State of the States

THE AGA SURVEY OF CASINO ENTERTAINMENT

President's Message

The American Gaming Association (AGA) is proud to present the 2011 edition of *State of the States: The AGA Survey of Casino Entertainment.*

There's no doubt about it; the past couple of years have been difficult ones for the commercial casino industry. However, as 2010 progressed, anecdotal evidence provided hope that there could be a respite from two years of declining gaming revenues, and that evidence was confirmed by the economic impact data found in this year's *State of the States* report.

This is the 13th time the AGA has published *State of the States.* Just as it always has in the past, this year's report offers readers a comprehensive look at the commercial casino industry, with national and state-by-state economic impact data, such as gaming revenues, gaming tax contributions, employment and wages for the states where commercial casinos operate.

Regular *State of the States* readers will recognize one major change in this year's publication — a shift in the way data are aggregated. In the past, commercial casino figures in *State of the States* did not include data from states with only racetrack casinos, which was tallied separately in the report. Beginning this year, these figures will be combined. The lines distinguishing commercial casinos from racetrack casinos are increasingly blurred, and the aggregation of these figures provides a fuller and more accurate picture of the industry's true impacts on national, state and local economies.

Also new for the 2011 edition is public opinion polling detailing the demographic profile and visitation habits of casino patrons. The polling was coupled with a broader survey whose results are reflective of the general U.S. adult population. The results show that casino customers are demographically similar to the general population, and their visits include much more than just gambling. Two of the most interesting takeaways from the polling are that casino visitors are more active in their leisure time, going on vacation, to the movies, concerts, sporting events, museums and amusement parks more often than the general public; and that many visit other attractions, restaurants or retail areas outside of the casino during their casino visits.

This year's survey also includes polling data on the acceptability of casino gaming and special sections that showcase key segments of the industry, such as electronic gaming machines, sports betting and the gaming equipment manufacturing sector. This last section is once again produced in cooperation with the Association of Gaming Equipment Manufacturers (AGEM).

Each year, we produce *State of the States* with the goal of creating a comprehensive information resource about the commercial casino industry and its valuable contributions to the national, state and local economies. This year, I'm more confident than ever that we have succeeded. As you use this resource throughout the year, we hope you agree.

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

Notes

Statistical 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 year's survey, the AGA has changed the definition of "commercial casinos" to include not only land-based, riverboat and dockside casinos but also racetrack casinos. In previous surveys, only racetrack casinos in Indiana, Iowa, Louisiana and Pennsylvania were grouped in the commercial casino category, primarily because these four states also had other forms of commercial casinos in addition to their racetracks.

The decision to no longer detail information on racetrack casinos' operations separately from land-based or riverboat casinos was in large part prompted by how the racetrack casino segment of the industry has evolved. In a number of states, such as Delaware, Pennsylvania and West Virginia, while racetrack casinos were once only able to offer gaming machines to their customers, they are now permitted to have table games as well. In many cases, racetrack casino properties are now diversified resorts. Additionally, the change should reduce confusion among readers by no longer having information regarding Indiana, Iowa, Louisiana and Pennsylvania casino operations appear in both the commercial casino and racetrack casino sections.

It should be noted that, in most cases, effective tax rates are higher at racetrack casino facilities where gaming machines are operated by the state lottery as opposed to the more traditional regulatory structure in which gaming licensees are the owners and operators of the machines. In the case of the former, the gaming machines are called video lottery terminals (VLTs), 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, Maryland, New York, Rhode Island and West Virginia. Because of this important difference in the regulatory structure in these states, the survey continues to detail the percentage of revenue retained by operators as opposed to state gaming tax rate. 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.

Eight other states — Florida, Indiana, Iowa, Louisiana, Maine, New Mexico, Oklahoma and Pennsylvania — 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 and supplements to purses at the tracks, among other things. One exception is Maine, where the state levies a 1 percent tax on handle, the industry term for total amount wagered, before taxing net revenue as well. For these states, the individual state sections detail state gaming tax rates, not revenue retained by operator.

Finally, for the first time ever, this year's survey attempts to report on employee wage and benefits data in all states with either land-based, riverboat or racetrack casinos. Not all casinos chose to participate in data collection, so the report reflects those figures that the AGA was able to obtain.

As in 2010, Native American casinos are noted only in the Casino Locations by Category chart on page 4. The chart and accompanying map include Class III locations, which are compacted (state-negotiated), Las Vegas-style casinos, as well as Class II locations, which are non-compacted casinos offering bingo and/or electronic bingo devices.

State visitation figures reported in the State-by-State Economic Impact section will not equal the total visitor figure reported in the Profile of Casino Visitors section on page 26 because most riverboat states have controlled access and, therefore, count individual visits (each time a patron enters a casino), while land-based casinos count total visitors (who may enter casinos multiple times during a single visit).

Unless otherwise noted, all statistics in this survey are for calendar year 2010.

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

The last three years have been challenging ones for the commercial casino industry, as consumer discretionary spending dropped amidst a national mood battered by high unemployment and low consumer confidence. However, 2010 economic impact data saw a significant improvement over the past two years. In 2010, gross gaming revenues for commercial casinos rebounded slightly to $34.60 billion, a 0.9 percent increase compared with 2009 figures. Of those revenues, $7.59 billion was returned to state and local governments in the form of direct gaming taxes to pay for a wide range of goods and services that benefit the industry's host communities. These tax contributions increased by 3.0 percent compared to 2009 figures. The gaming industry also continued to be a significant source of jobs, employing 340,564 people who earned $13.3 billion in wages, benefits and tips during 2010.

When viewed on a state-by-state basis, gaming revenue, tax contribution and employment figures reveal that the gaming industry is far from monolithic and that some states have weathered the economic storm better than others. Fourteen of the 21 states with commercial casinos in 2009 experienced increases in gross gaming revenue in 2010, and 13 of 21 saw an uptick in direct gaming tax contributions. States that expanded gaming offerings saw some of the largest increases in all three categories. Pennsylvania and Delaware, which both allowed casinos to add table games this year, saw their employment figures increase dramatically (+38.8 percent and +37.3 percent, respectively) as a result. The opening of the first casino in downtown Philadelphia and the addition of table games also helped drive increases in Pennsylvania's gaming (+26.4 percent) and gaming tax (+18.8 percent) revenues, while new properties in Florida led to the nation's largest percentage increases in both gaming revenues (+51.9 percent) and tax contributions (+30.0 percent). Though they did not expand their gaming offerings, New York and Oklahoma also experienced significant increases in gaming revenue (+6.9 percent and +6.1 percent, respectively) and gaming tax receipts (+10.5 percent and +20.1 percent, respectively).

While overall national gaming and direct gaming tax revenue figures improved in 2010, some states are still dealing with the lingering effects of the recession and saw their gaming revenues and gaming tax contributions decline in 2010. New Jersey saw the largest percentage declines in gaming revenue (-9.4 percent) and tax contributions (-12.1 percent), as regional competition continued to impact Atlantic City's casinos. Illinois (-4.2 percent), Louisiana (-3.7 percent) and Mississippi (-3.2 percent) saw the next largest drops in gaming revenues. After New Jersey, West Virginia (-7.3 percent), Illinois (-6.0 percent) and Louisiana (-4.4 percent) experienced the largest declines in direct gaming tax revenue. On the employment side, Oklahoma experienced the largest decline in its gaming workforce (-29.8 percent) when one of its three racetrack casinos closed its doors.

Gaming Equipment Manufacturing and Gaming Machines

Despite a challenging economic climate that persisted throughout 2010, the gaming equipment manufacturing sector reported significant revenue, supported tens of thousands of employees and paid billions of dollars in salaries and wages. Research and analysis conducted by Nevada-based Applied Analysis on behalf of the Association of Gaming Equipment Manufacturers (AGEM) demonstrates the impact of the supplier side of the gaming industry. Direct revenue sourced to the industry was $11.5 billion during 2010, a 5.1 percent decline from the prior year.

Despite the reduced revenue levels in 2010, a survey of global gaming suppliers indicated that 73 percent of companies within the sector think that market conditions will improve during the next 12 months.

Direct employment declined 2.0 percent to 29,400 in 2010. Overall wages for those employees totaled $2.1 billion during the same period, which was flat when compared with 2009 figures. With an average wage of approximately $70,500, the sector's employees earned significantly more than the U.S. median income of $43,460 (Bureau of Labor Statistics).

In addition to the equipment manufacturing sector's relatively high wages, it provides significant benefits to its employees. Based on a survey of AGEM members, more than nine out of 10 (93.3 percent) gaming suppliers provide employer-sponsored health care plans that cover more than 75 percent of their employees. Additionally, three out of five (60 percent) businesses reported offering employer-sponsored retirement plans to more than 75 percent of their employees.

The importance of the gaming machines produced by the equipment manufacturing sector cannot be overlooked, as polling consistently shows that slot machines are the most popular game on the casino floor. Currently, there are more than 854,000 gaming machines in 39 states nationwide, with Nevada (186,914), California (67,752) and Oklahoma (62,322) being home to the most. Of the 11 commercial casino states with table games and slot machines where a full year of data is available, all 11 of them receive at least 63 percent of their gaming revenues from slot machines. Three states — South Dakota (91.7 percent), Iowa (91.5 percent) and Colorado (90.1 percent) — receive more than 90 percent of their revenues from gaming machines.

Profile of Casino Visitors and Their Casino Experiences

As casino gaming has expanded to more states in recent years, it has become a greater part of the mix of entertainment options available to the American public. In fact, according to 2011 opinion polling, 31 percent of Americans visited casinos during the past 12 months, and one-quarter (25 percent) gambled while they were there. To learn more about casino visitors, VP Communications, Inc., in conjunction with national pollster Peter D. Hart, conducted a survey of 550 past-year casino visitors during February 2011. Survey participants did not have to be casino gamblers to be eligible.

The demographic profile of casino visitors is similar to that of the general U.S. population. While men are more likely to have visited a casino than women, and the average casino visitor is slightly older, the breakdown by income and level of education mirrors that of the general population. Casino visitors also do a lot more than just take trips to casinos. They are more active in their leisure time, going to the movies, concerts, sporting events, museums and amusement parks more often than a survey population representative of the general public. They are also more likely to take vacations, as more than half (55 percent) have taken trips of five nights or more in the past year — compared to 45 percent of the general population.

The polling results also give insight into casino visitors' gaming experiences, revealing that a majority (51 percent) list slot machines as their favorite game, followed by blackjack (19 percent). Two-thirds (67 percent) use player's club cards when they gamble, and the most popular items on which to use player's club points are dining (35 percent), free play (18 percent) and hotel rooms (15 percent).

For casino visitors, responsible gaming is part of their casino routine as well, with a vast majority (88 percent) setting a gambling budget before they visit a casino, and nearly three-quarters (72 percent) having seen responsible gaming messages during their casino visits, whether or not they gamble.

The gaming floor is not the only draw at today's casinos. Non-gaming amenities are an important part of visitors' experiences, with nearly three-quarters (73 percent) eating at a fine dining restaurant and more than half (56 percent) seeing a show. In fact, 16 percent of those surveyed never or rarely gamble when they visit a casino; and dining, shows and shopping are the most popular activities among non-gambling casino visitors. Additionally, almost three out of five (59 percent) of those surveyed visit other attractions, restaurants or retail areas outside of the casino, generating revenue for surrounding businesses.

In all, the casino experience adds up to a good value for visitors, as more than three-quarters (77 percent) think that an evening at a casino is a good value compared to other entertainment options.

American Perceptions of Casino Entertainment

According to a 2011 public opinion poll conducted by VP Communications and national pollster Peter D. Hart, 82 percent of Americans view casino gaming as acceptable for themselves or others. The poll also shows that three out of five (60 percent) survey respondents think that the casino industry is very or somewhat important to the overall U.S. travel and tourism industry. They also recognize the many benefits that casinos bring to their host communities, with nearly two out of five (36 percent) listing job creation as the top benefit of casino gaming and another 19 percent saying gaming tax revenues are the most important.

National Economic Impact of Casino Entertainment

Casino Locations by Category

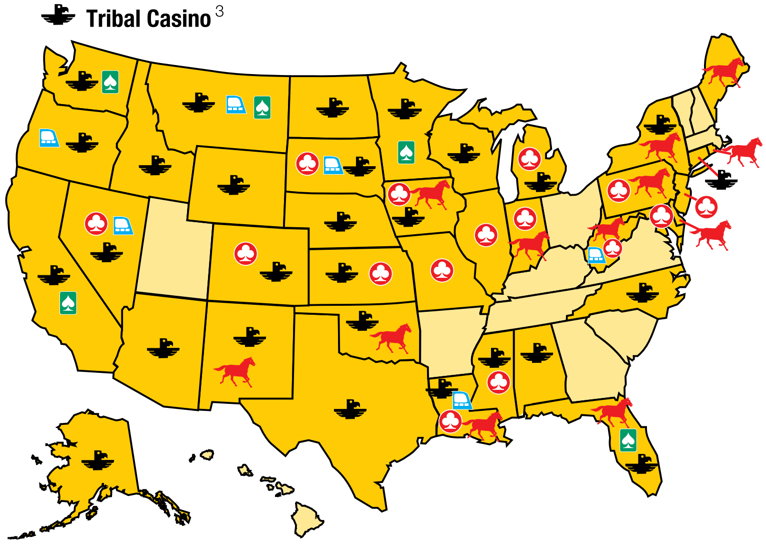
Land-based or Riverboat Casino

Racetrack Casino [1,2]

Tribal Casino [3]

Card Room [4,5]

Electronic Gaming Device [6]



[1] 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.

[2] The states with racetrack casinos 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.

[3] Native American casinos noted here include both Class II and Class III facilities. States with Class II gaming only are Alabama, Alaska, Nebraska and Texas.

[4] The states with card rooms indicated here do not include states that have commercial casinos with poker facilities.

[5] The card rooms in Washington operate blackjack and other house- or player-banked card games in addition to poker.

