

# State of the States

THE AGA SURVEY OF CASINO ENTERTAINMENT

## President's Message

As the leading source of information and research on the commercial casino industry, the American Gaming Association (AGA) strives to present the public, policy-makers and members of the media with the most accurate and complete portrait of the industry possible. With this in mind, the AGA is proud to present our third annual *State of the States: The AGA Survey of Casino Entertainment*.

This report includes 2000 economic data on gaming, including a national overview and a state-by-state breakdown of information such as revenue, jobs and employee wages. The data point to a vibrant industry that has become a powerful national economic force. The commercial casino industry is poised to make an even more significant contribution in the new century.

But the casino industry is about more than raw economic data and industry trends. Beyond providing hundreds of thousands of jobs with good wages and benefits, our companies provide billions of dollars in tax revenue to help finance everything from new schools, libraries and downtown revitalization projects to road repairs, veterans services and recreational development. In addition, commercial casinos are responsible corporate citizens, donating millions of dollars to local charities and working to develop effective ways to combat problem gambling.

Millions of Americans enjoy the fun and excitement of casino entertainment, and this report also shows casino gaming from the customer's perspective. Our annual nationwide poll by Peter D. Hart Research Associates, Inc., and The Luntz Research Companies illustrates American perceptions of casino gaming, and demographic data from Harrah's Entertainment, Inc./NFO WorldGroup, Inc., provides a profile of the typical casino customer.

As part of the nationwide poll, Hart/Luntz took a closer look at perceptions of the casino industry by residents of casino counties, and the results are striking. Although a vast majority of the American public accepts the casino industry and appreciates its contributions to the economy, those who know casinos the best embrace them the most. There is overwhelming support for our industry among residents in casino counties, and a significant majority of those surveyed said that, if given the option of voting again, they would elect to keep their local casinos. This is encouraging news for our industry, and it shows that our presence is overwhelmingly viewed as an asset to the communities in which we live and work.

We hope the 2001 edition of *State of the States* will be a useful tool for you and will help promote a greater understanding of our industry and the benefits it brings to communities nationwide.

Sincerely,



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 that particular segment of the industry nationwide. However, varying state regulations make it difficult to generalize about what constitutes a “commercial casino.” For the purposes of this survey, we have defined it to include privately owned land-based, riverboat, dockside and limited-stakes casinos (maximum wagers of \$5 in Colorado and \$100 in South Dakota). Additionally, racetrack casinos in Iowa (dog or horse tracks with slot machines) have been included since that state considers both to be commercial casinos.

The “Overview of Casino Entertainment” section includes information on other forms of casino gaming offered nationwide, including Native American casinos and racetrack casinos, but figures for those forms of gaming are not reflected in the survey, except as noted for Iowa.

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# Executive Summary

The commercial casino industry in 2000 provided more jobs, higher wages and more tax revenues to states and local communities than ever before. With more than 425 commercial casinos operating in 11 states, the industry is an increasingly powerful engine in the U.S. economy.

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

## Overview of the Casino Gaming Industry

Some form of casino gaming exists or has been approved to operate in 30 states across the country. Eleven states now offer commercial casino gaming — Colorado, Illinois, Indiana, Iowa, Louisiana, Michigan, Mississippi, Missouri, Nevada, New Jersey and South Dakota.

The popularity of casino gaming has led to increased opportunities in communities where casinos are present. More than 14,000 new jobs were created in the commercial casino industry during the past year, bringing the total number of employees to more than 370,000. Tax revenues contributed by the industry climbed to nearly \$3.5 billion, almost \$500 million higher than the 1999 figure. This total does not include additional revenue earned from property taxes, corporate income taxes, local use taxes or payroll taxes paid by individual casino employees, which would push the figure much higher.

Although the total number of operating casinos decreased slightly in 2000, overall revenues increased. The gross gaming revenue for the commercial casino industry totaled almost \$25 billion — more than \$2 billion higher than in 1999. This put consumer spending on commercial casino entertainment on par with the amount of money spent annually on golf.

Tribal casinos also played a major role in the gaming industry last year. Today, there are more than 87 Class III Native American gaming enterprises operating in 23 states, generating more than \$9.2 billion in gross gaming revenue. Taken together with Class II facilities, these gaming operations employ roughly 200,000 people.

## Economic Impact of Casino Gaming

Just as the number of commercial casino employees increased in 2000, so did their wages. Commercial casino employees earned more than \$10.9 billion in wages last year, an increase of nearly \$1 billion from 1999. The increased wages contributed significantly to local economies by stimulating consumer spending and charitable giving.

In addition to money reinvested in the area by employees, local commercial casinos played a major role in providing necessary funds for community improvements. The \$3.5 billion in tax revenue generated by the commercial casino industry helped finance increased education spending, improve local infrastructures, expand municipal services, and protect and beautify neighborhoods. In addition, the commercial casino industry donated millions of dollars to charitable projects and causes across the United States, while casino employees donated thousands of hours of personal time to community volunteer projects.

## The Casino Customer

In 2000, the typical casino customer continued to mirror the U.S. population in terms of age and gender. These customers also continued to have higher incomes and more education than the average American.

According to a new survey by Peter D. Hart Research Associates, Inc., and The Luntz Research Companies, today's commercial casino customers are also careful about how they spend their money when visiting casinos — nearly two-thirds always set a budget before they visit a casino.

## Trends in Casino Visitation

Second only to the lottery, casinos remain one of the most popular forms of gaming entertainment in the country. More than one-quarter of the U.S. adult population over age 21 participated in casino gaming in the past year. This translates to more than 53 million individuals nationwide. More than a third of those visitors — 34 percent — live in the West.

## American Perceptions of Casino Entertainment

Although opponents of casino gaming are a vocal minority, the level of support for the commercial casino industry remains high. According to the recent survey by Hart/Luntz, 83 percent of Americans view casino gaming as an acceptable form of entertainment. Nearly three-fourths of those surveyed think casinos “can be an important part of a community's entertainment and tourism options.” The survey also found that an overwhelming majority of Americans — 90 percent — believe that gambling is a question of personal freedom. All these figures represent slight increases in support above last year's figures.

There also continues to be strong national support for programs the commercial casino industry has implemented to deal with the issues of problem and underage gambling.



Boys and Girls Clubs kids read books donated through the First Annual Nevada Gaming Industry Book Drive to benefit the Boys and Girls Clubs of Southern Nevada.

**The Nevada gaming industry, with its rich history of giving, reached out ... to children of our community with a giving hand. Their donation of 12,179 books — one book for each of the 12,000-plus members we serve — will breathe fresh life into our libraries, making them the intellectual focus of the clubs — a place to study, research, dream and play.**

L. Laura Fritz

Vice President, Boys & Girls Clubs of Las Vegas Foundation

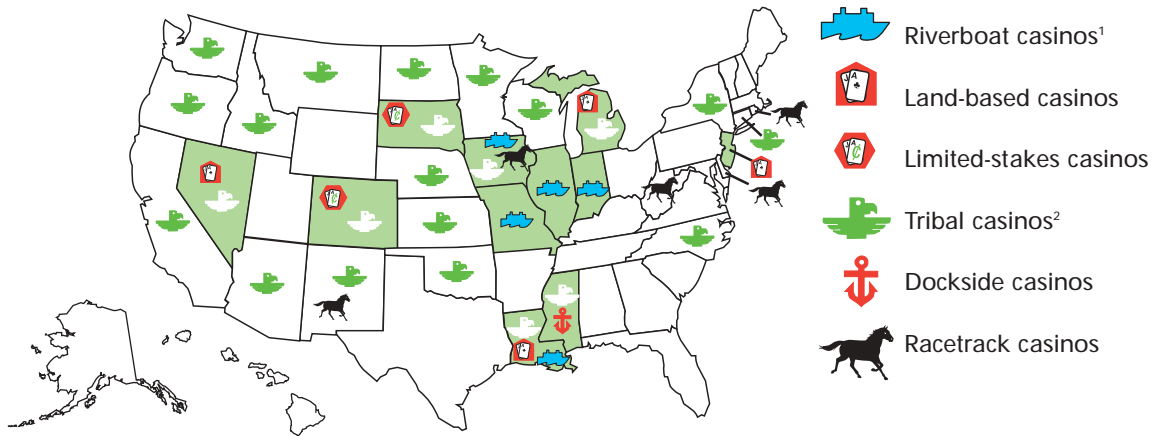
# Overview of Casino Entertainment



In 2000, the gaming industry continued to make significant contributions in the states where it operates. The commercial casino segment of the industry employed more than 370,000 people, a 3 percent

increase from 1999. In addition, commercial casinos contributed nearly \$3.5 billion in tax revenue to local communities, providing funding for community development and improvement projects.

