



STATE OF THE STATES

.....
THE AGA SURVEY OF
CASINO ENTERTAINMENT

2000

In our ongoing effort to provide the general public, policy-makers and members of the media with an accurate portrait of the commercial casino gaming industry, the American Gaming Association (AGA) is pleased to present its second annual *State of the States: The AGA Survey of Casino Entertainment*. Included in the report is 1999 economic data on gaming, including both a national overview and a state-by-state breakdown of information such as revenue, jobs and employee wages. In the year since the first *State of the States* was produced, there have been several important changes in some of this data, and these changes are noted throughout the survey.

But the gaming industry is about much more than just revenue and jobs. It also is about contributing to the communities where we operate — in terms of economic growth, charitable giving and critical tax dollars for everything from education to health care to law enforcement. In this survey, the AGA documents some of those contributions.

Additionally, the AGA has taken the lead in projecting the real image of gaming in America — a form of entertainment enjoyed by millions of Americans. As part of this mission, this survey presents results from our annual nationwide poll of American perceptions of casino gaming by Peter D. Hart Research Associates and The Luntz Research Companies, as well as demographic data from Harrah's Entertainment, Inc./NFO Research that profiles the typical casino customer.

As part of this nationwide poll, Hart/Luntz took a special look at senior citizens' views of casino gaming. Not surprisingly, seniors feel much the same way as other Americans: They enjoy the entertainment experience at casinos, and they don't like other people telling them how to spend their disposable income or their leisure time.

The bottom line is, the commercial casino gaming industry has become part of the fabric of American society, and the AGA is committed to providing the public with the real facts regarding the industry. We hope that the 2000 edition of *State of the States* will be a useful tool for all interested parties and will help promote a better understanding of this industry and its contributions to the nation.



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

Note: Because the American Gaming Association represents the commercial casino industry, this survey strives to give the reader a detailed picture of just that segment of the industry nationwide. However, varying regulations state by state make it difficult to make generalizations about what constitutes a “commercial casino.” For the purposes of this survey, we have defined it to include land-based, riverboat, dockside and limited-stakes casinos (maximum wagers of \$5). Additionally, racetrack casinos in Iowa (dog or horse tracks with slot machines, also referred to as racinos) have been included since that state considers both to be commercial casinos.

The “Overview of Casino Entertainment” section includes information on other major forms of casino gaming offered nationwide, including Native American casinos and racinos, but figures for those forms of gaming are not reflected elsewhere in the survey, except as noted for Iowa. Statistics for non-casino devices, cruises to nowhere and deep-water cruise ships also are not referenced in this survey.

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Commercial casino gaming has come a long way since the first casino opened its doors in Nevada in 1931. Today, there are more than 470 commercial casinos operating in 11 states, and the industry has become a driving force in the U.S. economy — providing hundreds of thousands of well-paying jobs, entertaining millions of customers, generating billions of dollars in needed tax revenues and contributing to improvements in communities nationwide.

State of the States: The AGA Survey of Casino Entertainment provides interested parties with the facts about the economic and social impacts of gaming, as well as information on the casino customer, trends in casino gaming and the American attitude toward casino gaming. The survey includes information and statistics primarily from public sources. Arthur Andersen, a global professional services organization, assisted in the compilation and analysis of this data.

Overview of the Casino Gaming Industry

For more than four decades, Nevada was the only state where casino gaming was offered. In 1976, New Jersey voters approved legislation to allow gaming in Atlantic City, and the first casino opened there two years later. From 1989 to 1998, nine additional states — Colorado, Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri and South Dakota — authorized commercial casino gaming.

During the past year, more than 25,000 new jobs were created in the commercial casino industry, bringing direct employment to more than 355,000 Americans. The industry generates an additional 500,000 indirect jobs. It also contributed more than \$3 billion in gaming tax revenues to the states and cities where casinos operated in 1999, \$500 million more than in 1998. This tax contribution is even

greater when property taxes, corporate income taxes, local use taxes and payroll taxes paid by individual casino employees are taken into account. The gross gaming revenue for the commercial casino industry was \$22.2 billion in 1999, putting consumer spending on casino gaming on par with what consumers spent on basic cable television.

Simultaneous with the expansion of commercial casino gaming into the Midwest was an increase in Native American casinos nationwide. Federal legislation established a regulatory framework in 1988 for the operation of Native American casinos. Today, there are approximately 160 Native American casinos in 27 states, employing more than 150,000 people.

Economic Impact of Gaming

The commercial casino gaming industry's presence in communities nationwide continues to generate well-paid jobs. Employees earned more than \$9.8 billion in wages in 1999, and many have reported that their jobs in the industry helped them get off welfare, unemployment or other public assistance programs. These individuals also are valuable members of their communities, contributing significantly to charitable organizations and giving generously of their time as volunteers.

In addition, taxes on casino gaming have made more dollars available for important public purposes, such as education programs, health care services, public transportation, and safety efforts and programs for the elderly and disabled. The presence of casinos also has contributed to the economic revitalization of riverfronts and downtown areas across America.

The Casino Customer

Casino customers represent a slice of America, continuing to resemble the overall U.S. population in terms of gender and age. In areas such as income and

education level, casino customers exceed the median of the U.S. population. Most casino customers also are civic-minded — nearly 89 percent are registered voters, and 81 percent report having voted in the last presidential election.

According to a new survey by Peter D. Hart Research Associates, Inc., and The Luntz Research Companies, casino customers overwhelmingly visit a casino for entertainment, citing “fun and excitement,” as the primary reason for visiting. More than 90 percent of customers gamble with their spouse, friends, family or as part of an organized group — only 3 percent said they gamble alone. The casino customer also is a responsible customer. Sixty-two percent always set a budget before going to a casino to gamble.

Trends in Casino Visitation

More Americans are enjoying casino gaming today than ever before. Among the various forms of gaming, casinos are second only to lotteries in terms of popularity.

In 1999, 30 percent of U.S. households gambled at a casino, making an average of 5.4 trips to a casino during the year. Households in the West accounted for 29 percent of casino visits in 1999, followed by households in the North Central region with 27 percent. The South accounted for 24 percent of household visits, and the Northeast accounted for 20 percent. In the three largest markets alone — Las Vegas, Atlantic City and the

numerous communities in Mississippi where casinos operate — visitor figures topped 107 million in 1999.

American Perceptions of Casino Entertainment

There are some who are opposed to casino gaming on moral grounds. Overall, however, the American public continues to show overwhelming support for casino gaming. More than 80 percent of Americans believe that casino gaming is acceptable for themselves or others. Large numbers also agree that casinos bring widespread economic benefits to industries and businesses. Further, most believe a casino can be “an important part of a community’s entertainment and tourism options” and see casino gaming as “a good way for cities and states to generate revenue without having to raise everyone’s taxes.”

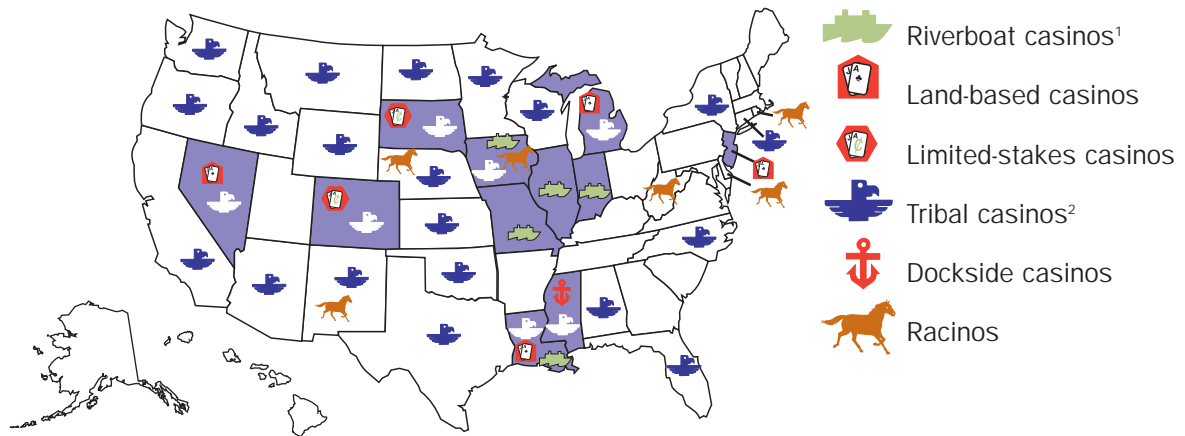
Americans also are firm believers in individual freedoms. More than 80 percent said that gambling is a question of “personal choice,” and 85 percent believe that government should not be dictating how adults spend their time and money.