[6] 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 2010, U.S. commercial casinos:

- Employed 340,564 people
- Paid wages of $13.3 billion
- Contributed $7.59 billion in direct gaming taxes
- Earned $34.60 billion in gross gaming revenue

Casinos per State (as of Dec. 31, 2010)

STATE	Land-based or Riverboat Casino	Racetrack Casino	Tribal Casino	Card Room	Electronic Gaming Device [1]
Alabama			3*		
Alaska			3*		
Arizona			25		
California			73	89	
Colorado	37º		2		
Connecticut			2		
Delaware		3■			
Florida		5	8	23	
Idaho			8		
Illinois	9				
Indiana	11	2			
Iowa	14	3	1		
Kansas	1		5		
Louisiana	14	4	3		2,195
Maine		1			
Maryland	1■				
Michigan	3		21		
Minnesota			38	2	
Mississippi	30		3		
Missouri	12				
Montana			14	281 [2]	1,632 [2]
Nebraska			6*		
Nevada	256		3		2,008 [3]
New Jersey	11				
New Mexico		5	23		
New York		8■	7		
North Carolina			2		
North Dakota			12		
Oklahoma		2	107		
Oregon			9		2,365■
Pennsylvania	4	6			
Rhode Island		2■			
South Dakota	34º		11		1,441 [2]
Texas			1*		
Washington			34	115 [2]	
West Virginia	1	4■			1,568■
Wisconsin			28		
Wyoming			4		
Total	**438**	**45**	**456**	**510**	**11,209**
Number of States	**15**	**12**	**28**	**5**	**6**

** Class II games only*

º Limited-stakes gaming

■ Video lottery terminals

[1] Refers to number of non-casino locations in states where electronic gaming devices are present

[2] Number during FY 2010

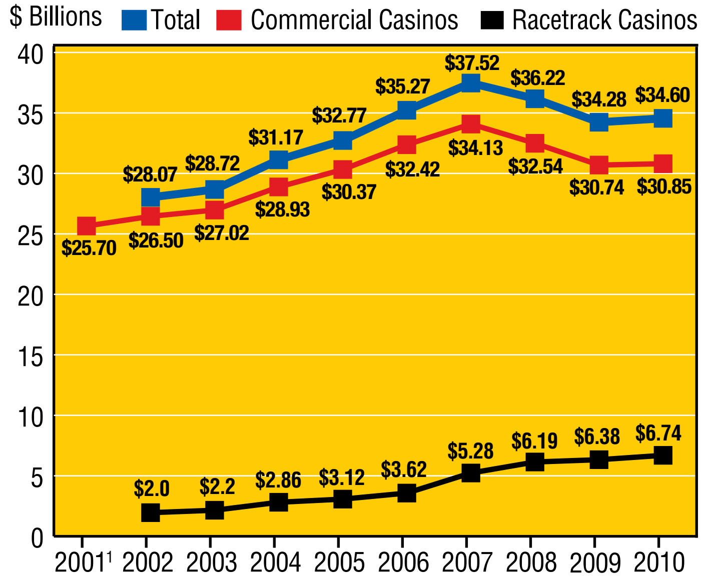
[3] Locations have 15 or fewer machines

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

U.S. Consumer Spending on Commercial Casino Gaming, 2001-2010

Total consumer spending on commercial casinos increased 0.9 percent compared with 2009 figures, a significant improvement after two years of declining gross gaming revenues. Despite these positive signs, a return to the gaming revenues of 2007 and 2008 will depend on a broad-based increase in consumer discretionary spending.

Note: Racetrack casino and commercial casino figures represent revenue figures as they were reported in previous State of the States reports, when commercial casino figures included both racetrack and commercial gaming revenues for those states with both forms of gaming. Thus, the total of the red and black lines will not add up to the total represented by the blue line.



[1]The AGA did not start collecting racetrack casino data until 2002.
Sources: State Gaming Regulatory Agencies

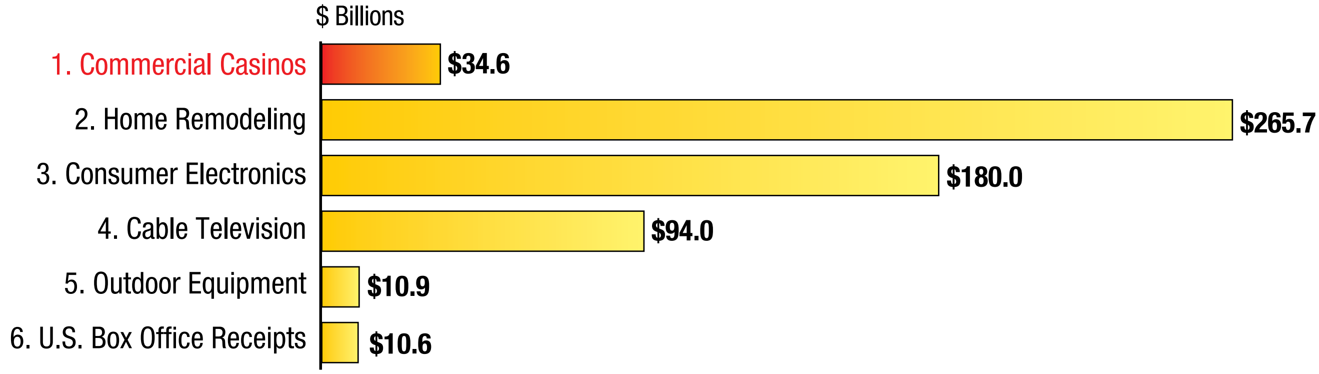
State-by-State Consumer Spending on Casino Gaming, 2009 vs. 2010

STATE	2009	2010	% Change
Colorado	$734.59 million	$759.61 million	+3.4%
Delaware	$564.24 million	$571.38 million	+1.3%
Florida	$216.74 million	$329.12 million	+51.9%
Illinois	$1.43 billion	$1.37 billion	-4.2%
Indiana	$2.80 billion	$2.79 billion	-0.4%
Iowa	$1.38 billion	$1.37 billion	-0.7%
Kansas	$1.99 million	$37.79 million	+1799.0%
Louisiana	$2.46 billion	$2.37 billion	-3.7%
Maine	$59.20 million	$61.67 million	+4.2%
Maryland	N/A[1]	$27.60 million	N/A
Michigan	$1.34 billion	$1.38 billion	+3.0%
Mississippi	$2.47 billion	$2.39 billion	-3.2%
Missouri	$1.73 billion	$1.79 billion	+3.5%
Nevada	$10.39 billion	$10.40 billion	+0.1%
New Jersey	$3.94 billion	$3.57 billion	-9.4%
New Mexico	$243.94 million	$247.35 million	+1.4%
New York	$1.02 billion	$1.09 billion	+6.9%
Oklahoma	$94.13 million	$99.88 million	+6.1%
Pennsylvania	$1.97 billion	$2.49 billion	+26.4%
Rhode Island	$461.17 million	$477.05 million	+3.4%
South Dakota	$101.90 million	$106.19 million	+4.2%
West Virginia	$905.59 million	$877.65 million	-3.1%

[1]There is no 2009 revenue data for Maryland because its first casinos opened in 2010.
Source: State Gaming Regulatory Agencies

A review of state-level consumer spending on commercial casinos is proof that the national commercial casino industry is far from monolithic, with increases and decreases in gaming revenue varying widely from state to state. Fourteen of the 21 states with commercial casinos in 2009 experienced increases in gross gaming revenue in 2010. Other than Kansas, which had a casino open for only one month of 2009, Florida (+51.9 percent) and Pennsylvania (+26.4 percent) experienced the largest increases, while New Jersey (-9.4 percent) saw the largest decrease. More specifics on each state can be found in the state-by-state economic impact section on pages 11-22.

Commercial Casino Spending vs. Other Spending Choices, 2010



Sources: 1-American Gaming Association; 2-Home Improvement Research Institute; 3-Consumer Electronics Association; 4-National Cable and Telecommunications Association; 5-Outdoor Industry Association; 6-Boxofficemojo.com

In 2010, consumers spent more than three times as much on commercial casino gambling as they did on outdoor equipment or trips to the movies. However, they spent considerably less on casino gambling than on home remodeling, consumer electronics and cable television.

Commercial Casino Tax Revenue by State, 2009 vs. 2010

STATE	2009	2010	% Change
Colorado	$101.53 million	$107.02 million	+5.4%
Delaware	$227.55 million	$243.12 million	+6.8%
Florida	$108.37 million	$140.83 million	+30.0%
Illinois	$495.61 million	$466.07 million	-6.0%
Indiana	$878.00 million	$874.86 million	-0.4%
Iowa	$306.17 million	$305.44 million	-0.2%
Kansas	$0.54 million	$9.48 million	+1655.6%
Louisiana	$598.14 million	$571.96 million	-4.4%
Maine	$29.08 million	$30.16 million	+3.7%
Maryland	N/A[1]	$15.87 million	N/A
Michigan	$320.01 million	$311.41 million	-2.7%
Mississippi	$296.34 million	$285.47 million	-3.7%
Missouri	$469.09 million	$486.06 million	+3.6%
Nevada	$831.75 million	$835.42 million	+0.4%
New Jersey	$347.62 million	$305.50 million	-12.1%
New Mexico	$63.42 million	$64.31 million	+1.4%
New York	$455.48 million	$503.48 million	+10.5%
Oklahoma	$13.78 million	$16.55 million	+20.1%
Pennsylvania	$1.118 billion[2]	$1.328 billion	+18.8%
Rhode Island	$292.09 million[3]	$296.30 million[4]	+1.4%
South Dakota	$15.98 million	$17.22 million	+7.8%
West Virginia	$408.37 million	$378.49 million	-7.3%

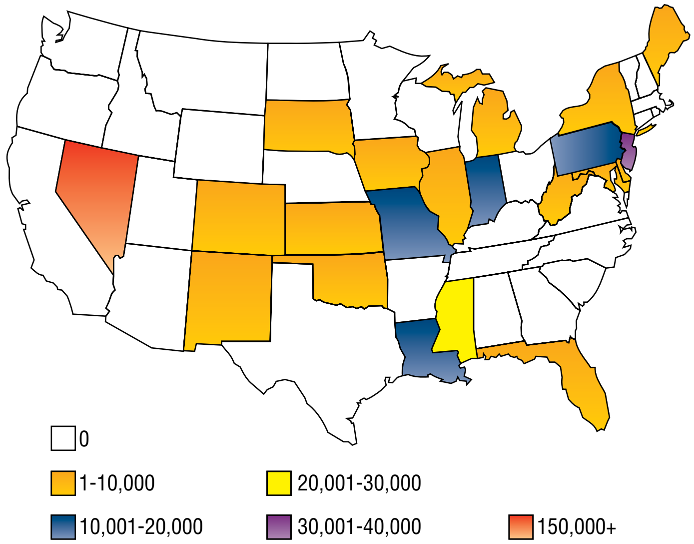
[1]There is no 2009 tax revenue data for Maryland because its first casinos opened in 2010.
[2]Data changed from what was reported in 2010 State of the States.
[3]FY 2009
[4]FY2010

Source: State Gaming Regulatory Agencies

Nationwide, commercial casinos contributed $7.59 billion in direct gaming taxes during 2010, a 3.0 percent increase compared to 2009 figures. Without taking into account Kansas, which had a casino open for only one month of 2009, Florida (+30.0 percent) and Oklahoma (+20.1 percent) experienced the largest increases, while New Jersey (-12.1 percent) saw the largest decrease. More specifics on each state can be found in the state-by-state economic impact section on pages 11-22.

Commercial Casino Jobs by State, 2009 vs. 2010

STATE	2009	2010	% Change
Nevada	177,397[1]	175,024[2]	-1.3%
New Jersey	36,377	34,145	-6.1%
Mississippi	25,739	24,707	-4.0%
Louisiana	17,610	16,873	-4.2%
Indiana*	15,857	14,144	-10.8%
Pennsylvania*	9,126	12,664	+38.8%
Missouri	10,961	11,071	+1.0%
Colorado	8,821	9,589	+8.7%
Iowa	9,241	8,915	-3.5%
Michigan	8,122	8,067	-0.7%
Illinois	7,083	6,892	-2.7%
West Virginia*	4,688	4,528	-3.4%
New York	3,180	3,465	+9.0%
Delaware*	2,363[3]	3,245	+37.3%
Florida*	2,156	2,533	+17.5%
South Dakota	1,593[4,5]	1,512[6]	-5.1%
New Mexico*	1,446	1,423	-1.6%
Oklahoma*	1,097[7]	770	-29.8%
Maine	303	385	+27.1%
Maryland	N/A[8]	309	N/A
Kansas	278	303	+9.0%
Rhode Island*	1,300[9]	N/A	N/A
Total	**344,910**	**340,564**	**-1.3%**



**One or more properties from these states declined to participate in data gathering, see state-by-state data charts for more information.*

[1]Figure for locations with gross gaming revenue in excess of $1 million for FY 2009.

[2]Figure for locations with gross gaming revenue in excess of $1 million for FY 2010.

[3]2008 employment data was used for one property in Delaware that declined to participate in 2009 data collection.

[4]CY 2008

[5]Figure revised from that reported in 2010 State of the States.

[6]CY 2009

[7]Employment numbers for Oklahoma racinos are based on the three properties that were open during 11 months of 2009. At the end of 2009, only two properties remained open.

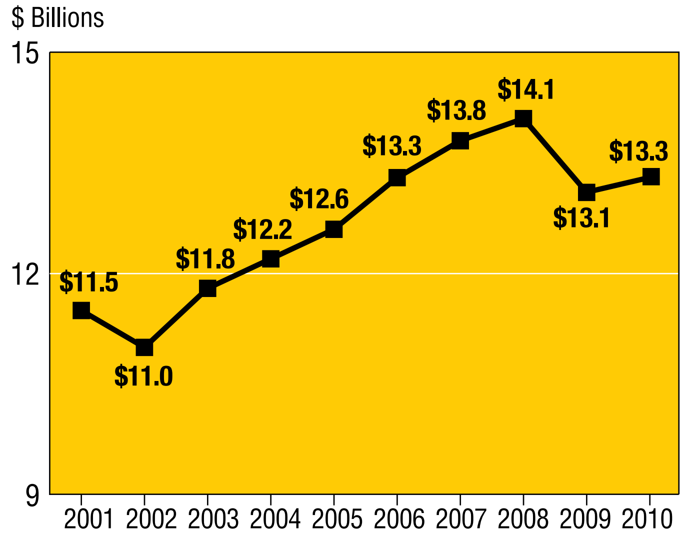
[8]There is no 2009 employment data for Maryland because its first casino opened in 2010.

[9]2008 employment data was used for one property in Rhode Island that declined to participate in 2009 data collection.

Sources: State Gaming Regulatory Agencies, State Gaming Associations, Individual Properties

Overall national casino employment figures fell 1.3 percent in 2010 as gaming properties nationwide continued tightening their belts in response to the lingering effects of the recession. States that added table games, like Pennsylvania (+38.8 percent) and Delaware (+37.3 percent), or additional properties, like Florida (+17.5 percent), experienced some of the largest employment growth. For more specifics on each state, look at the state-by-state economic impact section on pages 11-22.

Commercial Casino Wages, 2001-2010



Sources: State Gaming Regulatory Agencies, individual properties

Based on the data available, commercial casino employees earned $13.3 billion in wages, benefits and tips during 2010, a 1.5 percent increase compared to 2009.

Top 20 U.S. Casino Markets, 2010

1. Las Vegas Strip, Nev.	$5.777 billion	11. Boulder Strip, Nev.	$757.03 million
2. Atlantic City, N.J.	$3.573 billion	12. Kansas City, Mo. (includes St. Joseph)	$753.44 million
3. Chicagoland, Ill./Ind.	$2.057 billion	13. Reno/Sparks, Nev.	$684.05 million
4. Connecticut	$1.385 billion	14. Lawrenceburg/Rising Sun/Belterra, Ind.	$676.17 million
5. Detroit, Mich.	$1.378 billion	15. New Orleans, La.	$640.94 million
6. St. Louis, Mo./Ill.	$1.086 billion	16. Lake Charles, La.	$639.13 million
7. Tunica/Lula, Miss.	$926.92 million	17. Black Hawk, Colo.	$625.17 million
8. Biloxi, Miss.	$830.86 million	18. Yonkers, N.Y.	$582.23 million
9. Philadelphia, Pa.	$816.31 million	19. Pittsburgh/Meadow Lands, Pa.	$531.80 million
10. Shreveport, La.	$764.92 million	20. Downtown Vegas, Nev.	$493.39 million

Source: The Innovation Group

The opening of a new casino in Philadelphia, along with the reclassification of properties in suburban Philadelphia and Pittsburgh, led to the inclusion of the two cities on the list of top earning casino markets for the first time.

