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state of the states: the aga survey of casino entertainment



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**E**ver since the American Gaming Association (AGA) opened its doors in 1995, we've been charged with an important mission: to provide the facts about an industry that for far too many years has been plagued by myths, stereotypes and misinformation.

To that end, the AGA has embarked upon a long-term commitment to produce an annual survey of casino entertainment. Modeled after the longtime Harrah's surveys, *State of the States: The AGA Survey of Casino Entertainment* offers easy-to-use graphs and charts highlighting key facts about our industry. Whether it's the number of jobs, a profile of the average casino visitor, casino locations, or tax revenue contributions, this survey provides comprehensive information about the casino industry in a single publication.

To supplement the facts included in this survey, we have added a center spread focusing on the American public's perceptions of gaming. Is casino gambling a good way for cities and states to generate money without raising taxes? What do Americans feel about the industry's role in curbing compulsive or underage gambling? Is casino gambling viewed as a fun night out? Answers to these questions and more can be found in this section, beginning on page 10. The information is based on results of a recent nationwide poll conducted for the AGA by respected pollsters Frank Luntz and Peter Hart.

We hope this first annual *State of the States: The AGA Survey of Casino Entertainment*, and those in future years, will provide decision makers, the media and the American public with a valuable source of statistical information and facts about the state of the casino industry today.



**Frank J. Fahrenkopf, Jr.**  
*President and CEO*  
American Gaming Association

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**S**tate of the States: The AGA Survey of Casino Entertainment provides facts and information on public perceptions about commercial casino gaming, a positive economic and social force in many communities and a mainstream activity in American culture. The survey compiles information from a variety of sources, including Harrah's Entertainment, Inc., Christiansen Capital Advisors, Peter D. Hart Research Associates, Inc./The Luntz Research Companies and The Evans Group. In addition, the survey includes information collected by the AGA from state gaming commissions and other sources. Arthur Andersen assisted in the compilation and analysis of this data.

the operation of Native American casinos; there are approximately 160 such casinos today. From 1989 to 1998, Colorado, Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri and South Dakota authorized commercial casino gaming. Approximately 450 commercial casinos are operating today.

Today, the commercial casino gaming industry provides jobs for approximately 325,000 Americans and contributes more than \$2.5 billion in gaming tax revenues to the states and cities in which it operates. The total tax contribution is actually much higher than \$2.5 billion, as this figure does not include property taxes, corporate income taxes, local use taxes and payroll taxes paid by individual casino employees. The gross gambling revenue for the commercial casino industry stands at approximately \$20 billion today, putting spending on casino gaming on a par with spending by Americans on coffee or basic cable television.

### ECONOMIC IMPACT

A direct vote of the people welcomed commercial casino gaming into the economic mix of most of gaming's host jurisdictions. Gaming is a significant contributor to economic growth and diversification within each of the states where it operates. Annual statewide gaming revenues range from a high of \$8.1 billion in Nevada to \$44 million in South Dakota. Overall, employees are paid \$8.7 billion annually in total wages (including benefits and tips). Tax rates imposed on gaming revenues by the states range from 6.25 percent to 35 percent, and these taxes provide funds for education, health care services, transportation, historical renovation projects and programs for the elderly and disabled.

### OVERVIEW OF CASINO ENTERTAINMENT

In 1931, commercial casino gaming was introduced in Nevada, and for 46 years it was the only state that offered this form of entertainment. In 1976, voters in New Jersey approved legislation allowing gaming in Atlantic City, and the first casino opened there in 1978. In 1988, federal legislation was passed creating a regulatory framework for



*Above and inside front cover, top: The \$20 million in annual tax revenue from two riverboat casinos in Joliet, Ill., has helped the city reduce taxes and fees for its citizens while improving services for public safety.*

*Inside front cover, bottom: Casino tax revenue in Colorado has been dedicated to historic preservation statewide.*

The casino industry has been a progressive force as an employer and is at the forefront of American business offering opportunities to minorities, women and the disabled. Industry employees have proven to be valuable members of their communities, contributing significantly to charitable organizations and giving generously of their time as volunteers. Nationally, these employees contribute more than \$58 million to charitable organizations annually and donate 884,000 hours of volunteer time every month.

#### CASINO CUSTOMERS—WHO ARE THEY?

The typical casino customer has a significantly higher annual income, is slightly better educated and is more likely to hold a white-collar job than the average American. He or she participates in casino gaming as a social activity, with an overwhelming majority of all visitors (93 percent) saying that they go to casinos with others. This is also a disciplined group. Seventy-three percent of casino players report always setting a budget for themselves before visiting a casino, compared to only 4 percent who report never setting a budget.

Included throughout this survey are quotations from the National Gambling Impact Study Commission final report, which was issued June 18, 1999. After two years of study, the commission reached many conclusions similar to those found in this survey about the economic and social benefits of our industry. For the specific source of each quotation, see the corresponding number in the reference section at the end of the survey.



#### TRENDS IN CASINO VISITATION

Casino entertainment continues to enjoy widespread popularity. Among the various forms of gaming, casinos are second only to lotteries in terms of popularity. After dramatic increases from 1993 to 1995, the number of casino visits has climbed more slowly in recent years. In 1998, 29 percent of U.S. households gambled at a casino; those households visiting casinos took an average of 5.6 trips, or less than once every two months.

Households in the North Central region accounted for 30 percent of visits; the West accounted for 26 percent; the South accounted for 25 percent; and the Northeast accounted for 19 percent.

#### ACKNOWLEDGMENTS

The American Gaming Association would like to thank Steve Comer and Ed Bowers from Arthur Andersen for assisting in the compilation and analysis of state statistics included in this survey; Gene Christiansen and Sebastian Sinclair of Christiansen Capital Advisors for providing revenue figures; Michael Evans of The Evans Group for providing statistics on tribal gaming; Peter Hart and Frank Luntz and their staffs for assisting in the compilation and interpretation of survey data; David Bethel of Cohn & Wolfe/Washington for his writing and editing assistance; and Dean Hestermann of Harrah's Entertainment, Inc. for providing polling data, survey information and other statistics.

