



## PRESIDENT'S MESSAGE

The American Gaming Association (AGA) is pleased to present the 2005 *State of the States: The AGA Survey of Casino Entertainment*.

To help celebrate the 10th anniversary of the AGA, this year's survey presents a more comprehensive look at the U.S. commercial casino industry than ever before. It details our industry's contributions to state and local economies, as well as its impact nationwide. This year's survey also includes detailed national and state-by-state economic data on racetrack casinos, an increasingly vibrant sector of the industry. These numbers point to a U.S. commercial casino industry that has become a major force in our nation's economy and a source of valuable jobs, tourism dollars and tax revenues for the communities where we operate.

Public opinion polling included in this report indicates that, in addition to being a major economic generator, the commercial casino industry has become a mainstay of America's entertainment culture. The polling reveals that casino acceptability remains high and that Americans embrace the evolution of casinos from mere gambling halls into full-scale, multi-dimensional entertainment showplaces.

For the first time, this year's polling also features a survey of elected officials and civic leaders from casino communities across the country. The results overwhelmingly show the positive impact of the industry in our host communities, presenting the strongest rebuttal yet for the myths perpetuated by our opponents.

You'll discover many more enhancements in this 10th anniversary edition of *State of the States*, including an expanded section on poker, a pull-out map of gaming jurisdictions across the country and a pocket guide to the key facts presented in the survey. More than ever, *State of the States* presents the complete picture of the U.S. commercial casino industry. It serves as a valuable reference tool for the facts about American casino gaming.

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

## Statistics Notes

Because the American Gaming Association (AGA) represents the commercial casino industry, this survey strives to give the reader a detailed picture of that particular segment of the gaming industry. For the purposes of this survey, we have defined “commercial casinos” to include private sector (i.e., nongovernmental) land-based, riverboat and dockside casinos as well as racetrack casinos in Iowa and Louisiana.

Native American casinos are only noted under the “Casino Locations by Category” section and the pull-out map. The maps include Class III locations, which are compacted (state-negotiated), Las Vegas-style casinos, as well as Class II locations, which are noncompacted casinos offering bingo and/or electronic bingo devices.

Information on racetrack casino operations, which are hybrids of casinos, lotteries and pari-mutuel facilities, are documented separately in the “Spotlight on Racetrack Casinos” and “State-by-State Economic Impact: Racetrack Casinos” sections in order to provide a more complete picture of the overall economic contributions of this important industry sector. For Iowa and Louisiana, where gaming operations include both commercial casinos and racetrack casinos, statistics from both types of facilities are included in overall commercial casino figures for the state.

In the “State-by-State Economic Impact: Racetrack Casinos” section, there is a significant difference in the percentage of revenues retained by operators in states where gaming machines at pari-mutuel facilities are operated by the state lottery versus those states in which gaming licensees are the owners and operators of gaming

machines. In the case of the former, the gaming machines are called video lottery terminals (VLT’s) and the lottery commission takes in all revenues before making distributions to stakeholders, such as track owners, breeders and others. States that operate in this manner include Delaware, New York, Rhode Island and West Virginia. Three other states — Iowa, Louisiana and New Mexico — operate and tax their gaming machines at pari-mutuel facilities more similarly to traditional casino states. That is, regulations allow operators to earn gross revenues before requiring those operators to pay out taxes, supplements to purses at the tracks, etc. In the case of either regulatory environment, the data provided detailing the percentage of revenues retained by operators should in no way be interpreted as profit margin. These are revenues earned before paying other, non-gaming taxes, employee salaries as well as a host of other operating expenses.

State visitation figures reported in the “Economic Impact” section will not equal the total visitor figure reported in the “Casino Visitation” section because most riverboat states have controlled access and, therefore, count individual visits (each time a patron enters a casino), while land-based casinos either count total visitors (who may enter casinos multiple times during a single trip) or do not count visitors at all.

Unless otherwise noted, all statistics in this survey are for calendar year 2004.

## Polling Notes

Figures reported in the polling data may not add up to 100 percent because of rounding.

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# EXECUTIVE SUMMARY

## National Economic Impact of Casino Entertainment

In 2004, the U.S. commercial casino industry fully rebounded from the economic hardships of the early part of the decade, exhibiting the largest percentage growth in gross gaming revenue since 2000. The 445 commercial casinos in 11 states generated nearly \$29 billion in gross gaming revenue last year, a more than 7 percent increase over 2003 totals.

Overall, commercial casinos provided nearly 350,000 jobs with wages of more than \$12 billion last year. The industry also continued to be a major contributor to state and local economies, distributing more than \$4.7 billion in direct gaming taxes in 2004, an 9.6 percent increase over contributions the previous year.

Gross gaming revenues increased in every commercial casino state in 2004, with several individual states seeing major surges. Missouri (10.8 percent) and South Dakota (10.9 percent) saw double-digit increases, and gross gaming revenue in Nevada topped \$10 billion for the first time.

## Spotlight on Racetrack Casinos

2004 also witnessed the explosive growth of the racetrack casino sector of the commercial gaming industry, as racetrack casinos became operational in New York and other states saw continued increases in visitor volume. The 23 operational racetrack casinos in seven states generated nearly \$2.9 billion in gross gaming revenues, a 30 percent increase over 2003 figures. Racetrack casinos distributed

more than \$1.07 billion to state and local governments, and employed 14,225 people.

Racetrack casinos in Louisiana experienced the largest jump in gross gaming revenue in 2004 (66.4 percent), followed by West Virginia (23.1 percent) and Rhode Island (15.1 percent).

## Special Section: Community Leaders Weigh In

For the first time, *State of the States* contains a scientific survey of the views of our industry held by civic leaders and elected officials in gaming jurisdictions. The results indicate these opinion leaders, including mayors, county executives, police chiefs, city managers and other community leaders, have an overwhelmingly favorable view of the gaming industry and its impact on their communities.

According to the survey, which was conducted by Peter D. Hart Research Associates, more than half of all opinion leaders had a positive reaction to casinos when they were first proposed in the community, and a full 89 percent said the introduction of casinos has met or exceeded their expectations. They indicated casinos have been good corporate citizens while increasing the tax base and government revenues and expanding economic activity and jobs.

Nearly two-thirds of opinion leaders say casinos have done more to help than hurt other businesses in the community, and nearly 80 percent said casinos have had an overall positive impact on their community. Fully 75 percent said, if given the chance, they would vote again to allow casinos into their jurisdictions.

## Casino Visitation and Participation

The number of Americans visiting casinos increased in 2004. According to Harrah's Entertainment/TNS NFO 2004 polling data, more than one-quarter of the total U.S. population — 54.1 million individuals — visited a casino last year, making a total of 319 million trips. Results of a 2005 public opinion poll conducted by The Luntz Research Companies reveal that, among the different types of gambling, casino gaming continues to be second only to the lottery in popularity.

While the West continues to account for more casino visits than any other region, its share of total U.S. visitors dropped for the first time in three years (from 38 percent in 2003 to 35 percent in 2004). Each of the other three regions (Northeast, North Central and South) saw a slight increase in its share of total casino visits, likely due to expansion of the gaming industry across the country.

## Spotlight on Poker

The popularity of poker continued to rise in 2004, and poker revenues followed suit.

Polling for this survey indicates that nearly one in five American adults (18 percent) played poker in 2004, a 50 percent increase over the number who indicated playing during the previous year.

While younger adults continue to play poker more than any other age group — with more than one-quarter reporting they played in 2004 — every age group reported more players. Additionally, nearly one in five adults who played poker (19 percent) indicate they started playing in the last year or two,

a testament to the recent strength of the poker phenomenon.

Revenues from poker also increased in 2004. The 446 card rooms in five states generated more than \$1 billion in gross revenue in 2004, a nearly 20 percent increase over 2003 levels. Additionally, in Nevada and New Jersey, the only commercial casino states that track poker revenue, Americans spent \$151.7 million on organized poker in 2004, 45 percent more than in 2003.

## American Perceptions of Casino Entertainment

Polling for this survey reveals that overall acceptability of casino gambling remains high, with more than 80 percent indicating it is acceptable for themselves or others. Americans also continue to view casino gambling as a question of personal choice and say taking reasonable risks like gambling plays an important role in American life.

Americans also view casinos as more than just places to gamble. As restaurants and other non-gaming amenities generate a significant portion of overall casino revenue, Americans by a more than two-to-one margin said they enjoy casinos more for the food, shows and entertainment than for the gambling.

Survey results show more than half of Americans have watched television shows focused on Las Vegas or poker, and Americans cited Las Vegas as the most fun city in the country.

# NATIONAL ECONOMIC IMPACT OF CASINO ENTERTAINMENT

## CASINO LOCATIONS BY CATEGORY



- Commercial Casino**
- Racetrack Casino/Pari-mutuel Facility<sup>1,2,3</sup>**
- Tribal Casino<sup>4</sup>**
- Card Room<sup>5,6</sup>**
- Electronic Gaming Device<sup>7</sup>**

<sup>1</sup> In Rhode Island, there are video lottery terminals operating at a closed jai alai fronton, not considered a racetrack casino, but a pari-mutuel facility.

<sup>2</sup> Racetrack casinos in Florida, Maine, Oklahoma and Pennsylvania are legal but not operational. Pennsylvania also has legalized stand-alone slot facilities, but there are none operating.

<sup>3</sup> The states with racetrack casinos/pari-mutuel facilities operate or will operate Class III gaming machines. There are two racinos in Alabama — not indicated on this map — that have Class II machines only, which are legal only in the counties where they operate.

<sup>4</sup> Native American casinos noted here include both Class II and Class III facilities. States with Class II gaming only are Alabama, Alaska, Florida, Nebraska, Texas and Wyoming.

<sup>5</sup> The states with card rooms indicated here do not include states that have commercial casinos with poker facilities.

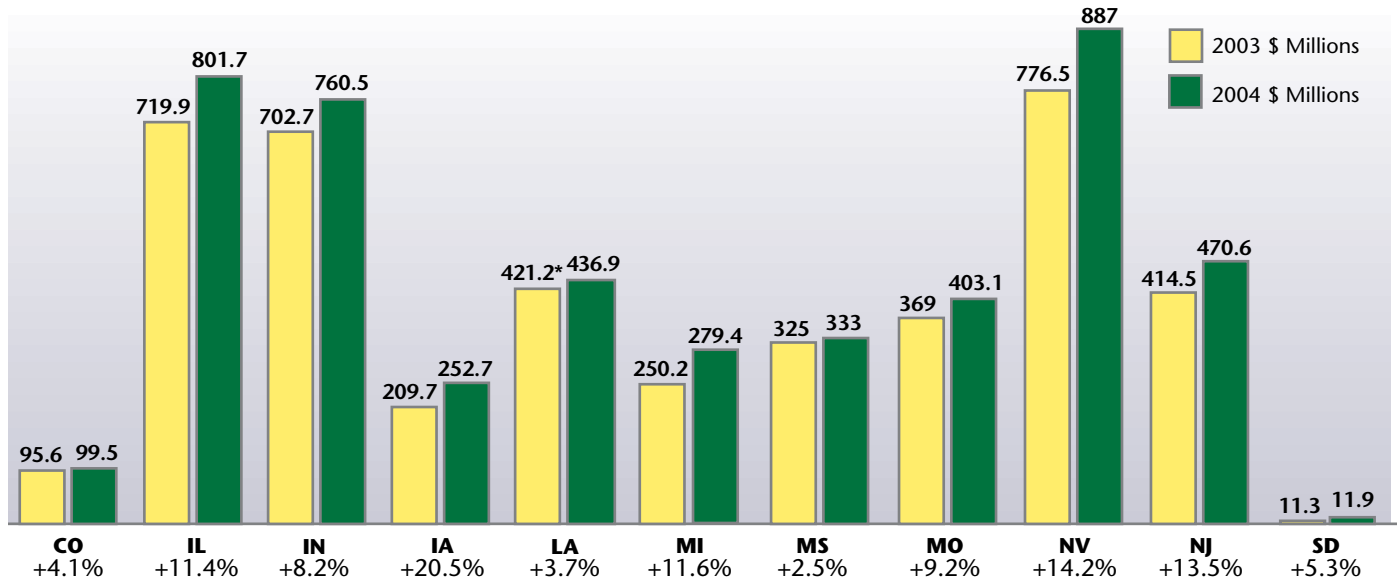
<sup>6</sup> The card rooms in Washington operate blackjack and other house-banked card games in addition to poker.

<sup>7</sup> The electronic gaming devices operating in the states indicated on this map are recognized as legal operations. There are some states with similar facilities, but the machines may not be authorized.

Sources: American Gaming Association, National Indian Gaming Commission, State Gaming Regulatory Agencies

In 2004, commercial casinos operated in 11 states and Native American casinos were located in 28 states. Racetrack casinos and pari-mutuel facilities operated in seven states, and four states have legalized racetrack casinos, but they are not yet operational.

## COMMERCIAL CASINO TAX REVENUE BY STATE, 2003 vs. 2004



Source: State Gaming Regulatory Agencies

\*The 2004 State of the States incorrectly included support contributions to purse supplements and breeders in its 2003 tax revenue figure. This year's report has been amended to correct the error.

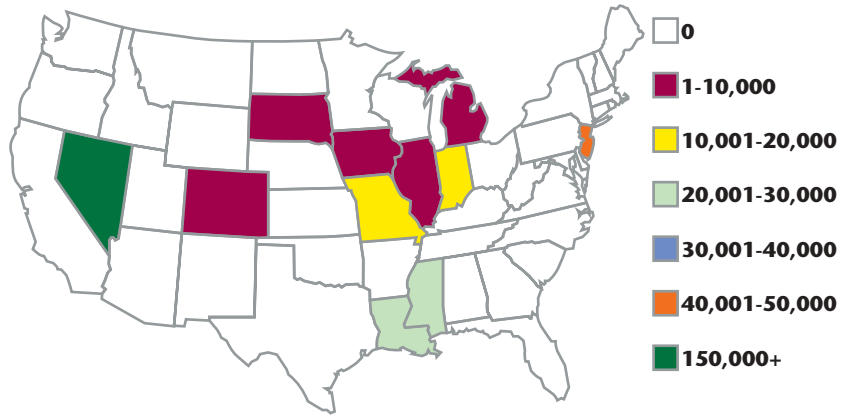
U.S. commercial casinos contributed \$4.74 billion in direct gaming taxes to state and local governments in 2004, a 9.6 percent increase over contributions in 2003. The most dramatic increase occurred in Iowa (+20.5 percent). Illinois, Michigan, Nevada and New Jersey also saw double-digit increases.