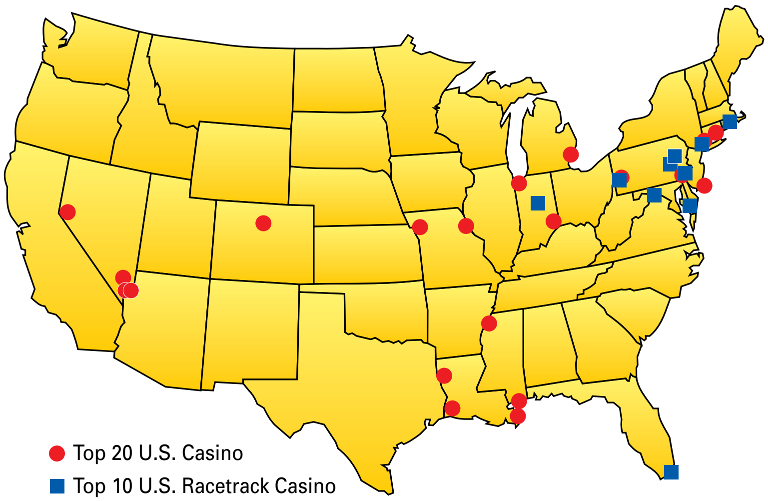
Top 10 U.S. Racetrack Casino Markets, 2010

1. Philadelphia, Pa.	$759.11 million
2. Yonkers, N.Y.	$582.23 million
3. Indianapolis, Ind.	$445.67 million
4. Charles Town, W.V.	$428.76 million
5. Providence, R.I.	$423.66 million
6. Dover/Harrington, Del.	$335.17 million
7. Dade County, Fla.	$329.06 million
8. Grantville, Pa.	$268.47 million
9. Meadow Lands, Pa.	$264.15 million
10. Wilkes-Barre, Pa.	$243.22 million

Source: The Innovation Group

The Philadelphia market, which includes racinos in Chester, Pa., and Bensalem, Pa., supplanted Yonkers, N.Y., as the top racetrack casino market in 2010. Dade County, Fla., Grantville, Pa., and Wilkes-Barre, Pa., all entered the top 10 for the first time.

Top U.S. Casino Markets, 2010



Spotlight on GAMING EQUIPMENT MANUFACTURERS

Despite a challenging economic climate that persisted throughout 2010, the gaming equipment manufacturing industry reported significant revenue, supported tens of thousands of employees and paid billions of dollars in salaries and wages. Research and analysis conducted by Nevada-based Applied Analysis on behalf of the Association of Gaming Equipment Manufacturers (AGEM) demonstrates the impact of the supplier side of the gaming industry. Direct revenue sourced to the industry was $11.5 billion during 2010, a 5.1 percent decline from the prior year.

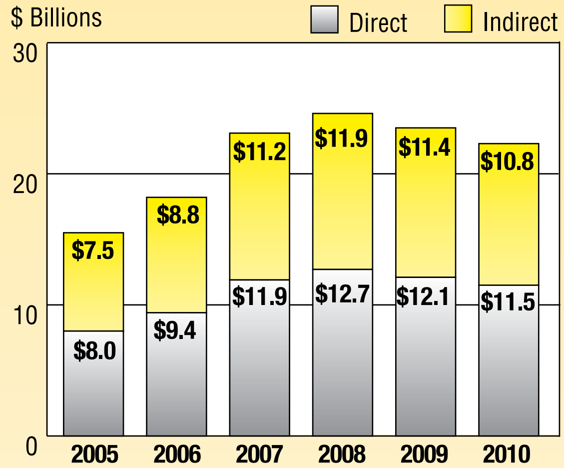
Despite the reduced revenue levels in 2010, a survey of global gaming suppliers indicated that 73 percent of companies within the sector think that market conditions will improve during the next 12 months.

Direct employment declined 2.0 percent to 29,400 in 2010. Overall wages for those employees totaled $2.1 billion during the same period, which was flat when compared with 2009 figures. With an average wage of approximately $70,500, the sector's employees earned significantly more than the U.S. median income of $43,460 (Bureau of Labor Statistics). Indirect impacts, or those attributable to parts suppliers or other supporting businesses, provided an additional impact on output, wages and employees.[1]

In addition to the manufacturing sector's relatively high wages, it provides significant benefits to its employees. Based on a survey of AGEM members, more than nine out of 10 (93.3 percent) gaming suppliers provide employer-sponsored health care plans that cover more than 75 percent of their employees. Additionally, three out of five (60 percent) businesses reported offering employer-sponsored retirement plans to more than 75 percent of their employees.

[1]Indirect impacts consider how other businesses respond to the sector. Employees of part suppliers, for example, are considered indirect employees to the extent that their jobs are dependent, in full or in part, on the suppliers' income generated by industry-related purchases.

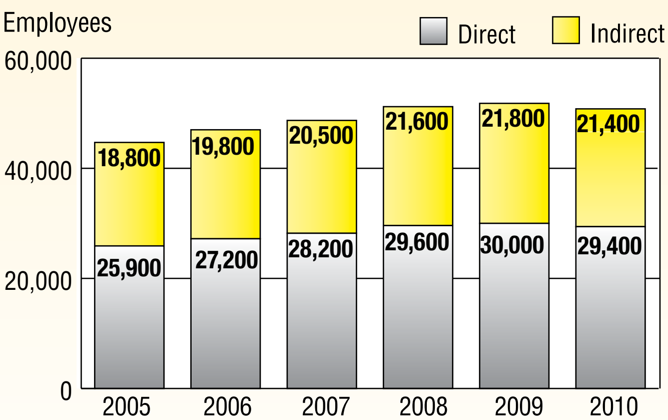
Gaming Equipment Manufacturing Economic Output, 2005-2010



Source: Association of Gaming Equipment Manufacturers (AGEM)

Direct economic output sourced to the gaming equipment manufacturing sector fell 5.0 percent to $11.5 billion in 2010, while direct and indirect output combined totaled $22.3 billion, representing a decline of 5.1 percent from 2009 figures.

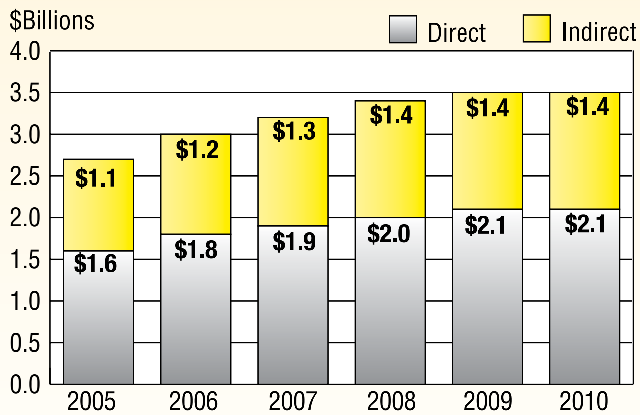
Gaming Equipment Manufacturing Employment, 2005-2010



Source: Association of Gaming Equipment Manufacturers (AGEM)

Direct employment within the industry fell modestly to 29,400 during 2010. When combined with indirect positions, employment sourced to the sector reached 50,800. Aggregate employment represented a 2.0 percent drop compared with 2009 figures.

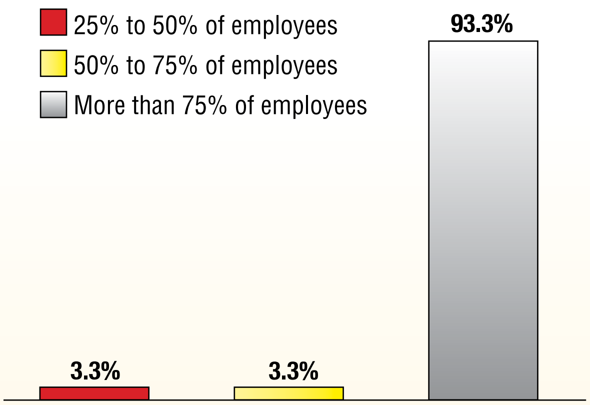
Gaming Equipment Manufacturing Salaries and Wages, 2005-2010



Source: Association of Gaming Equipment Manufacturers (AGEM)

Salary and wage payments to employees within the gaming supplier sector totaled $2.1 billion, and when combined with indirect wage impacts, salaries and wages totaled $3.5 billion.

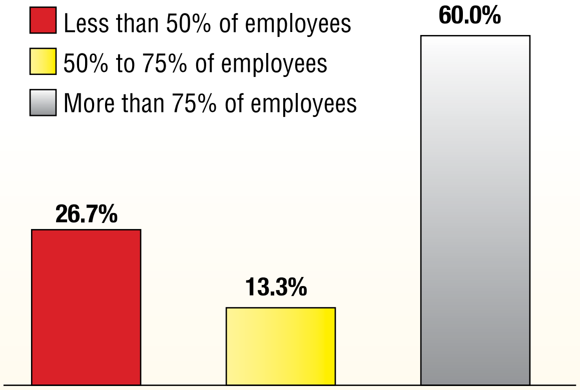
Gaming Equipment Manufacturers with Employees Covered by Employer-sponsored Health Care Plans



Source: Association of Gaming Equipment Manufacturers (AGEM)

A vast majority (93.3 percent) of gaming equipment manufacturers reported providing employer-sponsored health care plans to more than 75 percent of their employees. None within the sector reported plans covering less than 25 percent of their employees.

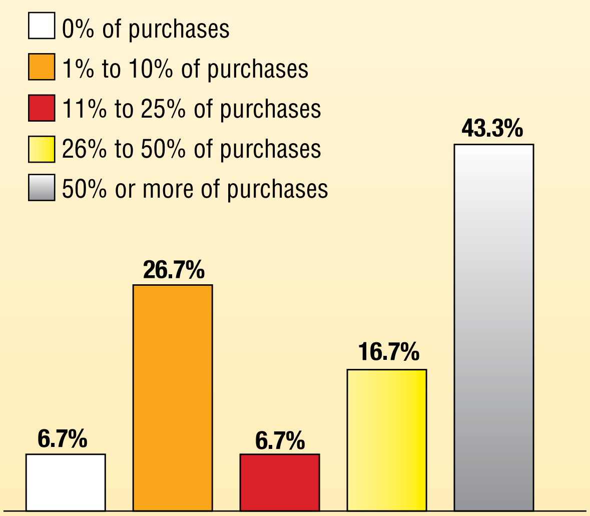
Gaming Equipment Manufacturers with Employees Covered by Employer-sponsored Retirement Plans



Source: Association of Gaming Equipment Manufacturers (AGEM)

Three out of five (60.0 percent) gaming equipment manufacturers sponsor retirement programs that cover at least three-quarters of their employees. When combined with those providing retirement plans to 50 percent or more of their employees, more than seven out of 10 (73.3 percent) cover more than 50 percent of employees.

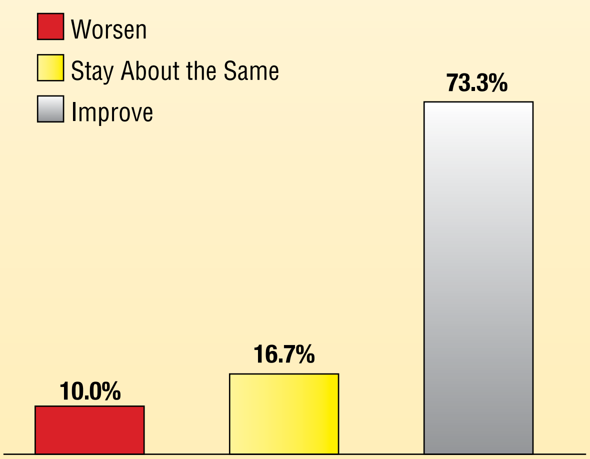
Purchases Made from Local Vendors by Gaming Equipment Manufacturers



Source: Association of Gaming Equipment Manufacturers (AGEM)

Nearly every surveyed gaming equipment manufacturer makes purchases from local vendors, with more than two out of five (43.3 percent) making more than 50 percent of their purchases from local suppliers. Local vendor purchases in 2010 represented an increase from levels reported in 2009.

Gaming Equipment Manufacturers' Market Expectations for the Next 12 Months



Source: Association of Gaming Equipment Manufacturers (AGEM)

Gaming equipment manufacturers generally reported positive expectations that market conditions will improve during the next 12 months. Nearly three-quarters (73.3 percent) noted improvements are likely.

State-by-State Economic Impact: Commercial Casinos

The last three years have been challenging ones for the commercial casino industry, as consumer discretionary spending dropped amidst a national mood battered by high unemployment and low consumer confidence. However, 2010 economic impact data has given the industry and its host communities reason to be optimistic. In 2010, gross gaming revenues for commercial casinos rebounded slightly to $34.60 billion, a 0.9 percent increase compared with 2009 figures. Of those revenues, $7.59 billion was returned to state and local governments in the form of direct gaming taxes to pay for a wide range of goods and services that benefit the industry's host communities. Tax receipts increased by 3.0 percent compared to 2009 figures. The gaming industry also continued to be a significant source of jobs, employing 340,564 people who earned $13.3 billion in wages, benefits and tips during 2010.

When viewed on a state-by-state basis, gaming revenue, tax contribution and employment figures reveal that the gaming industry is far from monolithic and that some states have weathered the economic storm better than others. Fourteen of the 21 states with commercial casinos in 2009 experienced increases in gross gaming revenue in 2010, and 13 of 21 saw an uptick in direct gaming tax contributions. States that expanded gaming offerings saw some of the largest increases in all three categories. Pennsylvania and Delaware, which both allowed casinos to add table games this year, saw their employment figures increase dramatically (+38.8 percent and +37.3 percent, respectively) as a result. The opening of the first casino in downtown Philadelphia and the addition of table games also helped drive increases in Pennsylvania's gaming (+26.4 percent) and gaming tax (+18.8 percent) revenues, while new properties in Florida led to the nation's largest percentage increases in both gaming revenues (+51.9 percent) and tax contributions (+30.0 percent). Though they did not expand their gaming offerings, New York and Oklahoma also experienced significant increases in gaming revenue (+6.9 percent and +6.1 percent, respectively) and gaming tax receipts (+10.5 percent and +20.1 percent, respectively).

While overall national gaming and direct gaming tax revenue figures improved in 2010, some states are still dealing with the lingering effects of the recession and saw their gaming revenues and gaming tax contributions decline in 2010. New Jersey saw the largest percentage declines in gaming revenue (-9.4 percent) and tax contributions (-12.1 percent), as regional competition continued to impact Atlantic City's casinos. Illinois (-4.2 percent), Louisiana (-3.7 percent) and Mississippi (-3.2 percent) saw the next largest drops in gaming revenues. After New Jersey, West Virginia (-7.3 percent), Illinois (-6.0 percent) and Louisiana (-4.4 percent) experienced the next largest declines in direct gaming tax revenue. On the employment side, Oklahoma experienced the largest decline in its gaming workforce (-29.8 percent) when one of its three racetrack casinos closed its doors.

The following tables give the most complete picture available of each of the 22 commercial casino states' economic impacts, including gross gaming and gaming tax revenue, employment and wages.