Some form of casino gaming exists or has been approved to operate in 31 states. In 1999, the commercial casino segment of the gaming industry employed more than 355,000 individuals

and contributed more than \$3 billion in gaming tax revenues — money that has been put to use for needed programs and services benefiting citizens at both the state and local levels.

casino locations by category



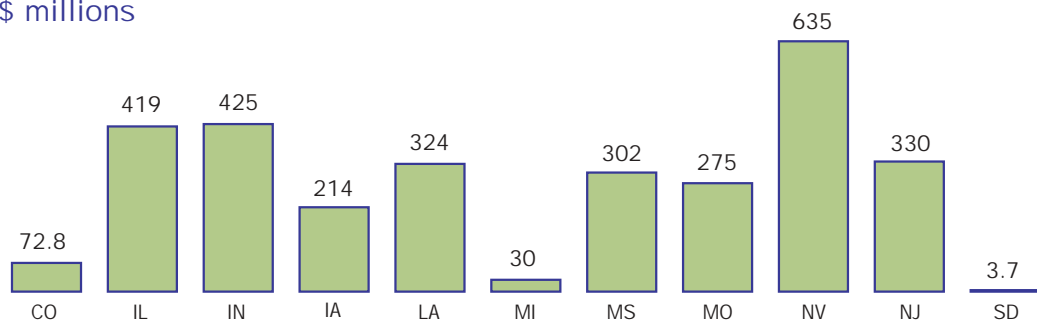
In 1999, casinos opened in Michigan, making it the 11th state to offer commercial casino gaming.

Sources: American Gaming Association, National Indian Gaming Association

1-While technically referred to as riverboats, some or all casinos in Iowa, Illinois, Louisiana and Missouri have limited or no cruising requirements. 2-The legal status of tribal gaming in some states is unclear.

direct casino tax revenues by state, 1999

\$ millions



Commercial casinos contributed more than \$3 billion in 1999 in direct gaming taxes — an increase of \$500 million from 1998 — to the states and communities where they operated.

Sources: State Gaming Commissions, State Gaming Associations

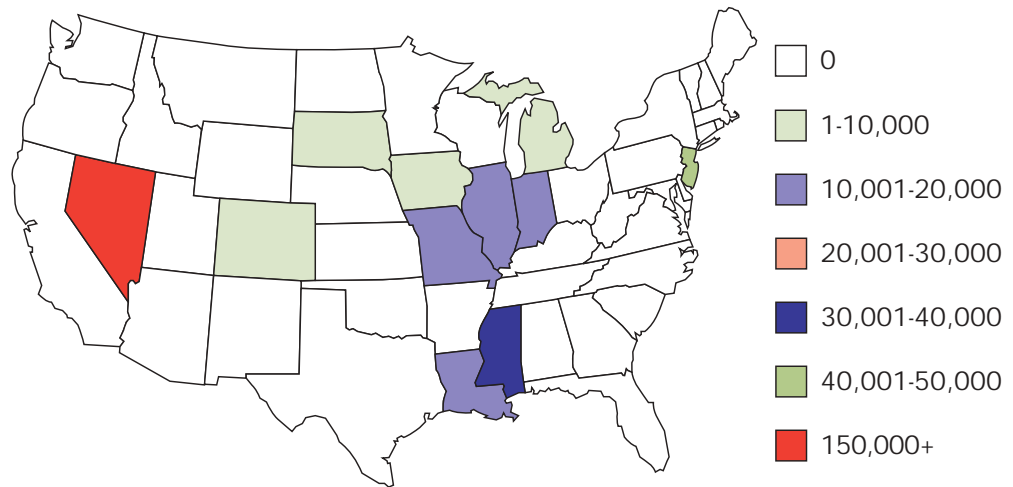


casino jobs

During the past year, more than 25,000 new jobs were created in the commercial casino industry, led by Nevada (16,371), Michigan (4,895) and Mississippi (4,635).

Commercial Casinos

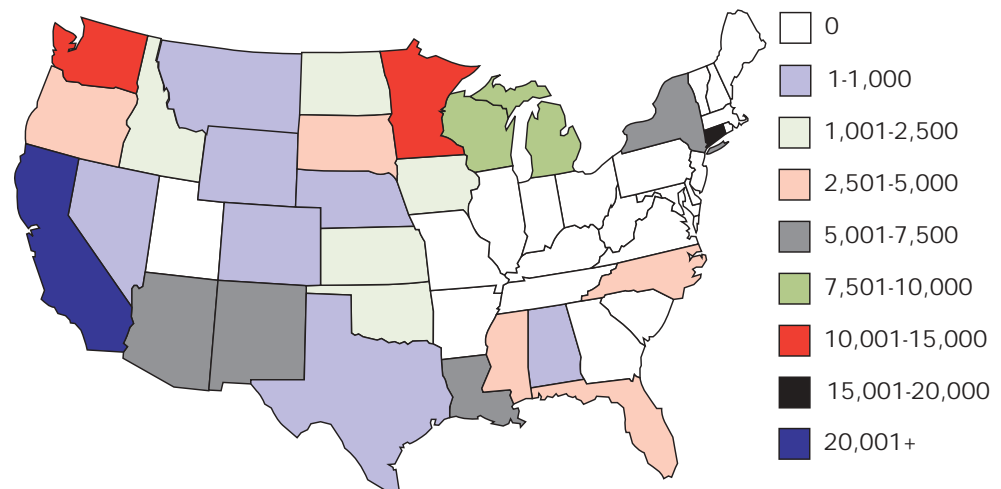
Nevada	198,992
New Jersey	47,366
Mississippi	36,306
Louisiana	15,432
Indiana	13,880
Missouri	12,000
Illinois	10,566
Iowa	9,550
Colorado	5,923
Michigan	4,895
South Dakota	1,950
Total	356,860



Sources: State Gaming Control Boards, State Gaming Associations

Tribal Casinos

California	33,800
Connecticut	17,000
Washington	14,375
Minnesota	14,000
Michigan	10,000
Wisconsin	10,000
Louisiana	6,200
Arizona	5,700
New York	5,550
New Mexico	5,500
Mississippi	5,000
Oregon	4,500
Florida	3,400
North Carolina	3,000
South Dakota	2,800
North Dakota	2,100
Iowa	2,000
Kansas	1,750
Oklahoma	1,500
Idaho	1,200
Colorado	700
Texas	700
Nevada	600
Montana	150
Alabama	114
Wyoming	26
Nebraska	23
Total:	151,688