# NATIONAL ECONOMIC IMPACT OF CASINO ENTERTAINMENT

## EMPLOYMENT

### Commercial Casino Jobs by State, 2003 vs. 2004

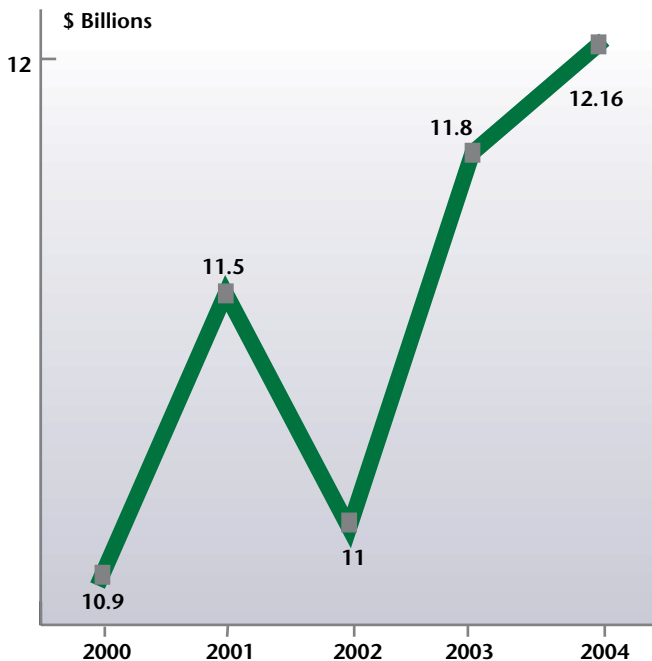
State	2003	2004	Change
Nevada	192,812	191,620	-0.6%
New Jersey	46,159	45,501	-1.4%
Mississippi	30,377	28,932	-4.8%
Louisiana	20,775	20,048	-3.5%
Indiana	16,555	17,377	+4.9%
Missouri	10,700	11,200	+4.7%
Illinois	9,101	8,628	-5.2%
Iowa	8,764	8,799	+0.03%
Michigan	8,087	7,572	-6.4%
Colorado	7,364	7,703	+4.6%
South Dakota	1,734 (2002)	1,830 (2003)	+5.5%
<b>Total</b>	<b>352,428</b>	<b>349,210</b>	<b>-0.91%</b>



Sources: State Gaming Regulatory Agencies, State Gaming Associations

Commercial casinos continued to be an important job source in their host communities, employing nearly 350,000 people in 2004. Employment numbers in Colorado, Indiana, Iowa, Missouri and South Dakota all experienced increases last year, while the level of overall casino industry employment was slightly down (0.91 percent).

### Commercial Casino Wages, 2000-2004



Commercial casino employees earned more than \$12 billion in wages (including benefits and tips) in 2004 — a slight increase (more than 3 percent) over 2003 levels.

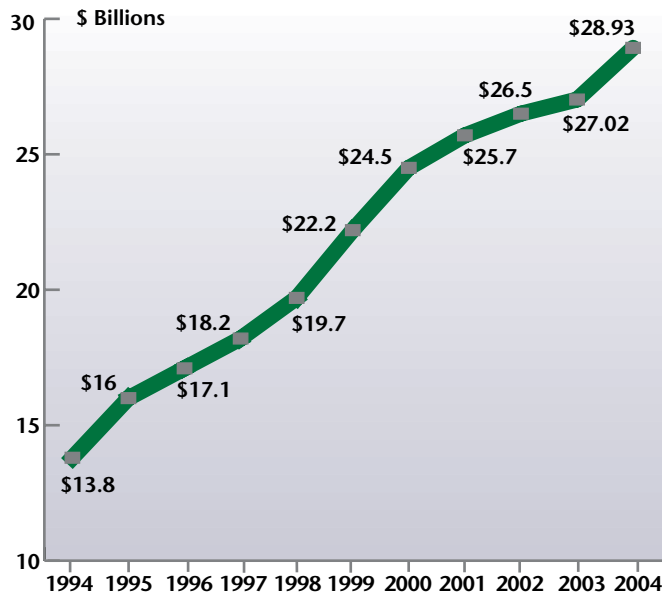
Sources: State Gaming Regulatory Agencies, Individual Commercial Casino Properties

# NATIONAL ECONOMIC IMPACT OF CASINO ENTERTAINMENT

## CONSUMER SPENDING

### U.S. Consumer Spending on Commercial Casino Gaming, 1994-2004

Total U.S. consumer spending at commercial casinos totaled \$28.93 billion in 2004, a 7.1 percent increase over 2003 totals. This represents the largest percentage jump since the 10.4 percent increase from 1999 to 2000. Consumer spending at commercial casinos has more than doubled during the past 10 years.



Sources: Christiansen Capital Advisors (1994-1999), State Gaming Regulatory Agencies (2000-2004)

### State-By-State Consumer Spending on Casino Gaming, 2003 vs. 2004

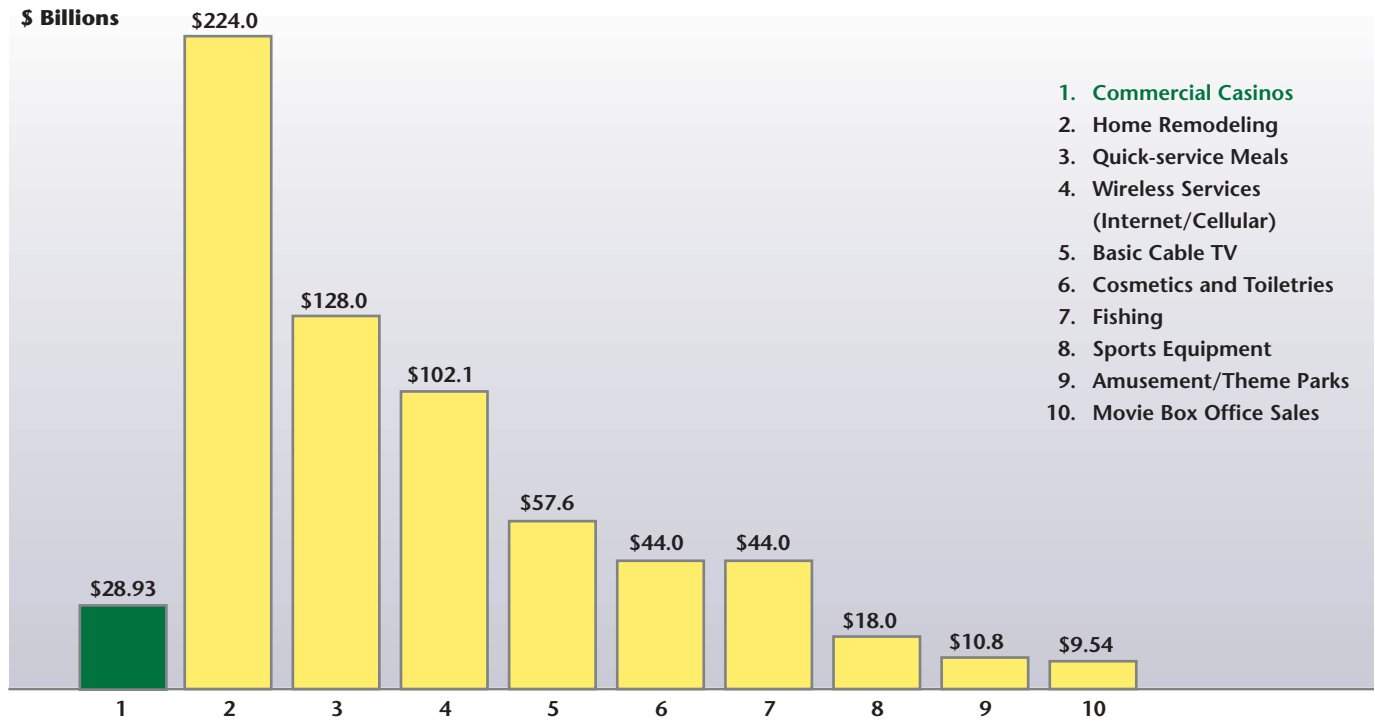
State	2003	2004	Change
Colorado	\$698.200 million	\$725.903 million	+4.0%
Illinois	1.709 billion	\$1.718 billion	+0.5%
Indiana	\$2.229 billion	\$2.369 billion	+6.3%
Iowa	\$1.024 billion	\$1.064 billion	+3.9%
Louisiana	\$2.017 billion	\$2.163 billion	+7.2%
Michigan	\$1.130 billion	\$1.189 billion	+5.2%
Mississippi	\$2.700 billion	\$2.780 billion	+3.0%
Missouri	\$1.330 billion	\$1.473 billion	+10.8%
Nevada	\$9.625 billion	\$10.562 billion	+9.7%
New Jersey	\$4.490 billion	\$4.807 billion	+7.1%
South Dakota	\$70.375 million	\$78.019 million	+10.9%

Sources: State Gaming Regulatory Agencies

Consumer spending on commercial casinos increased in every state in 2004. Missouri and South Dakota saw double-digit increases, and total consumer spending on commercial casinos in Nevada topped the \$10 billion mark for the first time.

# NATIONAL ECONOMIC IMPACT OF CASINO ENTERTAINMENT

## Commercial Casino Spending vs. Other Spending Choices



Sources: 1–American Gaming Association; 2–National Association of Remodeling Industries; 3–National Restaurant Association; 4–Cellular Telecommunications and Internet Association; 5–National Cable and Telecommunications Association; 6–Kline and Company Cosmetics and Toiletries; 7–American Sportfishing Association; 8–Sporting Good Manufacturers Association; 9–International Association of Amusement Parks and Attractions; 10–Motion Picture Association

Consumers in 2004 spent less at commercial casinos than they spent on fast food or cable television, but more than they spent on sporting goods or at the movie box office.

## Top 20 U.S. Casino Markets, 2004

LOCATION	REVENUE	LOCATION	REVENUE
1 Las Vegas Strip, Nev.	\$5.333 billion	11 Shreveport, La.	\$835.51 million
2 Atlantic City, N.J.	\$4.806 billion	12 Boulder Strip, Nev.	\$791.69 million
3 Chicagoland, Ind./Ill.	\$2.346 billion	13 Kansas City, Mo.	\$701.39 million
4 Connecticut	\$1.646 billion	14 Downtown Las Vegas, Nev.	\$663.28 million
5 Tunica/Lula, Miss.	\$1.199 billion	15 New Orleans, La.	\$608.80 million
6 Detroit, Mich.	\$1.189 billion	16 Laughlin, Nev.	\$595.32 million
7 Biloxi/Gulfport, Miss.	\$911.45 million	17 Black Hawk, Co.	\$524.04 million
8 Reno/Sparks, Nev.	\$903.54 million	18 Lake Charles, La.	\$462.07 million
9 Lawrenceburg/Rising Sun/Elizabeth/Vevay, Ind.	\$885.90 million	19 Council Bluffs, Iowa	\$418.18 million
10 St. Louis, Mo./Ill.	\$848.41 million	20 Charles Town, W.Va.	\$360.24 million

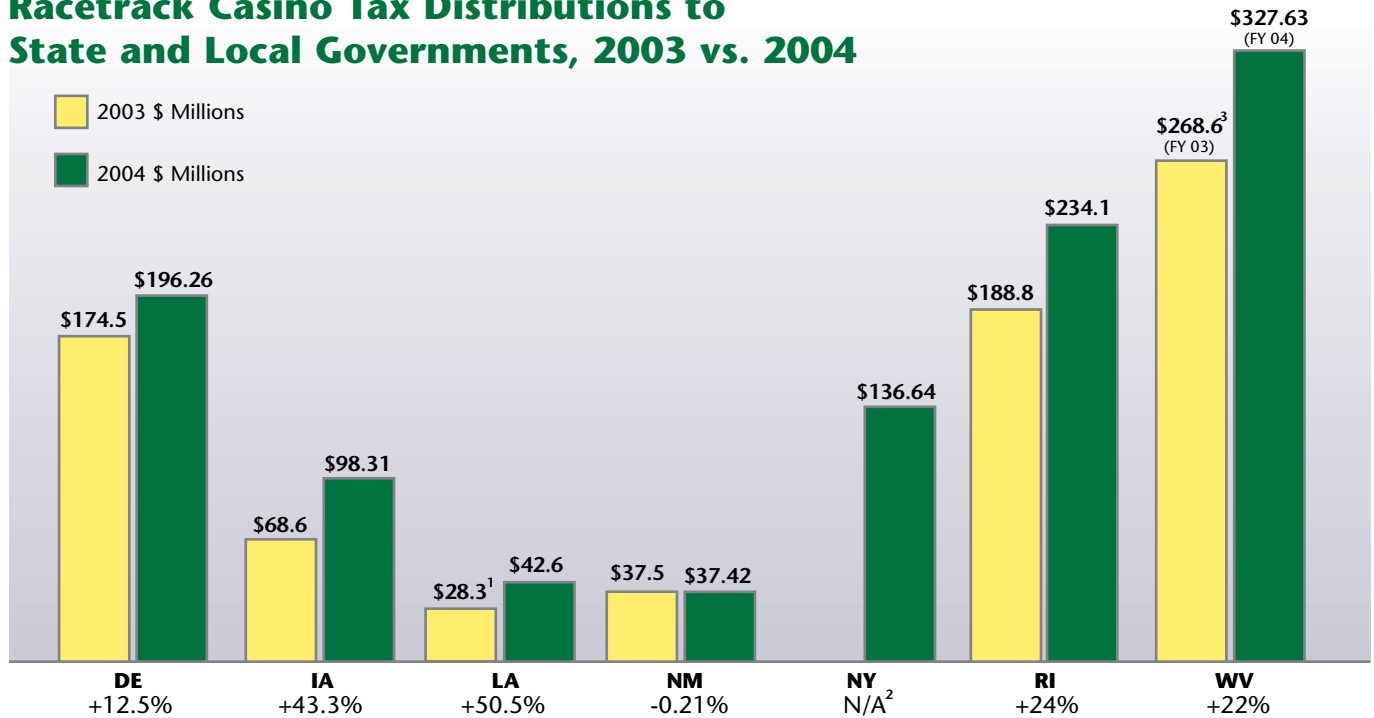
Source: The Innovation Group

In 2004, six U.S. casino markets (including one location with Native American casinos) had total gross gaming revenues exceeding \$1 billion. All six markets were located in different regions of the country.

# NATIONAL ECONOMIC IMPACT OF CASINO ENTERTAINMENT

## SPOTLIGHT ON RACETRACK CASINOS

### Racetrack Casino Tax Distributions to State and Local Governments, 2003 vs. 2004



Source: State Gaming Regulatory Agencies

<sup>1</sup>The 2004 *State of the States* incorrectly included support contributions to purse supplements and breeders in its 2003 tax revenue figure. This year's report has been amended to correct the error.

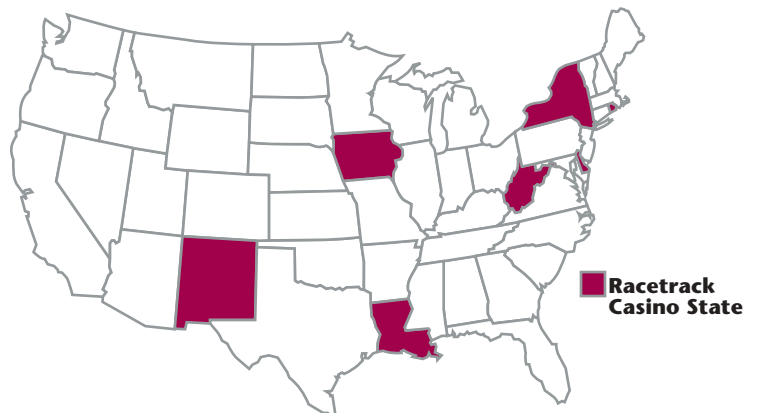
<sup>2</sup>There are no 2003 statistics for New York because racetrack casinos in the state only became operational in 2004.

