/or repossession.
4. **Bankruptcy** - An individual experiencing a gambling problem may also need to declare bankruptcy. Bankruptcy is a legal process that allows a person to get rid of most of their debt. Gambling is the 8th most common reason for declaring bankruptcy in Canada. Often times gambling debts are discharged with additional requirement, such as receiving problem gambling counselling.
5. **Job loss** - Problem gambling may also negatively impact job performance. A person with a gambling problem may be leaving work to gamble or gambling at work. This could result in discipline, demotion and possibly the loss of their job.



There is a strong connection between gambling and our financial well-being. For some people, excessive gambling can lead to a number of financial harms, which can impact their day-to-day functioning. Understanding economic information and using it to make financial decisions can help reduce our risk of developing problems with gambling.

This pamphlet is designed to give the reader more information about the financial side of gambling, while providing tips on how to reduce the potential financial harms of gambling.

## FINANCIAL MOTIVATIONS FOR GAMBLING

People that experience financial stress, under-employment, unemployment, or those that live in a lower socio-economic class are more likely to turn to gambling as a way to earn money. The desire to “win big” is very common when it comes to gambling. Unfortunately, gambling is not a reliable way to make money and should be treated as a form of entertainment. When gambling, go in expecting to **lose** money.

## CASH vs CREDIT

### MYTH

Borrowing money is just as safe as using cash to gamble.

### REALITY

Using your credit card or pay day loan to gamble is risky because you don't know if you'll win or not. If you are unable to pay back the amount you borrowed, it can negatively impact your credit score and lead to high interest charges.

For example, let's say we want to spend \$300 one night at a casino. We have four options: cash, debit, cash advance, and a pay day loan. Using cash, there are no service charges, bank or ATM fees, so at the end of the night we have spent only \$300. By using a debit card, there is a bank fee and ATM fee totalling approx. \$305. For the cash advance, we'd have to pay interest, the bank and ATM fees, totalling approx. \$307.19. For a pay day loan we have a \$51 interest charge, and a \$40 late fee if not paid/returned on time so we could spend upwards of \$391... Almost \$100 more than what we were expecting to spend!

|                 | CASH  | DEBIT  | CASH ADVANCE | PAY DAY LOAN  |
|-----------------|-------|--------|--------------|---------------|
| INTEREST        | -     | -      | \$2.19       | \$51.00       |
| SERVICE CHARGES | -     | -      | -            | \$40 LATE FEE |
| BANK FEE        | -     | \$2.50 | \$2.50       | -             |
| ATM FEE         | -     | \$2.50 | \$2.50       | -             |
| TOTAL           | \$300 | \$305  | \$307.19     | \$391         |

### REMEMBER!

Leaving your credit/debit card at home and only using cash means there is less risk of exceeding your budget.

# PROBLEM GAMBLING & VIEWS OF MONEY

While most people who gamble end up gambling responsibly, there are some who develop problems with their gambling. It can damage one's reputation and relationships with friends, family, and colleagues, affect one's mental and physical health, and cause financial harm. One's view of money begins to change, and gambling is often seen as both the cause of and the solution to their problems.

## FINANCIAL WARNING SIGNS OF A GAMBLING PROBLEM

Financial problems are one of the few visible signs of a gambling problem. Common financial warning signs of a gambling problem include the following:

- Overdue/unpaid bills
- Cash advances on credit cards, maxing out credit cards, or increasing limits
- Using cash advances (ex. Speedy Cash)
- Being short on money despite an adequate income
- Large changes in finances (ex. going from having no money to being flush with cash in a short period of time)
- Asking to borrow money from friends, family and colleagues
- Stealing money from friends, family and/or the workplace
- Cashing out savings accounts/insurance policies
- Secretive about money or money problems
- Selling items to get money to gamble with
- Increased calls from debt collectors and creditors

# MONEY TIPS

People who are more confident when it comes to their financial literacy are less likely to take extensive risks when it comes to gambling activities.

Some ways we can keep our gambling financially responsible include:

- Set money limits
- Leave credit/debit cards at home
- Ensure all necessities are paid for before spending money on gambling
- Gamble with cash only - this makes it easier to stick to any limits you set
- Treat gambling as a social activity. Go in expecting to spend money, like you would if you went to a movie or hockey game
- Avoid using gambling as a way to “earn” extra money
- Reach out and get support when necessary

## RESOURCES

|                                   |                                                        |
|-----------------------------------|--------------------------------------------------------|
| <b>Problem Gambling Helpline</b>  | 1.800.306.6789<br>spgh.ca                              |
| <b>Gambler's Anonymous</b>        | 1.855.781.9522<br>gamblersanonymous<br>saskatchewan.ca |
| <b>Credit Counselling Society</b> | 1.888.527.8999<br>nomoredebts.org                      |
| <b>Gambling Awareness Program</b> | SaskGAP.ca                                             |

# 1/3

of Canadians say  
winning the lottery is  
part of their retirement  
plan

Financial Post, 2012