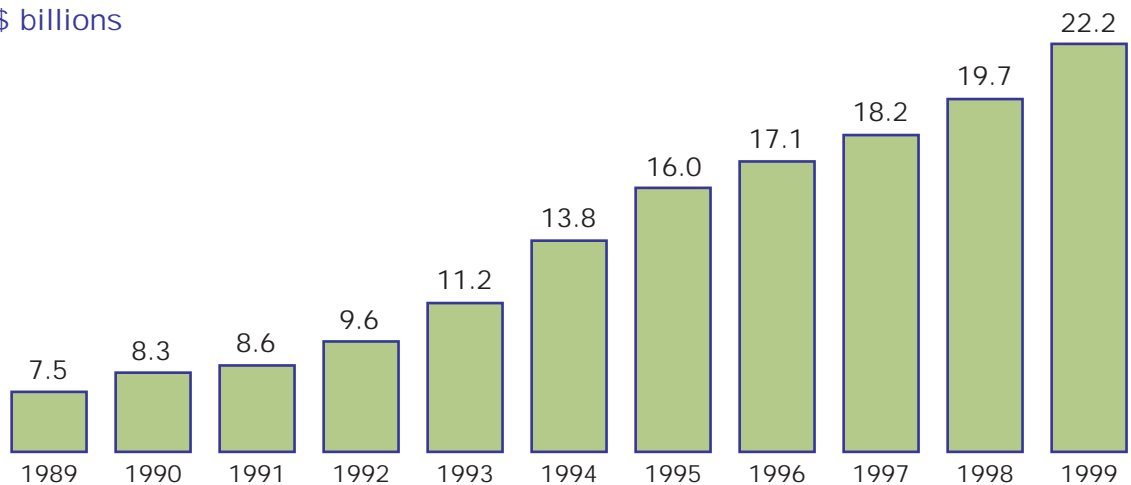


Source: National Indian Gaming Association



consumer spending on commercial casino gaming, 1989-1999

\$ billions

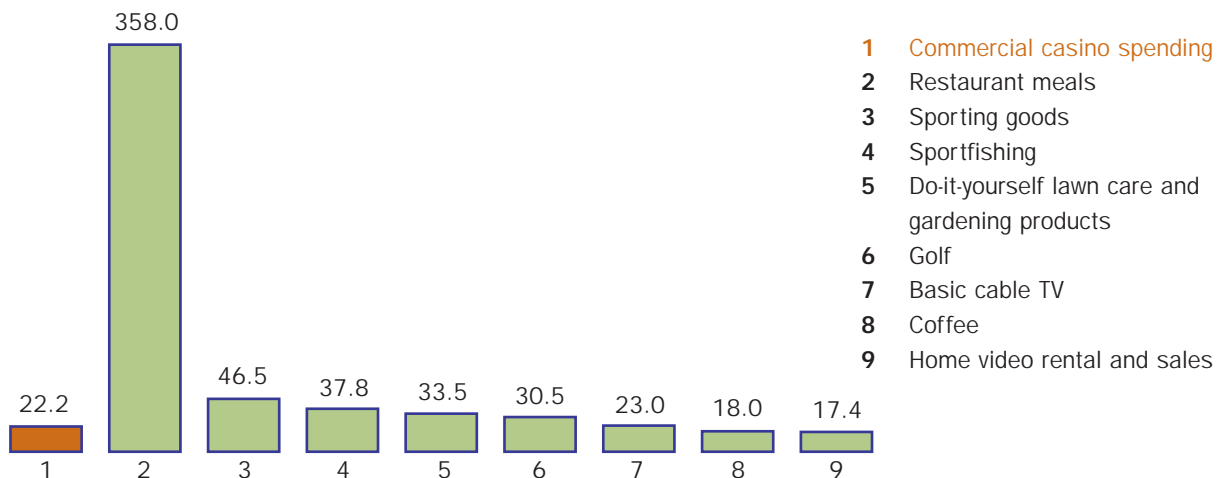


Consumers spent more than \$22 billion in commercial casinos in 1999, up from nearly \$20 billion the previous year.

Source: Christiansen Capital Advisors

commercial casino gaming vs. other spending choices

\$ billions



Casino gaming continues to be among the many mainstream spending choices made by Americans. In 1999, consumers spent less on casino gaming than they did on cable TV, golf, and lawn and garden products, but more than on coffee and video rentals and sales.

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



The commercial casino gaming industry is an important sector of our nation's economy. The more than 355,000 individuals employed by the industry in 1999 made more than \$9.8 billion in wages, and spending by the industry and its employees created approximately 500,000 more jobs nationwide. In addition, the more than \$3 billion in gaming tax revenues paid by the industry to the states and communities where casinos operated provided funding for needed services and programs benefiting young and old alike.

The economic impact of the commercial casino

gaming industry has ripple effects throughout the economy. Many casino employees, for example, have gotten off of public assistance programs thanks to jobs in the industry. The gaming industry and its employees also are well-known for giving generously of their time and money. Casino companies give more than \$10 million to local United Way campaigns and donate more than \$58 million to charities each year. In addition, gaming industry employees volunteer almost a million man-hours in community service annually.

The following figures are for calendar year 1999, except where noted. The cities on the state maps indicate where casinos are located.

COLORADO

Current # of Operating Casinos	48
Gaming Format	Limited-stakes, land-based
Casino Employees	5,923
Casino Employee Wages	\$164.6 million
Gross Casino Gaming Revenue	\$551.3 million
Gaming Tax Revenue	\$72.8 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



Sources: Colorado Division of Gaming, Colorado Limited Gaming Control Commission

Kenner, La., has received more than \$32 million from the Treasure Chest riverboat casino for town improvements. Revenue benefited the fire and police stations and significantly reduced Kenner's deficit.



ILLINOIS

Current # of Operating Casinos	9	
Gaming Format	Riverboat	
Casino Employees	10,566	
Casino Employee Wages	\$284.3 million	
Gross Casino Gaming Revenue	\$1.4 billion	
Gaming Tax Revenue	\$419 million	
How Taxes Spent	Education, general fund	
Legalization Date	February 1990	
First Casino Opening Date	September 1991	
State Gaming Tax Rate	Graduated tax rate from 20 percent to 35 percent on gross gaming revenue	
Mode Of Legalization	Approved via legislative action	

Source: Illinois Gaming Board

INDIANA

Current # of Operating Casinos	9; 1 under construction (opening fall 2000)	
Gaming Format	Riverboat	
Casino Employees	13,880	
Casino Employee Wages	\$407 million	
Gross Casino Gaming Revenue	\$1.5 billion	
Gaming Tax Revenue	\$425 million	
How Taxes Spent	Economic development, local government	
Legalization Date	November 1993	
First Casino Opening Date	December 1995	
State Gaming Tax Rate	20 percent tax on gross gaming revenue; an additional \$3 per person admission fee is imposed by the state	
Mode Of Legalization	Approved via local option vote and legislative action	

Sources: Indiana Gaming Commission, Casino Association of Indiana

Joliet, Ill., is entirely debt free thanks to the economic boost provided by its two casinos, Harrah's Joliet and Empress Casino Joliet. The casinos have contributed more than \$25 million toward retiring the debt since they opened in 1994.

Argosy Casino and Hotel has contributed an estimated \$129 million to Lawrenceburg, Ind., improving roads and the riverfront and restoring historic buildings. In accordance with a 1997 revenue-sharing agreement, neighboring communities in southeastern Indiana have received more than \$23 million in casino revenue.

economic impact



IOWA

Current # of Operating Casinos	13	
Gaming Format	Riverboat; racino	
Casino Employees	9,550	
Casino Employee Wages	\$214 million (FY00)	
Gross Casino Gaming Revenue	\$857 million (FY00)	
Gaming Tax Revenue	\$214 million (FY00)	
How Taxes Spent	Infrastructure improvements, local government, general fund	
Legalization Date	July 1989	
First Casino Opening Date	April 1991	
State Gaming Tax Rate	Riverboat: 20 percent on gross gaming revenue Racino: 28 percent on gross gaming revenue, increasing 2 percent per year to a maximum of 36 percent	
Mode Of Legalization	Approved via local option vote and legislative action	

Sources: Iowa Racing and Gaming Commission, Iowa Gaming Association

LOUISIANA

Current # of Operating Casinos	14; 1 under construction	
Gaming Format	Riverboat; land-based	
Casino Employees	15,432	
Casino Employee Wages	\$327 million	
Gross Casino Gaming Revenue	\$1.4 billion (FY99)	
Gaming Tax Revenue	\$324 million (FY99)	
How Taxes Spent	General fund, city of New Orleans, public retirement systems, state capitol improvements, rainy-day fund	
Legalization Date	July 1991	
First Casino Opening Date	October 1993	
State Gaming Tax Rate	Riverboat: tax of 18.5 percent on gross gaming revenue Land-based: 18.5 percent on gross gaming revenue or \$100 million annually, whichever is greater	
Mode Of Legalization	Approved via local option vote and legislative action	
Minority Employees	8,680	
Women Employees	8,894	
In-state Employees	15,157	

Sources: Louisiana Gaming Control Board, Louisiana State Police–Riverboat Gaming Division, Casino Association of Louisiana

“The tax revenue from the casino industry in Atlantic City has brought considerable benefits to the senior and disabled communities in our state. ”

New Jersey state Sen. William Gormley (R-City)

A Harrah's Atlantic City employee serves a Thanksgiving meal to a local senior.