<sup>3</sup>West Virginia now reports tax distribution information on a fiscal year basis. The 2003 calendar year figure presented in the 2004 *State of the States* survey has been replaced here for comparative purposes.

Racetrack casinos alone contributed \$1.07 billion to state and local governments where they operated in 2004, a more than 40 percent jump from 2003 figures. With the exception of New Mexico, every state saw double-digit growth in contributions. Louisiana experienced the most significant increase (+50.5 percent) because 2004 was the first full year of operations for a pair of properties in the state. Iowa was not far behind, with a 43.3 percent increase.

### Racetrack Casino Jobs by State, 2003 vs. 2004

State	2003	2004	Change
Delaware	2,585	2,370	-8.3%
Iowa	2,187	2,207	+0.9%
Louisiana	2,113	1,856	-12.2%
New Mexico	541	518	-4.3%
New York	—*	1,813	N/A
Rhode Island	825	1,057	+28.1%
West Virginia	4,626	4,404	-4.8%
<b>Total</b>	<b>11,078</b>	<b>14,225</b>	<b>+28.4%</b>



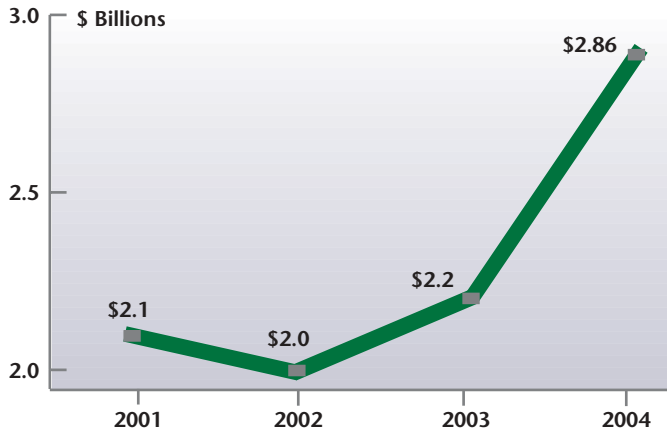
Sources: State Gaming Regulatory Agencies, Racetrack Operators

\*There are no 2003 statistics for New York because racetrack casinos in the state only became operational in 2004.

Overall, the number of jobs at racetrack casinos increased by more than 28 percent in 2004 compared to figures from the past year. This surge was due in large part to the openings of four racetrack casinos in New York last year.

# NATIONAL ECONOMIC IMPACT OF CASINO ENTERTAINMENT

## Consumer Spending on Racetrack Casinos, 2001-2004



Source: State Gaming Regulatory Agencies

Consumer spending at racetrack casinos rose significantly — 30 percent — from 2003 to 2004. This dramatic increase can be attributed to racetrack casinos in New York becoming operational in 2004, the opening of new facilities in various states and an overall increase in visitation across the country.

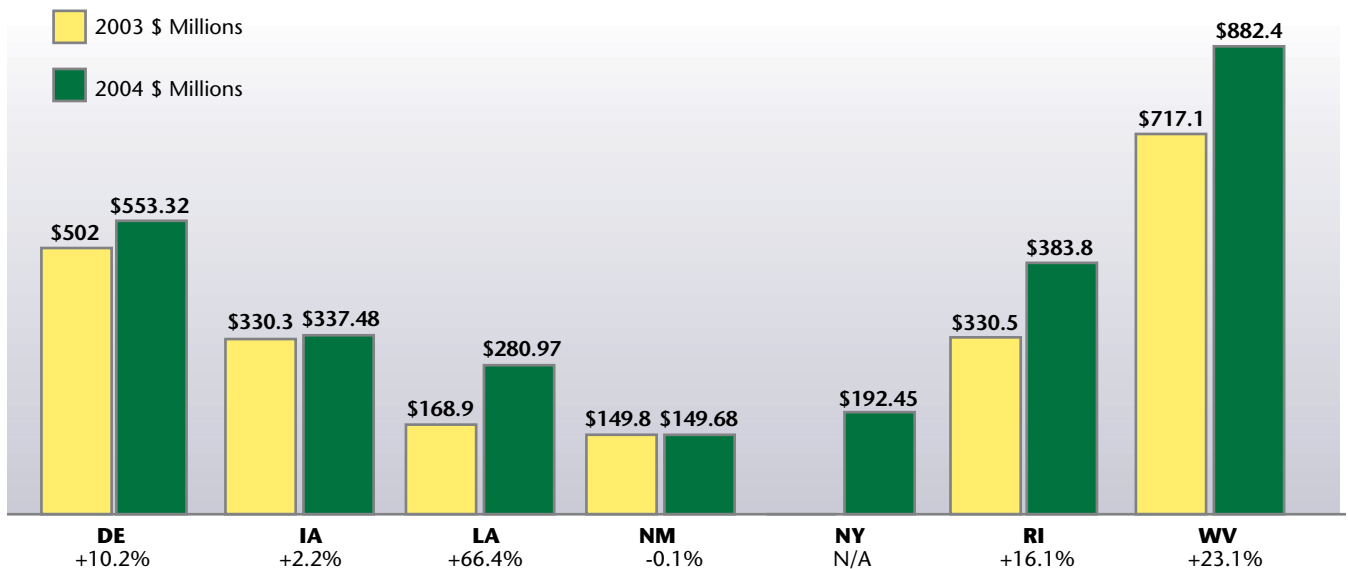
## Top 10 U.S. Racetrack Casino Markets, 2004\*

Location	Revenue
1 Charles Town, W.Va.	\$360.24 million
2 Providence, R.I.	\$304.77 million
3 Dover/Harrington, Del.	\$297.70 million
4 Delaware Park/Wilmington, Del.	\$261.60 million
5 Chester, W.Va.	\$255.73 million
6 Wheeling, W.Va.	\$192.12 million
7 Des Moines, Iowa	\$161.47 million
8 Council Bluffs, Iowa	\$133.94 million
9 Lake Charles/Vinton, La.	\$128.39 million
10 Shreveport, La.	\$84.24 million

Source: The Innovation Group

\*New Mexico does not report revenue by individual facility.

## State-By-State Consumer Spending on Racetrack Casinos, 2003 vs. 2004



Source: State Gaming Regulatory Agencies

Consumer spending on racetrack casinos increased in almost every state in 2004 — dramatically in some cases. Louisiana experienced the highest jump in consumer spending — more than 66 percent — primarily due to the late 2003 opening of a new property in the state. West Virginia and Rhode Island also witnessed dramatic growth, due to increases in visitor volume and an increase in the number of electronic gaming devices at locations in those states. 2004 also saw the advent of racetrack casinos in New York.

# STATE-BY-STATE ECONOMIC IMPACT: COMMERCIAL CASINOS

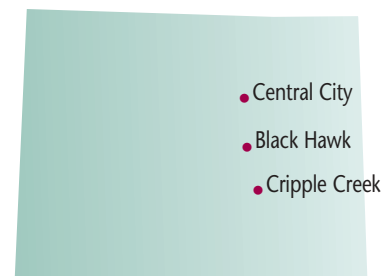
The commercial casino industry in 2004 — which included 445 casinos nationwide — continued to contribute to state and local economies, generating nearly \$29 billion in gross gaming revenue, of which \$4.74 billion was paid in direct gaming taxes. The 349,210 direct industry employees earned \$12.16 billion in salaries, including benefits and tips.

Gross gaming revenues exhibited healthy growth in every commercial casino state, spurred by increased visitation that in many cases could be directly linked to facility renovations and a variety of other factors. Illinois, where a significant tax increase occurred in 2003, continued to suffer from that decision, with a second year of job loss and minimal revenue growth.

## COLORADO

<b>Current # of Operating Casinos</b>	46
<b>Gaming Format</b>	Land-based (limited stakes)
<b>Casino Employees</b>	7,703
<b>Casino Employee Wages</b>	\$210.4 million (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$725.90 million
<b>Gaming Tax Revenue</b>	\$99.55 million
<b>How Taxes Spent</b>	Local communities, historic preservation, general fund
<b>Legalization Date</b>	November 1990
<b>First Casino Opening Date</b>	October 1991
<b>State Gaming Tax Rate</b>	Graduated tax rate with a maximum tax of 20% on gaming revenue
<b>Mode of Legalization</b>	Statewide vote, legislative action
<b>Admissions</b>	Data not available

Sources: Colorado Gaming Association, Colorado Gaming Control Board



# STATE-BY-STATE ECONOMIC IMPACT: COMMERCIAL CASINOS

CONTINUED

## ILLINOIS

<b>Current # of Operating Casinos</b>	9
<b>Gaming Format</b>	Riverboat, dockside
<b>Casino Employees</b>	8,628
<b>Casino Employee Wages</b>	\$360.1 million (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$1.718 billion
<b>Gaming Tax Revenue</b>	\$801.72 million
<b>How Taxes Spent</b>	Education assistance, local government
<b>Legalization Date</b>	February 1990
<b>First Casino Opening Date</b>	September 1991
<b>State Gaming Tax Rate</b>	Graduated tax rate from 15% to 70% of gross gaming revenue, \$3-5 per patron admissions tax
<b>Mode of Legalization</b>	Legislative action
<b>Admissions</b>	15.33 million

Sources: Illinois Casino Gaming Association, Illinois Gaming Board



## INDIANA

<b>Current # of Operating Casinos</b>	10
<b>Gaming Format</b>	Riverboat, dockside
<b>Casino Employees</b>	17,377
<b>Casino Employee Wages</b>	\$589.5 million (2003) (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$2.369 billion
<b>Gaming Tax Revenue</b>	\$760.52 million
<b>How Taxes Spent</b>	Economic development, local government
<b>Legalization Date</b>	November 1993
<b>First Casino Opening Date</b>	December 1995
<b>State Gaming Tax Rate</b>	Graduated tax rate from 15% to 35% of gross gaming revenue, \$3 per patron admissions tax
<b>Mode of Legalization</b>	Local option vote, legislative action
<b>Admissions</b>	26.73 million

Sources: Casino Association of Indiana, Indiana Gaming Commission



# STATE-BY-STATE ECONOMIC IMPACT: COMMERCIAL CASINOS

CONTINUED

## IOWA

<b>Current # of Operating Casinos</b>	13 (10 riverboats, 3 racetrack casinos)
<b>Gaming Format</b>	Riverboat, dockside, racetrack casino
<b>Casino Employees</b>	8,799
<b>Casino Employee Wages</b>	\$272.3 million (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$1.064 billion
<b>Gaming Tax Revenue</b>	\$252.67 million
<b>How Taxes Spent</b>	Infrastructure improvements, local government, general fund, schools and universities, the environment
<b>Legalization Date</b>	July 1989
<b>First Casino Opening Date</b>	September 1991
<b>State Gaming Tax Rate</b>	Graduated tax rate with a maximum tax of up to 22% on gross gaming revenue at riverboats and up to 24% at racetracks with slots and table games
<b>Mode of Legalization</b>	Local option vote, legislative action
<b>Admissions</b>	19.54 million

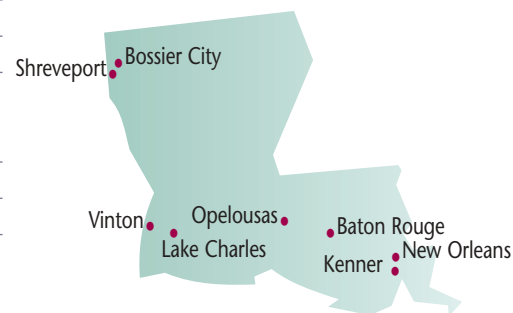
Sources: Iowa Gaming Association, Iowa Racing and Gaming Commission



## LOUISIANA

<b>Current # of Operating Casinos</b>	18 (14 riverboats, 1 land-based, 3 racetrack casinos)
<b>Gaming Format</b>	Riverboat, land-based, racetrack casino
<b>Casino Employees</b>	20,048
<b>Casino Employee Wages</b>	\$486.03 million
<b>Gross Casino Gaming Revenue</b>	\$2.163 billion
<b>Gaming Tax Revenue</b>	\$436.9 million
<b>How Taxes Spent</b>	General fund, city of New Orleans, public retirement systems, state capitol improvements, rainy day fund
<b>Legalization Date</b>	July 1991
<b>First Casino Opening Date</b>	October 1993
<b>State Gaming Tax Rate</b>	Riverboat casinos: 21.5% <sup>1,2</sup> Land-based casino: \$60 million annual tax or 21.5% of gross gaming revenue, whichever is greater Racetrack casinos: 18.5% tax on gross gaming revenue, 18% of net revenue paid to horsemen, 4% of the above net revenue then paid to local parish
<b>Mode of Legalization</b>	Local option vote, legislative action
<b>Admissions</b>	40.89 million

Sources: Casino Association of Louisiana, Louisiana Gaming Control Board



<sup>1</sup>Riverboat casinos pay an additional 4% to 6% to local governing authorities under the terms of "local boarding fee" agreements.

<sup>2</sup>Bally's New Orleans pays 18.5% to 21.5% in gross gaming revenue, depending on monthly revenues.