*For the purposes of this survey (except where indicated), a "commercial casino" is defined as any privately owned (i.e., nongovernmental) facility with both slot machines and table games. In the commercial casino states of Nevada and South Dakota, some slots-only facilities are included in our figures because the information is reported in a way that does not permit distinguishing between the two. The figures in this survey do not include slots at race-tracks—sometimes referred to as "racinos"—which are either operational or approved in Louisiana, Iowa, West Virginia, Delaware, Rhode Island and New Mexico; Class III Indian gambling; cruises to nowhere; or non-casino gambling devices.*

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## overview of casino entertainment

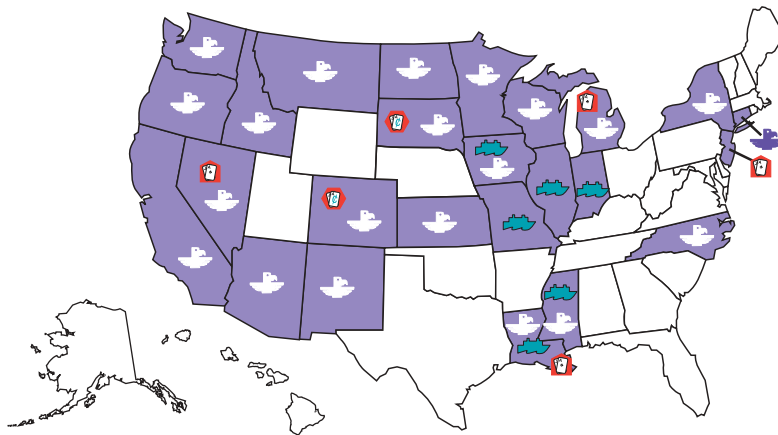
Some form of casino gaming—land-based, riverboat or Native American casinos—operates or has been approved in 25 states. The commercial casino industry (land-based and riverboat casinos) provides more than 320,000 jobs—a figure that does not include the more than 450,000 construction-related and indirect jobs generated by casinos from local purchases of goods and services. The industry also contributes





more than \$2.5 billion in tax revenues to the states in which it operates and produces revenues of approximately \$20 billion annually.

“The gambling industry has emerged as an economic mainstay in many communities, and plays an increasingly prominent role in state and even regional economies.”

1

### casino locations by category, 1999



-  Riverboat casinos
-  Land-based casinos
-  Limited-stakes casinos (\$5 maximum wagers)
-  Tribal casinos\*

\* The legal status of tribal casinos in certain states is unclear.

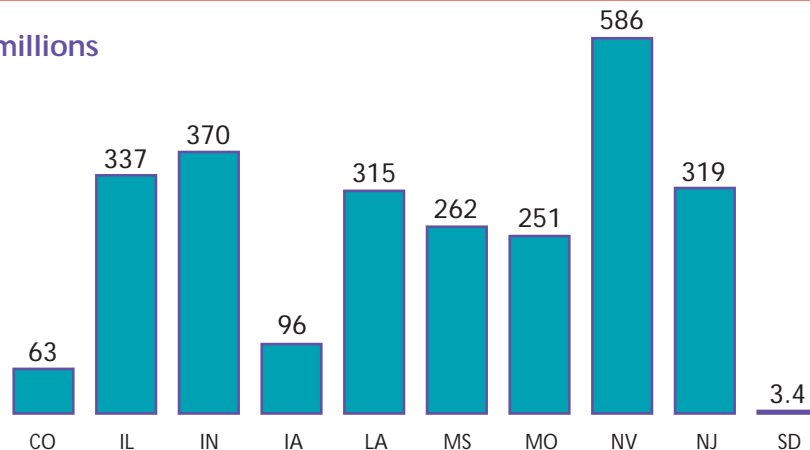
Sources: American Gaming Association, National Indian Gaming Association

“... Without exception, elected officials expressed support for gambling and recited instances of increased revenues for their cities.”

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### direct casino tax revenues by state, 1998

\$ millions



In 1998, commercial casinos contributed a total of \$2.5 billion in direct gaming tax revenues.

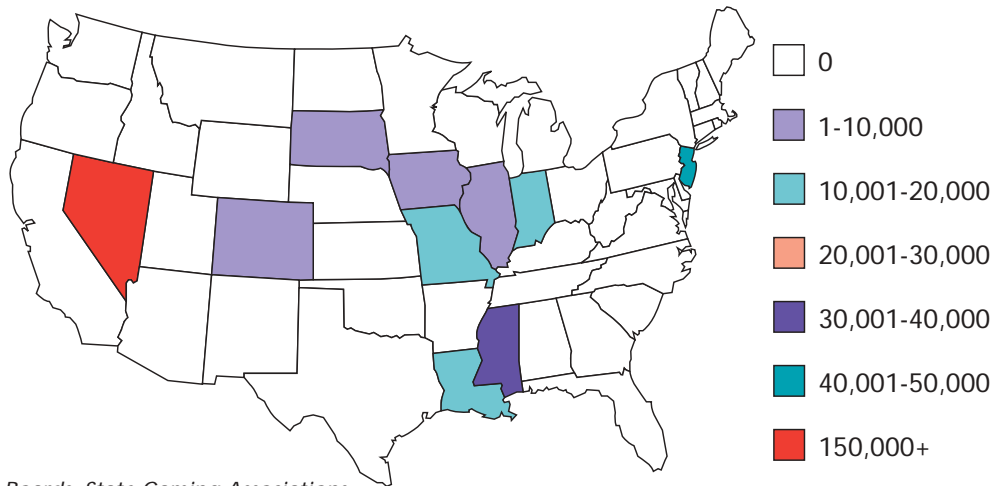
Sources: State Gaming Commissions, State Gaming Associations

## casino jobs, 1998

### Commercial Casinos

Nevada	182,621
New Jersey	48,372
Mississippi	31,671
Louisiana	14,917
Indiana	12,300
Missouri	12,000
Illinois	9,909
Iowa	6,590
Colorado	5,191
South Dakota	1,861
<b>Total</b>	<b>325,432</b>

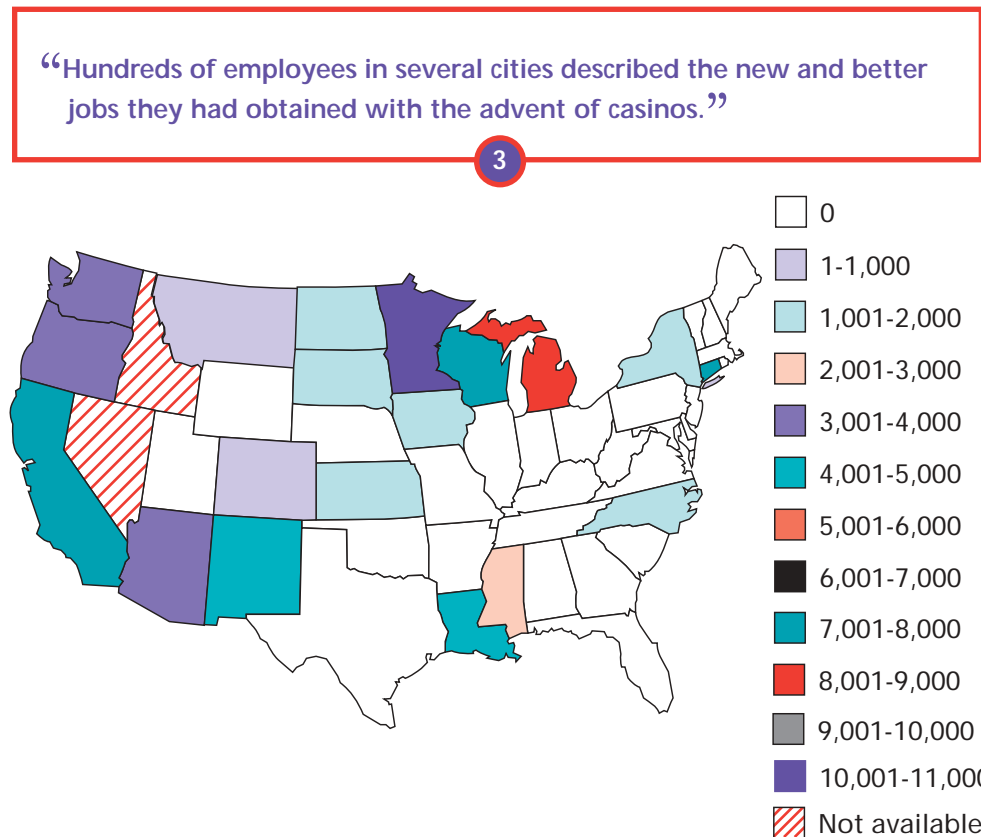
Sources: State Gaming Control Boards, State Gaming Associations