COLORADO

Current # of Operating Casinos	37
Casino Format	Land-based
Casino Employees	9,589
Casino Employee Wages	$258.36 million (includes tips and benefits)
Gross Casino Gaming Revenue	$759.61 million
Gaming Tax Revenue	$107.02 million
How Taxes Spent	Local communities, historic preservation, community colleges, general fund
Legalization Date	1990
First Casino Opening Date	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 Association, Colorado Division of Gaming

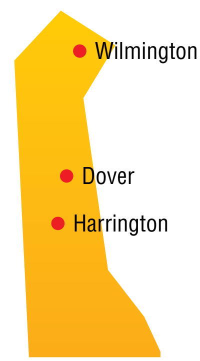
An improving economy, coupled with the first full year of regulatory changes that allowed for a raising of the bet limit from $5 to $100, 24-hour casino operations and additional games like craps and roulette, drove increased gaming and tax revenues in Colorado.

DELAWARE

Current # of Operating Casinos	3
Casino Format	Racetrack casinos with publicly run video lottery terminals and table games with distributions to operators
Casino Employees	3,245
Casino Employee Wages	$104.87 million (includes tips and benefits)
Gross Casino Gaming Revenue	$571.38 million
Gaming Tax Revenue	$243.12 million
How Taxes Spent	General fund
Legalization Date	1994
First Casino Opening Date	1995
Revenue Retained by Operator	42.21%
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Delaware wage and employment data includes two of three properties, as one declined to participate in the data collection.

Sources: Delaware Lottery, individual properties



The first table games in Delaware hit the casino floor in May 2010, and the additional gaming options drove an increase in gross gaming revenues (+1.3 percent), contributions from direct gaming taxes (+6.8 percent) and employment (+37.3 percent).

FLORIDA

Current # of Operating Casinos	5
Casino Format	Racetrack casinos with slot machines
Casino Employees	2,533[1]
Casino Employee Wages	$67.03 million (includes tips and benefits)[2]
Gross Casino Gaming Revenue	$329.12 million
Gaming Tax Revenue	$140.83 million
How Taxes Spent	Statewide education
Legalization Date	2006
First Casino Opening Date	2006
State Gaming Tax Rate	42.79%[3]
Mode of Legalization	Statewide referendum, local option vote, legislative action
Visitor Volume	Data not available

[1] Florida employment data includes four out of five properties, as one declined to participate in the data collection.

[2] Florida wage data includes three out of five properties, as two declined to participate in the data collection.

[3] As of July 2010, Florida reduced its state tax rate on racetrack casino slot machines from 50% to 35%. The effective state tax rate over the course of CY 2010 thus comes to 42.79%. This does not take into account what operators allocate to horse and dog breeders funds, local authorities and public gambling awareness.

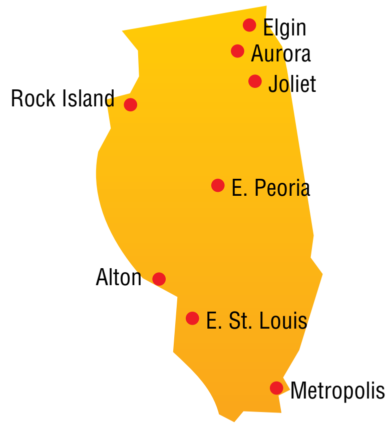
Sources: Florida Department of Business and Professional Regulation, individual properties

The opening of a new casino in January and the first full year of operations for a second property drove a 51.9 percent increase in gross gaming revenue in Florida, resulting in a 30 percent increase in tax contributions.

ILLINOIS

Current # of Operating Casinos	9
Casino Format	Riverboat
Casino Employees	6,892
Casino Employee Wages	$295.25 million (includes tips and benefits)
Gross Casino Gaming Revenue	$1.374 billion
Gaming Tax Revenue	$466.07 million
How Taxes Spent	Education assistance, local government
Legalization Date	1990
First Casino Opening Date	1991
State Gaming Tax Rate	Graduated tax rate from 15% to 50% of gross gaming revenue, $2-3 admissions tax
Mode of Legalization	Legislative action
Visitor Volume	13.83 million

Sources: Illinois Casino Gaming Association, Illinois Gaming Board



Illinois riverboats saw their collective gaming revenues decline by 4.2 percent, while direct gaming tax revenues dropped 6.0 percent during 2010. Employment at the nine properties also fell by 2.7 percent compared to 2009 figures.

INDIANA

Current # of Operating Casinos	13
Casino Format	Riverboats, land-based and racetrack casinos with slots and table games
Casino Employees	14,144
Casino Employee Wages	$494.75 million (includes tips and benefits)
Gross Casino Gaming Revenue	$2.794 billion
Gaming Tax Revenue	$874.86 million
How Taxes Spent	Economic development, local government
Legalization Date	1993
First Casino Opening Date	1995
State Gaming Tax Rate	Riverboat and Land-based Casinos: Graduated tax rate from 15% to 40% of gross gaming revenue; $3 per patron admissions tax; Racinos: Graduated slot tax from 25% to 35% of gross gaming revenue
Mode of Legalization	Local option vote, legislative action
Visitor Volume	26.54 million

Note: Indiana wage and employment data includes 12 of 13 properties, as one declined to participate in the data collection.

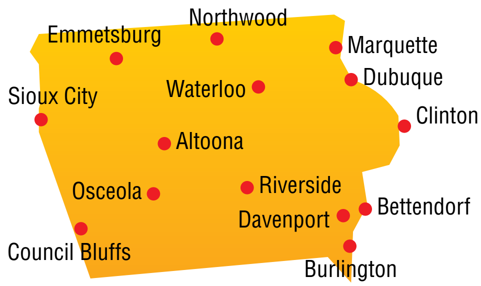
Sources: Casino Association of Indiana, Indiana Gaming Commission

Gaming revenues and tax contributions were relatively flat at Indiana's 13 commercial casinos, with consumers spending 0.4 percent less at the state's casinos, which led to a 0.4 percent decline in direct gaming tax revenues.

IOWA

Current # of Operating Casinos	17
Casino Format	Riverboat, land-based and racetrack casinos with slots and table games
Casino Employees	8,915
Casino Employee Wages	$328.29 million (includes tips and benefits)
Gross Casino Gaming Revenue	$1.368 billion
Gaming Tax Revenue	$305.44 million
How Taxes Spent	Infrastructure, schools and universities, the environment, tourism projects, cultural initiatives, general fund
Legalization Date	1989
First Casino Opening Date	1991
State Gaming Tax Rate	Graduated tax rate with a maximum of up to 22% on gross gaming revenue at riverboats and up to 24% at racetracks with slots and table games with gaming revenue exceeding $100 million
Mode of Legalization	Local option vote, legislative action
Visitor Volume	21.97 million

Sources: Iowa Gaming Association, Iowa Racing and Gaming Commission



Gaming and tax revenues were both down slightly in Iowa during 2010, and the decrease can be partially attributed to severe weather in January and February that negatively impacted visitor volume.

KANSAS

Current # of Operating Casinos	1
Casino Format	Land-based (state-owned)
Casino Employees	303
Casino Employee Wages	N/A[1]
Gross Casino Gaming Revenue	$37.79 million
Gaming Tax Revenue	$9.48 million
How Taxes Spent	State debt reduction, infrastructure improvements, property tax relief, problem gambling treatment
Legalization Date	2007
First Casino Opening Date	2009
State Gaming Tax Rate	22% state tax, 3% local government tax and 2% tax to fund problem gambling treatment
Mode of Legalization	Legislative action, local option vote
Visitor Volume	Data not available

[1]The AGA was unable to obtain employee wage data for Kansas.

Sources: Kansas Lottery, individual property

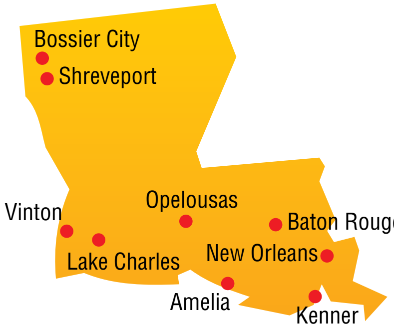
2010 marked the first full year of operations at the country's only state-owned resort casino, and employment, gaming and tax revenue increased as the market in Kansas continued to mature.

LOUISIANA

Current # of Operating Casinos	18
Casino Format	Riverboat, land-based and racetrack casinos with slots and table games
Casino Employees	16,873
Casino Employee Wages	$583.56 million (includes tips and benefits)
Gross Casino Gaming Revenue	$2.374 billion
Gaming Tax Revenue	$571.96 million
How Taxes Spent	General fund, city of New Orleans, public retirement systems, state capital improvements, rainy day fund
Legalization Date	1991
First Casino Opening Date	1993
State Gaming Tax Rate	Riverboat Casinos: 21.5%[1]; Land-based Casino: $60 million annual tax or 21.5% of gross gaming revenue, whichever is greater; Racinos: 18% of gross gaming revenue paid to horsemen; 18.5% of net to state taxes and 4% to local parish
Mode of Legalization	Local option vote, legislative action
Visitor Volume	34.03 million

[1] Riverboat casinos pay an additional 4 percent to 6 percent to local governing authorities under the terms of "local boarding fee" agreements.

Sources: Louisiana Casino Association, Louisiana Gaming Control Board, individual properties



In 2010, Louisiana saw its gross gaming revenues decline by 3.7 percent compared to 2009 figures, and direct gaming taxes paid to state and local governments were 4.4 percent lower than they were in 2009.

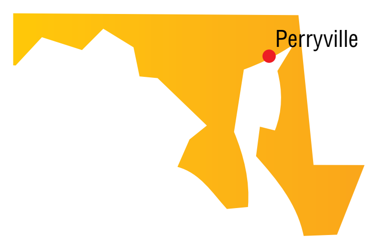
MAINE

Current # of Operating Casinos	1
Casino Format	Racetrack casino with slot machines
Casino Employees	385
Casino Employee Wages	$10.3 million (includes tips and benefits)
Gross Casino Gaming Revenue	$61.67 million
Gaming Tax Revenue	$30.16 million
How Taxes Spent	Education, health care, agriculture, gambling control board administration, city of Bangor
Legalization Date	2004
First Casino Opening Date	2005
State Gaming Tax Rate	1% tax on handle, or the amount wagered; 39% tax on gross gaming revenue; 3% tax on gross gaming revenue to the city of Bangor
Mode of Legalization	Local option vote, legislative action
Visitor Volume	Data not available

Sources: Maine Gambling Control Board, Penn National Gaming, Inc.

Maine's single racetrack casino saw its gaming revenues increase by 4.2 percent in 2010, which led to a 3.7 percent increase in tax contributions to state and local governments compared to 2009 figures.

MARYLAND



Current # of Operating Casinos	1
Casino Format	Land-based, slots-only casino
Casino Employees	309
Casino Employee Wages	$3.4 million (includes tips and benefits)
Gross Casino Gaming Revenue	$27.60 million
Gaming Tax Revenue	$15.87 million
How Taxes Spent	Education trust fund, local impact grants, small, minority- and women-owned businesses
Legalization Date	2008
First Casino Opening Date	2010
Revenue Retained by Operator	33%
Mode of Legalization	Constitutional referendum
Visitor Volume	Data not available

Source: Maryland Lottery, Penn National Gaming, Inc.

In September 2010, Maryland's first commercial casino opened in Perryville. Additional slots-only facilities are set to open in 2011.

MICHIGAN

Current # of Operating Casinos	3
Casino Format	Land-based
Casino Employees	8,067
Casino Employee Wages	$418.61 million (includes tips and benefits)
Gross Casino Gaming Revenue	$1.378 billion
Gaming Tax Revenue	$311.41 million
How Taxes Spent	Public safety, capital improvements, youth programs, tax relief, neighborhood development and improvement, infrastructure repair and improvement
Legalization Date	1996
First Casino Opening Date	1999
State Gaming Tax Rate	For permanent facilities: 19% tax on gross gaming revenue (10.9% to city of Detroit, 8.1% to state of Michigan); state and municipal service fees also are levied annually
Mode of Legalization	Local advisory vote, statewide voter referendum, legislative action
Visitor Volume	Data not available

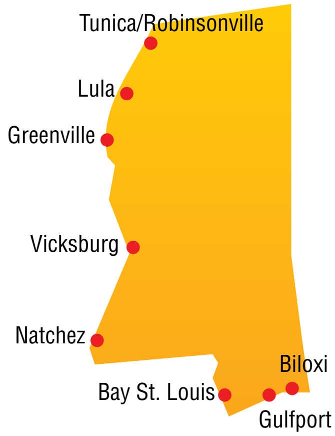
Sources: Michigan Gaming Control Board, individual properties

In 2010, Detroit's three casinos experienced a 3.0 percent increase in gaming revenue compared to 2009 figures. Gaming tax contributions decreased as a result of the opening of Greektown Casino Hotel's permanent facility, which allowed it to take advantage of a lower tax rate for part of the year.

MISSISSIPPI

Current # of Operating Casinos	30
Casino Format	Dockside, land-based
Casino Employees	24,707
Casino Employee Wages	$826.66 million (includes tips and benefits)
Gross Casino Gaming Revenue	$2.390 billion
Gaming Tax Revenue	$285.47 million
How Taxes Spent	Housing, education, transportation, health care services, youth counseling programs, local public safety programs
Legalization Date	1990
First Casino Opening Date	1992
State Gaming Tax Rate	Graduated tax of 8% on gaming revenues; up to 4% additional tax on gaming revenues may be imposed by local governments
Mode of Legalization	Legislative action, local option votes
Visitor Volume	31.60 million

Sources: Mississippi Casino Operators Association, Mississippi Gaming Commission

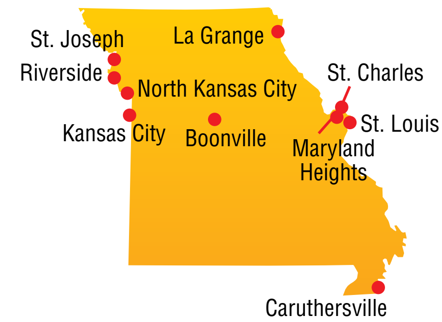


Mississippi casinos continued to feel the effects of the recession, as a decrease in visitor volume led to lower gross gaming revenues and tax contributions. Casinos in coastal counties saw their revenues drop 0.7 percent compared with 2009 figures but fared better than casinos in river counties, which experienced a 5.0 percent decline in gaming revenues.

MISSOURI

Current # of Operating Casinos	12
Casino Format	Riverboat
Casino Employees	11,071
Casino Employee Wages	$342.00 million (includes tips and benefits)
Gross Casino Gaming Revenue	$1.788 billion
Gaming Tax Revenue	$486.06 million
How Taxes Spent	Education, local public safety programs, compulsive gambling treatment, veterans' programs, early childhood programs
Legalization Date	1993
First Casino Opening Date	1994
State Gaming Tax Rate	21% tax on gross gaming revenue; $2 per patron admission fee, per excursion, split between home dock community and the state
Mode of Legalization	Statewide vote, local option vote, legislative action
Visitor Volume	27.35 million

Sources: Missouri Gaming Association, Missouri Gaming Commission

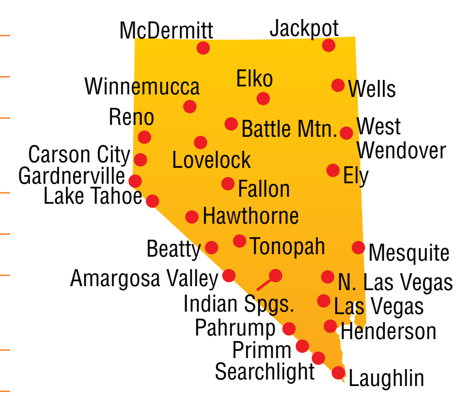


The opening of the River City Casino in St. Louis helped offset the President Casino's closing and led to an increase in gross gaming revenue (+3.5 percent), gaming tax receipts (+3.6 percent) and employment (+1.0 percent).