# STATE-BY-STATE ECONOMIC IMPACT: COMMERCIAL CASINOS

CONTINUED

## MICHIGAN

<b>Current # of Operating Casinos</b>	3
<b>Gaming Format</b>	Land-based
<b>Casino Employees</b>	7,572
<b>Casino Employee Wages</b>	\$366.2 million (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$1.189 billion
<b>Gaming Tax Revenue</b>	\$279.399 million
<b>How Taxes Spent</b>	Public safety, capital improvements, youth programs, tax relief, neighborhood development and improvement, infrastructure repair and improvement
<b>Legalization Date</b>	December 1996
<b>First Casino Opening Date</b>	July 1999
<b>State Gaming Tax Rate</b>	24% tax on gross gaming revenue (11.9% to city of Detroit, 12.1% to state of Michigan); effective tax rate of 23.02% (including taxes and fees)
<b>Mode of Legalization</b>	Local advisory vote, statewide voter referendum, legislative action
<b>Admissions</b>	Data not available

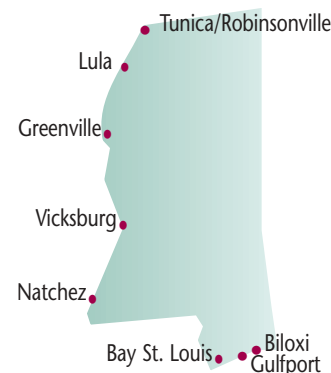
Source: Michigan Gaming Control Board



## MISSISSIPPI

<b>Current # of Operating Casinos</b>	29
<b>Gaming Format</b>	Dockside
<b>Casino Employees</b>	28,932
<b>Casino Employee Wages</b>	\$1.009 billion (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$2.781 billion
<b>Gaming Tax Revenue</b>	\$333.01 million
<b>How Taxes Spent</b>	Housing, education, transportation, health care services, youth counseling programs
<b>Legalization Date</b>	1990
<b>First Casino Opening Date</b>	August 1992
<b>State Gaming Tax Rate</b>	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
<b>Mode of Legalization</b>	Local option vote, legislative action
<b>Admissions</b>	55.26 million

Source: Mississippi Gaming Commission



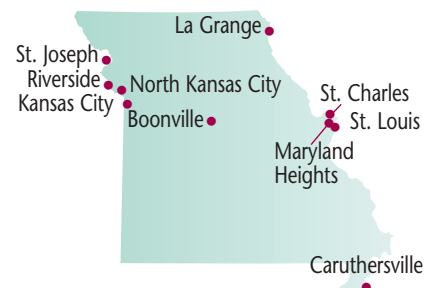
# STATE-BY-STATE ECONOMIC IMPACT: COMMERCIAL CASINOS

CONTINUED

## MISSOURI

<b>Current # of Operating Casinos</b>	11
<b>Gaming Format</b>	Riverboat (continuous boarding)
<b>Casino Employees</b>	11,200
<b>Casino Employee Wages</b>	\$284 million (includes benefits and tips)
<b>Gross Casino Gaming Revenue</b>	\$1.473 billion
<b>Gaming Tax Revenue</b>	\$403.13 million
<b>How Taxes Spent</b>	Education, local public safety programs, disordered gambling treatment, veterans' programs, early childhood programs
<b>Legalization Date</b>	August 1993
<b>First Casino Opening Date</b>	May 1994
<b>State Gaming Tax Rate</b>	20% tax on gross gaming revenue, \$2 per patron admission fee, per excursion, split between home dock community and the state
<b>Mode of Legalization</b>	Approved via statewide vote, local option vote and legislative action
<b>Admissions</b>	54.2 million

Sources: Missouri Riverboat Gaming Association, Missouri Gaming Commission

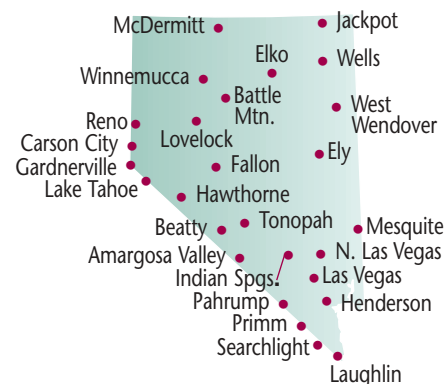


## NEVADA

<b>Current # of Operating Casinos</b>	258*
<b>Gaming Format</b>	Land-based
<b>Casino Employees</b>	191,620*
<b>Casino Employee Wages</b>	\$7.287 billion* (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$10.562 billion
<b>Gaming Tax Revenue</b>	\$886.99 million (includes fees)
<b>How Taxes Spent</b>	Education, local governments, general fund
<b>Legalization Date</b>	1931
<b>State Gaming Tax Rate</b>	Graduated tax rate with a maximum tax of 6.75% on gross gaming revenue; additional fees and levies may be imposed by counties, municipalities and the state adding approximately 1% to the tax burden
<b>Mode of Legalization</b>	Legislative action
<b>Visitor Volume</b>	50.5 million

Sources: Nevada Gaming Control Board, Nevada Commission on Tourism

\*Statistics include only locations with gross casino gaming revenue of at least \$1 million.



# STATE-BY-STATE ECONOMIC IMPACT: COMMERCIAL CASINOS

CONTINUED

## NEW JERSEY

<b>Current # of Operating Casinos</b>	12
<b>Gaming Format</b>	Land-based
<b>Casino Employees</b>	45,501
<b>Casino Employee Wages</b>	\$1.259 billion (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$4.807 billion
<b>Gaming Tax Revenue</b>	\$470.67 million
<b>How Taxes Spent</b>	Senior citizens, disabled, economic revitalization programs
<b>Legalization Date</b>	1976
<b>First Casino Opening Date</b>	1978
<b>State Gaming Tax Rate</b>	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); 4.25% tax on casino complimentary
<b>Mode of Legalization</b>	Statewide vote, legislative action
<b>Visitor Volume</b>	33.23 million

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



## SOUTH DAKOTA

<b>Current # of Operating Casinos</b>	36
<b>Gaming Format</b>	Land-based (limited-stakes; \$100 maximum bet)
<b>Casino Employees</b>	1,830 (2003)
<b>Casino Employee Wages</b>	\$36.4 million (includes tips and benefits)
<b>Gross Casino Gaming Revenue</b>	\$78.02 million
<b>Gaming Tax Revenue</b>	\$6.06 million (\$11.93 million including \$5.87 million generated through gaming device tax)
<b>How Taxes Spent</b>	40% Department of Tourism, 10% Lawrence County, 50% commission fund
<b>Legalization Date</b>	1989
<b>First Casino Opening Date</b>	November 1989
<b>State Gaming Tax Rate</b>	8% tax on gross gaming revenue, gaming device tax of \$2,000 per machine per year
<b>Mode of Legalization</b>	Statewide vote, local option vote, legislative action
<b>Visitor Volume</b>	Data not available

Source: South Dakota Gaming Commission



# STATE-BY-STATE ECONOMIC IMPACT: RACETRACK CASINOS

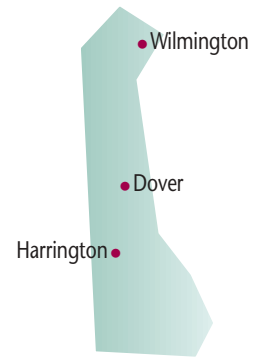
Racetrack casinos, an increasingly vital segment of the U.S. commercial casino industry, exhibited significant revenue growth and contributions to state and local economies in 2004. The racetrack casino sector, consisting of 23 racetrack casinos in seven states, grew 30 percent during the past year. Racetrack casinos generated nearly \$2.9 billion in gross gaming revenue, of which \$1.07 billion was paid in direct gaming taxes, and employed 14,225 people — an increase of more than 28 percent over 2003 totals.

2004 marked the advent of racetrack casino gaming in New York, as well as the first full year of operation for two of the three racetrack casinos in Louisiana, greatly contributing to revenue growth in in those states. Other states exhibiting substantial revenue increases credited a boom in visitation and, in some cases, increases in the number of slot machines available at the facilities. Increases in distributions to state and local governments were the result of increased revenues, as well as recalibrated tax structures in some states, most notably Iowa and Rhode Island.

## DELAWARE

<b>Current # of Operating Racinos</b>	3
<b>Public/Private Arrangement</b>	Publicly run video lottery terminals with distributions to operators
<b>Racino Employees</b>	2,370
<b>Gross Racino Gaming Revenue</b>	\$553.32 million
<b>Distributions to State/Local Government</b>	\$196.26 million
<b>Percentage of Revenue Retained by Operator</b>	47.8%
<b>How Taxes Spent</b>	General fund
<b>Legalization Date</b>	1994
<b>First Racino Opening Date</b>	1995
<b>Mode of Legalization</b>	Legislative action

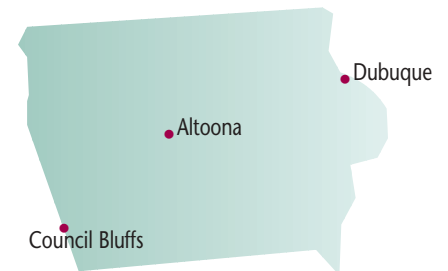
Source: Delaware Lottery



## IOWA

<b>Current # of Operating Racinos</b>	3
<b>Public/Private Arrangement</b>	Privately operated facilities with slot machines
<b>Racino Employees</b>	2,207
<b>Gross Racino Gaming Revenue</b>	\$337.48 million
<b>Distributions to State/Local Government</b>	\$98.31 million
<b>Percentage of Revenue Retained by Operator</b>	70.9%
<b>How Taxes Spent</b>	Infrastructure improvements, local government, general fund, schools and universities, the environment
<b>Legalization Date</b>	1994
<b>First Racino Opening Date</b>	1995
<b>Mode of Legalization</b>	Local option vote, legislative action

Source: Iowa Racing and Gaming Commission

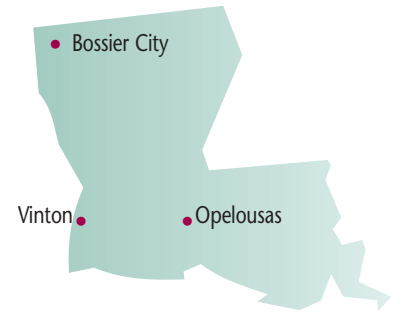


# STATE-BY-STATE ECONOMIC IMPACT: RACETRACK CASINOS CONTINUED

## LOUISIANA

<b>Current # of Operating Racinos</b>	3
<b>Public/Private Arrangement</b>	Privately operated facilities with slot machines
<b>Racino Employees</b>	1,856
<b>Gross Racino Gaming Revenue</b>	\$280.97 million
<b>Distributions to State/Local Government</b>	\$42.6 million
<b>Percentage of Revenue Retained by Operator</b>	59.5%
<b>How Taxes Spent</b>	General fund, purses and local parishes
<b>Legalization Date</b>	1994
<b>First Racino Opening Date</b>	1994
<b>Mode of Legalization</b>	Local option vote, legislative action

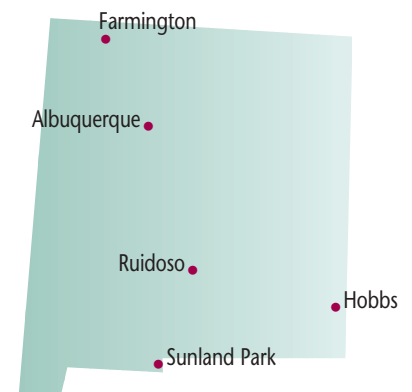
Source: Louisiana Gaming Control Board



## NEW MEXICO

<b>Current # of Operating Racinos</b>	5
<b>Public/Private Arrangement</b>	Privately operated facilities with slot machines
<b>Racino Employees</b>	518
<b>Gross Racino Gaming Revenue</b>	\$149.68 million
<b>Distributions to State/Local Government</b>	\$37.42 million
<b>Percentage of Revenue Retained by Operator</b>	54.7%
<b>How Taxes Spent</b>	General fund, problem gambling treatment
<b>Legalization Date</b>	1997
<b>First Racino Opening Date</b>	1999
<b>Mode of Legalization</b>	Legislative action

Source: New Mexico Gaming Control Board



## NEW YORK

<b>Current # of Operating Racinos</b>	4
<b>Public/Private Arrangement</b>	Publicly run video lottery terminals with distributions to operators
<b>Racino Employees</b>	1,813
<b>Gross Racino Gaming Revenue</b>	\$192.45 million
<b>Distributions to State/Local Government</b>	\$136.64 million
<b>Percentage of Revenue Retained by Operator</b>	20.2%
<b>How Taxes Spent</b>	Public education
<b>Legalization Date</b>	2001
<b>First Racino Opening Date</b>	2004
<b>Mode of Legalization</b>	Legislative action

Source: New York Racing and Wagering Board

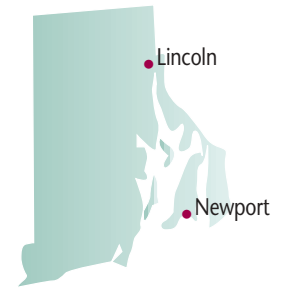


# STATE-BY-STATE ECONOMIC IMPACT: RACETRACK CASINOS CONTINUED

## RHODE ISLAND

<b>Current # of Operating Racinos</b>	2
<b>Public/Private Arrangement</b>	Publicly run video lottery terminals with distributions to operators
<b>Racino Employees</b>	1,057
<b>Gross Racino Gaming Revenue</b>	\$383.8 million
<b>Distributions to State/Local Government</b>	\$234.1 million
<b>Percentage of Revenue Retained by Operator</b>	26-28.9%
<b>How Taxes Spent</b>	General fund
<b>Legalization Date</b>	1992
<b>First Racino Opening Date</b>	1992
<b>Mode of Legalization</b>	Legislative action

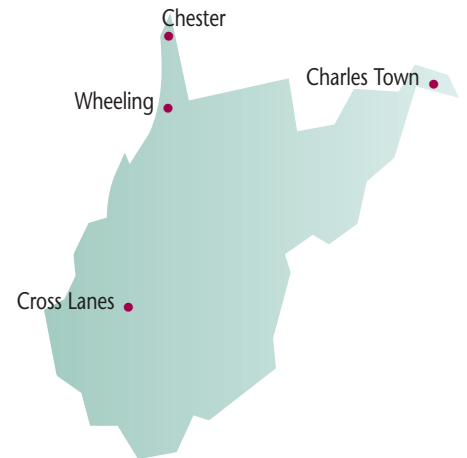
Source: Rhode Island Lottery



## WEST VIRGINIA

<b>Current # of Operating Racinos</b>	4
<b>Public/Private Arrangement</b>	Publicly run video lottery terminals with distributions to operators
<b>Racino Employees</b>	4,404
<b>Gross Racino Gaming Revenue</b>	\$882.4 million
<b>Distributions to State/Local Government</b>	\$327.63 million (FY04)
<b>Percentage of Revenue Retained by Operator</b>	40.9%
<b>How Taxes Spent</b>	Education, senior citizens and tourism
<b>Legalization Date</b>	1994
<b>First Racino Opening Date</b>	1994
<b>Mode of Legalization</b>	Local option vote, legislative action

Source: West Virginia Lottery



# COMMUNITY LEADERS WEIGH IN

Elected officials and civic leaders in gaming jurisdictions have an overwhelmingly favorable view of casinos and their impact on their communities, according to results of a new survey of opinion leaders.

The survey, conducted by Peter D. Hart Research Associates, Inc., polled 201 elected officials and civic leaders in communities with commercial casinos and racetrack casinos, excluding Nevada and New Jersey\*. Elected officials included mayors, county executives, city and county council members, and state legislators. Civic leaders included economic development officials, city and county managers, city and county attorneys, police chiefs, fire chiefs, school superintendents, Chamber of Commerce leaders and others.

The results indicate casinos have exceeded the expectations of community leaders in the locations where they operate and significantly contribute to economic development in those areas. According to the survey, more than half (58 percent) of all opinion leaders had a positive reaction to casinos when they were first proposed for their community. A full 89 percent said the introduction

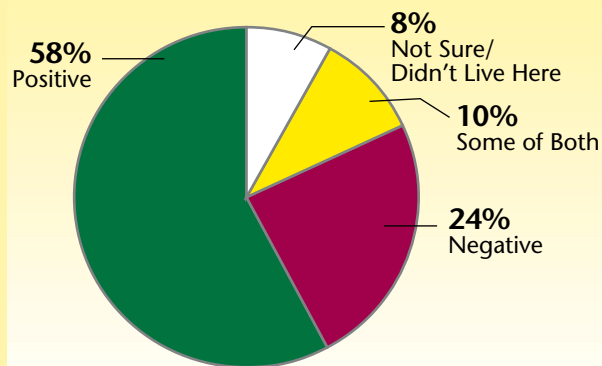
of casinos has met or exceeded their expectations.