## CASINO LOCATIONS BY CATEGORY



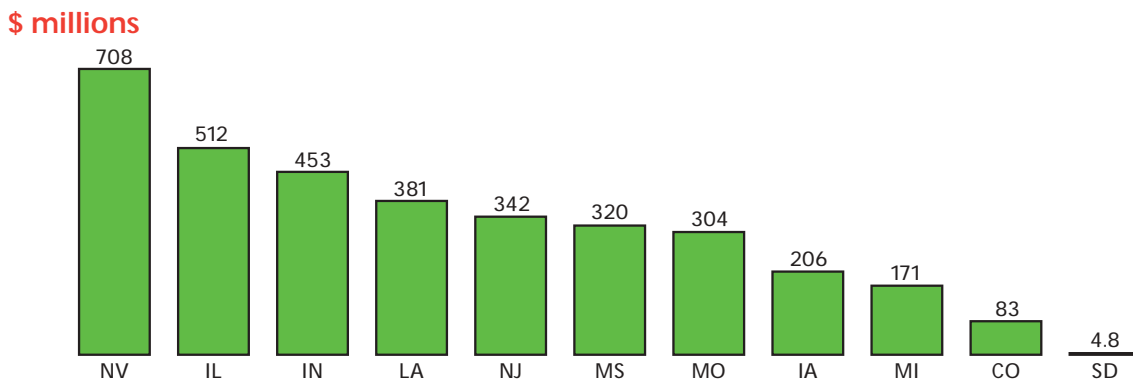
Sources: American Gaming Association, Bureau of Indian Affairs

1 Some or all casinos in Iowa, Illinois, Louisiana and Missouri have limited or no cruising requirements

2 Compacted Class III facilities

In 2000, there were 11 states with commercial casinos, 23 with tribal casinos and five with racetrack casinos.

## DIRECT CASINO TAX REVENUES BY STATE, 2000



Sources: State Gaming Commissions, State Gaming Associations

Commercial casinos paid \$3.5 billion in direct gaming taxes to states and localities in 2000, \$500 million more than in 1999.

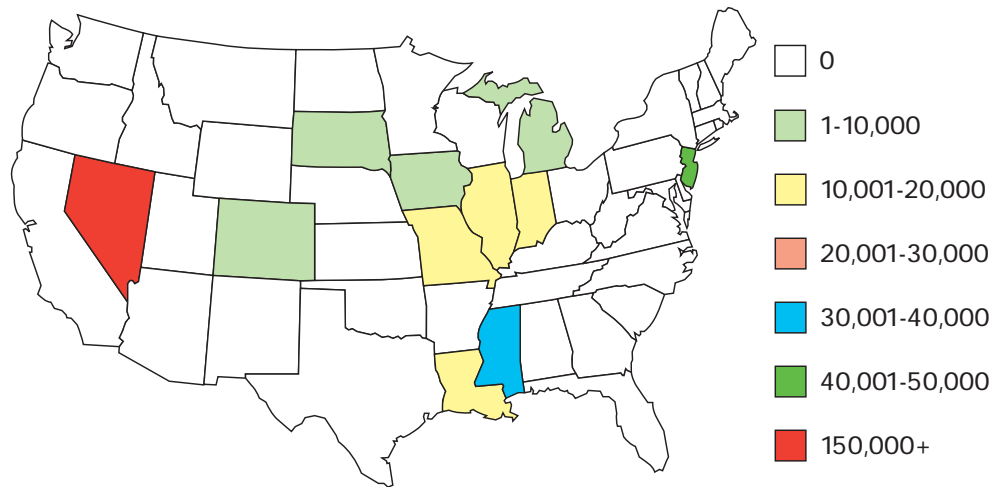
# Overview of Casino Entertainment

## CASINO JOBS

During the past year, more than 14,000 new jobs were created in the commercial casino industry, led by Nevada (5,882), Indiana (4,550) and Michigan (2,940). Tribal casinos (Class II and III facilities) provided roughly 200,000 additional jobs across the country.

### Commercial Casinos

Nevada	204,874
New Jersey	47,426
Mississippi	34,209
Louisiana	18,430
Indiana	17,023
Illinois	11,000
Missouri	10,339
Iowa	10,000
Michigan	7,835
Colorado	7,669
South Dakota	1,402
<b>Total</b>	<b>370,207</b>



Sources: State Gaming Regulatory Agencies, State Gaming Associations

## RANKING OF GAMING TAXES AS A SOURCE OF STATE REVENUE\*

\*Not counting federal aid

Gaming taxes ranked first as a source of tax revenue in the state of Nevada, were within the top five sources of revenue in Louisiana and Mississippi, and were among the top 10 in Indiana and New Jersey.

### NEVADA

- Gaming
- Sales and Use
- Insurance
- Business License
- Cigarette

### INDIANA

- Individual Gross Income
- Sales and Use
- Gasoline
- Corporate Gross Income
- Corporate Supplemental Net Income
- Riverboat
- Wagering

### LOUISIANA

- Sales
- Individual Income
- Gasoline
- Natural Resources
- Severance
- Gaming

### MISSISSIPPI

- Sales
- Individual Income
- Petroleum
- Gaming

### NEW JERSEY

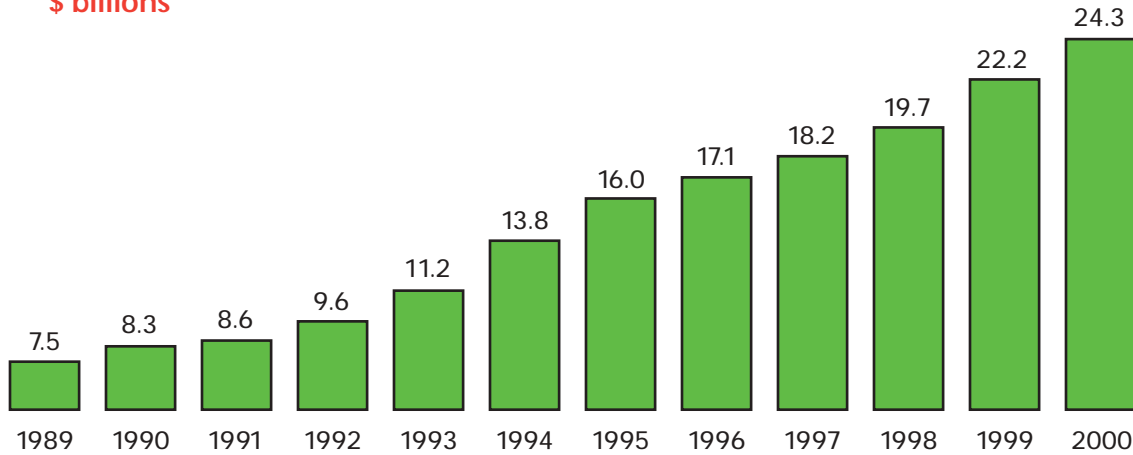
- Gross Income
- Sales and Use
- Corporation
- Business
- Lottery
- Motor Fuel
- Transfer Inheritance and Estate
- Casino