### Tribal Casinos

Minnesota	10,961
Michigan	8,059
California	7,932
Wisconsin	7,877
Connecticut	7,596
Louisiana	4,383
New Mexico	4,101
Arizona	3,994
Washington	3,519
Oregon	3,173
Mississippi	2,079
North Dakota	1,727
Iowa	1,726
New York	1,529
South Dakota	1,354
North Carolina	1,334
Kansas	1,241
Colorado	548
Montana	130
Nevada	N/A
Idaho	N/A
<b>Total:</b>	<b>73,263</b>

Sources: The Evans Group, American Gaming Association

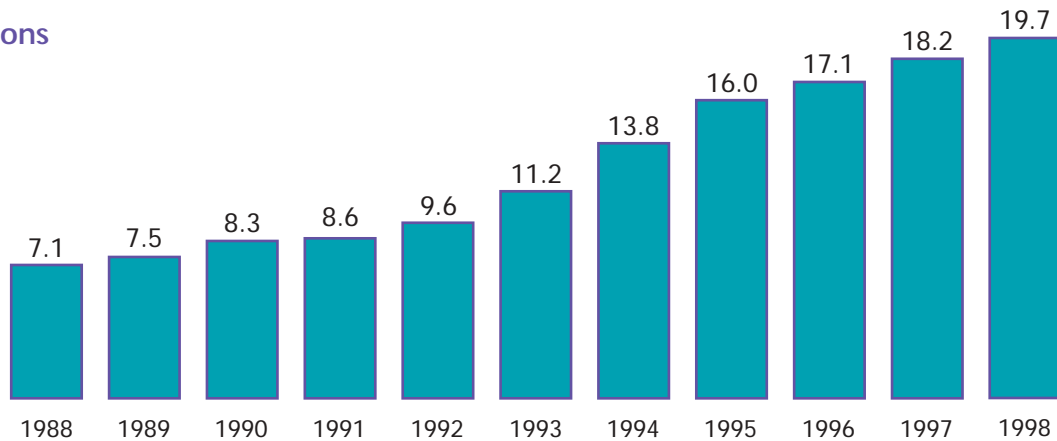


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## overview of casino entertainment

### consumer spending on commercial casino gaming, 1988-98

\$ billions

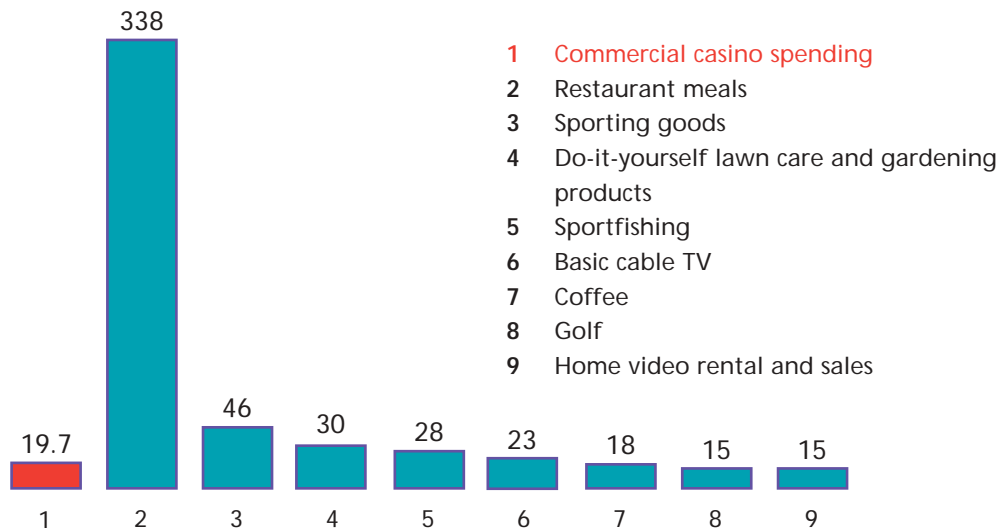


Spending on commercial casinos in 1998 was slightly less than \$20 billion.

Source: Christiansen Capital Advisors

### spending: commercial casino gaming vs. other activities

\$ billions



Spending on commercial casino gaming was slightly less than spending on basic cable TV and slightly more than spending on coffee or home video rental and sales.

Sources: 1-Christiansen Capital Advisors, 1998; 2-National Restaurant Association, 1998; 3-Sporting Goods Manufacturers Association, 1998; 4-National Gardening Association, 1998; 5-American Sportfishing Association, 1996; 6-National Cable Television Association, 1999; 7-National Coffee Association of the USA, 1999; 8-National Golf Foundation, 1997; 9-Video Software Dealers Association, 1997

Commercial casino gaming is a significant contributor to economic growth and diversification within each of the states where it operates. Nationwide, casino employees earn \$8.7 billion in total wages (including benefits and tips), and the industry provides more than \$2.5 billion in tax revenues annually to fund valued community services. The industry also is at the forefront of American businesses in offering job opportunities

to minorities, women and the disabled. Employees have proven to be valued members of their communities, contributing significantly to charitable organizations and giving generously of their time as volunteers.

*The following state data have been compiled and analyzed by Arthur Andersen. These figures are for the 1998 calendar year, except where indicated. The highlighted cities on the state maps indicate where casinos are located.*

**COLORADO**

Current # of Operating Casinos	48	
Gaming Format	Limited-stakes, land-based	
Casino Employees	5,191	
Casino Employee Wages	\$143.4 million	
Gross Casino Gaming Revenue	\$479 million	
Gaming Tax Revenue	\$63 million	
How Taxes Spent	Local communities, historic preservation, general fund	
Legalization Date	November 1990	
First Casino Opening Date	October 1991	
State Gaming Tax Rate	Graduated tax rate with a maximum tax of 20 percent on gaming revenue	
Mode Of Legalization	Approved via statewide vote and legislative action	

Source: Colorado Division of Gaming

**ILLINOIS**

Current # of Operating Casinos	9	
Gaming Format	Riverboat	
Casino Employees	9,909	
Casino Employee Wages	\$313 million	
Gross Casino Gaming Revenue	\$1.1 billion	
Gaming Tax Revenue	\$337 million	
How Taxes Spent	Education, general fund	
Legalization Date	February 1990	
First Casino Opening Date	September 1991	
State Gaming Tax Rate	Graduated tax rate with a maximum tax of 35 percent on gaming revenue	
Mode Of Legalization	Approved via legislative action	
Community Service	Employees donating money to charity	7,241
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees	\$1.9 million
	Number of employees donating time to charity	3,674
	Number of hours of volunteer service given to charities by local gaming employees each month	38,841