NEVADA

Current # of Operating Casinos	256 (FY 2010)
Casino Format	Land-based
Casino Employees	175,024 (FY 2010)
Casino Employee Wages	$7.816 billion (includes tips and benefits) (FY 2010)
Gross Casino Gaming Revenue	$10.405 billion
Gaming Tax Revenue	$835.42 million
How Taxes Spent	Education, local governments, general fund, problem gambling programs
Legalization Date	1931
First Casino Opening Date	1931
State Gaming Tax Rate	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
Mode of Legalization	Legislative action
Visitor Volume	49.99 million

Sources: Nevada Gaming Control Board, Nevada Commission on Tourism



Nevada, the nation's largest gaming state, mirrored national trends with a slight (0.1 percent) increase in gross gaming revenue, a somewhat larger increase in gaming tax revenue (0.4 percent) and a 1.3 percent drop in the number of gaming employees.

NEW JERSEY

Current # of Operating Casinos	11
Casino Format	Land-based
Casino Employees	34,145
Casino Employee Wages	$1.031 billion (includes tips)
Gross Casino Gaming Revenue	$3.565 billion
Gaming Tax Revenue	$305.50 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 of 2.5% on gross gaming revenue)
Mode of Legalization	Statewide vote, legislative action
Visitor Volume	29.33 million

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

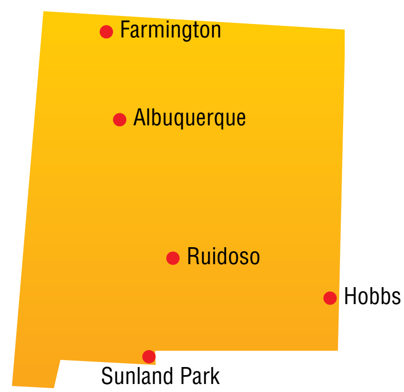
Gaming revenue, employment and tax receipts continue to decline in New Jersey in the face of increased regional competition in Pennsylvania and Delaware, which both began table games operations in 2010.

NEW MEXICO

Current # of Operating Casinos	5
Casino Format	Racetrack casinos with slot machines
Casino Employees	1,423[1]
Casino Employee Wages	$32.05 million (includes tips and benefits)[2]
Gross Casino Gaming Revenue	$247.35 million
Gaming Tax Revenue	$64.31 million
How Taxes Spent	General fund, problem gambling treatment
Legalization Date	1997
First Casino Opening Date	1999
State Gaming Tax Rate	26% tax on gross gaming revenue; 20% to purse supplements; 0.25% to fund disordered gambling treatment and awareness
Mode of Legalization	Legislative action
Visitor Volume	Data not available

[1]New Mexico employment data includes four out of five properties, as one declined to participate in the data collection.
[2]New Mexico wage data includes three out of five properties, as two declined to participate in the data collection.

Sources: New Mexico Gaming Control Board, individual properties



New Mexico's five racetrack casinos saw gross gaming revenue results that ranged from a 5 percent increase to an 8 percent decrease per property, but those results balanced out to a 1.4 percent increase in statewide racino revenue.

NEW YORK

Current # of Operating Casinos	8
Casino Format	Racetrack casinos with publicly run video lottery terminals with distributions to operators
Casino Employees	3,465
Casino Employee Wages	$96.03 million (includes tips and benefits)
Gross Casino Gaming Revenue	$1.088 billion
Gaming Tax Revenue	$503.48 million
How Taxes Spent	Education
Legalization Date	2001
First Casino Opening Date	2004
Revenue Retained by Operator	33.47%
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Six properties participated in the data collection by sharing both employment and wage figures. For the two that declined to participate, the AGA received employment numbers from the New York Racing and Wagering Board.

Sources: New York Racing and Wagering Board, New York Lottery, individual properties

Racetrack casinos in New York State experienced a 6.9 percent increase in gaming revenues in 2010 compared to 2009 figures and an even larger (+10.5 percent) increase in gaming tax revenue. The number of casino employees also grew by 9.0 percent.

OKLAHOMA

Current # of Operating Casinos	2
Casino Format	Racetrack casinos with slot machines
Casino Employees	770[1]
Casino Employee Wages	N/A[2]
Gross Casino Gaming Revenue	$99.88 million
Gaming Tax Revenue	$16.55 million
How Taxes Spent	Education
Legalization Date	2004
First Casino Opening Date	2005
State Gaming Tax Rate	Graduated state tax from 10-30% on gross gaming revenue; 9% tax to state racing commission, varying payments to horsemen, breeders and purses depending on track gaming revenues
Mode of Legalization	Statewide question on ballot
Visitor Volume	Data not available

[1] Does not include properties' racing-only employees.
[2] Both properties in Oklahoma declined to provide wage data.

Sources: Oklahoma Horse Racing Commission, State of Oklahoma-Office of the State Auditor and Inspector

The closing of one of Oklahoma's racetrack casinos at the end of 2009 led to a 29.8 percent decrease in the number of gaming employees, but the state still saw its gaming revenues increase by 6.1 percent compared with 2009 figures.

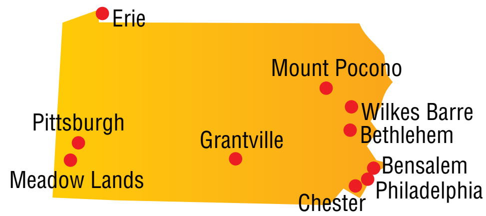
PENNSYLVANIA

Current # of Operating Casinos	10
Casino Format	Land-based and racetrack casinos with slots and table games
Casino Employees	12,664
Casino Employee Wages	$387.99 million (includes tips and benefits)[1]
Gross Casino Gaming Revenue	$2.486 billion
Gaming Tax Revenue	$1.328 billion
How Taxes Spent	Property tax relief, economic development, tourism, horse racing industry, host local government
Legalization Date	2004
First Casino Opening Date	2007
State Gaming Tax Rate	Slot Machines: 34% to state gaming fund, 12% to horse racing industry, 5% to economic development, 4% to local and county governments; Table Games: 16% tax – 14% to general fund, 2% to local county municipalities
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Pennsylvania wage and employment data includes nine of 10 properties, as one declined to participate in the data collection.

[1]Employment figures include an influx of new hires from the beginning of table games operations in July, but total wage data did not see a correspondingly significant increase because of the fact that these new hires only received wages for roughly half the year.

Sources: Pennsylvania Gaming Control Board, individual properties



Employment, wages, gaming revenue and tax receipts all increased in Pennsylvania during 2010. This was due, in part, to the opening of the Sugarhouse Casino in Philadelphia, the legalization of table games, which began operations in July, and the continuing maturation of the state's gaming markets.

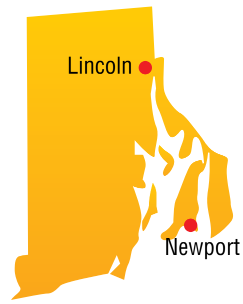
RHODE ISLAND

Current # of Operating Casinos	2
Casino Format	Racetrack casinos with publicly run video lottery terminals with distributions to operators
Casino Employees	N/A
Casino Employee Wages	N/A
Gross Casino Gaming Revenue	$477.05 million
Gaming Tax Revenue	$296.30 million (FY 2010)
How Taxes Spent	General fund
Legalization Date	1992
First Casino Opening Date	1992
Revenue Retained by Operator	27.33%[1]
Mode of Legalization	Legislative action
Visitor Volume	Data not available

Note: Both properties in Rhode Island declined to provide employment and wage data.

[1]FY 2010 data was used to calculate the percentage of revenue retained by operator.

Sources: Rhode Island Lottery, individual properties



When compared to 2009 figures, Rhode Island's gross gaming revenue increased by 3.4 percent in 2010, and contributions from direct gaming taxes were 1.4 percent larger than in 2009.

SOUTH DAKOTA

Current # of Operating Casinos	34
Casino Format	Land-based (limited-stakes; $100 maximum bet)
Casino Employees	1,512 (CY 2009)
Casino Employee Wages	$39.75 million (CY 2009) (includes tips)
Gross Casino Gaming Revenue	$106.19 million
Gaming Tax Revenue	$17.22 million
How Taxes Spent	40% Dept. of Tourism; 10% Lawrence County; 50% commission fund
Legalization Date	1989
First Casino Opening Date	1989
State Gaming Tax Rate	9% tax on gross gaming revenue; gaming device tax ($2,000 per machine per year)
Mode of Legalization	Statewide vote, local option vote, legislative action
Visitor Volume	Data not available

Sources: South Dakota Gaming Commission, Labor Market Information Center, South Dakota Department of Labor

2010 was a positive year for gaming in South Dakota, as gaming revenues increased by 4.2 percent and direct gaming tax contributions rose 7.8 percent compared with 2009 figures.

WEST VIRGINIA

Current # of Operating Casinos	5
Casino Format	Racetrack casinos with publicly run video lottery terminals and table games with distributions to operators and one land-based commercial casino
Casino Employees	4,528
Casino Employee Wages	$121.33 million
Gross Casino Gaming Revenue	$877.65 million
Gaming Tax Revenue	$378.49 million
How Taxes Spent	Education, senior citizens, tourism
Legalization Date	1994
First Casino Opening Date	1994
Revenue Retained by Operator	45.86%
Mode of Legalization	Local option vote, legislative action
Visitor Volume	Data not available

Note: West Virginia wage and employment data includes four of five properties, as one declined to participate in the data collection.

Sources: West Virginia Lottery, individual properties

As of July 2010, all West Virginia casinos have table games in addition to slot machines. Despite the extra months of table game revenue at the final site, West Virginia saw its 2010 gross gaming revenues decline by 3.1 percent compared to 2009 figures.

Spotlight on Gaming Machines

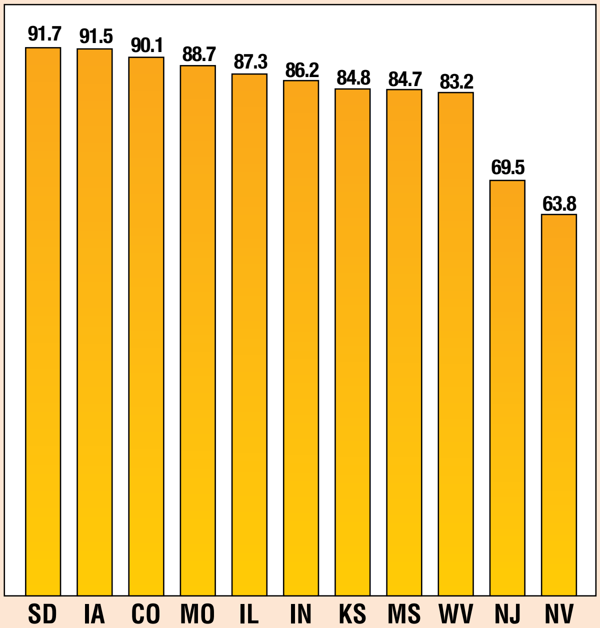
Number of Gaming Machines per State

State	Machines in Commercial Casinos	Machines in Tribal Casinos	Machines in Non-Casino Locations	Total
Alabama		3,277		**3,277**
Alaska		80		**80**
Arizona		14,514		**14,514**
Arkansas	1,398			**1,398**
California		67,752		**67,752**
Colorado	14,194	1,451		**15,645**
Connecticut	12,987	12,905		**25,892**
Delaware	7,196			**7,196**
Florida	5,364	12,849		**18,213**
Idaho		3,865		**3,865**
Illinois	10,257			**10,257**
Indiana	22,958			**22,958**
Iowa	17,509	2,465		**19,974**
Kansas	584	3,561		**4,145**
Louisiana	21,111	6,350	14,688	**42,149**
Maine	1,000			**1,000**
Maryland	1,500			**1,500**
Michigan	9,460	23,377		**32,837**
Minnesota		22,467		**22,467**
Mississippi	33,101	4,616		**37,717**
Missouri	20,052			**20,052**
Montana		1,320	21,514	**22,834**
Nebraska		719		**719**
Nevada	166,569	1,253	19,092	**186,914**
New Mexico		15,533		**15,533**
New Jersey	28,113			**28,113**
New York	12,483	12,157		**24,640**
North Carolina		3,000		**3,000**
North Dakota		3,729		**3,729**
Oklahoma		62,322		**62,322**
Oregon		7,453	12,318	**19,771**
Pennsylvania	26,907			**26,907**
Rhode Island	5,872			**5,872**
South Dakota	3,618	1,874	9,156	**14,648**
Texas		1,844		**1,844**
Washington		27,461		**27,461**
West Virginia	10,161		7,912	**18,073**
Wisconsin		17,934		**17,934**
Wyoming		1,500		**1,500**
TOTAL	**432,394**	**337,628**	**84,680**	**854,702**

Sources: The Innovation Group, Casino City Press

Across the United States, there are more than 854,000 electronic gaming machines in commercial and tribal casinos and non-casino locations, a 2.6 percent increase from the number reported last year. Nevada is home to the largest number, by far, with nearly 187,000 machines, followed by California and Oklahoma with more than 67,000 and 62,000 machines, respectively.

Gaming Machine Revenue as a Percentage of Overall Gaming Revenue in Commercial Casino States*, 2010



**Commercial casino states not listed here either do not have table games or do not collect separate revenue data for table games and gaming machines. Only states where table games were operational for all of 2010 were included.*

Source: State gaming control boards

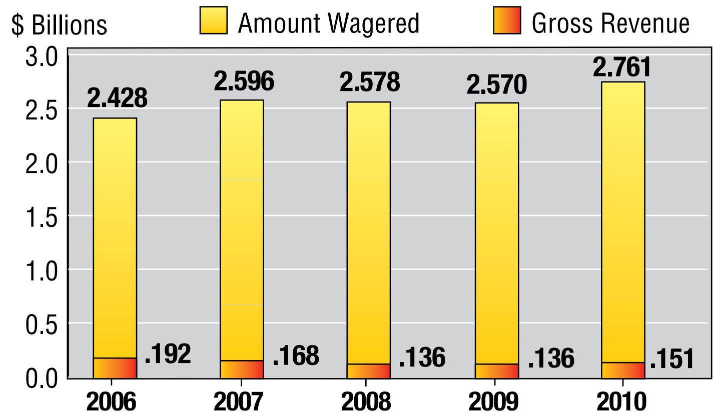
Of the 11 commercial casino states with table games and slot machines where a full year of data is available, all receive at least 63 percent of their gaming revenues from slot machines. Three states — South Dakota (91.7 percent), Iowa (91.5 percent) and Colorado (90.1 percent) — receive more than 90 percent of their revenues from gaming machines. Nevada (63.8 percent) gets the smallest percentage of its gaming revenues from gaming machines.

Spotlight on Sports Betting

Until 2009, Nevada was the only state with legal, operational sports books, but that year, Delaware began taking limited wagers on National Football League (NFL) games. Nevada is still the only state where it is legal to place a wager on a full complement of sporting events and leagues. The data below describes sports betting in Nevada only.