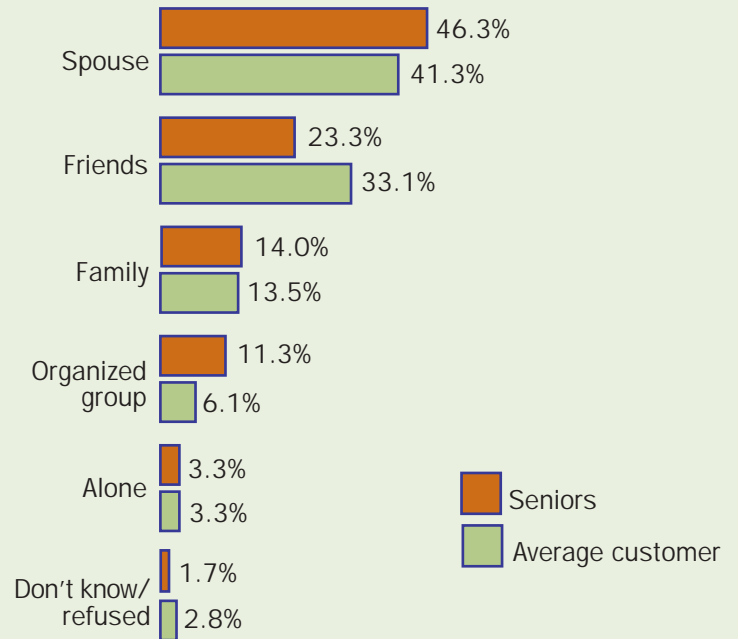
“Because of increased support from our local gaming companies, we’ve been able to fund a number of new programs that benefit our growing senior population in Las Vegas.”

Garth Winckler
United Way of Southern Nevada

lifestyle of a senior casino player

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?”

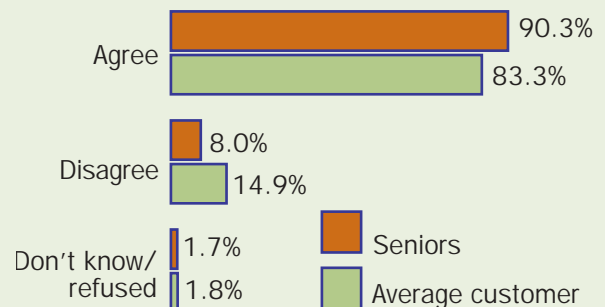


When compared side-by-side, the senior citizen is more likely to budget before visiting a casino. Both senior citizens and the average customer prefer to go in the company of someone else versus going alone.

Source: Hart/Luntz

freedom to choose

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



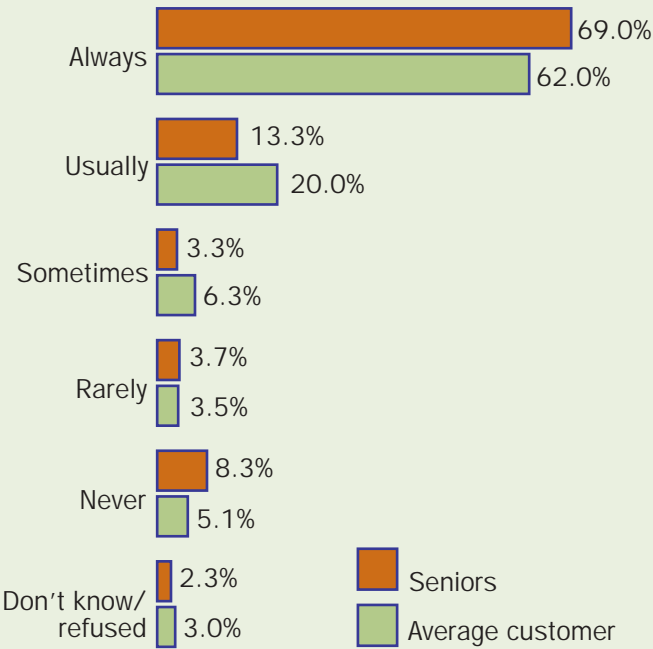
Both senior citizens and the average casino customer overwhelmingly agree with their own choices as to what to do with their time and money.

Source: Hart/Luntz

seniors and casinos

Setting a Budget

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



Seniors are more likely than the average casino customer to always set a budget before they visit casinos in the community.

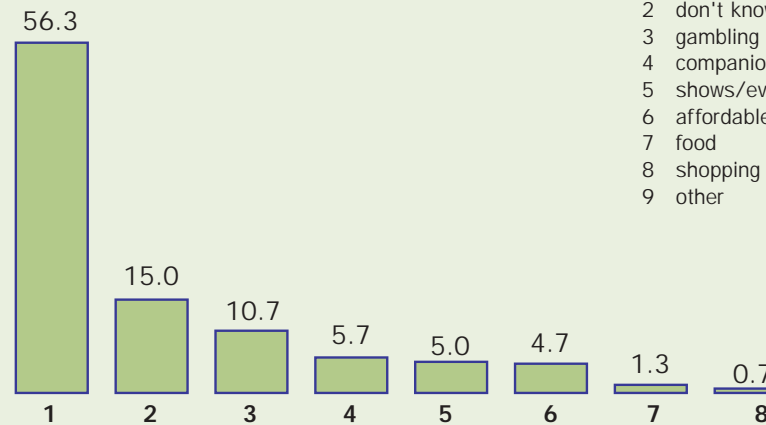
As the “baby boomer” generation approaches retirement years, issues facing senior citizens have moved to the forefront of national attention and debate. One of the issues that has been raised involves senior citizens as customers at casinos.

Despite popular myth, a smaller proportion of seniors gamble than any other adult age group, according to research conducted in 1999 for the National Gambling Impact Study Commission. But like everyone else, the vast majority of our nation’s senior citizens come to casinos for fun and excitement. A new national survey by Peter D. Hart Research Associates and The Luntz

reasons seniors visit casinos

What is the primary reason you visit casinos?”

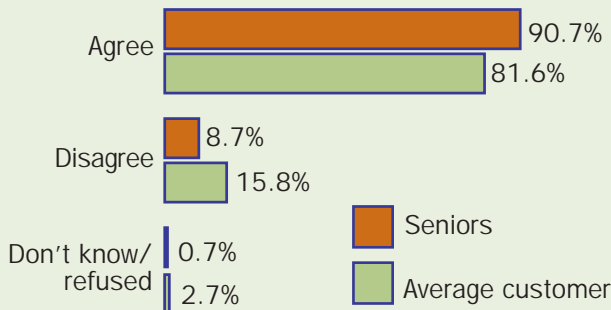
Percentage



Well over half of senior citizens cite the chance to socialize as the primary reason they visit casinos.

Source: Hart/Luntz

“Gambling is a question of personal freedom. The government should not be telling Americans adults what they should or should not be doing with their own time and money.”



Seniors overwhelmingly believe in personal freedom and in making their own choices.

“Can we tell these adults what kind of person they are at the age of 80?... I think they are an independent person and making their own choices.”

Ruth Quam
Waunakee (Wis.) Senior Center
Capital Times, (Madison, Wis.), 8/10/07

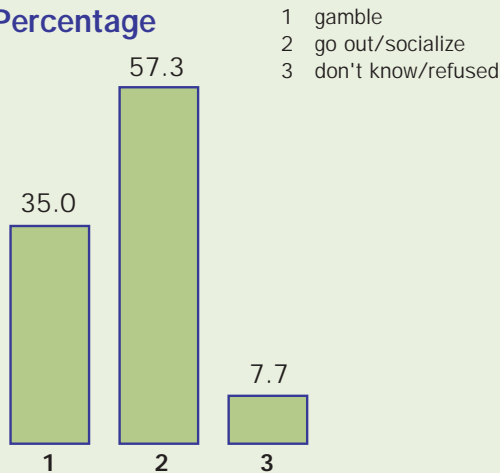
no entertainment

Research Companies found that socializing is far more important than actual gambling in their decision to visit a casino, and 62 percent see casinos as an “inexpensive day out” for someone on a fixed income.