Sources: Illinois Gaming Board, PricewaterhouseCoopers LLP

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## economic impact

### INDIANA

Current # of Operating Casinos	9; 1 under construction (opening fall 2000)	
Gaming Format	Riverboat	Gary ♦♦♦♦ Michigan City E. Chicago Hammond
Casino Employees	12,300	
Casino Employee Wages	\$345 million	
Gross Casino Gaming Revenue	\$1.1 billion	
Gaming Tax Revenue	\$370 million	
How Taxes Spent	Economic development, local government	
Legalization Date	November 1993	Rising Sun ♦ Lawrenceburg ♦
First Casino Opening Date	December 1995	Evansville ♦ Bridgeport ♦
State Gaming Tax Rate	20 percent tax on gaming revenue	
Mode Of Legalization	Approved via local option vote and legislative action	
Minority Employees	3,912	
In-state Employees	10,297	
Community Service	Employees donating money to charity	8,295
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees	\$1.2 million
	Number of employees donating time to charity	3,236
	Number of hours of volunteer service given to charities by local gaming employees each month	30,242

Sources: Indiana Gaming Commission, Pricewaterhouse Coopers LLP, Casino Association of Indiana

### casinos and employment

At the request of the National Gambling Impact Study Commission, the National Opinion Research Center at the University of Chicago examined the effects of casino proximity on a number of social indicators. The analysis found that those communities closest to casinos enjoyed 12 percent to 17 percent lower welfare payments, unemployment rates and unemployment insurance payments, compared to communities further from casinos.

“In public comments to the Commission, many individuals recounted personal transformations that they attributed, in part, to a job in the casino industry and the impact these have had in their ability to contribute in a meaningful way to the community.”

**IOWA**

Current # of Operating Casinos	9	
Gaming Format	Riverboat	
Casino Employees	6,590	
Casino Employee Wages	\$116.4 million	
Gross Casino Gaming Revenue	\$496 million	
Gaming Tax Revenue	\$96 million	
How Taxes Spent	Infrastructure improvements, local government, general fund	
Legalization Date	July 1989	
First Casino Opening Date	April 1991	
State Gaming Tax Rate	Graduated tax rate with a maximum tax of 20 percent on gaming revenue	
Mode Of Legalization	Approved via local option vote and legislative action	
Community Service	Employees donating money to charity	3,695
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees	\$495,000
	Number of employees donating time to charity	2,230
	Number of hours of volunteer service given to charities by local gaming employees each month	20,976

Sources: Iowa Racing and Gaming Commission, PricewaterhouseCoopers LLP

**LOUISIANA**

Current # of Operating Casinos	13; 2 under construction (opening 10/99 and fall 2000)	
Gaming Format	Riverboat; land-based	
Casino Employees	14,917	
Casino Employee Wages	\$387 million	
Gross Casino Gaming Revenue	\$1.3 billion (FY98)	
Gaming Tax Revenue	\$315 million (FY98)	
How Taxes Spent	General fund	
Legalization Date	July 1991	
First Casino Opening Date	October 1993	
State Gaming Tax Rate	<i>Riverboat:</i> tax of 18.5 percent on gaming revenue <i>Land-based:</i> tax of 18.5 percent on gaming revenue or \$100 million annually, whichever is greater	
Mode Of Legalization	Approved via local option vote and legislative action	
Minority Employees	8,280	
Women Employees	8,375	
In-state Employees	14,708	
Community Service	Employees donating money to charity	10,337
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees	\$1.9 million
	Number of employees donating time to charity	3,236
	Number of hours of volunteer service given to charities by local gaming employees each month	44,602

Sources: Louisiana Gaming Control Board, Casino Association of Louisiana, PricewaterhouseCoopers LLP

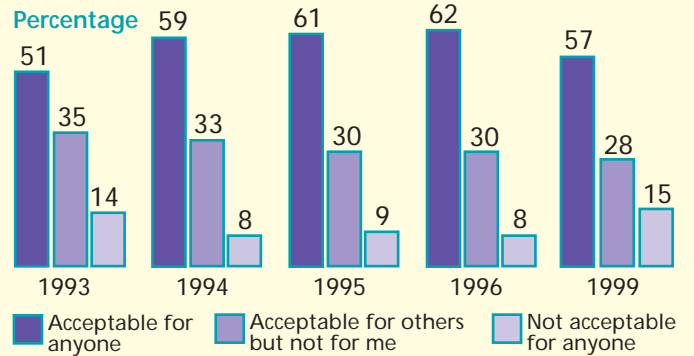


*In fiscal year 1998 alone, casinos in Mississippi's Tunica County paid more than \$100 million in state, city and county taxes, dramatically improving local services in what was once one of the nation's poorest communities.*



## u.s. acceptance of casino entertainment

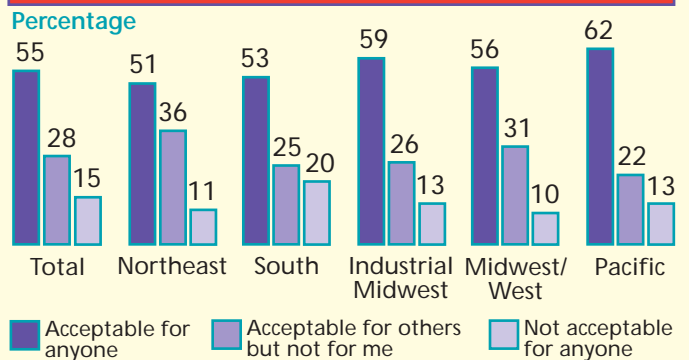
“What are your own personal views of casino gambling?”



Among those expressing an opinion, only a small fraction of the U.S. population believes casino gambling is not acceptable for anyone.

Source: Hart/Luntz

## acceptability by region

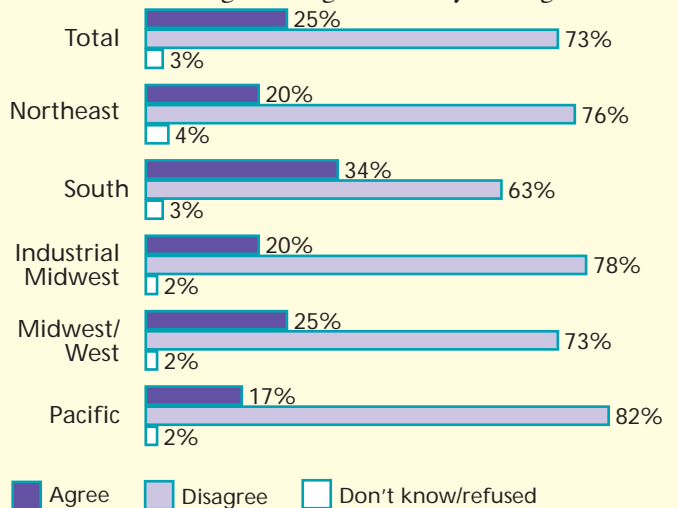


The acceptance of casino gambling in the United States varies somewhat by region.