Sources: Crowe, Chizek and Company LLP (from Indiana Department of Revenue), FY00; Nevada Gaming Control Board, FY00; Fitzgerald's Legislative Manual of New Jersey, FY00; State of Louisiana Department of Revenue, FY99-FY00; Mississippi Gaming Association

# Overview of Casino Entertainment

## CONSUMER SPENDING ON COMMERCIAL CASINO GAMING, 1989-2000

\$ billions

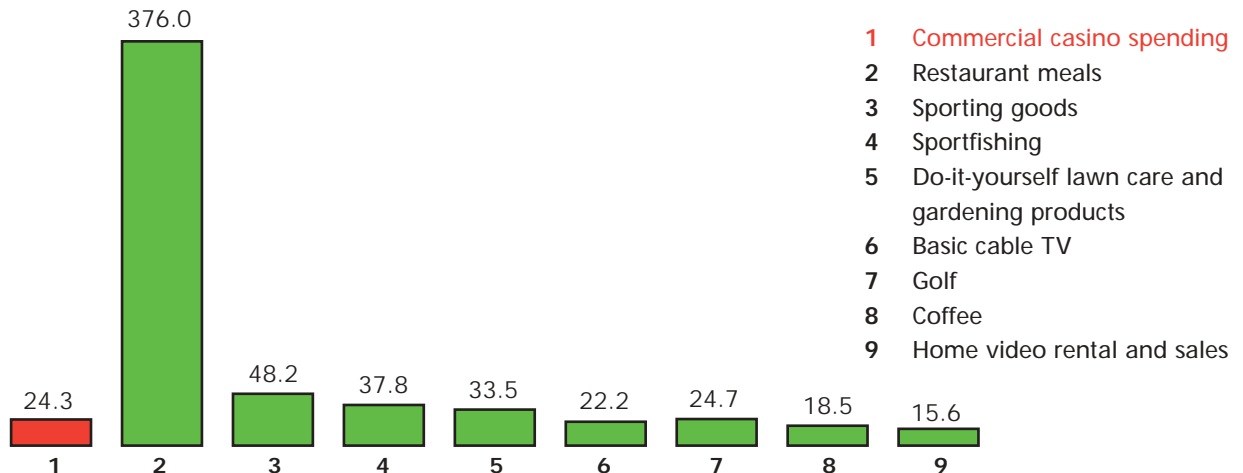


Source: Christiansen Capital Advisors

Consumers spent more than \$24.3 billion on casino gaming in 2000, up \$2.1 billion, or 8 percent, from the previous year.

## COMMERCIAL CASINO GAMING VS. OTHER SPENDING CHOICES

\$ billions



Sources: 1-Christiansen Capital Advisors, 2000; 2-National Coffee Association, 2000; 3-National Cable Television Association, 2000; 4-National Restaurant Association, 2000; 5-Sporting Goods Manufacturers Association, 2000; 6-American Sportfishing Association, 1996; 7-National Gardening Association, 1999; 8-National Golf Foundation, 1999; 9-Video Software Dealers Association, 2000

Casino gambling continues to be among the mainstream spending choices made by Americans. In 2000, consumers spent roughly the same amount of money on casino gambling as they did playing golf.

The economic impact of the commercial casino gaming industry continued to spur local economic growth in 2000. The nearly \$25 billion industry employed more than 370,000 individuals, and these employees made more than \$10.9 billion in wages (including tips and benefits), nearly \$1 billion more than in 1999. Casino employee spending channeled these wages back into the local economy, spurring additional job growth and consumer spending.

Tax revenue from casinos also helped local communities prosper in 2000. The nearly \$3.5 billion in tax revenue contributed by commercial casinos was responsible for construction of new roads, schools and hospitals; enhancement of local emergency services; development of parks and recreation areas; and other quality-of-life improvements.

The following figures are for calendar year 2000, except where noted. The towns and cities marked on the state maps indicate where casinos are located.

**COLORADO**

Current # of Operating Casinos	43	<div style="border: 1px solid black; background-color: #ffffcc; padding: 5px;">                 Central City ♦                  Black Hawk ♦                  Cripple Creek ♦             </div>
Gaming Format	Land-based (limited stakes)	
Casino Employees	7,669	
Casino Employee Wages	\$189.5 million	
Gross Casino Gaming Revenue	\$631.8 million	
Gaming Tax Revenue	\$82.1 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% on gaming revenue	
Mode of Legalization	Statewide vote, legislative action	
Visitor Volume	Data not available	

Sources: Colorado Gaming Control Board, Casino Owners Association of Colorado

**“Gaming has been probably the greatest thing that’s happened to historic preservation in the state of Colorado as a whole in the last 20 years.”**

Lane Ittelson  
 Colorado Historical Society



**“I shudder to think what life would be like around here without gaming. We would have been in unbelievable, disastrous economic straits without it.”**

George Jancosek  
Hammond (Ind.) City Council

## ILLINOIS

Current # of Operating Casinos	9	
Gaming Format	Riverboat (with permanently moored option)	
Casino Employees	11,000	
Casino Employee Wages	\$385.8 million	
Gross Casino Gaming Revenue	\$1.7 billion	
Gaming Tax Revenue	\$512 million (\$410 million to the state and \$102 million to local government)	
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% to 35% of gross gaming revenue, \$2 per patron admission tax	
Mode of Legalization	Legislative action	
Admissions	19 million	

Sources: Illinois Gaming Board, Illinois Casino Gaming Association

## INDIANA

Current # of Operating Casinos	10	
Gaming Format	Riverboat	
Casino Employees	18,430	
Casino Employee Wages	\$311.9 million	
Gross Casino Gaming Revenue	\$1.7 billion	
Gaming Tax Revenue	\$453.5 million	
How Taxes Spent	Economic development, local government	
Legalization Date	November 1993	
First Casino Opening Date	December 1995	
State Gaming Tax Rate	20% tax on gross gaming revenue	
Mode of Legalization	Local option vote, legislative action	
Purchases	MBE \$58.5 million* WBE \$27.5 million** *Minority-owned Business Enterprises **Women-owned Business Enterprises	
In-state Employees	12,351 – 76.1%	
In-county Employees	9,092 – 56%	
Admissions	38.5 million	

Sources: Indiana Gaming Commission, Casino Association of Indiana

## IOWA

Current # of Operating Casinos	13	
Gaming Format	Riverboat, racetrack casino	
Casino Employees	10,000	
Casino Employee Wages	\$256.9 million	
Gross Casino Gaming Revenue	\$887 million (FY01)	
Gaming Tax Revenue	\$206.3 million (FY01)	
How Taxes Spent	Infrastructure improvements, local government, general fund, schools and universities, the environment	
Legalization Date	July 1989	
First Casino Opening Date	September 1991	
State Gaming Tax Rate	Riverboats: Graduated tax rate with a maximum tax of 20% on gaming revenue Racetrack casinos: 30% tax of gross gaming revenue, increasing 2% per year to a maximum of 36%	
Mode of Legalization	Local option vote, legislative action	
Admissions	19.8 million	

Sources: Iowa Racing and Gaming Commission, Iowa Gaming Association

## LOUISIANA

Current # of Operating Casinos	15 (14 riverboat, 1 land-based)	
Gaming Format	Riverboat, land-based, 3 eligible racetrack casinos not yet licensed for slot operations	
Casino Employees	17,023	
In-state Employees	16,363	
Minority Employees	10,996	
Women Employees	10,684	
Casino Employee Wages	\$312.2 million	
Gross Casino Gaming Revenue	\$1.8 billion (FY01)	
Gaming Tax Revenue	\$381 million (FY01)	
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	2000: \$100 million annual tax on the land-based casino; 18.5% tax on gross gaming revenue on riverboats 2001: \$50 million annual tax on land-based casino or 21.5%, whichever is greater; 21.5% tax on gross gaming revenue on riverboats* *21.5% tax rate will be phased in over 25 months for boats in Shreveport/Bossier City (current rate is 19.5%); Bally's New Orleans has a graduated rate between 18.5% and 21.5% depending on monthly revenues	
Mode of Legalization	Local option vote, legislative action	
Admissions	35.4 million (FY01)	