The survey also reported that the majority of senior citizens, like the average casino customer, always set a budget before going to a casino, and well over 90 percent visit casinos with family, friends or an organized group, rather than going alone. Most seniors believe that gambling is a matter of personal freedom, and that people should make their own choices as to how to spend their disposable income.

What is more important in your decision to visit a casino?”

Percentage



cialize and fun and entertainment as the pri-

nd of outing they should be on
deserve the dignity of being an
their own decisions.”

Sept. 20, 2000

“I’m 80 years young, and I can still
a good time — and no politician sh
erwise. It’s my money and my tim

Bernard Winston

Casinos Give Back to Seniors

In an effort to give back to the communities where they operate, casino companies have taken the lead in charitable activities, many of which benefit seniors. In Vicksburg, Miss., for example, employees of the Harrah’s Vicksburg Casino and Hotel contribute to Meals on Wheels one Saturday a month, delivering food donated by the casino to approximately 85 seniors. In Atlantic City, N.J., more than 100 Harrah’s employees and their families serve Thanksgiving Day and Christmas Day dinners each year to more than 750 senior citizens throughout Atlantic County.

To help meet the needs of a growing senior citizen population in Las Vegas, the company now known as MGM MIRAGE, established a program to keep seniors informed about issues of importance to them and their community, such as taxes, Medicare and crime. More than 45 meetings of the MGM MIRAGE Senior Community Forum have been held since the program’s inception in 1996, featuring U.S. senators and representatives, governors, mayors, state legislators, county commissioners and other experts. The program, moderated by local news anchors, has provided educational information to more than 6,000 area seniors.

In addition, seniors benefit from taxes paid on gaming revenue. No state has taken more aggressive steps to aid the elderly than New Jersey, where the 8 percent tax casino companies pay on gaming revenue goes into a fund largely dedicated to seniors and the disabled. Since the first casino opened in Atlantic City more than 20 years ago, the state has collected \$4.2 billion in the Casino Revenue Fund, which has gone to programs that include:

“I hate to admit this but I come
to the casino for the buffet.
The food is wonderful, and the
price is right. I just wish the
lines weren’t so long. I guess
the secret is out.”

Helen Jones

play blackjack for hours and have
should have the right to tell me oth-
e. And you can quote me on it.”

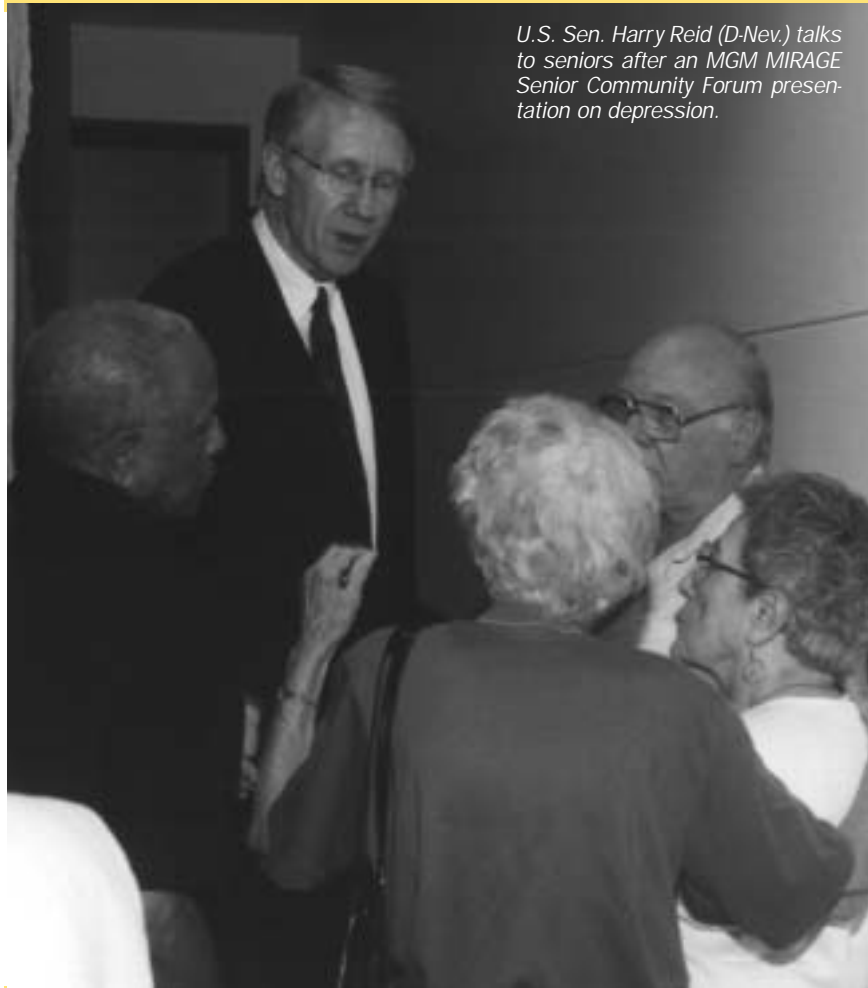


- Pharmaceutical Assistance to the Aged and Disabled, which provides prescription drugs to more than 200,000 New Jersey residents at a cost of only \$5. Qualified participants have no deductibles, enrollment fees or premiums under the plan, which saves the average senior citizen more than \$1,100 a year.
- Lifeline Credit/Tenant programs, which provide eligible seniors and people with disabilities a \$225 credit toward utility bills.
- Community Care Alternatives, which provide home and community-based care for 4,367 individuals who otherwise would need nursing home care.

Senior citizens nationwide also have benefited from the presence of the casino gaming industry because of greater contributions to charitable organizations such as United Way. United Way of Southern Nevada, for example, was able to fund 24 new programs, including substance abuse counseling for seniors, job re-entry and emergency housing for senior women, and a volunteer program to help seniors maintain their independence, because of increased support from gaming companies. United Way of South Mississippi (UWSM) credited area casino companies for helping it achieve a record-breaking 1999 campaign. Casino companies donated \$723,000 of UWSM's \$1.91 million campaign, which funds health and human services in three counties on the Mississippi Gulf Coast.

"I enjoy the conversation at the tables. I like meeting people from all over America — even the world. Where else can I sit next to someone from London on one side and Los Angeles on the other."

Fred Gimler



U.S. Sen. Harry Reid (D-Nev.) talks to seniors after an MGM MIRAGE Senior Community Forum presentation on depression.

"I have been struck by the degree to which people who usually respect the rights of others to make their own choices make an exception for gambling, and for some reason, people seem often ready to use a caricature of older people as an excuse for this."

U.S. Rep Barney Frank (D-Mass.)
In the U.S. House of Representatives,
June 6, 2000




MICHIGAN

Current # of Operating Casinos	2; 1 opening fall 2000	
Gaming Format	Land-based	
Casino Employees	4,895	
Casino Employee Wages	N/A	
Gross Casino Gaming Revenue	\$166 million	
Gaming Tax Revenue	\$30 million	
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 gross 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	

Sources: Michigan Gaming Control Board, Bear Stearns & Co. Inc.

MISSISSIPPI

Current # of Operating Casinos	30	
Gaming Format	Dockside	
Casino Employees	36,306	
Casino Employee Wages	\$998.6 million	
Gross Casino Gaming Revenue	\$2.5 billion	
Gaming Tax Revenue	\$302 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	

Source: Mississippi Gaming Commission

The gaming industry in Mississippi has created more than 54,000 new employment opportunities and contributed more than \$7 billion to new development and redevelopment throughout the state.