And, while gaming opponents often claim casinos fail to generate new tax revenue because they simply siphon off money that people would have spent on other goods and services, the opinion leaders surveyed soundly rejected this so-called "substitution theory." More than two-thirds (67 percent) said casinos have generated a net increase in tax revenue in the area, and nearly three-quarters (73 percent) said casino tax revenues or development agreements have allowed their community to undertake projects that otherwise would not have been possible. Nearly two-thirds (63 percent) said casinos have done more to help other businesses in the community than hurt.

Fully 82 percent of survey respondents hailed casinos as responsible corporate citizens, and more than three-quarters (79 percent) said casinos have made an overall positive impact in their communities. Finally, in perhaps the most significant show of support in the survey, fully three-quarters (75 percent) of opinion leaders indicated they would vote again to allow casinos into their communities if given the chance.

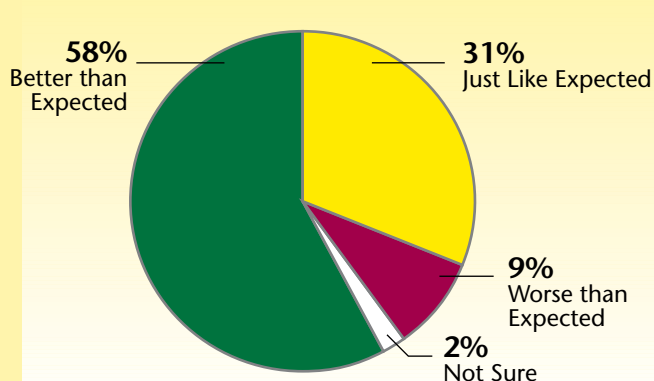
## EXCEEDING EXPECTATIONS

**Thinking back to when casinos were first proposed in your community, was your initial reaction positive or negative?**



Source: Peter D. Hart Research Associates, Inc.

**Taking everything into account, how has the introduction of casinos lived up to your expectations?**



Source: Peter D. Hart Research Associates, Inc.

\* The sample did not include opinion leaders from Nevada and New Jersey, because the size of the gaming industry and those states' heavy dependence on gaming revenue make them anomalous compared to the vast majority of communities with commercial casinos.

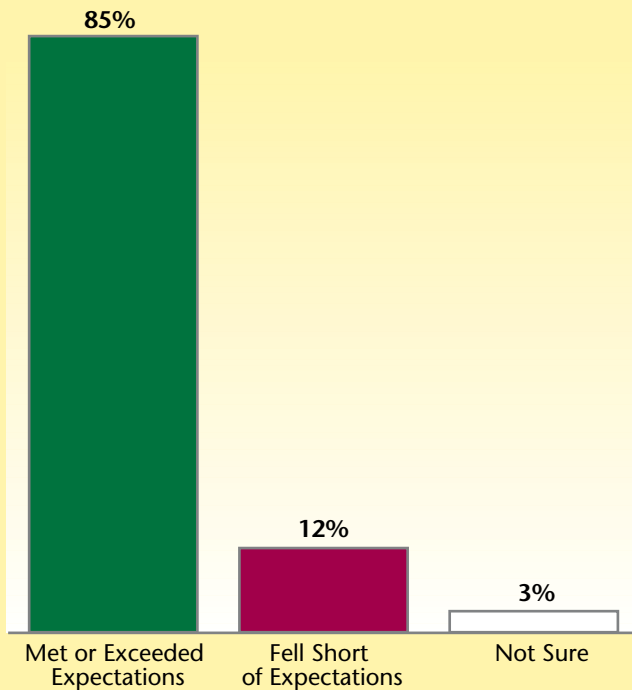
*"[Casinos] raised the quality of life and created a new image for South Mississippi. We now have low unemployment, and wages are up. They give back to the community."* Southern board of supervisors member

**ECONOMIC BENEFITS**

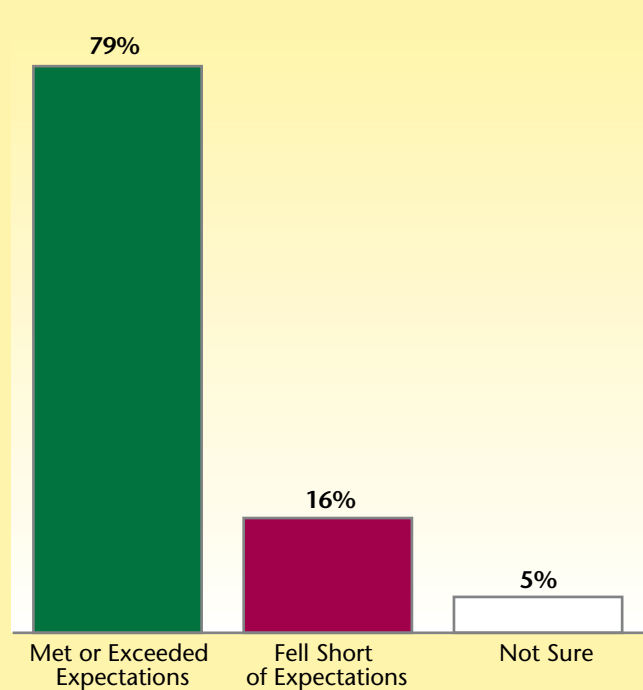
**For each item, tell me whether you think the actual benefits brought by casinos exceeded your expectations, lived up to your expectations, or fell short of your expectations?**

Increasing the tax base and government revenue:

Expanding economic activity and jobs:



Source: Peter D. Hart Research Associates, Inc.



Source: Peter D. Hart Research Associates, Inc.

*"I think [casinos] have worked well. They brought in new tax revenue, and the result has helped us rebuild the rundown part of the city."*

Southern city council member

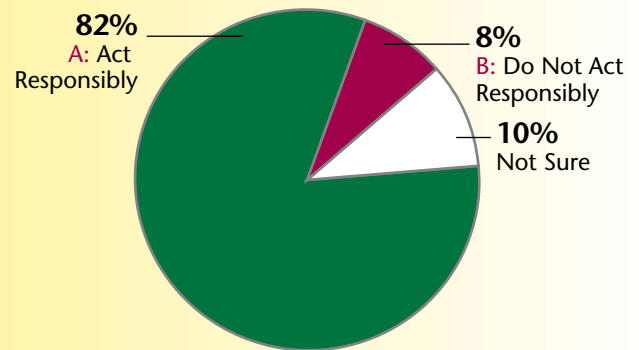
*“The good things [about casinos] are jobs, revenue and things like new police equipment and computer software... Homicides have been reduced 17.6 percent, the lowest rate since 1980.”* Midwestern chief of police

## POSITIVE COMMUNITY IMPACT

**Which one of the following statements better describes your overall attitude toward the gaming industry in the community?**

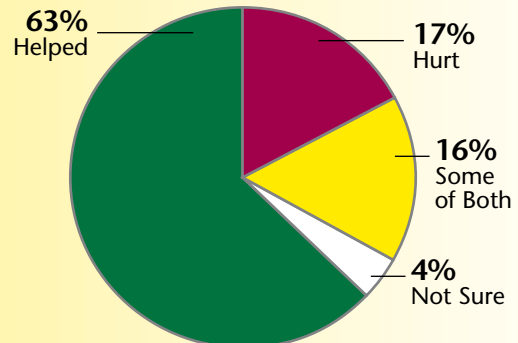
**Statement A:** Casinos act responsibly, are good corporate citizens and look out for the interests of their customers, OR

**Statement B:** Casinos do not act responsibly, are not good corporate citizens, and take advantage of their customers.



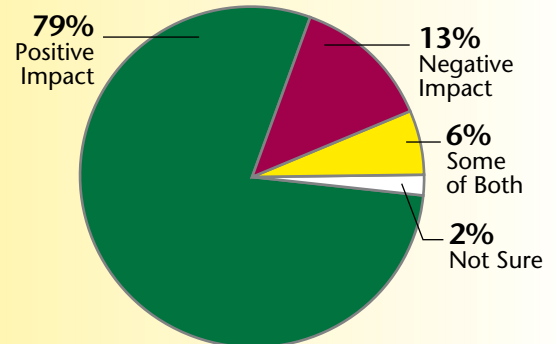
Source: Peter D. Hart Research Associates, Inc.

**Thinking about your experience, on balance, would you say that casinos have done more to HELP or HURT the other businesses in your community?**



Source: Peter D. Hart Research Associates, Inc.

**Taking everything into consideration, would you say that the impact of casinos on your community has been positive or negative?**



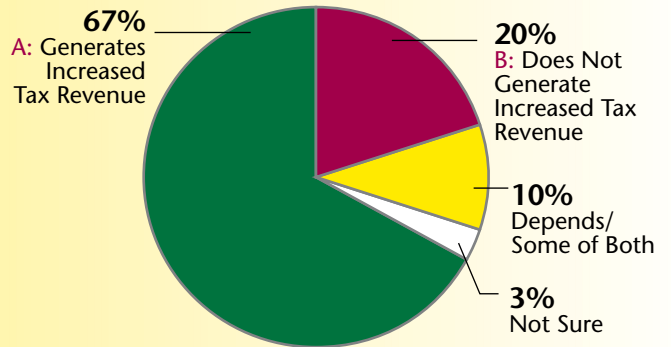
Source: Peter D. Hart Research Associates, Inc.

**TANGIBLE TAX BENEFITS**

**Based on your own experience, please tell me which statement comes closer to your point of view about casino tax revenue:**

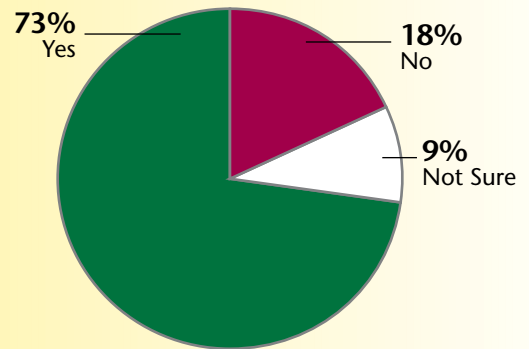
**Statement A:** Some people say that casinos generate a net increase in tax revenue for the state and local communities because it is money that comes from outside the area or would not have been spent otherwise, OR

**Statement B:** Other people say casinos do NOT generate a net increase in tax revenue for the state and local communities because casinos siphon off money that people would have spent on other goods and services.



Source: Peter D. Hart Research Associates, Inc.

**Have casino tax revenues or development agreements allowed your community to undertake projects that otherwise would not have been possible?**

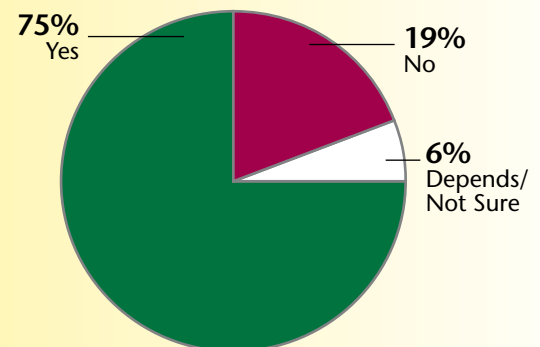


Source: Peter D. Hart Research Associates, Inc.

*“With the revenue received, we’ve been able to funnel the money to needy areas. There have been spin-offs like restaurants and economic benefits. We’re now on the map and a destination place... It has been very positive for the community.”* *Midwestern city council member*

**A VOTE OF CONFIDENCE**

**Suppose you could go back in time to the point when casinos were first introduced into the area, and you had the deciding vote. Knowing what you know now, would you vote to allow casinos or not?**

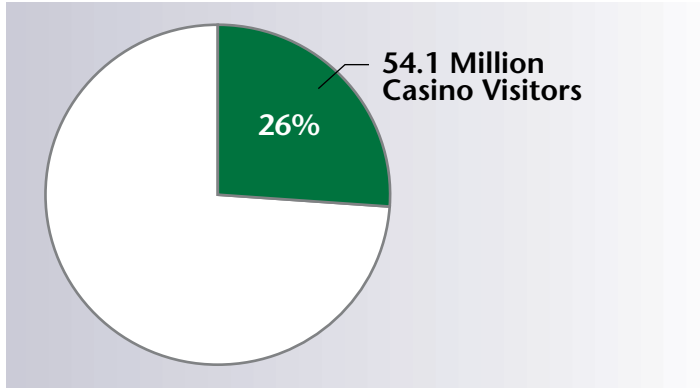


Source: Peter D. Hart Research Associates, Inc.

# CASINO VISITATION

## TOTAL VISITORS

Total U.S. population age 21 and older = 208 million



Source: Harrah's Entertainment/TNS NFO

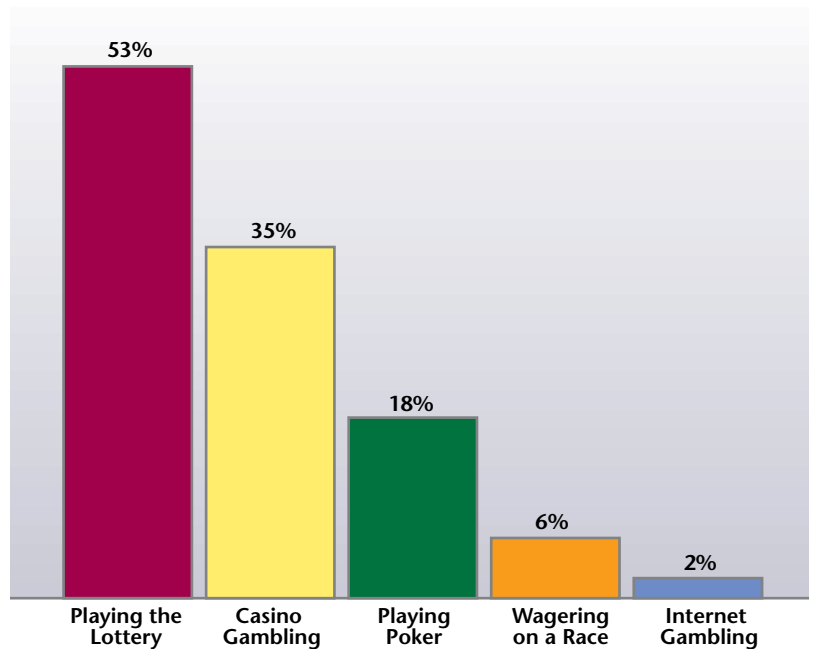
More adults went to casinos in 2004 (54.1 million) than in 2003 (53.4 million), and they made more trips to casinos overall (319 million trips in 2004 compared to 310 million trips in 2003). The average number of trips per gambler increased slightly, from 5.8 trips per gambler in 2003 to 5.9 trips last year.