Source: Hart/Luntz

## casino gambling and morality

“I believe casino gambling is morally wrong.”



Moral concerns about gambling in the South might explain why residents there are much more likely to say that casino gambling is unacceptable for anyone.

Source: Hart/Luntz

## american perception

### casino gambling can be fun

“Casino gambling can be a fun night out.”

Percentage of people who agree with this statement



More than 80 percent of Americans believe casino gambling can be a fun night out.

Source: Hart/Luntz

### casino gambling is a good way to generate revenue without raising taxes

“Within reasonable limits, legalized casino gambling is a good way for cities and states to generate revenue without having to raise everybody’s taxes.”

Percentage of people who agree with this statement



Casinos are a popular way to generate revenue without raising taxes.

Source: Hart/Luntz

A national survey conducted by respected pollsters Peter Hart and Frank Luntz looked at the American public’s perceptions of casino gambling, building on the polling data collected by Harrah’s Entertainment, Inc. in its annual surveys from 1992 to 1997.

The results of this year’s poll reflect continued acceptance of casino gaming among Americans and show that Americans view it as an enjoyable form of entertainment, an economic development tool and a good way to generate revenue without raising taxes. Overwhelmingly,

### casinos can be an important part of a community’s entertainment options

“A casino can be an important part of a community’s entertainment and tourism options.”

Percentage of people who agree with this statement



Approximately three of four Americans believe that casinos can be a central part of a community’s entertainment and tourism package.

Source: Hart/Luntz

“...over the past 25 years, the United States has transformed a nation in which legalized gambling was a fringe phenomenon into one in which such

# s of casino gambling

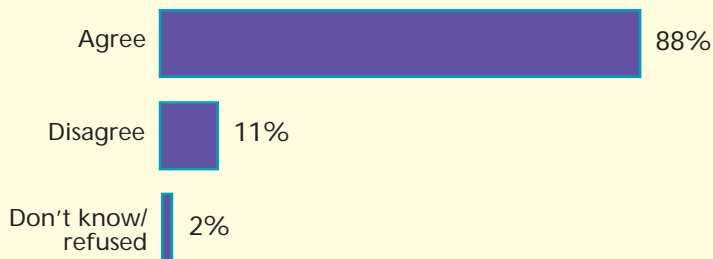
Americans believe that gambling is a matter of personal choice. Eighty-five percent of Americans expressing an opinion believe casino gambling is acceptable for themselves or others.

According to the poll, Americans also believe that casino companies should discourage compulsive and underage gambling - a sentiment shared by the commercial casino industry, as evidenced by its ongoing public and employee education initiatives as well as funding of research and treatment programs.

*Note: Polling was not conducted in 1997 or 1998, so data are not available for those years.*

## casino gambling: a personal choice

“People should be able to go into a casino, have their own budget and spend their disposable income the way they want.”



Nearly nine of 10 Americans believe that people should have the freedom to play casino games.

*Source: Hart/Luntz*

United States has been transformed from a place where gambling was a limited and a relatively rare activity to one where it is common and growing.”

“... [in communities close to newly opened casinos, the National Opinion Research Center] found increased per capita income in construction, hotel and lodging and recreation and amusement industries.”

## casinos bring money into local economies without hurting existing businesses

“Legalized casino gambling brings money into a local economy without hurting existing businesses.”

Percentage of people who agree with this statement



Americans agree that casino gambling benefits local economies without hurting existing businesses.

*Source: Hart/Luntz*

“Today the vast majority of Americans either gamble recreationally and experience no measurable side effects related to their gambling, or they choose not to gamble at all.”

“The American Gaming Association ... has initiated several efforts to address problem and pathological gambling and is the largest source of funding for research [on this issue].”

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### casinos should discourage compulsive gambling

“Casino companies today should have programs to discourage compulsive gambling.”

Percentage of people who agree with this statement



Americans generally agree that casino companies should have programs to discourage compulsive gambling.

Source: Hart/Luntz

Among the industry's efforts, the AGA founded the National Center for Responsible Gaming in 1996 to fund independent, peer-reviewed research on pathological and youth gambling. Today, the commercial casino industry is the sole source of funding and has committed \$7 million to the National Center.

### casinos should discourage underage gambling

“Casino companies today should have programs to discourage underage gambling.”

Percentage of people who agree with this statement



Virtually all Americans believe that casinos should discourage underage gambling.

Source: Hart/Luntz



*Casino tax revenue in Atlantic City has helped finance construction of new public improvements, including a bus station and housing.*




### MICHIGAN

Current # of Operating Casinos	1; 2 under construction (opening fall 1999)	
Gaming Format	Land-based	
Casino Employees	2,200 4,500 (estimates for two casinos under construction)	
Casino Employee Wages	N/A	
Gross Casino Gaming Revenue	N/A	
Gaming Tax Revenue	N/A	
How Taxes Spent	Education, public safety, youth development, capital improvements, tax relief, road repair and improvement	
Legalization Date	November 1996	
First Casino Opening Date	July 1999	
State Gaming Tax Rate	Tax of 18 percent on gaming revenue, plus a municipal services fee of the greater of 1.25 percent of gaming revenue or \$4 million annually	
Mode Of Legalization	Approved via local advisory vote, statewide vote and legislative action	

Source: Michigan Gaming Control Board

### MISSISSIPPI

Current # of Operating Casinos	29	
Gaming Format	Riverboat	
Casino Employees	31,671	
Casino Employee Wages	\$752.4 million	
Gross Casino Gaming Revenue	\$2.2 billion	
Gaming Tax Revenue	\$262 million	
How Taxes Spent	Housing, transportation, health care services, youth counseling programs	
Legalization Date	1990	
First Casino Opening Date	August 1992	
State Gaming Tax Rate	Graduated tax rate with a maximum state tax of 8 percent on gaming revenue. Up to a 4 percent additional tax on gaming revenue may be imposed by local governments.	
Mode Of Legalization	Approved via local option vote and/or legislative action	
Community Service	Employees donating money to charity	23,008
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees	\$4.3 million
	Number of employees donating time to charity	10,156
	Number of hours of volunteer service given to charities by local gaming employees each month	107,880

Sources: Mississippi Gaming Commission, PricewaterhouseCoopers LLP

**MISSOURI**

Current # of Operating Casinos	10		
Gaming Format	Riverboat		
Casino Employees	12,000		
Casino Employee Wages	N/A		
Gross Casino Gaming Revenue	\$853 million		
Gaming Tax Revenue	\$251 million		
How Taxes Spent	Education, local public safety programs		
Legalization Date	November 1992		
First Casino Opening Date	May 1994		
State Gaming Tax Rate	20 percent tax on gaming revenue		
Mode Of Legalization	Approved via statewide vote, local option vote and legislative action		
Minority Employees	6,120		
Women Employees	3,600		
Community Service	Employees donating money to charity		8,028
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees		\$1.4 million
	Number of employees donating time to charity	3,474	
	Number of hours of volunteer service given to charities by local gaming employees each month	39,782	