More than \$7.6 million in gaming tax revenue in 1999 helped St. Charles, Mo., fund street projects, storm water projects and city redevelopment.

economic impact



MISSOURI

Current # of Operating Casinos	10	
Gaming Format	Riverboat	
Casino Employees	12,000	St. Joseph Riverside
Casino Employee Wages	\$290.7 million	North Kansas City Kansas City Maryland Heights
Gross Casino Gaming Revenue	\$938 million	St. Charles St. Louis
Gaming Tax Revenue	\$275 million	
How Taxes Spent	Education, local public safety programs	Caruthersville
Legalization Date	August 1993	
First Casino Opening Date	May 1994	
State Gaming Tax Rate	20 percent tax on gross gaming revenue	
Mode Of Legalization	Approved via statewide vote, local option vote and legislative action	

Sources: Missouri Gaming Commission, Missouri Riverboat Gaming Association

NEVADA

Current # of Operating Casinos	238	
Gaming Format	Land-based	
Casino Employees	198,992	McDermitt
Casino Employee Wages	\$5.9 billion	Jackpot Wells
Gross Casino Gaming Revenue	\$9 billion	Winnemucca Elko
Gaming Tax Revenue	\$635 million (FY99)	Battle Mtn. West Wendover
How Taxes Spent	Education, local governments, general fund	Reno Carson City Gardnerville Lake Tahoe Lovelock Fallon Ely
Legalization Date	1931	Hawthorne Beatty Tonopah Mesquite
State Gaming Tax Rate	Graduated tax rate with a maximum tax of 6.25 percent on gross gaming revenue	Amargosa Valley N. Las Vegas Las Vegas Henderson
Mode Of Legalization	Approved via legislative action	Indian Spgs. Pahrump Primm Searchlight Laughlin

Source: Nevada Gaming Control Board



NEW JERSEY

Current # of Operating Casinos	12; 1 under construction	
Gaming Format	Land-based	
Casino Employees	47,366	
Casino Employee Wages	\$1.2 billion	
Gross Casino Gaming Revenue	\$4.2 billion	
Gaming Tax Revenue	\$330 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 gross gaming revenue, plus a community investment alternative obligation of 1.25 percent of gross gaming revenue (or an investment alternative 2.5 percent on gross gaming revenue)	
Mode Of Legalization	Approved via statewide vote and legislative action	
Minority Employees	20,992	
Women Employees	19,134	
Disabled Employees	4,355	
In-state Employees	47,366	

Source: New Jersey Casino Control Commission

SOUTH DAKOTA

Current # of Operating Casinos	90	
Gaming Format	Limited-stakes; land-based	
Casino Employees	1,950	
Casino Employee Wages	\$56.4 million	
Gross Casino Gaming Revenue	\$48 million	
Gaming Tax Revenue	\$3.7 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 gross gaming revenue	
Mode Of Legalization	Approved via statewide vote, local option vote and legislative action	

Source: South Dakota Commission on Gaming



Typical casino customers are employed and have a higher income and more education than average Americans. They also are married and civic-minded — 60.1 percent are married and 88.9 percent are registered voters, according to a 2000 survey by Peter D. Hart Research Associates and The Luntz Research Companies.

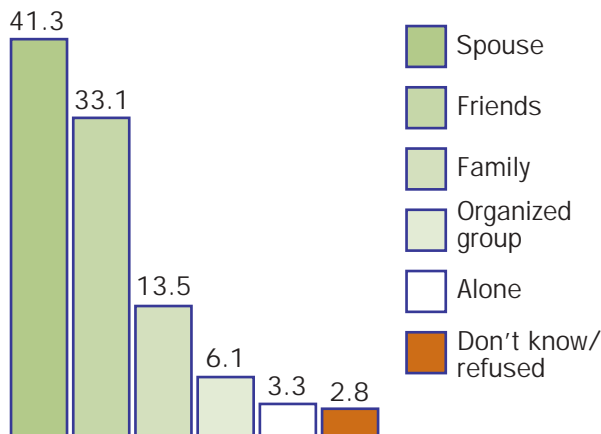
Most customers say they go to casinos for the “fun and excitement,” and an overwhelming number visit casinos with friends, family or a group, not alone. They also are a responsible group, with more than 60 percent always setting a budget before visiting a casino.

lifestyle of casino players, 1999

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



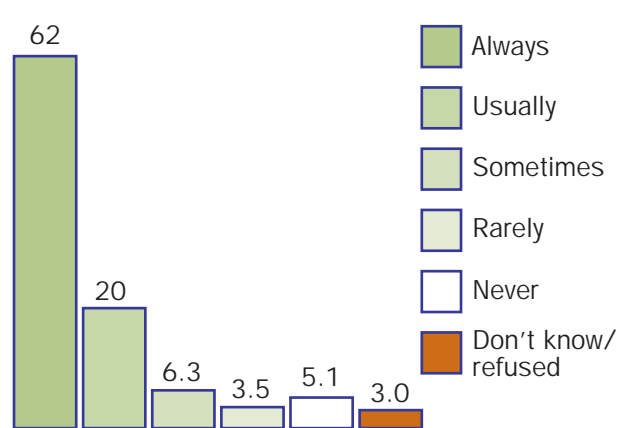
Americans continue to view casinos as a highly social form of entertainment, with 94 percent of casino customers gambling with others.

Source: Hart/Luntz

Setting a Budget

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

Percentage

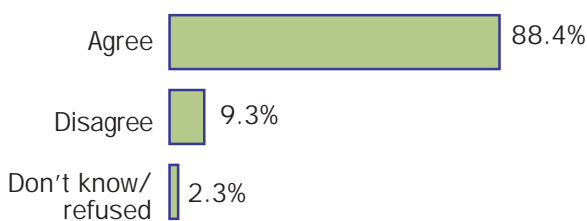


Setting a budget was the norm for 82 percent of casino visitors in 1999, up from 80 percent last year.

Source: Hart/Luntz

Going to Casinos for Fun

“I primarily go to casinos for the fun and excitement.”



Nearly 89 percent of casino customers primarily go to casinos for the fun and excitement.

Source: Hart/Luntz



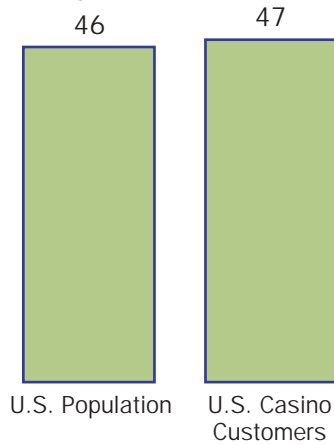
casino customers—
who are they?

u.s. casino players vs. u.s. population, 1999

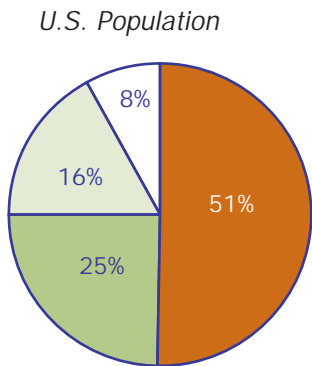
Median Household Income



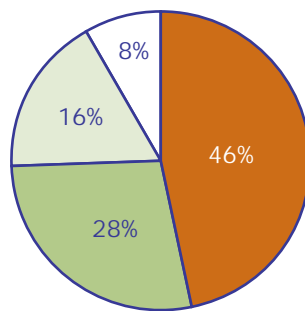
Median Age (Adults 21 and older)