## TOTAL VISITS

- 54.1 million casino visitors
- 319 million trips
- Average of 5.9 trips per gambler

## FORMS OF GAMBLING PARTICIPATED IN DURING THE LAST 12 MONTHS, 2005

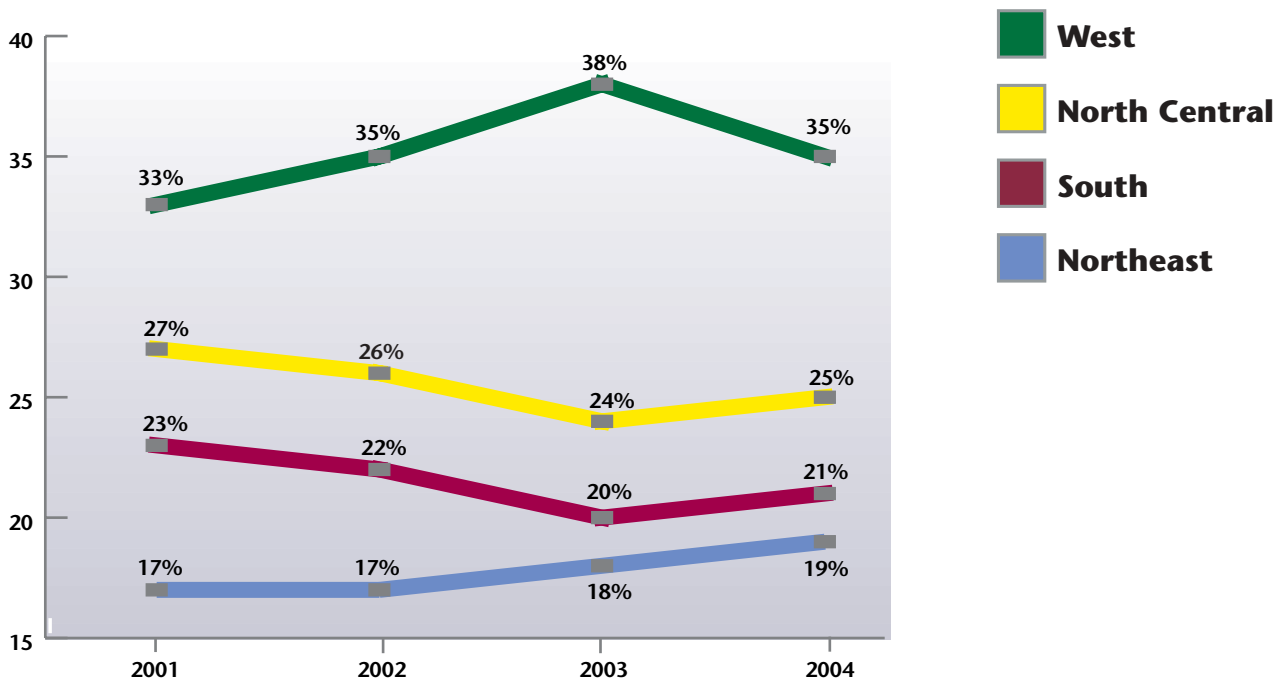
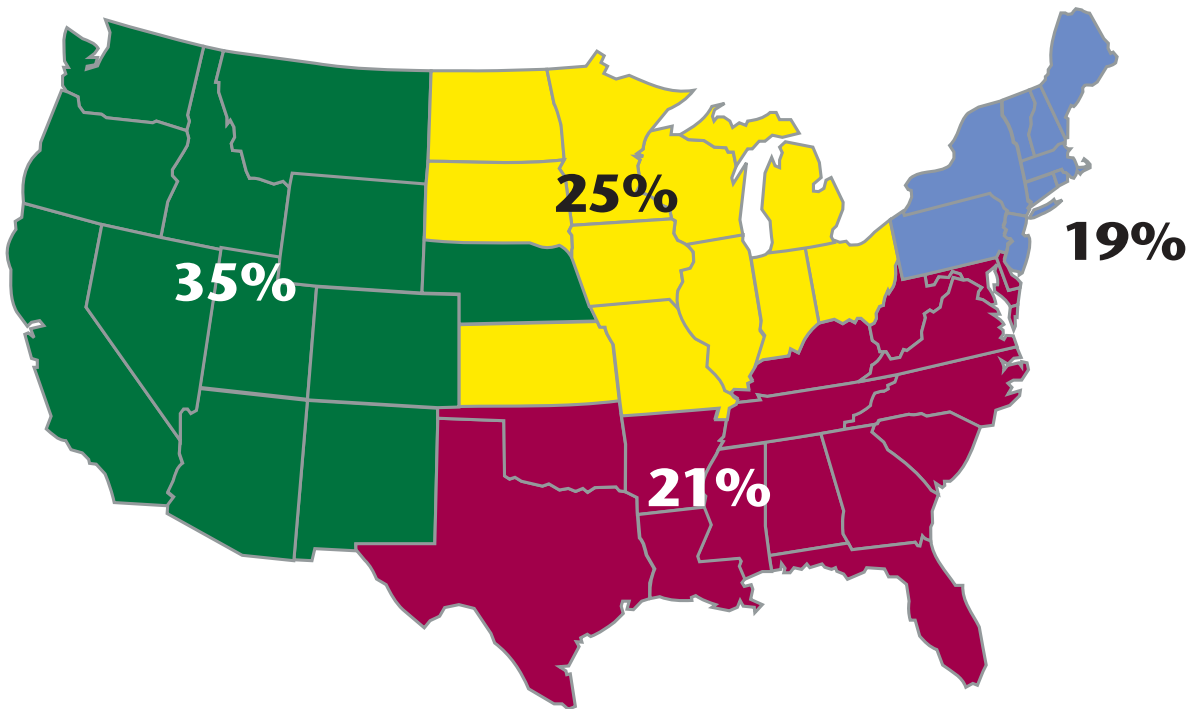
According to a 2005 public opinion poll, more than half of all adult Americans played the lottery in the past year, while nearly one in five respondents participated in a poker game.



Source: The Luntz Research Companies

# CASINO VISITATION CONTINUED

## SHARE OF INDIVIDUAL VISITS TO CASINOS BY REGION

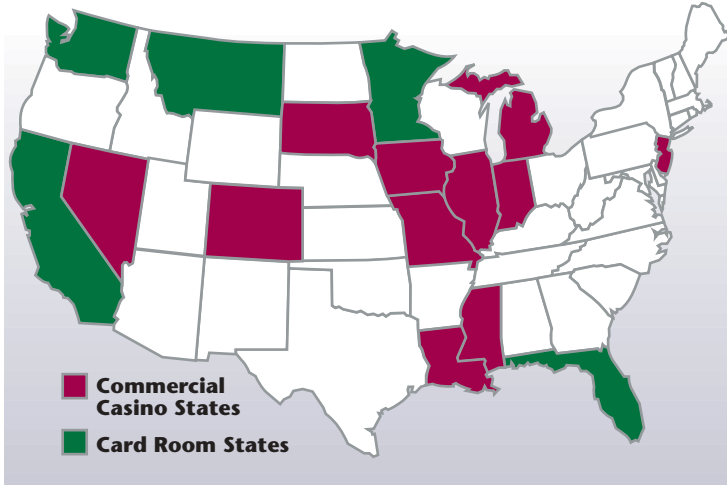


Source: Harrah's Entertainment/TNS NFO

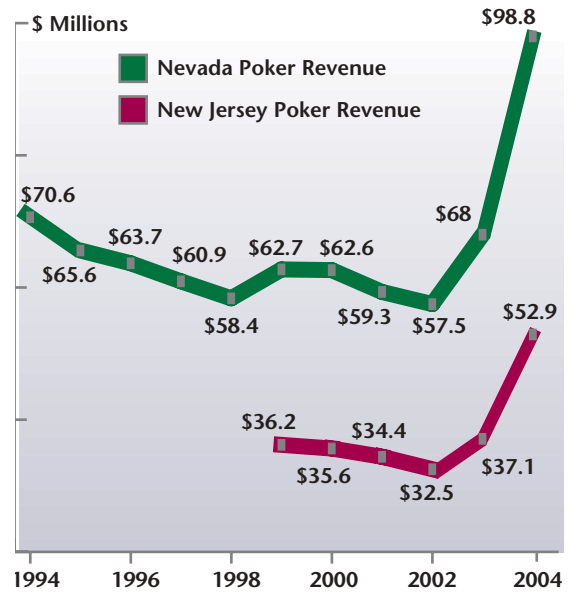
While the West continued to account for more casino visits than any other region, its share of visitors dropped for the first time in three years (from 38 percent in 2003 to 35 percent in 2004). Each of the other three regions experienced a 1 percent increase in its share of casino visits, likely due to the expansion of gambling venues in various parts of the country outside Nevada.

# SPOTLIGHT ON POKER

## ORGANIZED POKER LOCATIONS



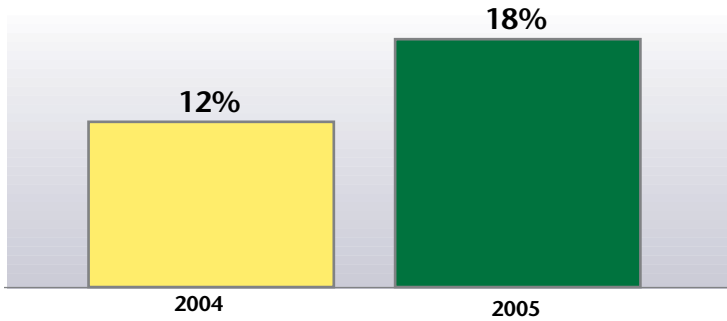
## CONSUMER SPENDING



Sources: State Gaming Regulatory Agencies

Consumer spending on poker skyrocketed last year. In Nevada and New Jersey — the only states that track poker revenue — Americans spent \$151.7 million on organized poker in 2004, a whopping 45 percent increase over 2003 figures.

## POKER PARTICIPATION, 2004 vs. 2005



Source: The Luntz Research Companies

Nearly one in five American adults (18 percent) played poker during the last 12 months, a more than 50 percent increase over the number who indicated they played during the previous year.

## CARD ROOM REVENUE, 2003 vs. 2004

State	Revenue (Gross Receipts)		Number of Facilities	
	2003	2004	2003	2004
California	\$563 million (2002)	\$688 million (2003)	119	94
Florida	\$2.8 million (FY03)	\$18.5 million (FY04)	12	16
Minnesota	\$22.2 million	\$27.6 million	1	1
Montana	\$5.1 million	\$7.5 million (FY04)	172	244
Washington	\$250.8 million (FY03)	\$268.4 million (FY04)	116	91

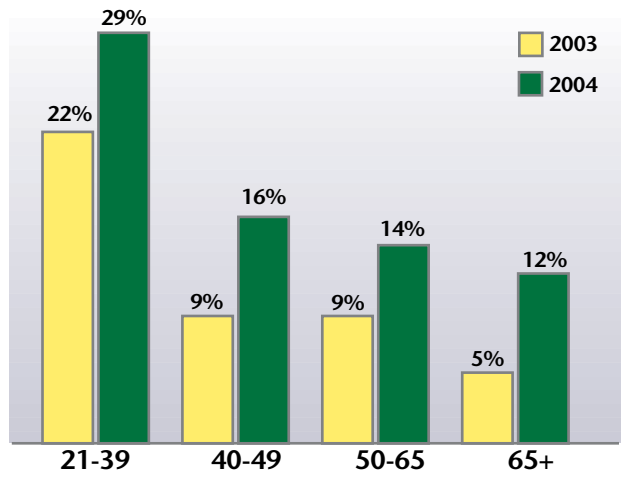
Sources: California Office of the Attorney General, Division of Gambling Control; Christiansen Capital Advisors; Florida Department of Business and Professional Regulation, Division of Pari-mutuel Wagering; Minnesota Racing Commission; Montana Department of Justice, Gambling Control Division; Washington State Gambling Commission

The 446 card rooms in five states generated annual revenue of more than \$1 billion, a dramatic increase over last year's revenue. While poker is the main source of revenue at these venues, this figure may also include revenue from baccarat, blackjack, pai gow and other table games.

## POKER PLAYERS BY AGE

### Have you played poker in the last 12 months?

While younger adults continued to play poker more than any other age group — with more than one-quarter reporting they played in the past year — every age group saw a significant increase in the number who played poker in 2004.

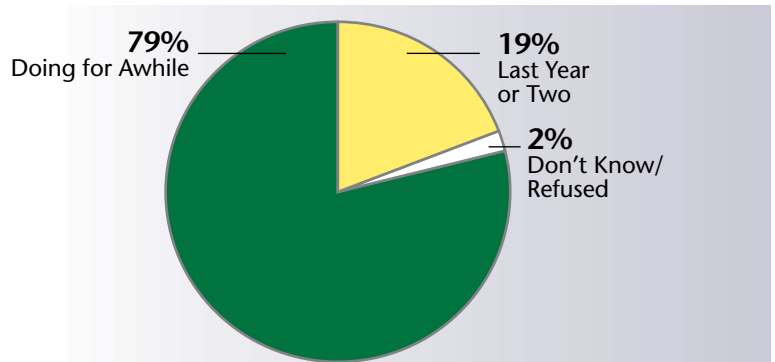


Source: The Luntz Research Companies

## A SOCIAL PHENOMENON

### Would you say that playing poker is something you've been doing for awhile or is it something you have picked up just in the past year or two?

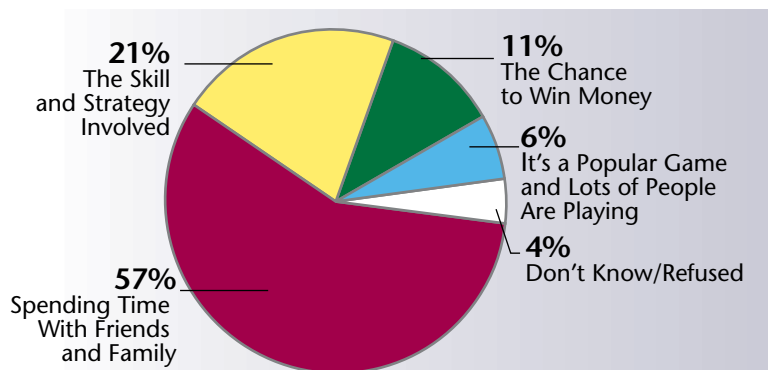
Nearly one in five American adults (19 percent) who played poker indicated they had just started playing in the past year or two, a testament to the recent strength of the poker phenomenon.



Source: The Luntz Research Companies

### Which of the following is the biggest reason you play poker?

Poker is a highly social activity, according to responses to an open-ended survey question. Rather than the chance to win money, more than half of respondents (57 percent) said the reason they play poker is to spend time with friends and family.

