

It's a gamble

Carly Weeks

Lucky numbers are getting a bit of extra mileage these days.

As the country slips into recessionary mode, lottery ticket sales are booming. Strong demand helped boost a national Lotto 6/49 jackpot earlier this month to \$44-million, one of the biggest prizes ever offered in Canadian lottery history.

"I bought a ticket," said Sacha Peter, a resident of Chilliwack, B.C., and self-professed lottery naysayer. "It's probably the first lottery ticket I've bought in I can't remember [how long]"

Although he believes that buying a lottery ticket is usually a waste of money, Mr. Peter, who writes a blog about the economy, decided to buy a ticket after calculating the value of a ticket when the jackpot reaches such high levels.

"So instead of putting in a few bucks gambling that Nortel is going to make a comeback from the dead, perhaps spending a few bucks on this lottery will be more economically prudent," he wrote on his blog a few days before the draw.

For many, when jackpots start to rise, especially with news of job losses, a battered stock market and a poorly performing economy top of mind, the fantasy of hitting the big one becomes a bit harder to shake.

Real-life stories of overnight millionaires don't make it any easier. Thousands of Canadians observed with envy last week as Jorma Hogbacka, a 60-year-old St. Catharines man, received a \$14.8-million cheque after winning January's jackpot, which was split three ways.

Although it may seem counterintuitive at a time when most people are closely guarding their wallets, lottery sales tend to go up during a recession. Retailers are reporting more people are buying tickets now than before the economic slump began.

"All my sales all the way around the board have gone up," said Nicole, the owner of a lottery kiosk inside a Zellers store in Hamilton, Ont. "The sales definitely go up because of this economy."

"For sure [there's been] a jump, an increase," echoed Hope Gray, an employee at Winner's Circle, a lottery kiosk in a Halifax mall. "We've got a lot of regulars and they haven't cut back and some of them are big spenders."

While the majority of her clients who typically buy tickets are low-income, Nicole (who asked that her last name not be used) is now seeing a wider range of people hoping to win big on scratch tickets or lottery draws.

"Entertainment doesn't stop [because of a recession]" she said. "In fact, it helps you get away and escape."

The Atlantic Lottery Corp. said revenue from instant scratch tickets rose to \$16.1-million this past December from \$14.3-million the previous December, and the Western Canada Lottery Corp. said instant ticket sales rose to \$31.1-million this past December from \$30.4-million the year before.

Lottery revenues in the U.S., where the effects of the economic collapse have been felt longer, have increased in more than half of all states with lotteries, according to the Associated Press.

"Historically, there's been a rise in substance abuse and with involvement with gambling when the economic situation is tougher," says David Hodgins, a professor of psychology at the University of Calgary who studies addictive behaviours.

Dr. Hodgins is concerned the financial stress could push some into a gambling addiction. "I certainly think we should be monitoring it."

Casinos, which generally require a much larger chunk of change than what's needed to purchase lottery tickets, haven't necessarily seen the same recessionary bump. In recent months, Las Vegas casinos and others throughout the U.S. have been suffering significant losses that have been attributed to the economic downturn.

But in Niagara Falls, Ont., hotel occupancy rates climbed nearly 7 per cent last November compared with the same period in 2007. In December, occupancy rates increased 2 per cent compared with the previous year. (Reports indicate four Ontario casinos - Caesars Windsor, Casino Niagara, Niagara Fallsview Casino and Casino Rama in Orillia - lost about \$56-million in 2007-2008, in addition to losses the year before, but those losses are attributed mostly to competition from U.S. casinos in neighbouring cities.)

While other cities are worried about a decline in tourism and how badly their local economies will be affected, the Niagara Falls city council last week approved a developer's plan for the construction of an \$80-million hotel.

"Some of these operators really believe they can weather some of these challenging times and are in development mode," said Victor Ferraiuolo, interim administrator of Niagara Falls Tourism.

Greg Medulun, a spokesman for Fallsview Casino Resort, declined to discuss the casino's financial performance. But the Ontario Lottery and Gaming Corp., which oversees its operations, as well as all casinos and slot machine facilities in the province, said it's business as usual. Still, there are signs that at least some Canadians may be cutting back on their tickets.

Last week, Infoplace Ticket Centres Ltd., which operates lottery kiosks across Canada, announced it was filing for bankruptcy, closing 177 kiosks in Canada. The closed kiosks represent less than 1 per cent of lottery retailers in most parts of the country.

For some Canadians, the downturn may have been just too sharp.

"We've been down," said Charlie Sleiman, owner of Downtown Lottery in Windsor, Ont. "[There's been]too many laid off in the city."

Sign up for the Health & Wellness Newsletter.

Keep up to date on the latest nutrition news and dietary advice, fitness tips and wellness trends

[Explore newsletters](#)