Sources: Louisiana Gaming Control Board, Casino Association of Louisiana



*Tax revenues from the commercial casino industry enhance local services by providing funds for community police, fire and rescue teams to purchase new, state-of-the-art equipment.*

**“The enhancement to the city since [the casino’s] arrival has been evident to even the most casual observer. The school district, parks and recreation department, police and fire, streets and sanitation, to name a few, have benefited greatly from the increased tax revenues.”**

**Steve Hanson**

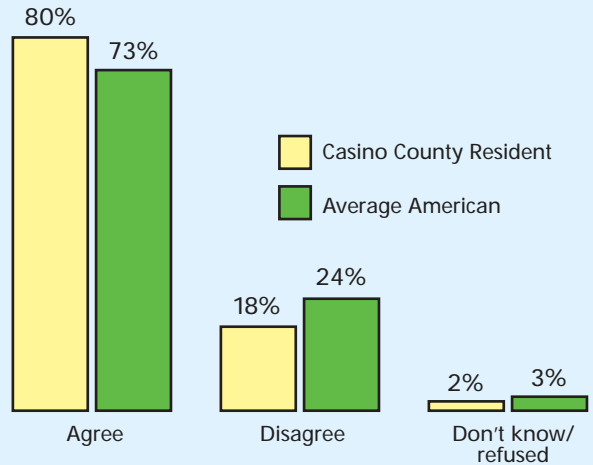
**Owner, Allegra Print and Imaging (Elgin, Ill.)**



*A \$50,000 grant from the Dubuque Racing Association, the nonprofit license holder for Dubuque Greyhound Park and Casino, helped the local humane society purchase a new vehicle to safely transport their animals.*

## VITAL TO TOURISM

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

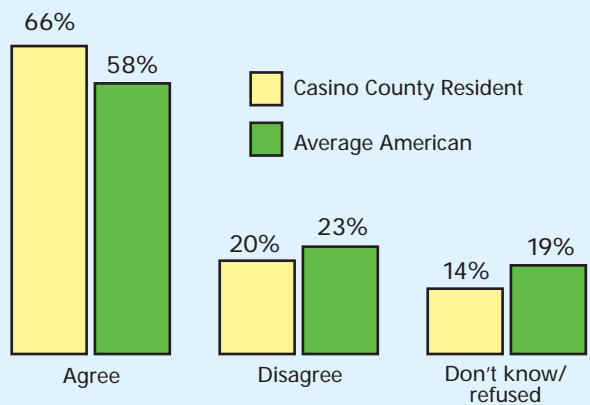


Source: Hart/Luntz

**A vast majority of casino county residents value casinos as an important part of a town's tourism industry. Nearly three-fourths of average Americans agree.**

## INCREASED EMPLOYMENT OPPORTUNITIES

“Local communities with casinos have more job opportunities and less unemployment.”

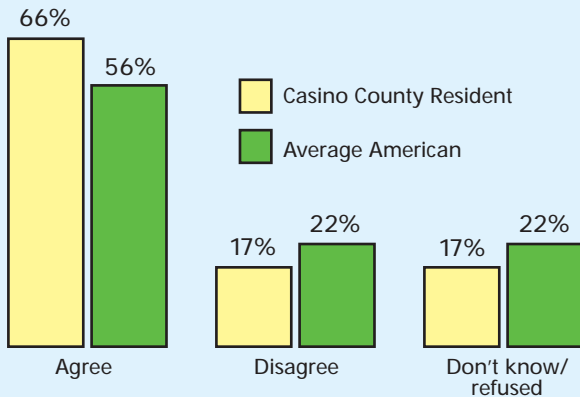


Source: Hart/Luntz

**Fully two-thirds of casino county residents say casinos have decreased unemployment and created more jobs where they live.**

## MAKING COMMUNITIES BETTER

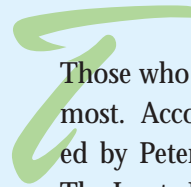
“Thanks to revenues from casinos, local communities have more money to pay for roads, schools, hospitals and other projects.”



Source: Hart/Luntz

Two-thirds of casino county residents say casinos have improved their neighborhood by increasing funding for local improvements.

## Commercial Casinos - A Winning



Those who know casinos the best embrace them the most. According to a new national survey conducted by Peter D. Hart Research Associates, Inc., and The Luntz Research Companies, Americans who live in counties with casinos not only have a favorable impression of those casinos but also can point to specific ways in which the casinos have improved their community’s quality of life. If given the chance to vote again, a large majority of residents from casino counties would elect to keep their casinos.

Residents of casino counties exhibit strong local support for casinos primarily because they see first-hand the tremendous economic development that casinos bring to the area. Fully 70 percent think that their local casinos have had a “positive” impact on

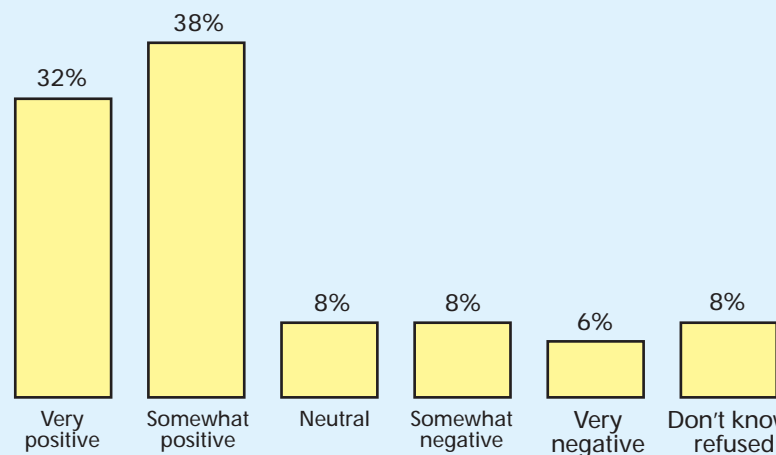
**“The casino industry has brought profound positive change to our community... [O]ur future did not look bright in 1994. Today, we have over 10,000 people working in the food service, security, administration and other career fields that provide rewarding and challenging jobs. The gaming industry compliments all other aspects of our community and contributes greatly to the quality of life here. Our experience is a true success story.”**

Don Pierson

Executive Director, Greater Bossier Economic Development Foundation (La.)

## CASINO COUNTY RESIDENTS SUPPORT THE

“Do you think casinos have had a...impact on the economy and job market in your area?”



Source: Hart/Luntz

Casino county residents have an overwhelmingly positive view of the impact of casinos on the economy and job market. If given the option, they would vote to keep casinos in their county.

# and the Community

## A Combination

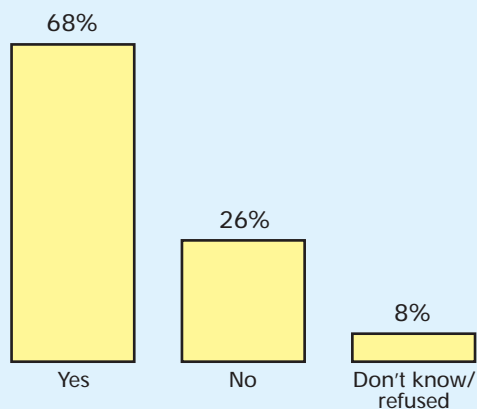
the economy and job market in the area, primarily by increasing the number of job opportunities and reducing local unemployment rates.

Casino residents resoundingly believe in the concept of personal freedom as it relates to casino visitation. Eighty-nine percent of gaming county residents agree that “people should be able to go into a casino, have their own budget, and spend their disposable income the way they want.”

Finally, when asked if a referendum were held in their area asking whether to keep casino gaming in their community, a sizeable 68 percent would vote YES, proving once again that those who know casinos firsthand are their biggest supporters.