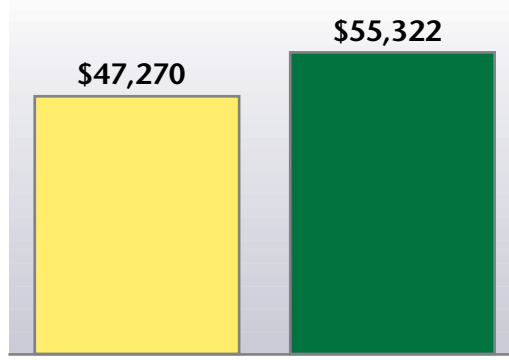


Source: The Luntz Research Companies

# CASINO CUSTOMERS: WHO ARE THEY?

## U.S. CASINO PLAYERS vs. U.S. POPULATION\*

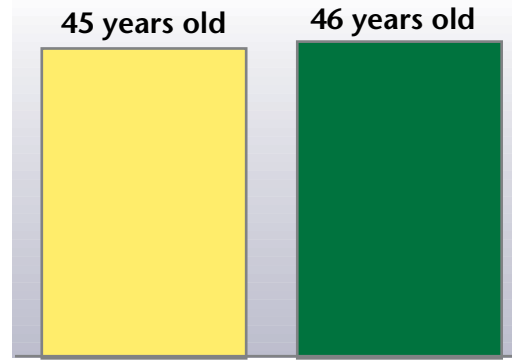
### Median Household Income



U.S. Population      U.S. Casino Customers  
Source: Harrah's Entertainment/TNS NFO

The income differential between the U.S. population and casino customers remains significant. Casino players earn approximately 17 percent more than the average American.

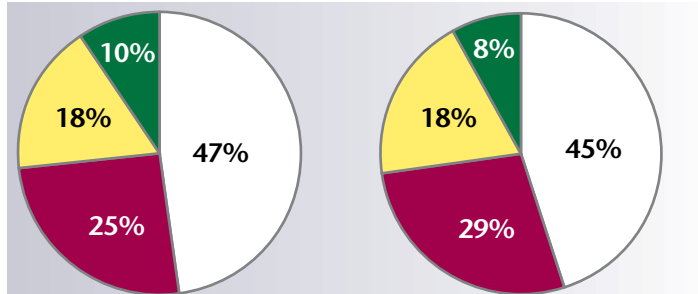
### Median Age (Adults 21 and older)



U.S. Population      U.S. Casino Customers  
Source: Harrah's Entertainment/TNS NFO

The typical casino customer in 2004 was just slightly older than the average American, but two years younger than the average casino player in 2003.

### Education (Age 21+)

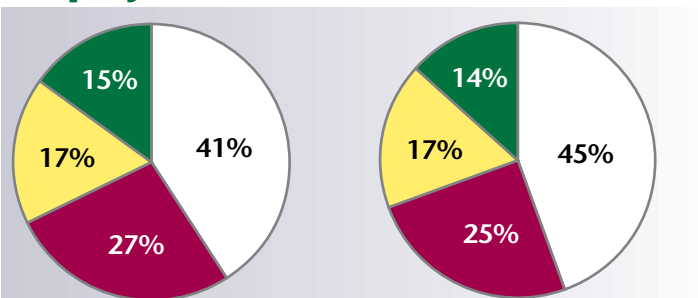


U.S. Population      U.S. Casino Customers  
Source: Harrah's Entertainment/TNS NFO

- No College
- Some College/Associate's Degree
- Bachelor's Degree
- Post Bachelor's Degree

The typical casino customer is more likely to have attended college than the average American (55 percent versus 53 percent).

### Employment



U.S. Population      U.S. Casino Customers  
Source: Harrah's Entertainment/TNS NFO

- White Collar
- Blue Collar
- Retired
- Other

The percentage of casino customers who are retirees mirrors the percentage of retirees within the general U.S. population. Casino players also are more likely to hold white-collar jobs than the average American.

Note: The 2004 U.S. Gaming Panel data has been weighted to 2004 Census Bureau, Current Population Survey.

\*A casino player is someone who reported gambling in a casino in the last 12 months.

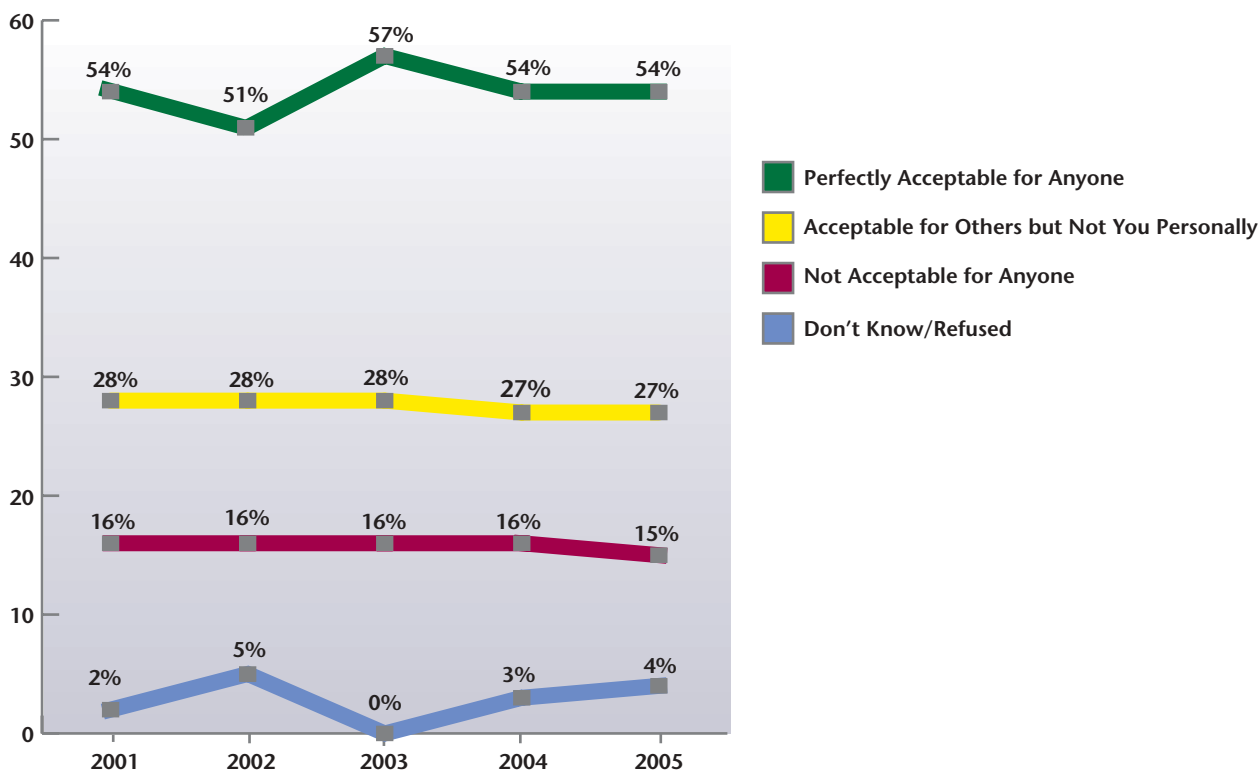
# AMERICAN PERCEPTIONS OF CASINO ENTERTAINMENT

Overall acceptability of casino gambling has remained high during the past five years, according to polling conducted by The Luntz Research Companies, with more than 80 percent indicating it is acceptable for themselves or others. The survey also indicates more than one in five Americans (21 percent) have become more favorable of casino gambling in the past five to 10 years. Americans continue to view casino gambling as a question of personal choice, and 83 percent think taking reasonable risks — whether playing the stock market or blackjack in a casino — plays an important role in American life.

Also striking is the growing perception of casinos as multi-dimensional entertainment showplaces. More commercial casinos are incorporating world-class restaurant offerings, shopping and other non-gaming amenities, and the changing face of the American casino has had an impact on customers. By a more than two-to-one margin, Americans say they enjoy casinos more for the food, shows, entertainment and everything else than for the gambling opportunities. And, in perhaps the most significant affirmation that casinos have become a force in the American entertainment culture, survey respondents ranked Las Vegas the most fun city in America.

## U.S. CASINO GAMBLING ACCEPTABILITY, 2001-2005

What are your personal views of casino gambling?

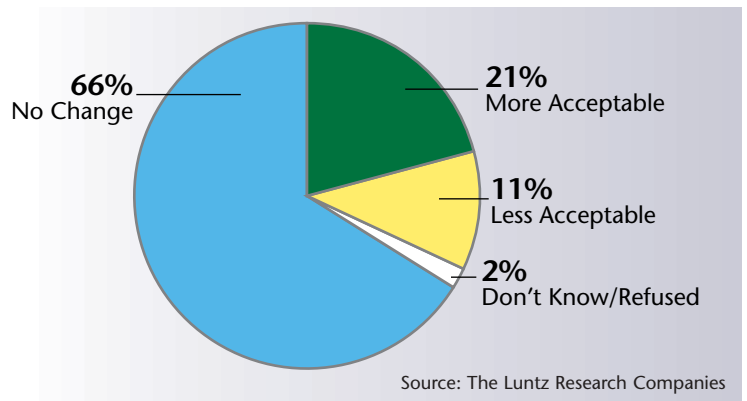


Source: The Luntz Research Companies

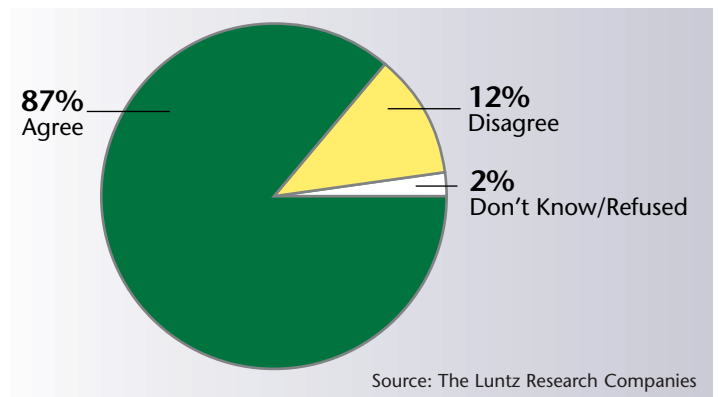
Overall acceptability of casino gambling among Americans has remained high during the past five years, with more than 80 percent saying it is acceptable for themselves or others.

## CASINO ACCEPTABILITY

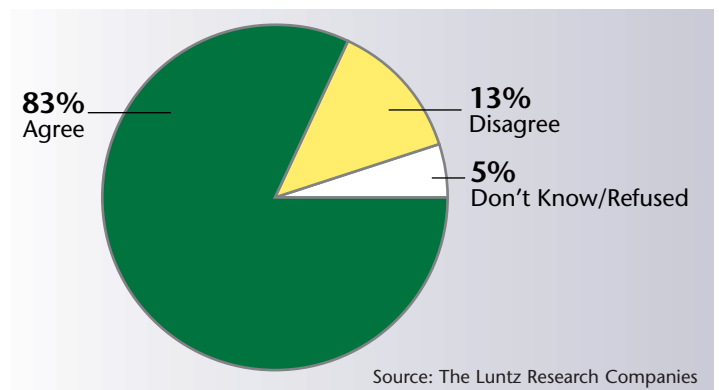
**How have your personal views of casino gambling changed over the last five or 10 years?**



**Do you agree or disagree with the following: "Gambling is a question of personal choice. The government should not be telling Americans what they should or should not be doing with their own time and money."**

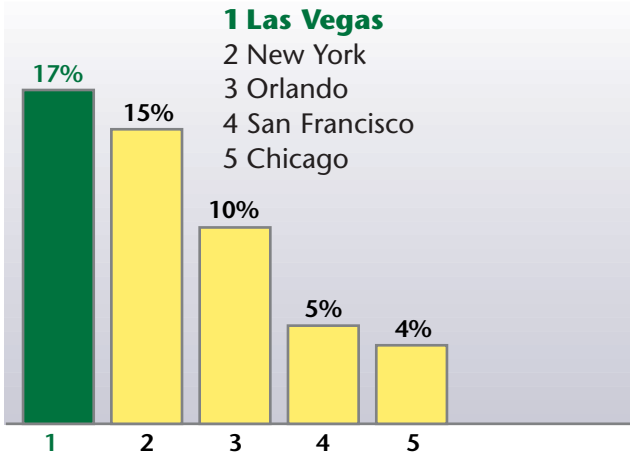


**Do you agree or disagree with the following: "Reasonable risk-taking plays an important role in American life. Adults should be allowed to take on reasonable risks — whether it's playing the stock market, white-water rafting or playing blackjack in a casino — without interference from others."**



## CASINOS AS ENTERTAINMENT

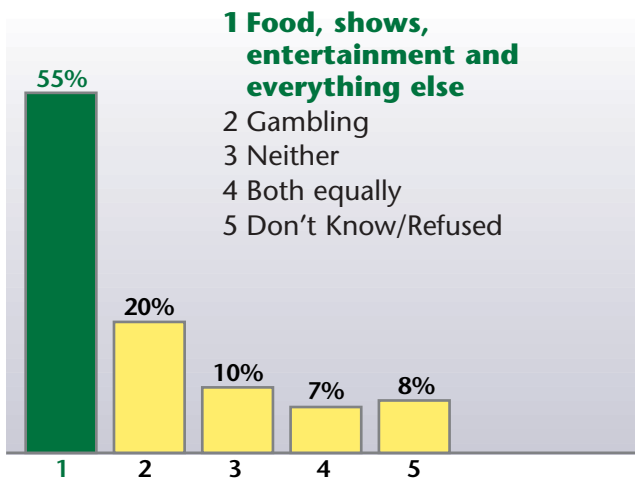
**What city in America do you think is the most fun?**



Source: The Luntz Research Companies

Casino gaming has become a popular mainstay of America’s entertainment culture. In response to an open-ended survey question, Las Vegas was cited as the most fun city more than any other in the country.

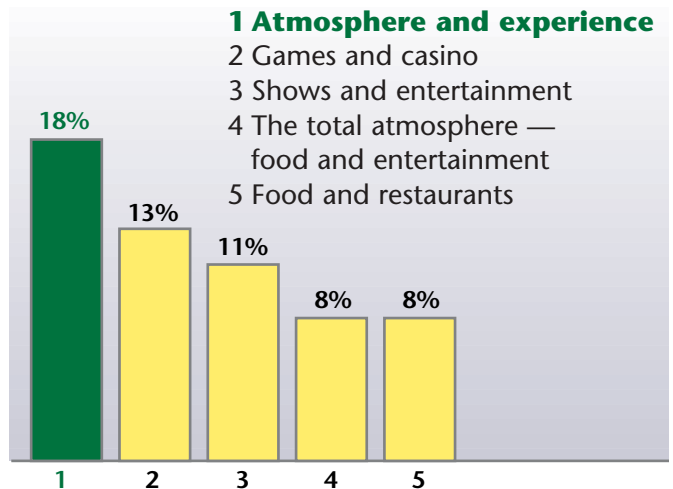
**When you think of casinos, which is more fun for you — the food, shows, entertainment and everything else a casino has to offer, or the gambling itself?**



Source: The Luntz Research Companies

With an increasingly diverse array of entertainment offerings, casinos are attracting visitors looking to do more than gamble. By a more than two-to-one margin, Americans said the overall experience of the casino — the food, shows, entertainment and everything else — is more fun for them than gambling.