Total Amount Wagered vs. Gross Revenue, 2006-2010

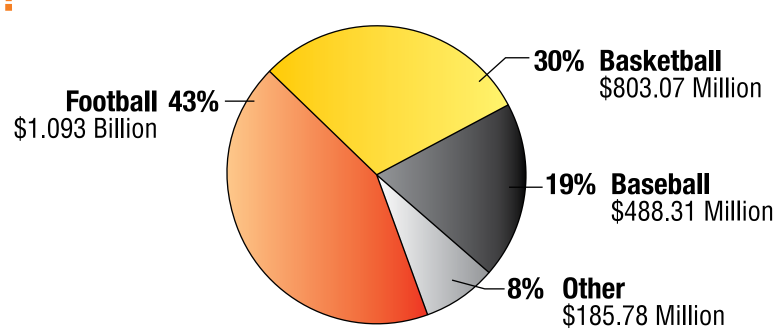
During 2010, casino-goers in Nevada wagered more than $2.7 billion on sporting events, the largest amount in recent years. Although $2.7 billion is a significant number, most of that money was returned to gamblers in the form of winnings. Gross gaming revenue from Nevada sports books was $151.1 million, only 5.5 percent of the total amount wagered.



Source: Nevada Gaming Control Board

What Sports Are the Most Popular Bets?

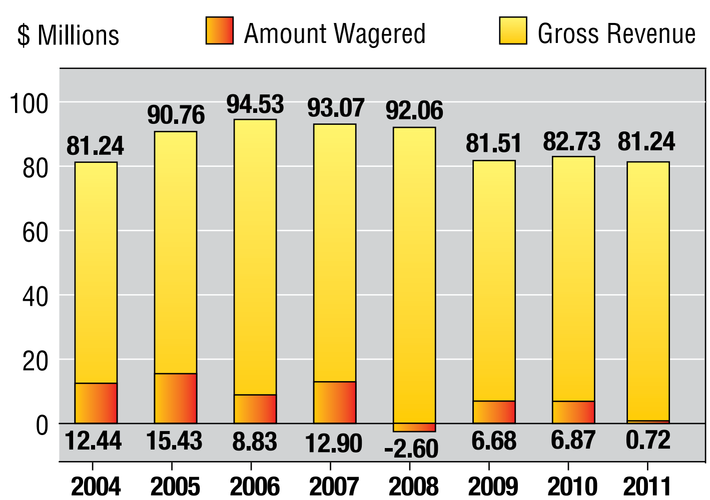
With 43 percent of total wagers, football remained the most popular sport on which to bet in Nevada during 2010. Basketball accounted for 30 percent of all wagers and was the second most popular sport, followed by baseball, which represented 19 percent of all sports bets.



Source: Nevada Gaming Control Board

Super Bowl Betting History, 2004-2011

The Super Bowl is the most popular one-day sporting event for those placing sports bets in Nevada casinos. The amount wagered and the casinos' takes can vary widely based on the outcome of the game and the point spread. In 2011, more than $81 million was wagered, and nearly all of that was returned to bettors, as Nevada race and sports book operators earned less than $1 million in revenue on the game.



Source: Nevada Gaming Control Board

Public Opinion Polling

As casino gaming has expanded to more states in recent years, it has become a greater part of the mix of entertainment options available to the American public. In fact, according to 2011 public opinion polling, 31 percent of Americans visited casinos during the past 12 months, and one-quarter (25 percent) gambled while they were there. To learn more about casino visitors, VP Communications, Inc., in conjunction with national pollster Peter D. Hart, conducted a survey of 550 past-year casino visitors during February 2011. Survey participants did not have to be casino gamblers to be eligible.

The demographic profile of casino visitors is similar to that of the general U.S. population. While men are more likely to have visited a casino than women, and the average casino visitor is slightly older, the breakdown by income and level of education mirrors that of the general population. Casino visitors do a lot more than just take trips to casinos. They are more active in their leisure time, going to the movies, concerts, sporting events, museums and amusement parks more often than a survey population representative of the general public.

The polling results also give insight into casino visitors' gaming experiences, revealing that a majority (51 percent) list slot machines as their favorite game, two-thirds (67 percent) use player's club cards when they gamble and a vast majority (88 percent) set a gambling budget before they visit a casino.

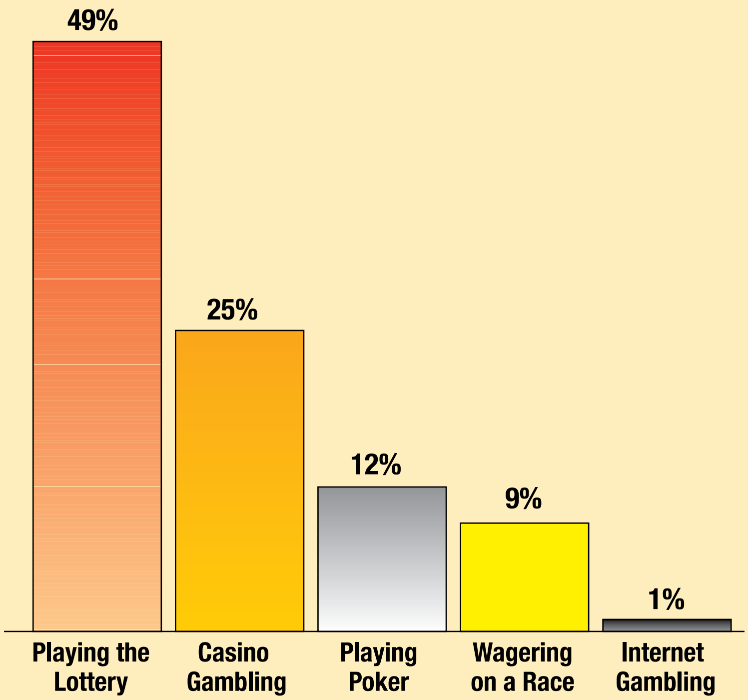
The gaming floor is not the only draw at today's casinos. Non-gaming amenities are an important part of visitors' experiences, with nearly three-quarters (73 percent) eating at a fine dining restaurant and more than half (56 percent) seeing a show. In fact, 16 percent of those surveyed never or rarely gamble when they visit a casino; and dining, shows and shopping are the most popular activities among non-gambling casino visitors. Additionally, almost three out of five (59 percent) casino visitors visit other attractions, restaurants or retail areas outside of the casino during their trip.

In all, the casino experience adds up to a good value for visitors, as more than three-quarters (77 percent) think that an evening at a casino is a good value compared to other entertainment options.

PROFILE OF CASINO VISITORS

Forms of Gambling Participated in During the Last 12 Months, 2010

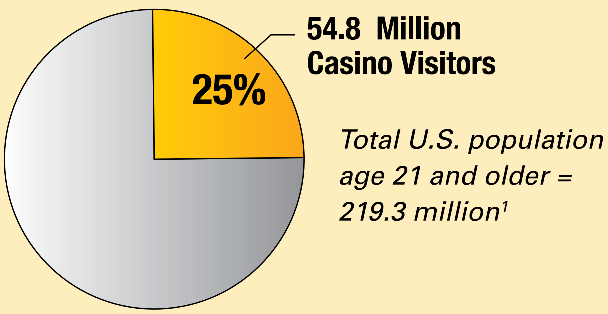
For the general population of survey respondents, playing the lottery was the most popular form of gambling again in 2011, with nearly half (49 percent) of those surveyed playing in the past year. One-quarter (25 percent) gambled in a casino, 12 percent played poker at home or at a casino, and only 1 percent placed a wager online.



Source: VP Communications, Inc. and Peter D. Hart

Total Casino Gamblers, 2010

One-quarter (25 percent) of the U.S. adult population gambled at a casino during 2010. This is down slightly from the 28 percent who visited a casino to gamble in 2009.

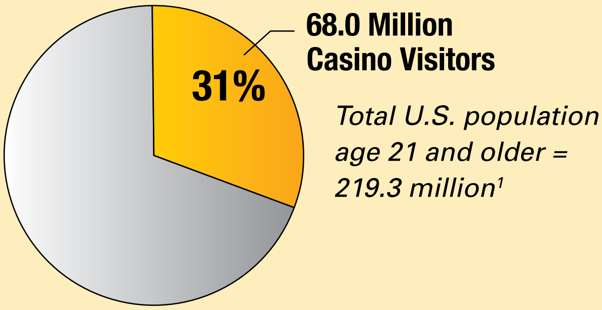


Sources: VP Communications, Inc. and Peter D. Hart and U.S. Census Bureau

[1]2009 Census figures were used because 2010 data was not available at press time.

Total Casino Visitors, 2010

In 2010, nearly one-third (31 percent) of U.S. adults visited a casino. This figure is higher than the percentage of casino gamblers because it includes those survey participants who visited a casino but did not gamble.

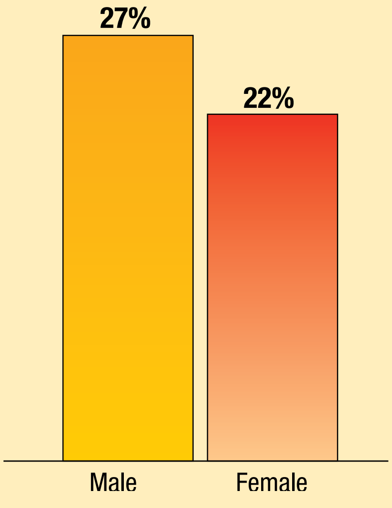


Sources: VP Communications, Inc. and Peter D. Hart and U.S. Census Bureau

[1]2009 Census figures were used because 2010 data was not available at press time.

WHO ARE CASINO VISITORS?

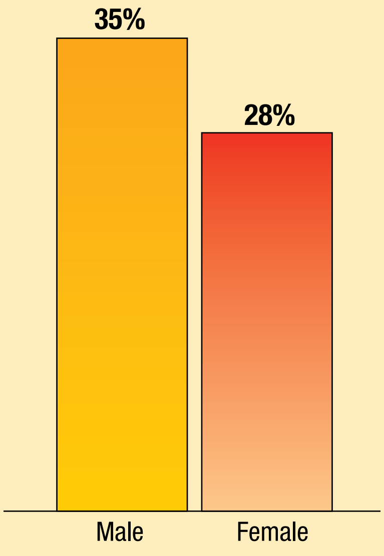
Casino Gambling by Gender, 2010



Source: VP Communications, Inc. and Peter D. Hart

According to a 2011 opinion poll, there is a significant gender gap (five percentage points) when it comes to casino gambling, with more than a quarter (27 percent) of men gambling at casinos and only 22 percent of women gambling at casinos.

Casino Visitation by Gender, 2010

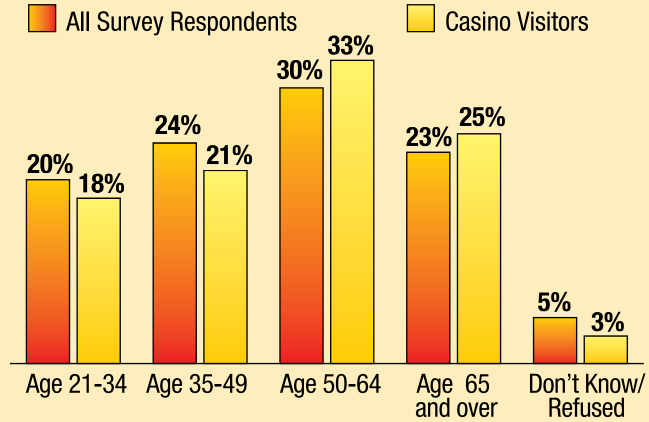


Source: VP Communications, Inc. and Peter D. Hart

Including those who do and don't gamble, the gap between the percentages of men (35 percent) and women (28 percent) visiting casinos is even higher (seven percentage points).

Age of Casino Visitors vs. Overall National Survey Respondents, 2010

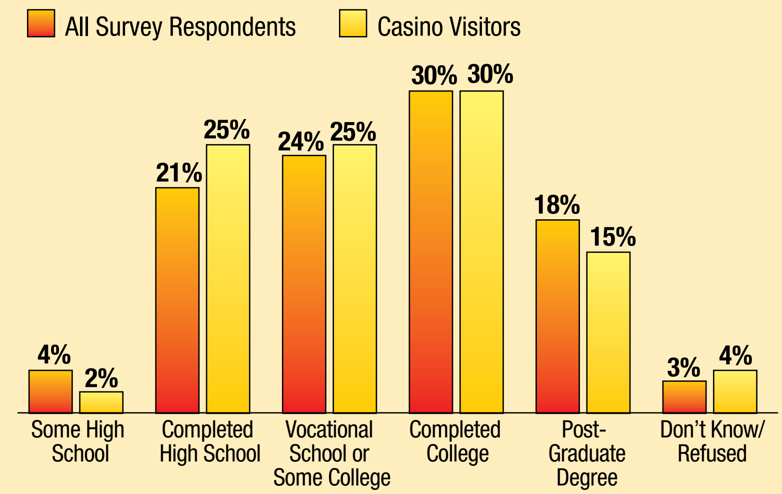
The results of a 2011 survey show that survey respondents who visited casinos are slightly older than those who did not, as 58 percent of casino visitors are at least 50 years old compared to 53 percent of the general survey population who are that age.



Source: VP Communications, Inc. and Peter D. Hart

Level of Education of Casino Visitors vs. Overall National Survey Respondents, 2010

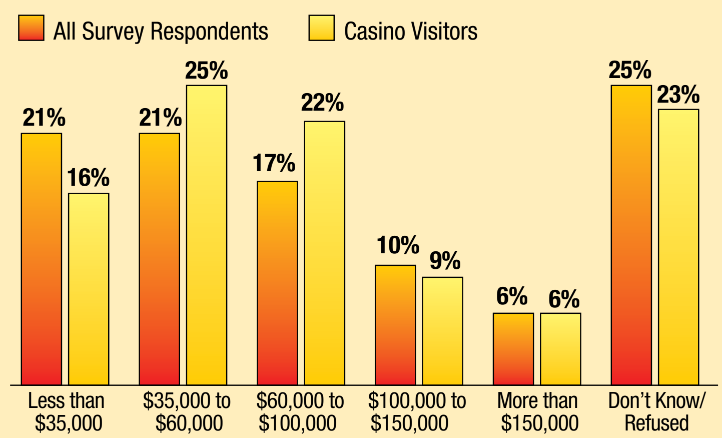
The level of education attained by casino visitors and the general survey population are comparable. While members of the overall survey sample were slightly more likely than casino visitors to hold a post-graduate degree, the percentage who completed college, some college or vocational school were nearly identical.



Source: VP Communications, Inc. and Peter D. Hart

Household Income of Casino Visitors vs. Overall National Survey Respondents, 2010

Compared to the general population of survey respondents, casino visitors are less likely to have a household income of less than $35,000 and more likely to have incomes between $35,000 and $100,000.

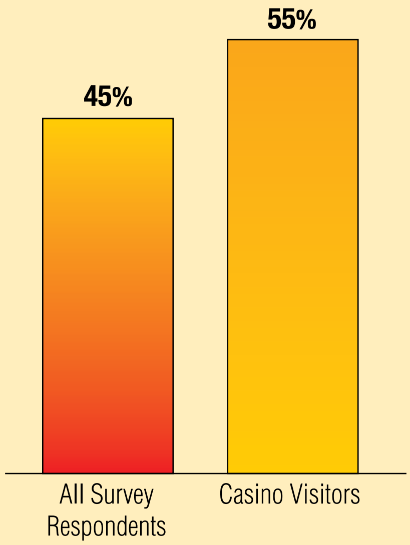


Source: VP Communications, Inc. and Peter D. Hart

CASINO VISITORS AND THEIR LEISURE TIME

Have you taken a vacation of five nights or more in the past 12 months?