### THEIR LOCAL CASINOS

If there were a referendum in your area within the next year asking you to vote “yes” or “no” on keeping casino gaming, how would you vote?



ew of their casinos. More than two-thirds said that, if community.

**“One of the biggest questions that people have always asks is, ‘Does all the casino money go?’ There’s an easy answer: ‘Just look around.’”**

Mayor A.J. Holloway  
Biloxi, Miss.

### Casinos Give Back to Local Communities

Casinos play a major role in the economic development of communities across the country, a fact that is not lost on residents of casino counties. According to Hart/Luntz, two-thirds of people who live in casino counties agree that, thanks to tax revenues from casinos, local communities have more money to pay for roads, schools, libraries, hospitals and other projects. Tax revenues from casinos are also used to bolster local education spending, improve infrastructure and beautify neighborhoods.

Metropolis, Ill., is one example of a local community that has been transformed with help from the casino industry. Home to Harrah’s Metropolis Casino, the town received more than \$6.5 million from riverboat casino taxes in 2000. This revenue has helped the small rural community upgrade its infrastructure and city utilities, as well as expand municipal services. The city recently completed a capital improvement plan for the next five years that includes projects such as construction of a new water filtration plant, development of a new industrial park, and completion of several parks and recreation projects. More than 88 percent of the funds to fulfill the plan objectives are expected to come from riverboat casino funds.

Casino tax revenue has helped Biloxi, Miss., increase its spending on major projects from \$2 million a year in 1993 to a record \$30.3 million in 2000. Among other major projects, the city has been able build recreational facilities including an indoor lap pool, a therapeutic pool, indoor racquetball courts, a gymnasium, ballroom and an elevated walking track. The Parks and Recreation Department has seen a dramatic increase in participation as a result of the elimination of recreation fees. At the same time, city property tax rates have been cut in half.

As part of development agreements, numerous casinos contribute to foundations that award grants for local community projects.

The Iowa West Foundation, which receives funding from the Iowa West Racing Association, the nonprofit license holder for Ameristar Casino/Hotel, Bluffs Run Casino and Harveys Casino

**about city government is about money. 'Where  
answer to that question. Let me say it in three**



CUT OFF AT 4.25

*Casino tax revenue has helped Biloxi, Miss., enhance and expand its recreational facilities, including building new athletic fields for public use. Participation in local youth sports leagues has skyrocketed because of the improvements.*

Hotel, is one of the largest providers of charitable grants in the Midwest. In 2000, the foundation awarded a record \$15.9 million in grant awards, funding 114 projects in local communities across southwest Iowa. For example, the Council Bluffs Senior Center received a grant to help build a new facility, and the Owen Memorial Library received a grant to assist with renovations. The foundation has awarded more than \$50 million in grants since 1995.

In Elgin, Ill., the Grand Victoria Casino commits 20 percent of its annual adjusted net operating income to programs that benefit greater Elgin, Kane County and the state of Illinois. The Grand Victoria Foundation was formed to manage and administer the funds, and the casino has so far contributed approximately \$69 million to the organization to support education, environmental and economic development programs.

In addition to providing funds for community development projects, casinos also donate significant funds to local academic institutions and charitable organizations. The Horseshoe Casino group located in Shreveport/Bossier City, La., is committed to improving education in the state. It recently donated \$1 million to the Southern University and A&M College System.



*The Iowa West Foundation, funded by the Iowa West Racing Association, the nonprofit license holder for Ameristar Casino/Hotel, Bluffs Run Casino and Harveys Casino Hotel, awarded a \$350,000 grant to the Owen Memorial Library in Carter Lake, Iowa, to assist with renovations.*

**“Harrah’s has been a true partner with the city of Joliet. Their employees have made a great commitment, they’ve joined with the city to make Joliet a better place to live.”**

**John Mezera**  
**City Manager, Joliet (Ill.)**

CUT OFF


this is the second flap.



*Harrah's employees volunteer their time to help in the community.*


# Economic Impact

## MICHIGAN

Current # of Operating Casinos	3	
Gaming Format	Land-based	
Casino Employees	7,835	
Casino Employee Wages	\$267.3 million	
Gross Casino Gaming Revenue	\$743.6 million	
Gaming Tax Revenue	\$170.8 million	
How Taxes Spent	Public safety, capital improvements, youth programs, tax relief, neighborhood development and improvement, infrastructure repair and improvement	
Legalization Date	December 1996	
First Casino Opening Date	July 1999	
State Gaming Tax Rate	18% tax on gross gaming revenue, plus a municipal services fee of the greater of 1.25% of gaming revenue or \$4 million annually	
Mode of Legalization	Local advisory vote, statewide voter referendum, legislative action	
Admissions	13.6 million (7/29/99-12/31/00)	

Sources: Michigan Gaming Control Board, The Detroit News

## MISSISSIPPI

Current # of Operating Casinos	30	
Gaming Format	Dockside	
Casino Employees	34,209	
Casino Employee Wages	\$1 billion	
Gross Casino Gaming Revenue	\$2.7 billion	
Gaming Tax Revenue	\$320 million	
How Taxes Spent	Housing, education, 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% on gaming revenue; up to 4% additional tax on gaming revenues may be imposed by local governments	
Mode of Legalization	Legislative action, local option votes	
Admissions	56 million	

Sources: Mississippi Gaming Commission, Mississippi Gaming Association

**“Casinos have had a positive impact on metro Detroit. ... They have been good corporate citizens, donating millions of dollars to local charities as well as sponsoring special programs such as music festivals and other entertainment that enhances quality of life here in metro Detroit.”**

Larry Alexander

President and CEO, Detroit Metro Convention & Visitors Bureau

**“The local casinos have provided great contributions to Kansas City including providing funds for the construction of Richard L. Berkley Riverfront Park and working to assist minorities and socially disadvantaged groups.”**

William Johnson

Chairman, Port Authority of Kansas City (Mo.)

## MISSOURI

Current # of Operating Casinos	11	
Gaming Format	Riverboat (continuous boarding)	
Casino Employees	10,339	
Casino Employee Wages	\$275 million	
Gross Casino Gaming Revenue	\$997.7 million	
Gaming Tax Revenue	\$304 million	
How Taxes Spent	Education, local public safety programs, compulsive gambling treatment, veterans programs, early childhood programs	
Legalization Date	August 1993	
First Casino Opening Date	May 1994	
State Gaming Tax Rate	20% tax on gross gaming revenue, \$2 per patron admission fee per excursion, split between home dock community and the state	
Mode of Legalization	Approved via statewide vote, local option vote and legislative action	
Admissions	24.9 million	

Sources: Missouri Gaming Commission, Missouri Riverboat Gaming Association

## NEVADA


Current # of Operating Casinos	243	
Gaming Format	Land-based	
Casino Employees	204,874	
Casino Employee Wages	\$6.7 billion	
Gross Casino Gaming Revenue	\$9.6 billion	
Gaming Tax Revenue	\$707.6 million	
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% on gross gaming revenue	
Mode of Legalization	Legislative action	
Visitor Volume	45.6 million	

Sources: Nevada Gaming Control Board, Las Vegas Convention and Visitors Authority, Laughlin Visitors Bureau, Reno/Sparks Convention and Visitors Authority

**“...We have resources most towns of 38,000 could only dream of.”**


Mayor James Whelan  
Atlantic City, N.J.