Education

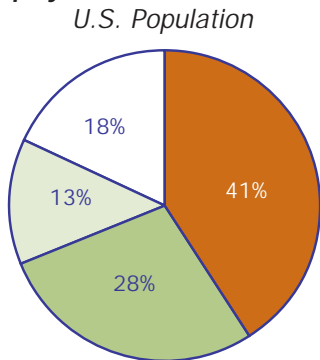


U.S. Casino Customer

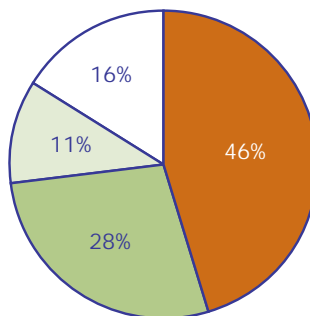


- No college
- Some college
- Bachelor's degree
- Post bachelor's degree

Employment



U.S. Casino Customer



- White collar
- Blue collar
- Retired
- Other

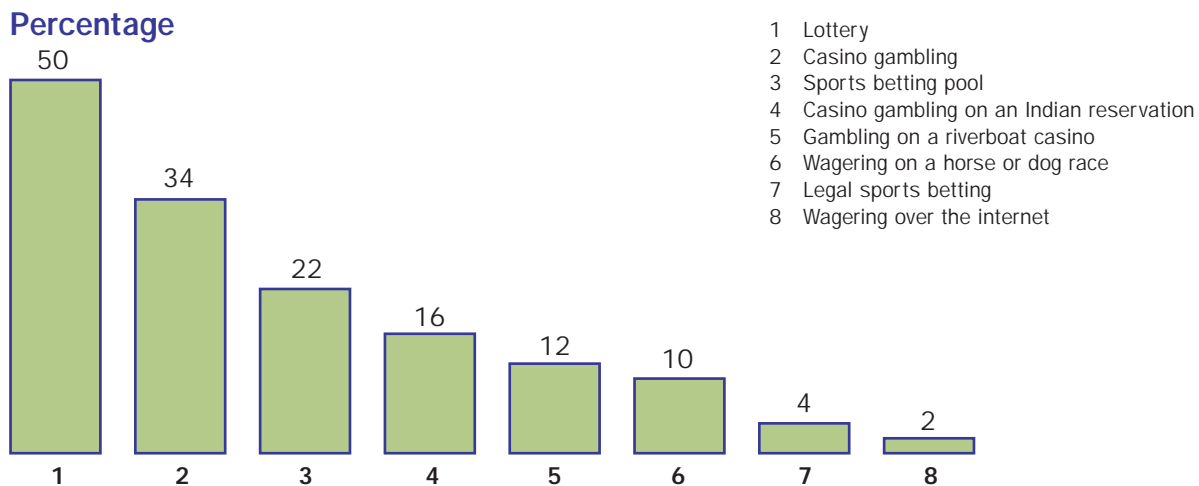
Sources: Harrah's Entertainment, Inc./NFO Research, U.S. Census Bureau



After the lottery, casino gambling was the most popular form of gaming among Americans in 1999. Thirty percent of U.S. households visited a casino last year, making an average of 5.4 trips per year. Households in the West

accounted for 29 percent of casino visits, followed by households in the North Central region of the United States (27 percent), the South (24 percent) and the Northeast (20 percent).

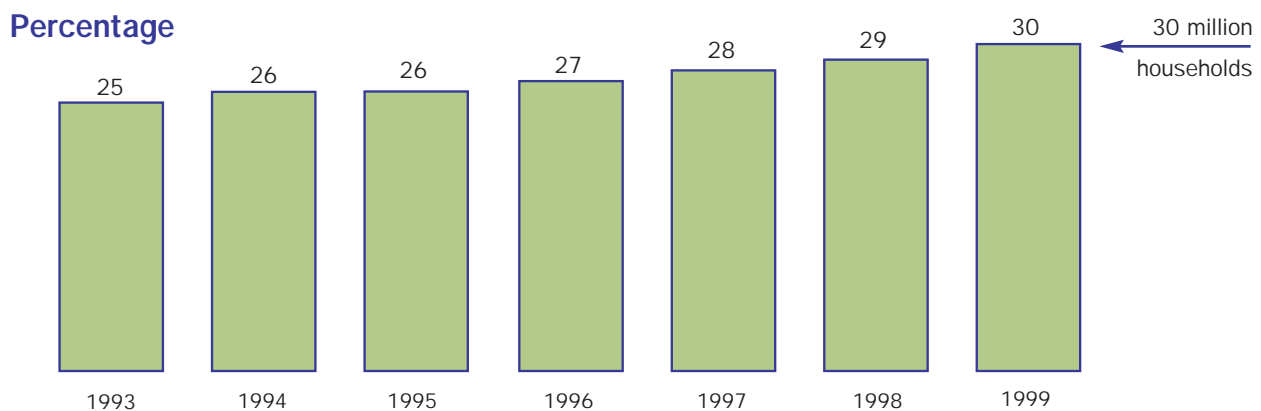
forms of gaming participated in during the past 12 months



Casino gambling gained in popularity in 1999, with 34 percent of Americans visiting casinos last year, up from 29 percent in 1998.

Source: Hart/Luntz

annual percentage of households that visited a casino to gamble



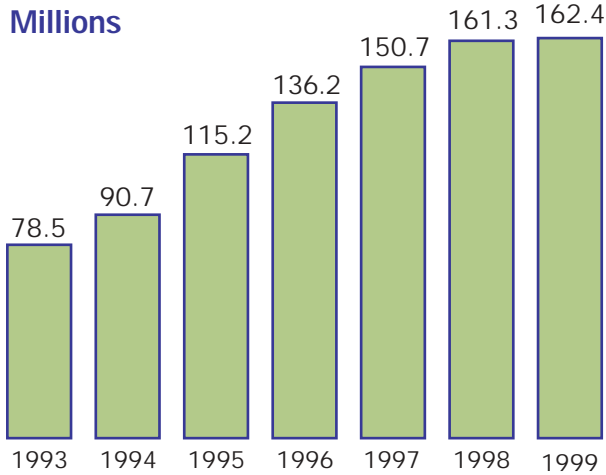
The number of households that visit a casino continued its slow but steady climb in 1999.

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



trends in casino visitation

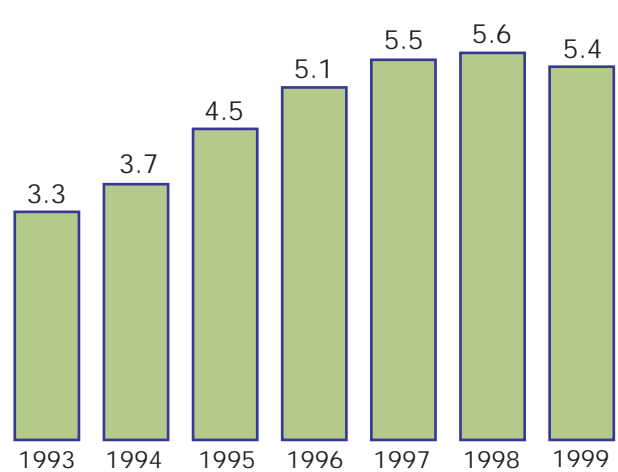
trends in total casino visits



Following dramatic leaps for five years, the number of casino visits has slowed since 1998.

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

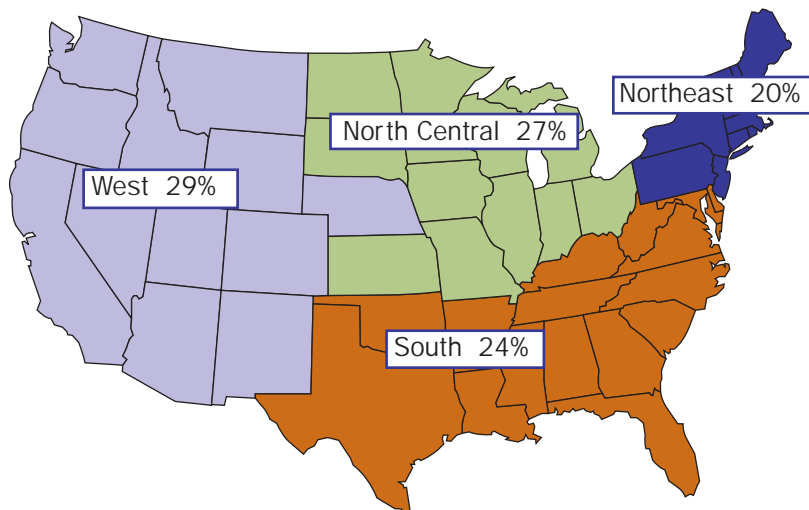
trends in trip frequency



Since 1996, the average number of visits by households to casinos has held steady at slightly less than once every two months.

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

share of household visits by region



The West increased its share of U.S. household visits to casinos since last year, from 26 percent to 29 percent, while visits from the North Central region dropped from 30 percent to 27 percent.

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

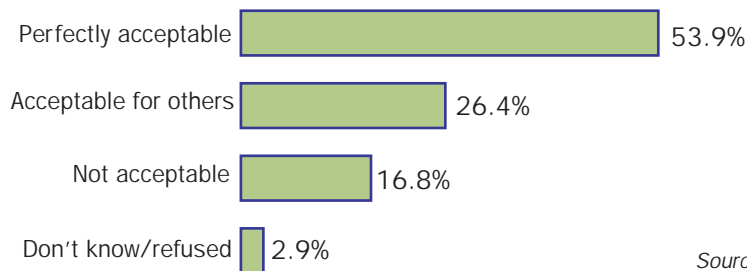


Although opponents of casino gaming attempt to paint a negative portrait of the industry, most Americans think casino gambling is fun and acceptable for themselves or others.