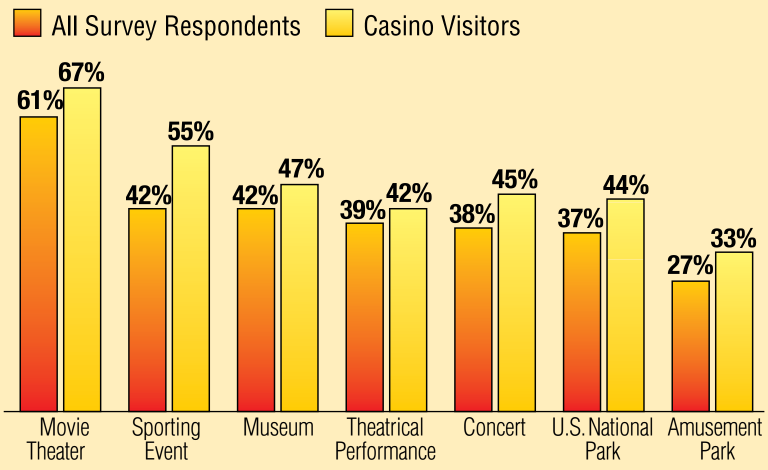
Casino visitors are more active travelers than the general survey population. More than half (55 percent) of casino visitors took a vacation of five nights or more in the past year, while only 45 percent of all survey respondents went on a pleasure trip of this length last year.



Source: VP Communications, Inc. and Peter D. Hart

In the past 12 months, have you visited the following places for entertainment or personal enjoyment?

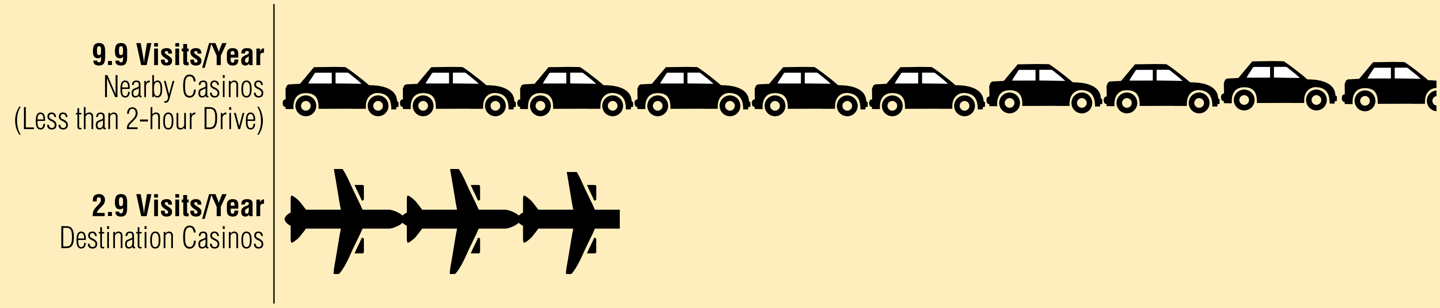
Public opinion polling shows that casino visitors are more likely than the overall population of survey respondents to participate in a variety of leisure activities. Going to the movies (67 percent) is the most popular activity for casino visitors, with sporting events being the next most popular (55 percent). Sporting events also have the largest participation gap between casino visitors and the general population (13 percentage points).



Source: VP Communications, Inc. and Peter D. Hart

THE VISITOR EXPERIENCE

Average Visits Per Year by Proximity



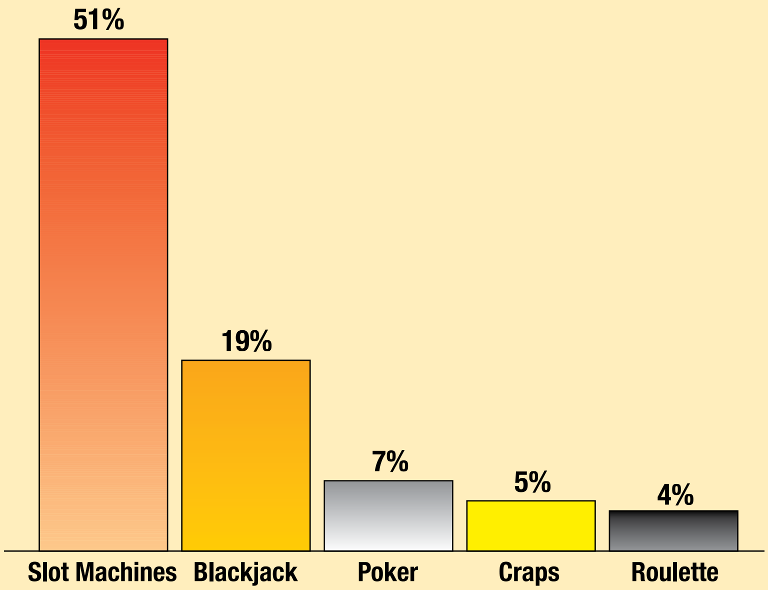
Source: VP Communications, Inc. and Peter D. Hart

Visitors who went to casinos that were less than a two-hour drive from their homes made an average of 9.9 trips during the last 12 months. Those who traveled to destination casinos – casinos that attract tourists or visitors from outside their local area, and that usually cater to guests who stay for multiple nights – averaged 2.9 visits per year.

THE GAMING EXPERIENCE

Top Five Favorite Casino Games

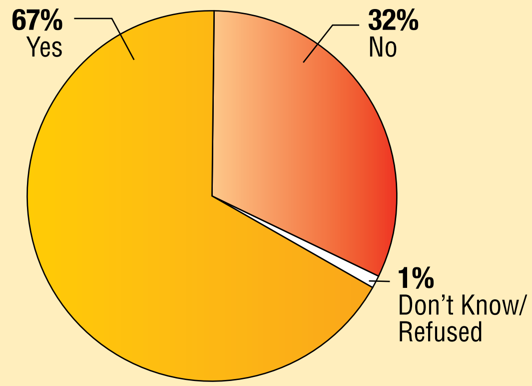
When asked their favorite casino game, more than half (51 percent) of casino visitors say that slot machines are their favorite. Nearly one in five (19 percent) say blackjack is their favorite option on the casino floor, and while poker (7 percent), craps (5 percent) and roulette (4 percent) also are mentioned, none receives double-digit support.



Source: VP Communications, Inc. and Peter D. Hart

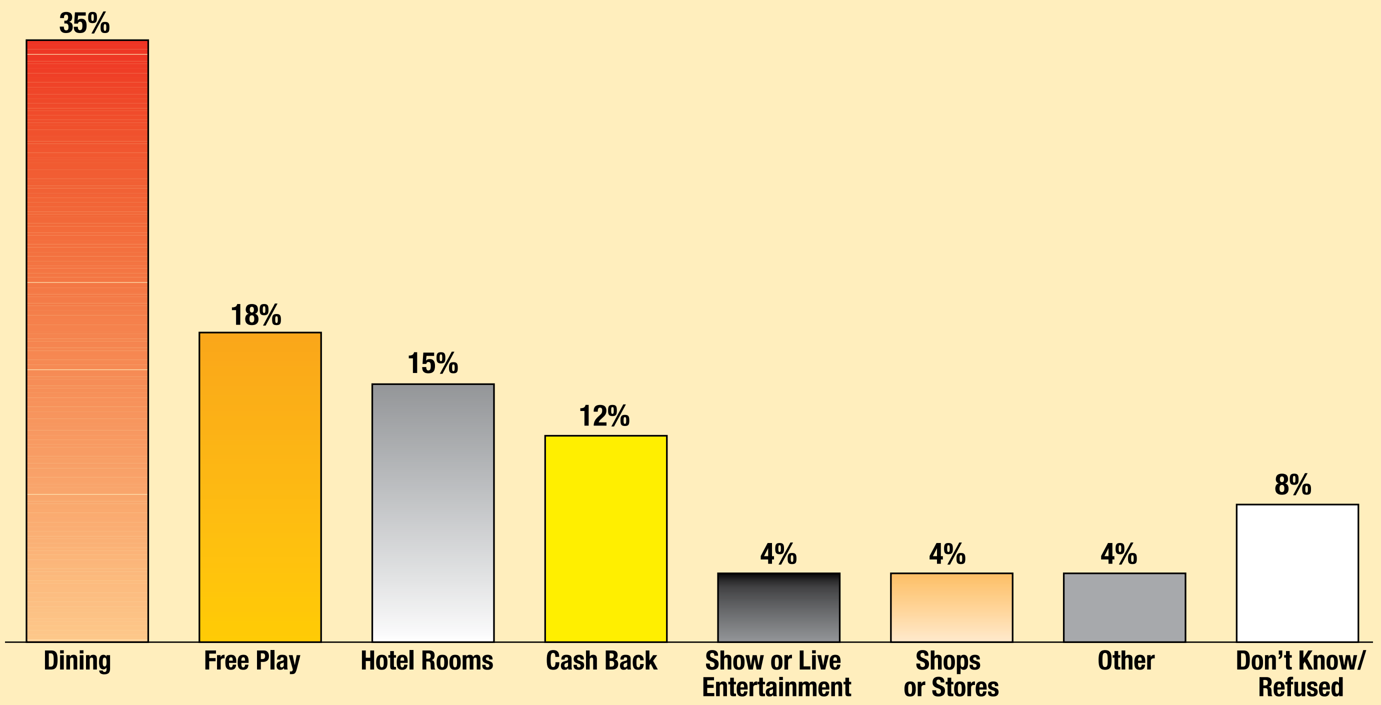
When you gamble at a casino, do you use a player's club card?

During the last decade, player's clubs have become a popular way for casino companies to reward regular visitors and improve the casino entertainment experience. According to public opinion polling, two-thirds (67 percent) of casino visitors use a player's club card when they gamble at a casino.



Source: VP Communications, Inc. and Peter D. Hart

Of the many ways player's club points can be used, which is your favorite?

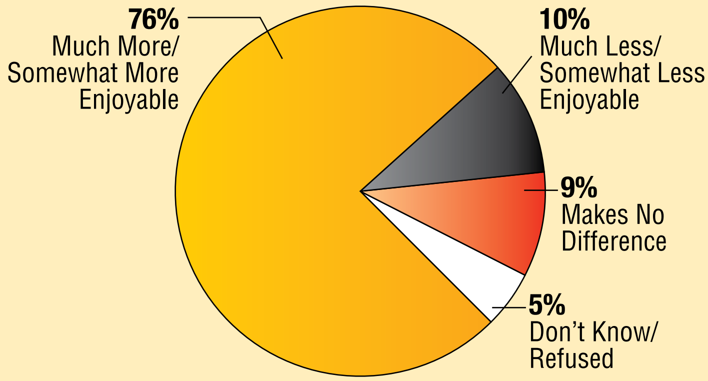


Source: VP Communications, Inc. and Peter D. Hart

Points earned through player's clubs can be redeemed for almost any services offered by a casino, and more than one-third (35 percent) of survey respondents who use player's club cards prefer to use them on dining, with free play (18 percent) and hotel rooms (15 percent) as the next most popular choices.

When playing a table game in a casino, does social interaction with other players at the table make your gaming experience more enjoyable?

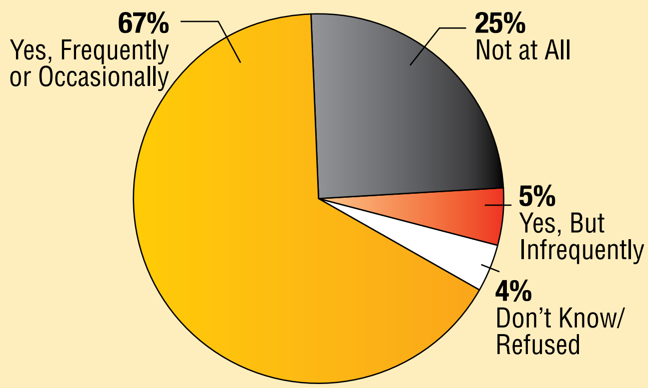
Table games are a popular staple in most casinos and often lend themselves to a communal gaming experience with other casino guests. More than three-quarters (76 percent) of those who say table games are their favorite games say that social interaction with other players makes the gaming experience more enjoyable.



Source: VP Communications, Inc. and Peter D. Hart

When visiting casinos in recent years, have you ever seen or heard any responsible gaming messages?

Responsible gaming is a priority of the gaming industry, and the policies of gaming companies as well as state regulations require the public display of materials and messages promoting responsible gaming. Those efforts seem to be paying off, as nearly three-quarters (72 percent) of casino visitors have seen or heard responsible gaming messages during their recent casino trips.

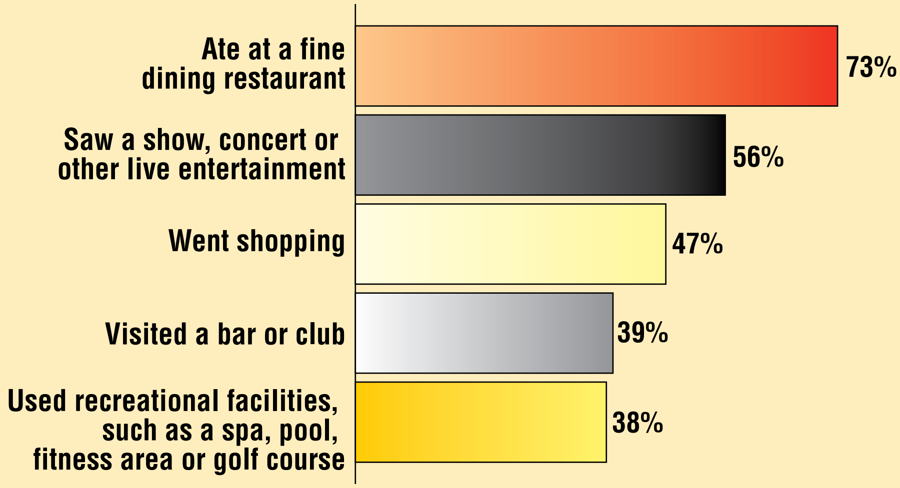


Source: VP Communications, Inc. and Peter D. Hart

BEYOND THE GAMING FLOOR

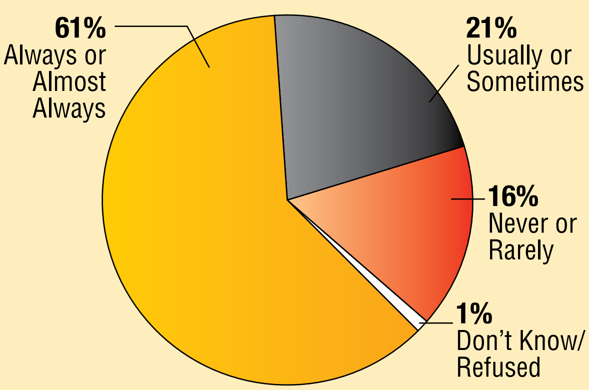
When you visited a casino this past year, in what other activities did you participate?

The modern casino experience includes far more than just gambling, and according to a recent public opinion poll, casino visitors are taking advantage of the full complement of available non-gaming amenities. During their casino visits this year, nearly three-quarters (73 percent) of patrons ate at a fine dining restaurant, more than half (56 percent) saw a concert, show or other live entertainment and almost half (47 percent) went shopping.