## NEW JERSEY

Current # of Operating Casinos	12	 <p>Atlantic City</p>
Gaming Format	Land-based	
Casino Employees	47,426	
Casino Employee Wages	\$1.2 billion	
Gross Casino Gaming Revenue	\$4.3 billion	
Gaming Tax Revenue	\$342 million	
How Taxes Spent	Senior citizens, disabled, economic revitalization programs	
Legalization Date	1976	
First Casino Opening Date	1978	
State Gaming Tax Rate	8% tax on gross gaming revenue, plus a community investment alternative obligation of 1.25% of gross gaming revenue (or an investment alternative 2.5% on gross gaming revenue)	
Mode of Legalization	Statewide vote, legislative action	
Visitor Volume	33.2 million	

Sources: New Jersey Casino Control Commission, South Jersey Transportation Authority

## SOUTH DAKOTA

Current # of Operating Casinos	40	 <p>Deadwood</p>
Gaming Format	Land-based (limited-stakes)	
Casino Employees	1,402	
Casino Employee Wages	\$18.9 million	
Gross Casino Gaming Revenue	\$51.8 million	
Gaming Tax Revenue	\$4.8 million	
How Taxes Spent	40% Dept. of Tourism, 10% Lawrence County, 50% commission fund	
Legalization Date	1989	
First Casino Opening Date	November 1989	
State Gaming Tax Rate	8% tax on gross gaming revenue	
Mode of Legalization	Statewide vote, local option vote, legislative action	
Visitor Volume	Data not available	

Source: South Dakota Gaming Commission

# Casino Customers — Who Are They?

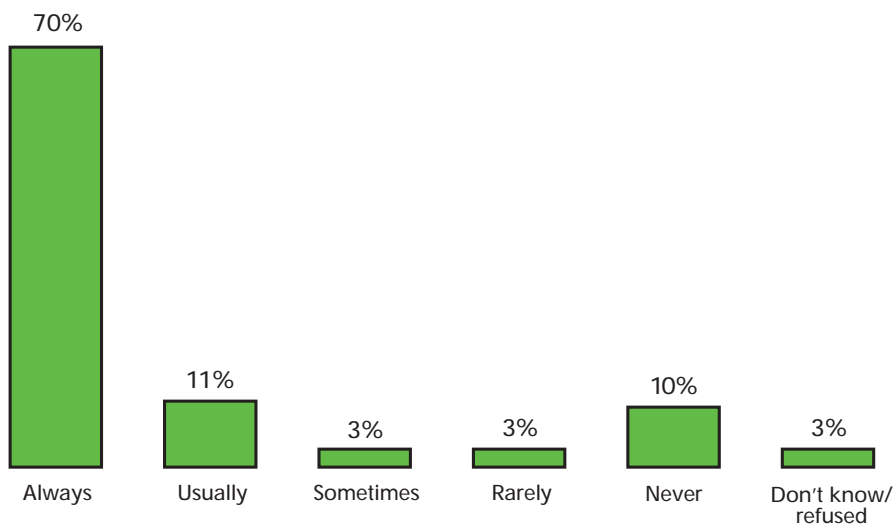
As in the past, typical casino customers in 2000 had higher employment and income levels than the rest of the U.S. population. In addition, casino customers had a higher level of education than the national average — more than half are

college-educated. Casino customers also continued to demonstrate in 2000 that they are smart about how they spend their money — nearly two-thirds always set a budget before visiting a casino.

## CASINO PLAYERS PRACTICE RESPONSIBLE GAMING

### Setting a Budget

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



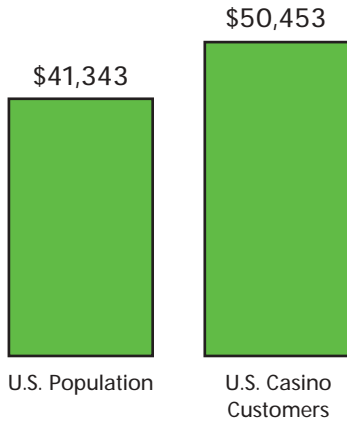
Source: Hart/Luntz

The majority of casino customers practiced responsible gaming in 2000, with 81 percent always or usually setting a budget before visiting a casino.

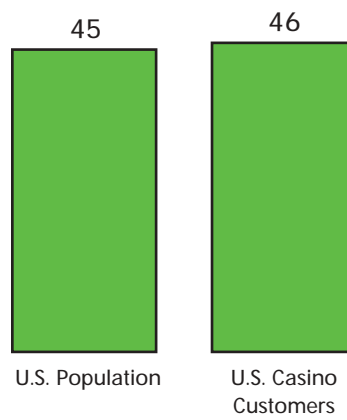
# Casino Customers—Who Are They?

## U.S. CASINO PLAYERS VS. U.S. POPULATION, 2000

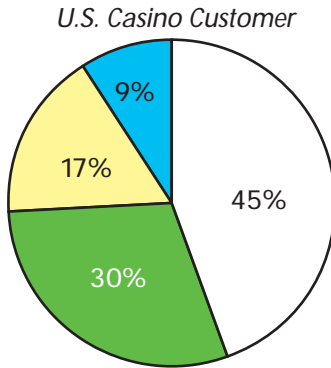
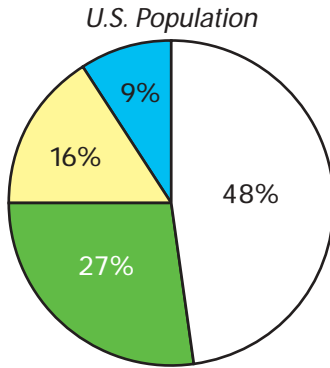
**Median Household Income**



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

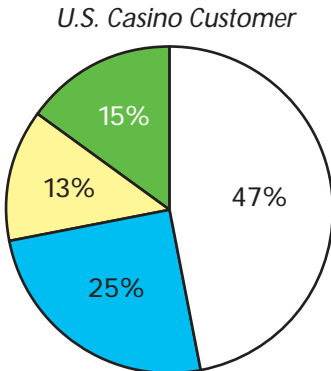
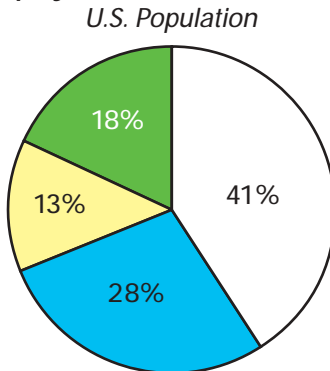


**Education**



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

**Employment**



- White collar
- Blue collar
- Retired
- Other

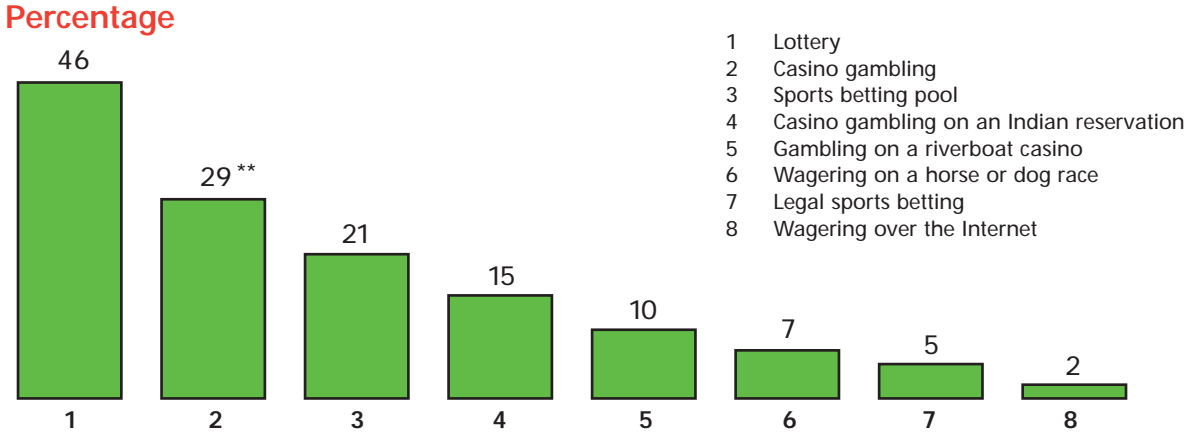
Sources: Harrah's Entertainment, Inc./NFO WorldGroup, Inc., U.S. Census Bureau



Visitation figures for 2000 indicate that Americans are continuing to enjoy casino entertainment in large numbers, especially when compared to other forms of gaming. During the past year, more than 53 million adults over age 21 visited casinos across the United States. This fig-

ure does not take into account international business. All told, American adults made more than 308 million visits to casinos, averaging 5.8 trips per person, or slightly less than one visit every two months.