Sources: Missouri Riverboat Gaming Association, PricewaterhouseCoopers LLP

**NEVADA**

Current # of Operating Casinos	235		
Gaming Format	Land-based		
Casino Employees	182,621		
Casino Employee Wages	\$5.4 billion (FY98)		
Gross Casino Gaming Revenue	\$8.1 billion		
Gaming Tax Revenue	\$586 million (FY98)		
How Taxes Spent	Education, local governments, general fund		
Legalization Date	1931		
State Gaming Tax Rate	Graduated tax rate with a maximum tax of 6.25 percent on gaming revenue		
Mode Of Legalization	Approved via legislative action		
Community Service	Employees donating money to charity		146,724
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees		\$38.4 million
	Number of employees donating time to charity		51,059
	Number of hours of volunteer service given to charities by local gaming employees each month		469,499

Sources: Nevada Gaming Control Board, PricewaterhouseCoopers LLP

### NEW JERSEY

Current # of Operating Casinos	12	 <p>Atlantic City</p>
Gaming Format	Land-based	
Casino Employees	48,372 (FY99)	
Casino Employee Wages	\$1.2 billion	
Gross Casino Gaming Revenue	\$4 billion	
Gaming Tax Revenue	\$319 million	
How Taxes Spent	Senior citizens, disabled, economic revitalization programs	
Legalization Date	1976	
First Casino Opening Date	1978	
State Gaming Tax Rate	8 percent tax on gaming revenue, plus a community investment alternative obligation of 1.25 percent of gaming revenue (or an investment alternative 2.5 percent tax on gaming revenue)	
Mode Of Legalization	Approved via statewide vote and legislative action	
Minority Employees	21,165	
Women Employees	19,564	
Disable Employees	4,355	
In-state Employees	48,372	
Community Service	Employees donating money to charity	36,801
<i>Estimates for 12-month period ending September 1997</i>	Money given to charities by local gaming employees	\$9 million
	Number of employees donating time to charity	14,817
	Number of hours of volunteer service given to charities by local gaming employees each month	140,466

Source: New Jersey Casino Control Commission

### SOUTH DAKOTA

Current # of Operating Casinos	92	 <p>Deadwood</p>
Gaming Format	Limited-stakes, land-based	
Casino Employees	1,861 (FY98)	
Casino Employee Wages	\$46.1 million (FY98)	
Gross Casino Gaming Revenue	\$44 million	
Gaming Tax Revenue	\$3.4 million	
How Taxes Spent	Tourism promotion, state and local governments	
Legalization Date	1989	
First Casino Opening Date	November 1989	
State Gaming Tax Rate	8 percent tax on gaming revenue	
Mode Of Legalization	Approved via statewide vote, local option vote and legislative action	

Source: South Dakota Commission on Gaming

# casino customers—who are they?

The typical casino customer has a significantly higher annual income, is slightly better educated and is more likely to hold a white-collar job than the average American. Seventy-three percent always set a budget for themselves before visiting a casino. Ninety-three percent participate in casino gambling as a social activity.

“...86 percent of Americans report having gambled at least once during their lives. Sixty-eight percent of Americans report having gambled at least once in the past year ...”

9

“It is clear that the American people want legalized gambling ...”

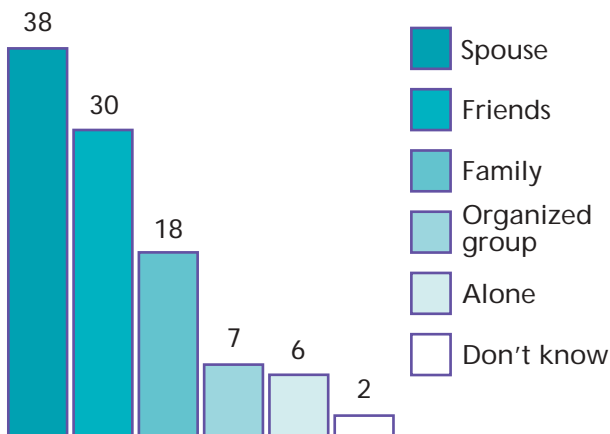
10

## lifestyle of casino players, 1998

### Casino Gambling as a Social Activity

“When you go casino gambling, do you usually go with your spouse, your family, your friends, with an organized group or alone?”

#### Percentage



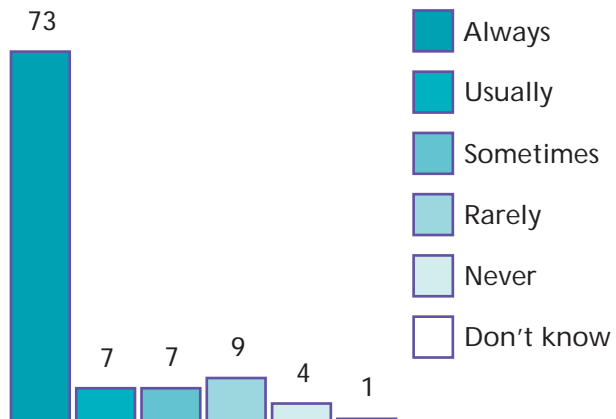
Casino gambling is a social activity for 93 percent of all casino players.

Source: Hart/Luntz

### Setting a Budget

“When you go casino gambling, how often do you set a budget before you start?”

#### Percentage



An overwhelming majority of casino players (73 percent) always budget their money when they gamble.

Source: Hart/Luntz

## casino customers—who are they?

### demographic portrait of casino players, 1998

**Median Household Income**

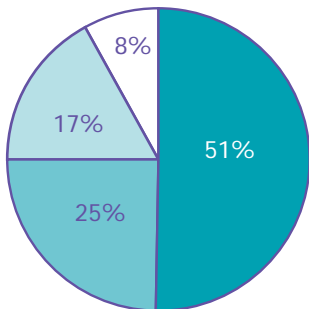


**Median Age (Adults 21 and older)**

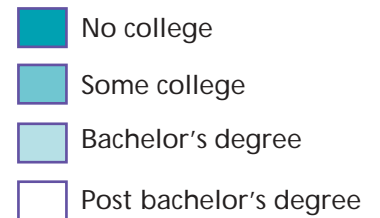
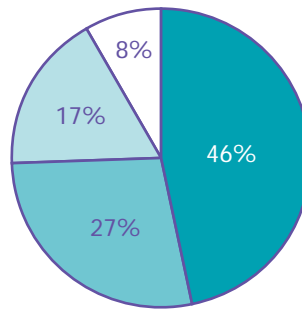