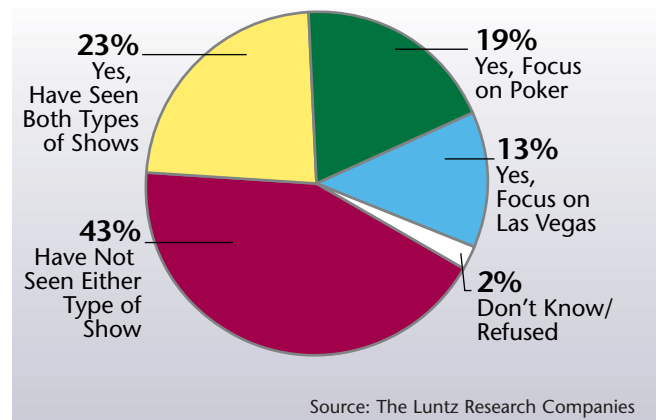
**What is it about a casino you like most?**



Source: The Luntz Research Companies

In response to an open-ended survey question, more Americans said they enjoy casinos for the overall atmosphere and experience than for the actual gambling. In fact, of the top five responses, only one directly related to gambling.

**Have you seen any of the new shows on TV that focus on Las Vegas or on tournament poker?**



Source: The Luntz Research Companies

Casinos have become an even greater part of the American entertainment culture through television. More than half of U.S. adults (55 percent) have seen a TV show focusing on poker or Las Vegas.

# APPENDIX

## Glossary of Gaming Terms

- Bingo:** A game of chance in which each player has one or more cards printed with differently numbered squares on which to place markers when the respective numbers are drawn and announced by a caller. The first player to mark a complete pattern of numbers (e.g., a row) wins.
- Class I Game\*:** A social game that is not considered a game of chance, played solely for prizes of minimal value; or a traditional form of Indian gaming engaged in by individuals as a part of or in connection with tribal ceremonies or celebrations.
- Class II Game\*:** A game of chance including (if played in the same location) bingo, pull tabs, lotteries, punchboard and other games similar to bingo, whether live or electronic, in which players bet against other players; an electronic game played on a "linked" video gaming device that is connected to a central computer system.
- Class III Game\*:** Any form of gaming besides a Class I and Class II game, including electronic gaming devices with random-number generators and house-banked tables games.
- Commercial Casino:** A private-sector establishment (i.e., nongovernmental) — whether land-based, riverboat, dockside or limited stakes — that exclusively offers games of chance and is regulated and taxed by the state where it is located.
- Dockside Casino:** A casino on a body of water that is not required to cruise or is a permanently moored barge.
- Effective Tax Rate:** The total percentage a casino pays in taxes, including taxes on direct gross gaming revenue and admissions as well as corporate, payroll, real estate and other taxes similar to those paid by other business.
- Electronic Gaming Device, or EGD:** Any mechanical or electrical game of chance, including slot machines, video lottery terminals (VLTs) and video bingo, video pull-tabs and video poker machines.
- Gross Gaming Revenue:** The amount a gaming operation earns before taxes, salaries and other expenses are paid — the equivalent of "sales" not "profit."
- Handle:** The estimated total amount wagered, including the winnings returned to players.
- House Advantage:** A measure of how much a casino expects to win, expressed as a percentage of the player's wager.
- House-banked Game:** A game in which the player bets against the house; Class III games (e.g., blackjack and other table games).
- Land-based Casino:** A casino that is built on an earth foundation, not on a waterway.
- Limited Stakes Casino:** A casino in which the allowable bet on a single hand is limited to a maximum wager.
- Odds:** 1) the probability of winning; 2) the payout in relation to amount wagered, e.g., winning odds.
- Player-banked Game:** A game in which the player bets against other players; Class II games (e.g., bingo and pull tabs).
- Pull-tabs:** A game of chance in which a player opens perforated windows on a paper card, matching symbols on the card to win. Each group, referred to as a set, of pull-tabs has a unique prize structure; winners collect the prize that correlates to the specific pull-tab set.
- Racetrack Casino, or Racino:** A hybrid of a pari-mutuel venue — horse track, dog track or jai alai court — and a casino. Typically, the "casino" at a racino offers only slot machine games.
- Random-number Generator:** A mechanism inside the computer of a Class III game that ensures that each pull has an equal chance at hitting the jackpot.
- Slot Machine:** Any mechanical or electrical device in which outcomes are determined by a random-number generator located inside the terminal.
- Video Bingo:** An electronic version of traditional bingo.
- Video Lottery Terminal, or VLT:** An electronic game of chance played on a video terminal that is networked and can be monitored, controlled and audited by a central computer system. These games are authorized through the state lottery and considered by law to be lotteries, not commercial gaming.
- Video Pull Tabs:** An electronic version of paper pull-tabs.

Sources: American Gaming Association; The American Heritage® Dictionary of the English Language, Fourth Edition; Christiansen Capital Advisors; Indian Gaming Regulatory Act (IGRA); National Gambling Impact Study Commission Report; National Indian Gaming Commission; Nevada Gaming Control Board Regulation 29

\*Class I, Class II and Class III are legal terms in the context of the Indian Gaming Regulatory Act (IGRA), but for the purposes of this survey help define the type of gaming operating in different states.

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## Methodology

### Peter D. Hart Research Associates, Inc.

Peter D. Hart Research Associates, Inc. conducted a telephone survey from Feb. 18 to March 3, 2005, of 201 opinion leaders, including elected officials and other civic leaders, in states with legalized commercial casino gaming, excluding Nevada and New Jersey. The margin of error for the total sample was +/-6.9 percent.

Peter D. Hart Research Associates, Inc., is one of the leading research firms in the United States. Now in its 34th year of operation, Hart Research has conducted more than 5,000 public opinion surveys and has administered and analyzed interviews of more than 3 million Americans.

Contact: Peter Hart  
202-234-5570

### The Luntz Research Companies

The Luntz Research Companies interviewed a base sample of 800 adult Americans from Feb. 24-28, 2005. A total of 184 interviews were conducted in gaming states and 616 in nongaming states. The margin of error for the total sample was +/- 3 percent. Interviews were conducted by telephone using random digit sampling.

The Luntz Research Companies is a political and corporate communications firm based in Washington, D.C. The company specializes in strategic communications counsel informed by in-depth research, including traditional telephone surveys, focus groups and instant response. Since its founding in 1992, the company has conducted more than 1000 surveys in a dozen countries around the world.

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### Harrah's Entertainment/TNS NFO

Findings labeled Harrah's Entertainment/TNS NFO are based on a survey questionnaire developed by TNS NFO for Harrah's Entertainment and mailed to a panel of 100,000 Americans 21 years of age and older. The survey generated 62,095 respondents from which a nationally representative sample of 16,403 casino players was identified. The margin of error for the survey was +/-1.3 percent to 1.6 percent, depending on the confidence level.

Founded 67 years ago, Harrah's Entertainment owns or manages through various subsidiaries 27 casinos in the United States, primarily under the Harrah's and Horseshoe brand names. Harrah's Entertainment is focused on building loyalty and value with its valued customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership.

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

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### Christiansen Capital Advisors

Christiansen Capital Advisors (CCA) assisted in this study by compiling and analyzing data relating to the direct economic impacts of casino gaming in each jurisdiction, as well as providing historical data on consumer spending at commercial casinos.

CCA provides unparalleled professional gambling and entertainment industry analysis and management services.

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# APPENDIX

## ACKNOWLEDGMENTS

The American Gaming Association would like to thank the following for their assistance with the survey: Christiansen Capital Advisors, Dean Hestermann and Jaime Vannier of Harrah's Entertainment, Troy Stremming of Ameristar Casinos, Inc., Derris Newman of the Innovation Group, Terry Wade and TheWadeGroup, Inc., and the industry's state associations and regulatory agencies.

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## Casinos per State

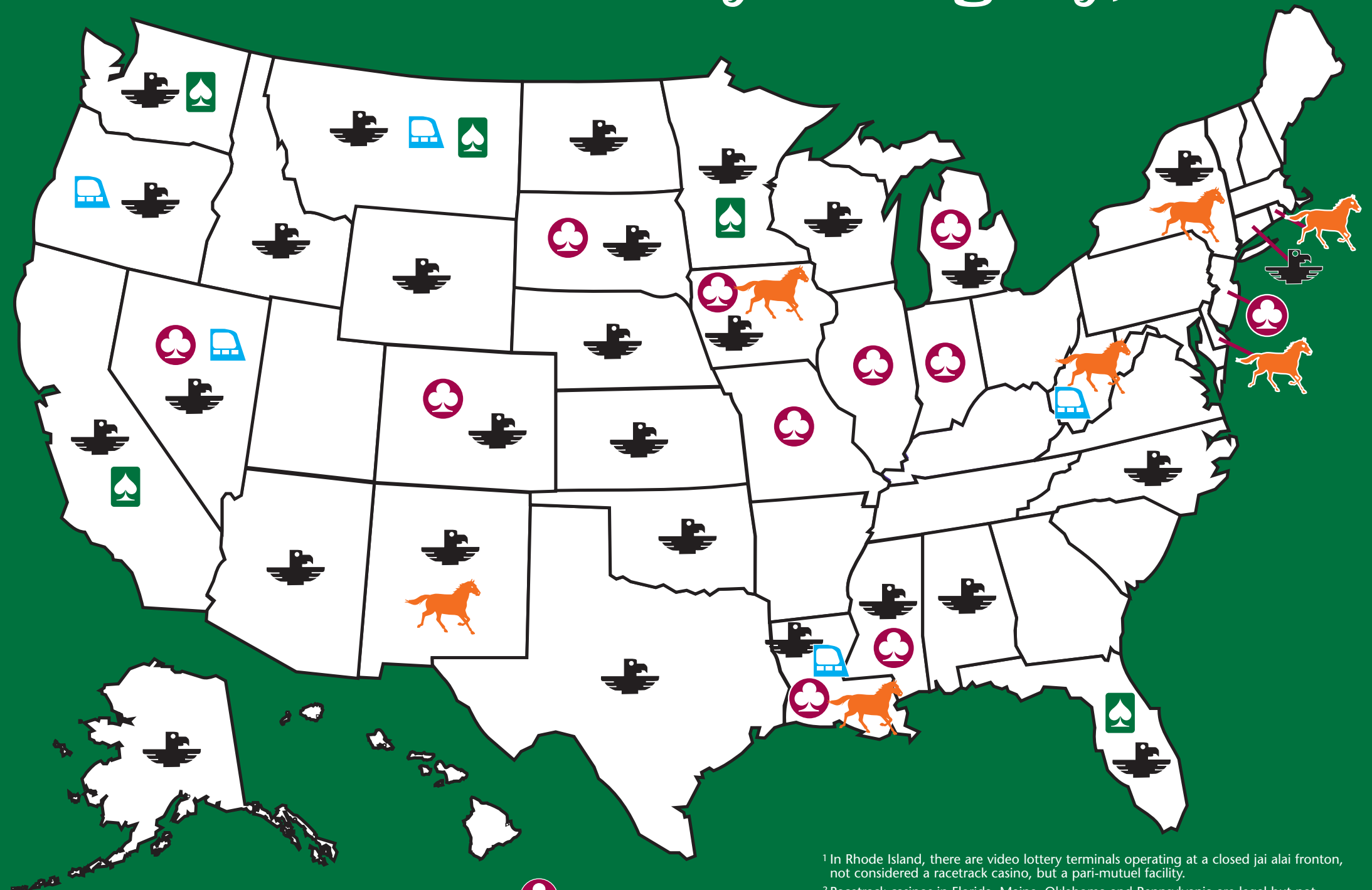
					
Alabama			2*		
Alaska			3*		
Arizona			22		
California			57	94	
Colorado	46°		2		
Connecticut			2		
Delaware		3▪			
Florida		+	7*	16	
Idaho			6		
Illinois	9				
Indiana	10				
Iowa	13 <sup>2</sup>	3	4		
Kansas			5		
Louisiana	18 <sup>2</sup>	3▪	3		2,737▪
Maine		+			
Michigan	3		17		
Minnesota			30	1	
Mississippi	29		2		
Missouri	11				
Montana			28	244	390 <sup>3</sup>
Nebraska			1*		
Nevada	258 <sup>4</sup>		4		2,196
New Jersey	12				
New Mexico		5	19		
New York		4▪	9		
North Carolina			2		
North Dakota			16		
Oklahoma		+	80		
Oregon			9		2,021▪
Pennsylvania		+			
Rhode Island		2▪			
South Dakota	36°		12		
Texas			1*		
Washington			33	91	
West Virginia		4▪			1,696▪
Wisconsin			28		
Wyoming			1*		
<b>TOTAL</b>	<b>445</b>	<b>24</b>	<b>405</b>	<b>446</b>	<b>9,040</b>

Number of States	11	11 <sup>5</sup>	28	5	5
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- \*Class II games only
- °Limited-stakes gaming
- +Legalized but not operational
- Video lottery terminals

- <sup>1</sup>As of December 2004
- <sup>2</sup>Includes racetrack casinos
- <sup>3</sup>Includes only locations with the maximum number of devices (20)
- <sup>4</sup>Includes only locations with gross gaming revenue of at least \$1 million
- <sup>5</sup>Racetrack casinos in Florida, Maine, Oklahoma and Pennsylvania are legal but not operational

# Casino Locations by Category, 2004



-  **Casino**
-  **Racetrack Casino/  
Pari-mutuel Facility**<sup>1,2,3</sup>
-  **Tribal Casino**<sup>4</sup>
-  **Card Room**<sup>5,6</sup>
-  **Electronic Gaming Device**<sup>7</sup>

Sources: American Gaming Association, National Indian Gaming Commission, State Gaming Regulatory Agencies, State Lotteries

- <sup>1</sup> In Rhode Island, there are video lottery terminals operating at a closed jai alai fronton, not considered a racetrack casino, but a pari-mutuel facility.
- <sup>2</sup> Racetrack casinos in Florida, Maine, Oklahoma and Pennsylvania are legal but not operational. Pennsylvania also has legalized stand-alone slot facilities, but there are none operating.
- <sup>3</sup> The states with racetrack casinos/pari-mutuel facilities operate or will operate Class III gaming machines. There are two racinos in Alabama — not indicated on this map — that have Class II machines only, which are legal only in the counties where they operate.
- <sup>4</sup> Native American casinos noted here include both Class II and Class III facilities. States with Class II gaming only are Alabama, Alaska, Florida, Nebraska, Texas and Wyoming.
- <sup>5</sup> The states with card rooms indicated here do not include states that have commercial casinos with poker facilities.
- <sup>6</sup> The card rooms in Washington operate blackjack and other house-banked card games in addition to poker.
- <sup>7</sup> The electronic gaming devices operating in the states indicated on this map are recognized as legal operations. There are some states with similar facilities, but the machines may not be authorized.