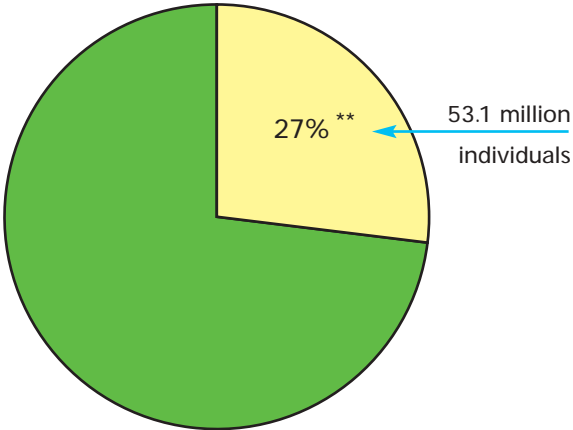
**FORMS OF GAMBLING PARTICIPATED IN DURING THE LAST 12 MONTHS**



Source: Hart/Luntz

Visiting a casino continues to be a popular recreational activity in America, second only to the lottery.

**PERCENTAGE OF INDIVIDUALS WHO VISITED A CASINO TO GAMBLE\***



**Snapshot of Past-Year Casino Visits**  
 53.1 million people  
 5.8 trips per person  
 308.3 million visits

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

**A significant segment of the U.S. population participates in casino gaming.**

\*Harrah's Entertainment, Inc., and NFO WorldGroup, Inc., now collect visitation data on an individual basis, unlike in past years when visitation was calculated on a household basis. The long-term effect of this change will be greater precision and accuracy in the reporting of this data.

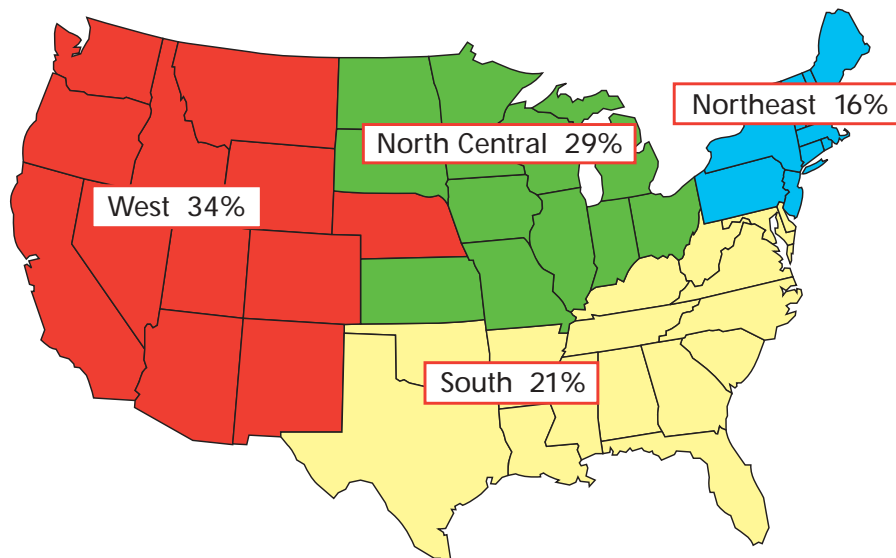
\*\*The differences between the two surveys in reporting casino gambling participation is not statistically significant. Slight variations are common and expected when conducting surveys using two distinct samples.

# Casino Visitation

**“The economic impact to our community from the gaming industry has been profound. Every economic indicator has soared since gaming started here. Prior to the riverboat casinos, Council Bluffs always was in the shadow of Omaha. That has changed. Now we have over 8 million visitors a year coming here to shop, stay and play.”**

Mayor Tom Hanafan  
Council Bluffs, Iowa

## SHARE OF INDIVIDUAL VISITS TO CASINOS BY REGION\*



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

More than one-third of casino customers hail from the West, continuing an upward trend that began in 1998. Meanwhile, the South (down from 24 percent of household visits in 1999) and the Northeast (down from 20 percent of household visits in 1999) accounted for proportionately fewer shares of total visits.

*\*Harrah's Entertainment, Inc., and NFO WorldGroup, Inc., now collect visitation data on an individual basis, unlike in past years when visitation was calculated on a household basis. The long-term effect of this change will be greater precision and accuracy in the reporting of this data.*

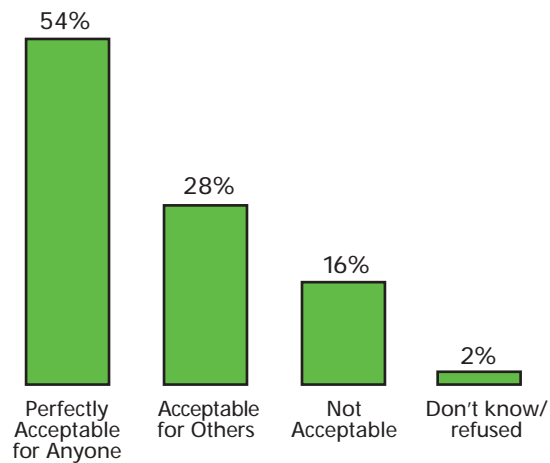
# American Perceptions of Casino Entertainment

Americans agree that casinos enhance local entertainment and tourism options while providing an important economic boost to their host communities. The vast majority of Americans consider gambling to be a matter of personal

choice (90 percent) and individual freedom (86 percent). They also continued to express their acceptance of casino entertainment in overwhelming numbers: 82 percent think it is acceptable for themselves or others.

## U.S. ACCEPTANCE OF CASINO ENTERTAINMENT

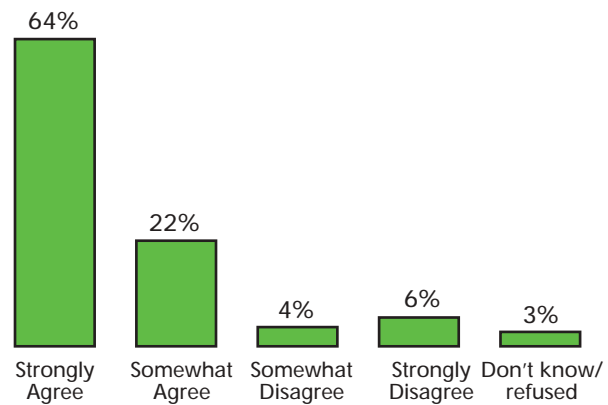
“What are your own personal views of casino gambling?”



Source: Hart/Luntz

## A MATTER OF INDIVIDUAL CHOICE

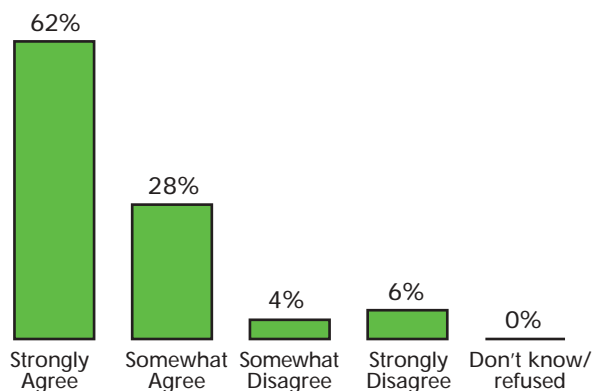
“People should be able to go into a casino, have their own budget, and spend their disposable income the way they want.”



Source: Hart/Luntz

## A MATTER OF PERSONAL FREEDOM

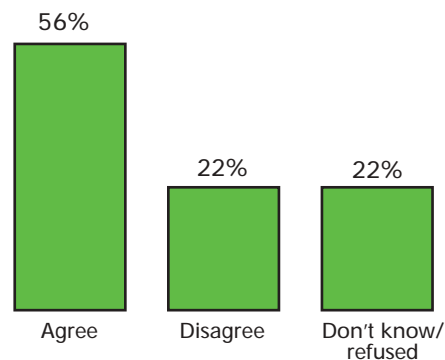
“Gambling is a question of personal freedom. The government should not be telling American adults what they should or should not be doing with their own money.”