**Education**

*U.S. Population*

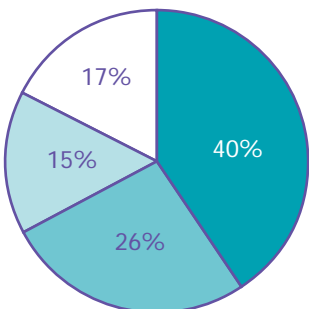


*U.S. Casino Customer*

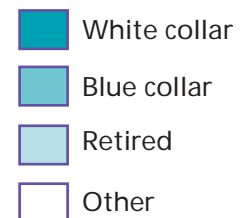
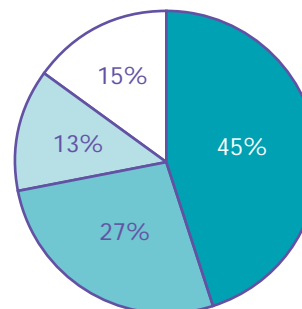


**Employment**

*U.S. Population*



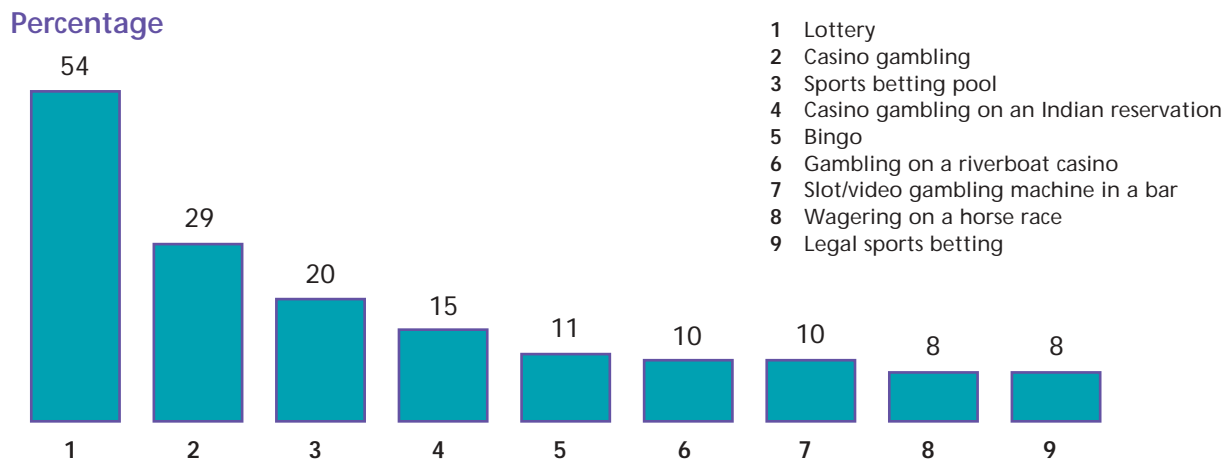
*U.S. Casino Customer*



Casino entertainment continues to enjoy widespread popularity. Among the various forms of gaming, casinos are second only to lotteries in terms of popularity. After dramat-

ic increases from 1993 to 1995, the number of casino visits has climbed more slowly in recent years.

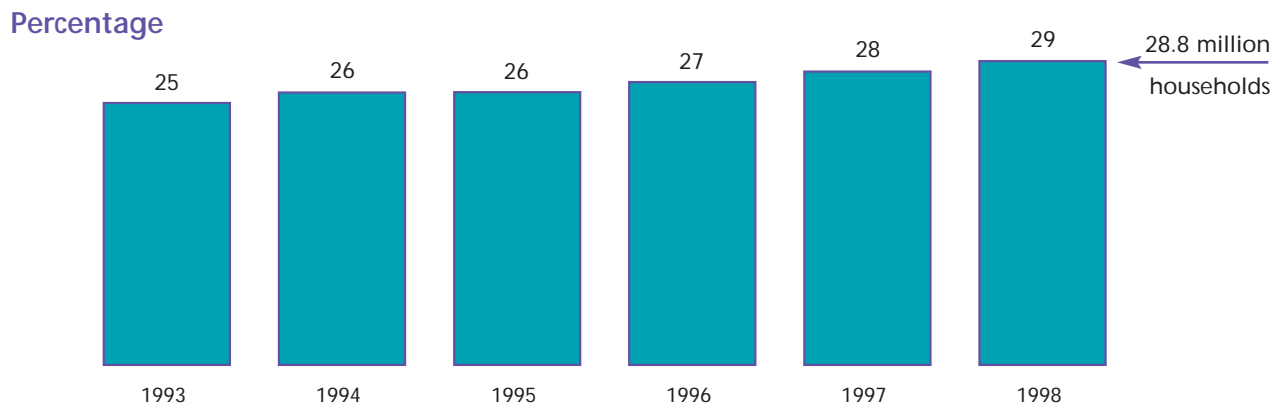
## forms of gaming participated in during the past 12 months



Among the different forms of gaming, casinos are second only to lotteries in terms of popularity.

Source: Hart/Luntz

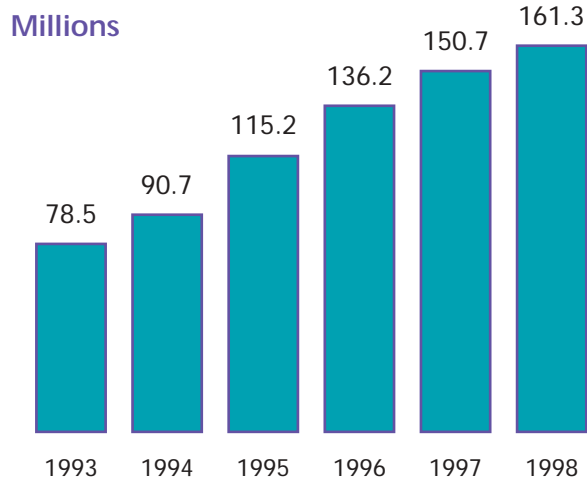
## annual percentage of households that visited a casino to gamble



About one of three U.S. households gambled in a casino last year.

Source: Harrah's Entertainment, Inc./NFO Research, Inc.

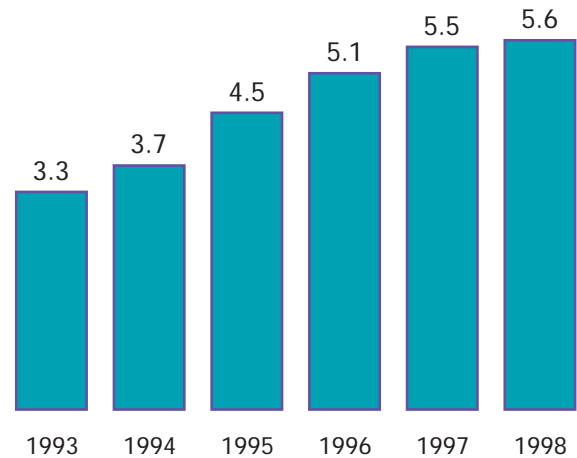
### trends in total casino visits



U.S. households took 161 million trips to casinos in 1998.

Source: Harrah's Entertainment, Inc./NFO Research, Inc.