An even larger number believe that government should not be telling adults what to do with their time and money. They also appreciate the economic benefits the industry brings to communities nationwide.

u.s. acceptance of casino entertainment

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

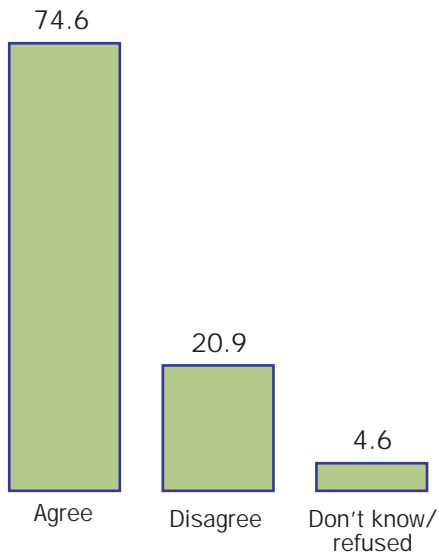


Source: Hart/Luntz

a fun night out

“Casino gambling can be a fun night out.”

Percentage

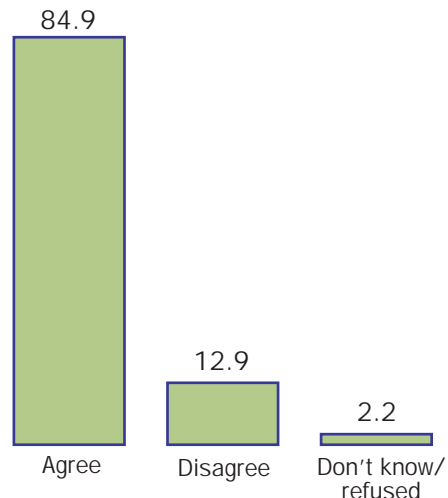


Source: Hart/Luntz

gambling is a personal choice

“Gambling is a question of personal choice. The government should not be telling American adults what they should or should not be doing with their own time and money.”

Percentage



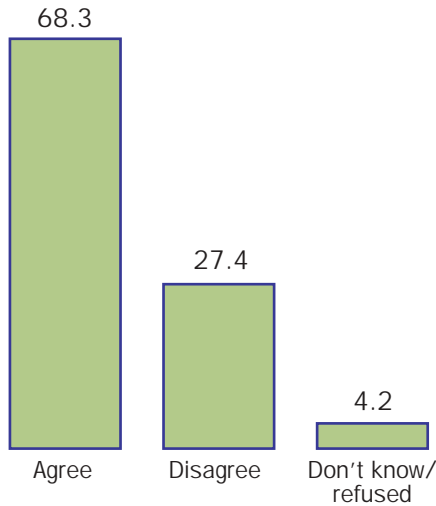
Source: Hart/Luntz



good way to raise money

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

Percentage

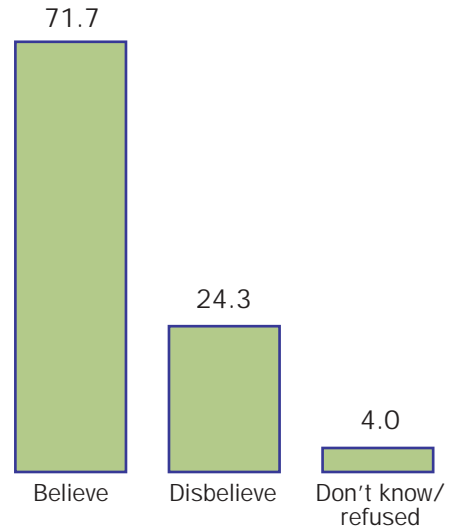


Source: Hart/Luntz

economic benefits

“Casinos bring widespread economic benefits to other industries and businesses within the region.”

Percentage

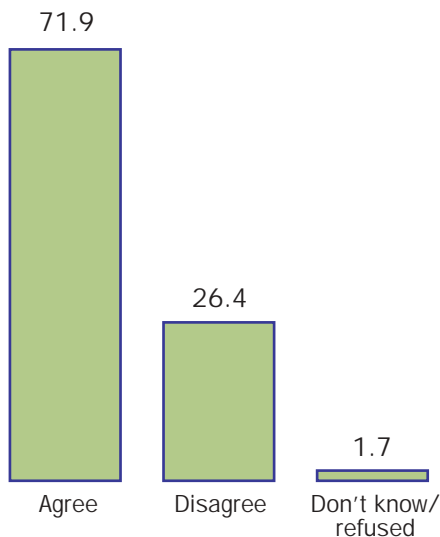


Source: Hart/Luntz

important entertainment option

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

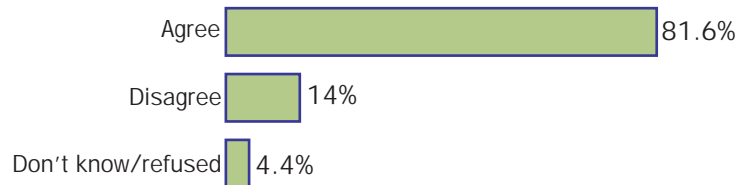
Percentage



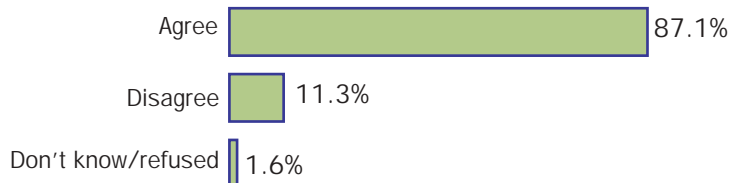
Source: Hart/Luntz

casino responsibility

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



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



There is broad support for the kinds of programs that casino companies undertake to address problem and underage gambling.

Source: Hart/Luntz



methodology

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

A total of 900 adult Americans were interviewed from May 15-19, 2000. An additional 300-person over-sample of senior citizens also was conducted. The margin of error for the total sample is ± 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 28th 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.

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

Findings 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 54,726 respondents from which a nationally representative sample of 15,250 casino players was identified. The margin of error for the survey was ± 1 point. Results from 1999 are compared with findings from similar studies conducted from 1993 to 1998.

Founded more than 60 years ago, Harrah's Entertainment, Inc., operates 21 casinos in 17 markets across the United States and has a database of more than 19 million players.

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 as well as the NFO Panel, the world's largest pre-recruited consumer panel.

Contact: Dean Hestermann 901-762-8787

ARTHUR ANDERSEN

Arthur Andersen has assisted 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

Christianssen 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

NATIONAL INDIAN GAMING ASSOCIATION

Sources for Indian gaming employment figures vary by state and region. Some regional associations of the National Indian Gaming Association (NIGA) provided employment data for their respective states. State-based studies conducted by outside sources both provided and verified employment figures. Other figures were gleaned from tribal testimony to the National Gambling Impact Study Commission. Individual Indian gaming facilities were contacted in order to acquire employment figures for those states not recorded in any other document.

Established in 1985, NIGA is a nonprofit organization of 168 Indian Nations with other nonvoting associate members. Its mission is to protect and preserve the general welfare of the tribes striving for self-sufficiency through gaming enterprises in Indian Country. The common commitment and purpose of NIGA is to advance the lives of Indian peoples — economically, socially and politically. NIGA operates as an educational, research, legislative and public policy resource for tribes, policy-makers and the general public on Indian gaming issues and tribal community development.

Contact: Kate Spilde 202-546-7711

Acknowledgments

The American Gaming Association would like to thank the following for their assistance with this survey: Ed Bowers and his staff from Arthur Andersen; Gene Christiansen and Sebastian Sinclair of Christiansen Capital Advisors; Kate Spilde of the National Indian Gaming Association; Dean Hestermann of Harrah's Entertainment, Inc.; and the industry's state associations.

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Casino Owners Association of Colorado

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