Source: Hart/Luntz

## CONTRIBUTE TO COMMUNITY DEVELOPMENT

“Thanks to revenues from casinos, local communities have more money to pay for roads, schools, hospitals, and other projects.”

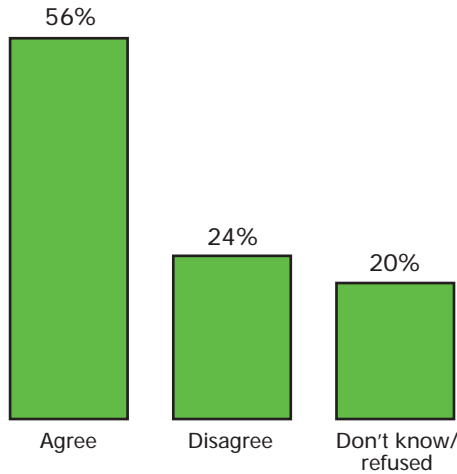


Source: Hart/Luntz

# American Perceptions of Casino Entertainment

## BRING ECONOMIC BENEFITS

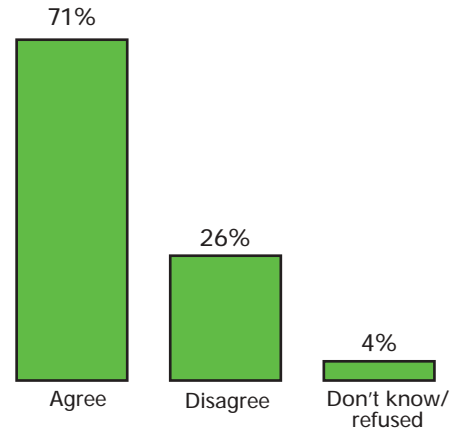
“Casinos bring widespread economic benefits to other industries and businesses within the region.”



Source: Hart/Luntz

## IMPORTANT ENTERTAINMENT OPTION

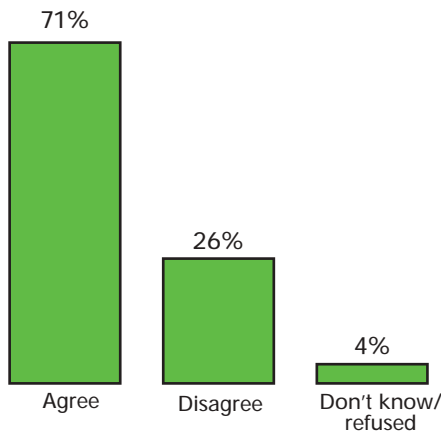
“A casino can be an important part of a community’s entertainment and tourism options.”



Source: Hart/Luntz

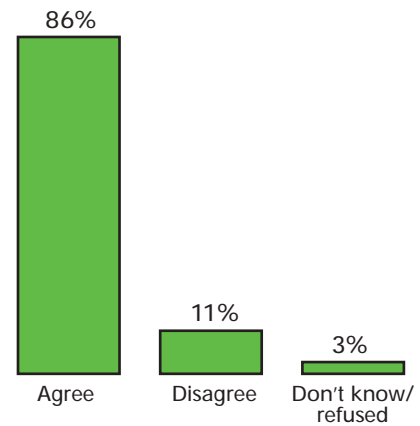
## CASINO RESPONSIBILITY

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



Source: Hart/Luntz

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



Commercial casinos invested significant resources to combat problem and underage gambling in 2000. These programs have garnered overwhelming support from Americans.

## METHODOLOGY

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

A total of 900 adult Americans were interviewed from June 7-17, 2001. An additional 300-person oversample of people living in commercial casino counties also was conducted. The margin of error for the total sample was  $\pm 2.8$  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 30th 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 and corporate communications firm based in Washington. The company specializes in strategic communications counsel informed by in-depth research, including traditional telephone surveys, focus groups and instant response technology. Since its founding in 1992, the company has conducted more than 400 surveys in eight different countries around the world.

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

### HARRAH'S ENTERTAINMENT, INC./NFO WORLDGROUP, INC.

Findings labeled Harrah's Entertainment, Inc./NFO WorldGroup, Inc., are based on a survey questionnaire developed by NFO WorldGroup, Inc., for Harrah's Entertainment, Inc., and mailed to a panel of 40,000 Americans 21 years of age and older. The survey generated 33,587 respondents from which a nationally representative sample of 9,183 casino players was identified. The margin of error for the survey was  $\pm 1$  point.

Founded more than 60 years ago, Harrah's Entertainment, Inc., operates 25 casinos in 12 states across the United States and has a database of more than 24 million players.

NFO WorldGroup, 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 prerecruited consumer panel.

*Contact: Emily Pattat 702-407-6470  
Harrah's Entertainment, Inc.*

### ANDERSEN

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.

Andersen is a global leader in professional services, providing integrated solutions that draw on diverse and deep competencies in consulting, assurance, tax, corporate finance and in some countries, legal services. Employing 85,000 people in 84 countries, Andersen has an extensive worldwide gaming practice that currently includes business risk and technology consulting for clients that operate in all sectors of the gaming industry.

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### CHRISTIANSSEN CAPITAL ADVISORS

Christiansen Capital Advisors (CCA) collects data from state regulatory agencies. In cases where such organizations don't exist, CCA estimated the size of the respective gaming markets utilizing population, per capita income, gambling expenditures in similar markets and other reliable sources.

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

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## METHODOLOGY

### VISITOR COUNTS

The manner in which the number of casino visitors is calculated varies by jurisdiction. While most riverboats have controlled entrances, land-based and dockside casinos are open public places, presenting greater obstacles in determining exact visitor counts.

The riverboat states of Missouri, Iowa, Indiana, Louisiana and Illinois all use turnstile counters supplemented by other systems, including light sensors (Iowa, Indiana, Illinois) and manual counters (Louisiana, Illinois).

Visitors to Mississippi's dockside casinos are counted through operator surveys.

States with land-based casinos use various survey methods. Michigan's visitation figure was determined through manual counters gathering statistically representative samples, which were then extrapolated to arrive at the final number. New Jersey's visitor volume is measured through survey research on incoming transportation modes (buses, trains, commercial and private aircraft, chartered planes, automobiles). Nevada's visitor volume is based only on the state's top three casino jurisdictions, which calculate the total sum of guests in hotels, motels, Recreational Vehicle parks and condo/timeshare units, and that figure is supplemented with an estimation of visitors not staying in commercial accommodations.

## ACKNOWLEDGMENTS

The American Gaming Association would like to thank the following for their assistance with the survey: Peter Hart and his staff from Peter D. Hart Research Associates, Inc.; Frank Luntz and his staff from The Luntz Research Companies; Holly Thomsen of Cohn & Wolfe; Ed Bowers and his staff from Andersen; Sebastian Sinclair of Christiansen Capital Advisors; Kim Vigue and Sheila Morago of the National Indian Gaming Association; Dean Hestermann and Emily Pattat of Harrah's Entertainment, Inc.; the industry's state associations; and state gaming regulatory agencies. Special thanks to Laura Symanski of Natsuko for design and layout of the survey and Matt Burnett for the cover illustration.

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### Casino Association of Louisiana

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### Casino Association of New Jersey

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### Casino Owners Association of Colorado

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303-237-5480

### Deadwood (S.D.) Gaming Association

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### Golden State Gaming Association

Chuck Halnan and Lynn Wilson  
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### Gulf Coast (Miss.) Gaming Association

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### Illinois Casino Gaming Association

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### Iowa Gaming Association

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### Lake Tahoe (Nev.) Gaming Alliance

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### National Indian Gaming Association

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