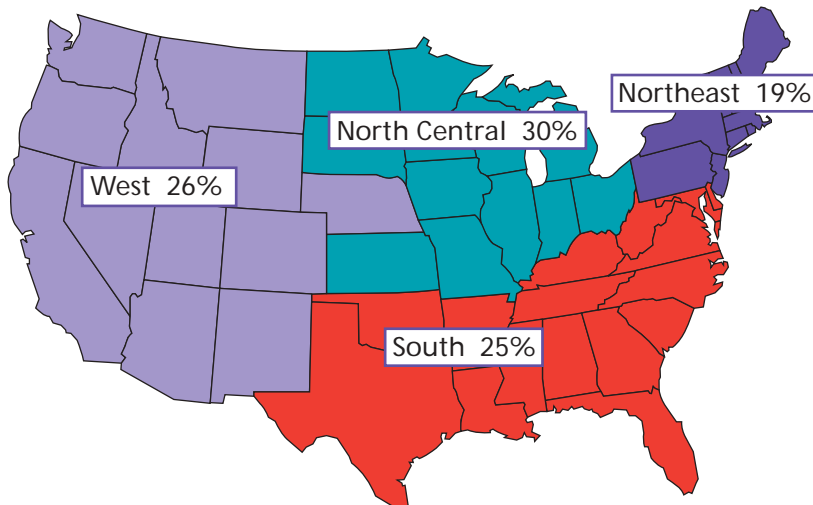
### trends in trip frequency



Those households visiting casinos on average took 5.6 trips to casinos in 1998, or less than once every two months.

Source: Harrah's Entertainment, Inc./NFO Research, Inc.

### share of household visits by region



The North Central region of the United States generates the largest proportion of casino visits, while the Northeast region generates the smallest proportion.

Source: Harrah's Entertainment, Inc./NFO Research, Inc.

**methodology****PETER D. HART RESEARCH ASSOCIATES, INC./  
THE LUNTZ RESEARCH COMPANIES**

**A** total of 1,200 adult Americans were interviewed from March 7-11, 1999. The margin of error for the total sample is  $\pm 2.8$  percent. Interviews were conducted by telephone using traditional random digit sampling.

Peter D. Hart Research Associates, Inc. is one of the leading research firms in the United States. Now in its 27th year of operation, Hart Research has conducted more than 5,000 public opinion surveys and has administered and analyzed interviews of more than 2.5 million individuals.

The Luntz Research Companies is a political communications firm that advises clients on strategic direction using traditional telephone surveys, focus groups and Instant Response. The company has prepared and supervised more than 400 surveys for political and corporate clients in six countries since its founding in 1992.

*Contacts: Peter Hart (202) 234-5570  
Frank Luntz (703) 358-0080*

**HARRAH'S ENTERTAINMENT, INC./  
NFO RESEARCH, INC.**

**F**indings labeled Harrah's Entertainment, Inc. / NFO Research, Inc. are based on a survey questionnaire developed by NFO Research, Inc. for Harrah's Entertainment, Inc., and mailed to a panel of 80,000 U.S. households. The survey generated 53,674 respondents from which a nationally representative sample of 15,564 casino players was identified. The margin of error for the survey was  $\pm 1$  point. Results from 1998 are compared with findings from similar studies conducted from 1993-97.

Founded more than 60 years ago, Harrah's Entertainment, Inc. operates 18 casinos in the United States under the Harrah's, Showboat and Rio brand names.

NFO Research, Inc. is a leading provider of insight into the needs, behaviors and attitudes of the American consumer. NFO offers clients a full range of marketing information services and the NFO Panel, the world's largest pre-recruited consumer panel.

*Contact: Dean Hestermann (901) 762-8600*

**ARTHUR ANDERSEN**

**A**rthur Andersen has assisted the AGA in this study in the compilation and analysis of data relating to the direct economic impacts of casino gaming in each gaming jurisdiction.

Arthur Andersen is a global, multidisciplinary professional services organization, with more than 60,000 people in 363 offices located in 78 countries. Arthur Andersen has an extensive worldwide gaming practice that currently includes business and technology consulting for clients that operate in all sectors of the gaming industry.

*Contacts: Steve Comer (702) 836-8602  
Ed Bowers (702) 836-8606*

**CHRISTIANSSEN CAPITAL ADVISORS**

**C**hristianssen Capital Advisors (CCA) collects data from state regulatory agencies. In cases where such organizations do not exist, CCA estimated the size of the respective gambling markets utilizing population, per capita income, facility size and other reliable sources.

CCA is a management consulting firm that serves the gambling, communications and entertainment industries.

Contact: *Sebastian Sinclair* (207) 793-2083

#### THE EVANS GROUP

Estimates of direct employment in casinos were based on survey results and published ratios from other casinos.

The Evans Group is an economic consulting and forecasting firm preparing forecasts for the overall economy, specific industries and individual companies. Most of its consulting studies determine the economic impact of various types of legislation and its effects on employment and tax revenues.

Contact: *Michael Evans* (954) 725-5272

#### industry associations

##### **California Gaming Association**

Chuck Halnan and Lynn Wilson  
(916) 498-9500

##### **Casino Association of Indiana**

Jennifer Simmons  
(317) 231-7030

##### **Casino Association of Louisiana**

Charles Barham  
(225) 344-0037

##### **Casino Owners Association of Colorado**

Lois Rice  
(303) 237-5480

##### **Deadwood Gaming Association**

George Milo  
(605) 578-1876

##### **Gaming Association of Iowa**

Bill Wimmer  
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##### **Gulf Coast Gaming Association**

Beverly Martin  
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##### **Illinois Casino Gaming Association**

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(312) 255-3047

##### **Iowa Riverboat Association**

John Pavone  
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##### **Lake Tahoe Gaming Alliance**

Steve Teshara  
(775) 588-2488

##### **Mississippi Gaming Association**

Ernie Stebbins  
(601) 948-1144

##### **Missouri Riverboat Gaming Association**

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(314) 721-7704

##### **National Indian Gaming Association**

(202) 546-7711

##### **Nevada Resort Association**

Jim Mulhall  
(702) 735-4888

# references

## notes

All quotations are from the National Gambling Impact Study Commission (NGISC) *Final Report*.

Page number references are listed below:

- 1 Chapter 3: Gambling Regulation, p.3-1
- 2 Chapter 7: Gambling's Impact on People and Places, p.7-5
- 3 Chapter 7: Gambling's Impact on People and Places, p.7-4
- 4 Chapter 7: Gambling's Impact on People and Places, p.7-16
- 5 Chapter 1: Overview, p.1-1
- 6 Chapter 7: Gambling's Impact on People and Places, p.7-8
- 7 Chapter 1: Overview, p.1-1
- 8 Chapter 4: Problem and Pathological Gambling, p.4-15
- 9 Chapter 1: Overview, p.1-1
- 10 Chapter 1: Overview, p.1-8

*Inside back cover, top:*

*A new riverfront park financed almost entirely with public lease revenues and grants paid by a riverboat casino is a new centerpiece in Kansas City, where residents can jog, cycle, and attend concerts and other public events.*

*Photo credit: Fred Blocher/The Kansas City Star*

*Inside back cover, bottom:*

*Atlantic City is enjoying a rebirth, with tax revenue from the casinos helping revitalize the downtown area.*





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