Source: VP Communications, Inc. and Peter D. Hart

When you visit a casino, how often do you gamble?

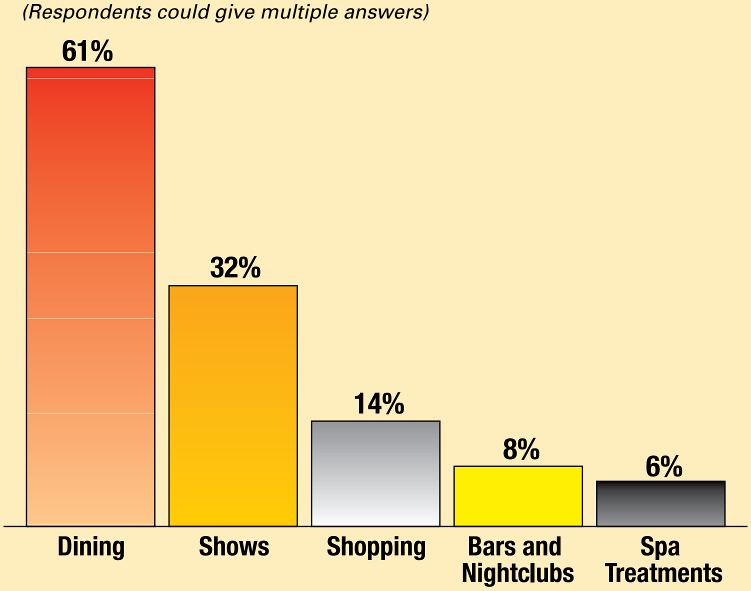


Source: VP Communications, Inc. and Peter D. Hart

The wide array of non-gaming amenities make visiting a casino an enjoyable activity, even for those who never or rarely gamble. In fact, public opinion polling reveals that 16 percent of those visiting casinos never or rarely gamble, and fewer than two-thirds (61 percent) always or almost always gamble.

If you never or rarely gamble, what are your favorite things to do at a casino?

(Respondents could give multiple answers)



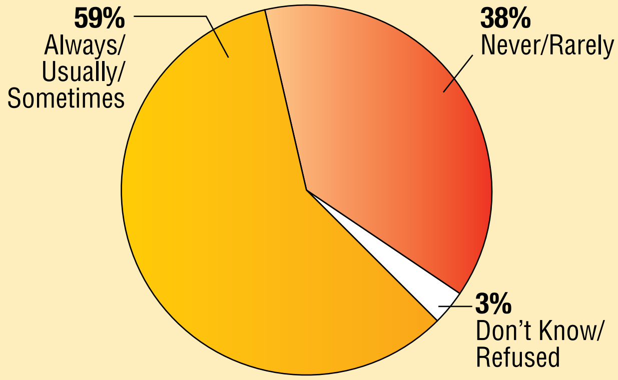
Source: VP Communications, Inc. and Peter D. Hart

There is a wealth of leisure activities available to casino visitors who choose not to gamble. Of those survey respondents who say they never or rarely gamble, more than three out of five (61 percent) say that dining is one of their favorite casino activities. Shows are a favorite pastime for nearly one-third (32 percent) of non-gamblers.

ENTERTAINMENT OUTSIDE THE CASINO PROPERTY

When you visited a casino this past year, how often did you visit other attractions in the area outside the casino property?

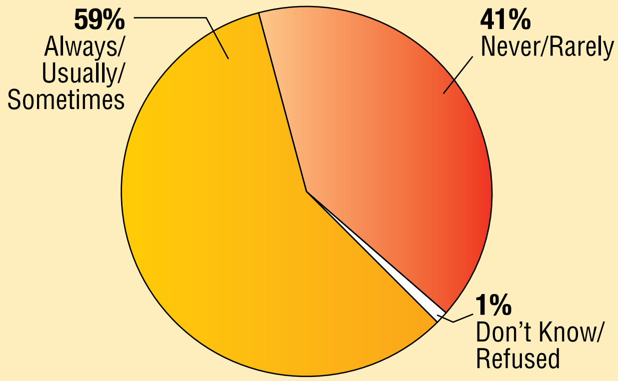
According to public opinion polling, almost three out of five (59 percent) casino visitors also take advantage of the vast array of local attractions during their casino visits, thus contributing to the overall tourism industries and broader economies of casinos' host communities.



Source: VP Communications, Inc. and Peter D. Hart

When you visited a casino this past year, how often did you shop or eat at other places in the area outside the casino property?

One of the benefits casinos bring to local economies is increased customer traffic for other area businesses. Support for this fact comes from recent public opinion polling that reveals that three out of five (59 percent) casino visitors also shop or eat at other area establishments outside the casino property.

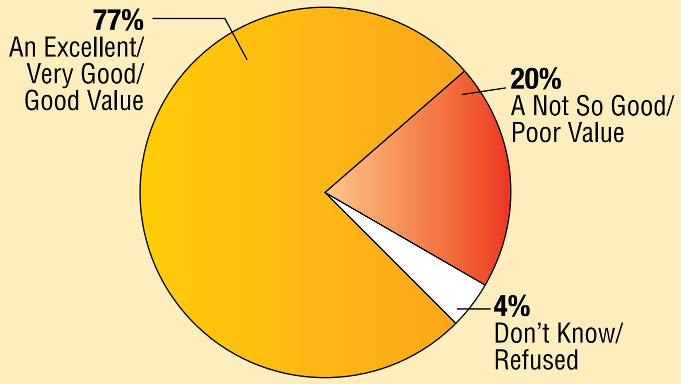


Source: VP Communications, Inc. and Peter D. Hart

BUDGETING FOR THE CASINO EXPERIENCE

When you think about going to a casino for an evening out, how good of a value for your money is it compared to other entertainment options you might enjoy?

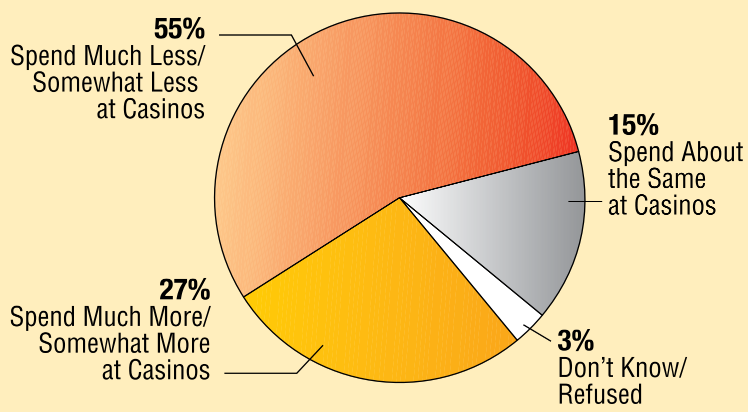
When comparing an evening at a casino to other entertainment options, more than three-quarters (77 percent) of the casino visitors in a recent survey say that a night out at a casino is an excellent, very good or good value for the money.



Source: VP Communications, Inc. and Peter D. Hart

How does the amount of money you spend at casinos each year compare to the amount you spend on other hobbies or forms of entertainment you enjoy?

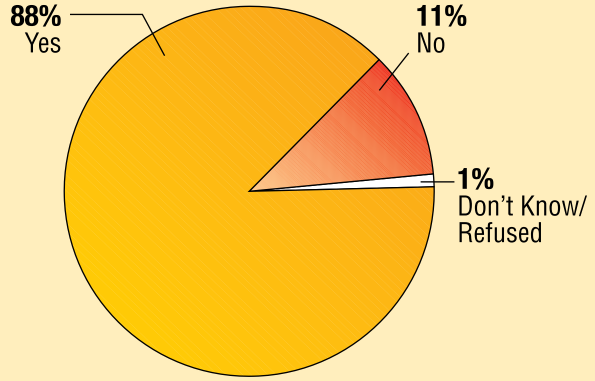
Casino patrons spend their money on a wide range of leisure activities beyond their casino visits, and for most, gambling isn't their primary entertainment expenditure. Recent polling data shows that more than half (55 percent) of casino visitors spend much less or somewhat less at casinos than on other hobbies or forms of entertainment.



Source: VP Communications, Inc. and Peter D. Hart

Do you set a budget when you go casino gambling?

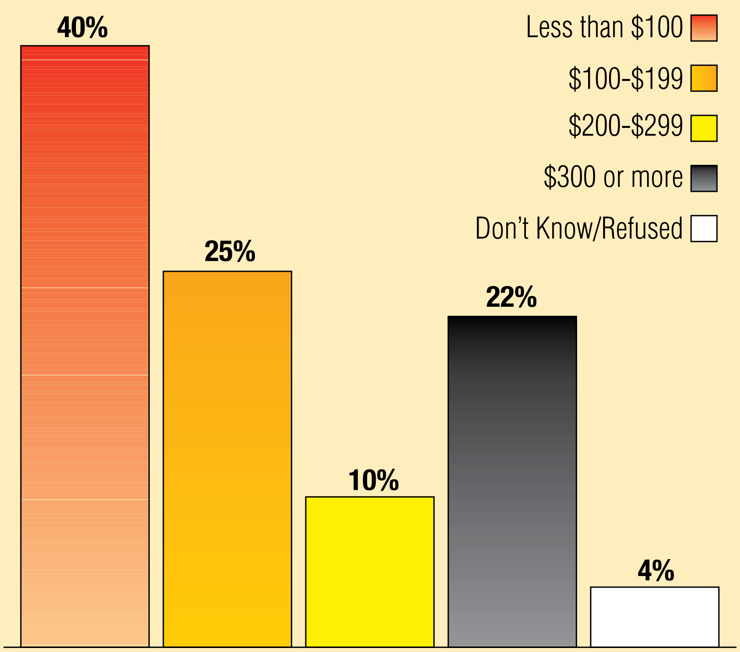
One of the keys to gambling responsibly is setting a budget, and nearly nine out of 10 (88 percent) casino-goers understand this fact and set a budget before a casino gambling trip.



Source: VP Communications, Inc. and Peter D. Hart

What budget do you usually set for a day of casino gambling?

Budgets for a day of casino gambling vary widely among casino patrons, but two out of five (40 percent) plan to spend less than $100 when they gamble at a casino. One-quarter (25 percent) set a budget between $100 and $200, while slightly more than one out of five (22 percent) budget more than $300.

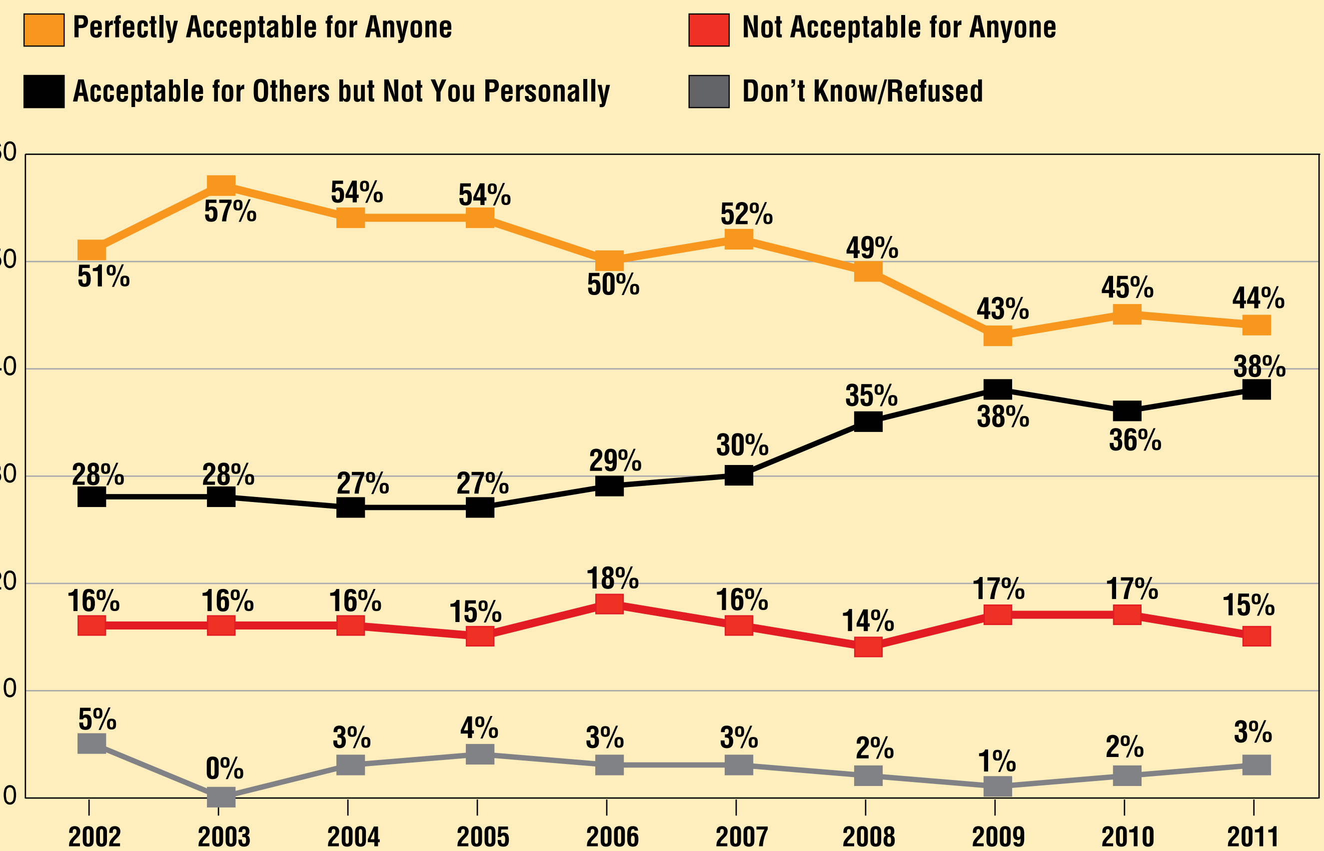


Source: VP Communications, Inc. and Peter D. Hart

AMERICAN PERCEPTIONS OF CASINO ENTERTAINMENT

According to a 2011 public opinion poll conducted by VP Communications, Inc. and national pollster Peter D. Hart, 82 percent of Americans view casino gaming as acceptable for themselves or others. The poll also shows that Americans recognize the importance of the casino industry to U.S. travel and tourism and the many valuable benefits of casinos, such as job creation, tax revenue and economic development.

U.S. Casino Gaming Acceptability, 2002-2011



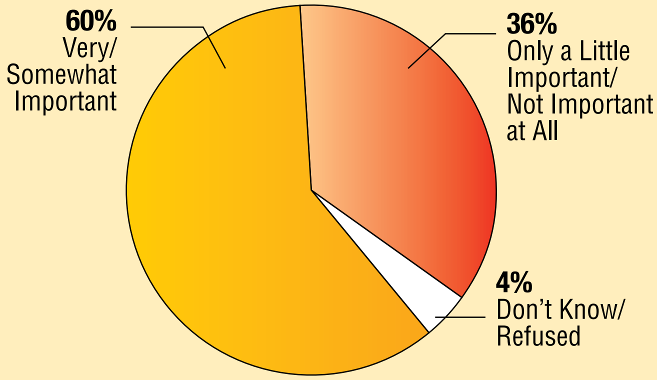
Source: VP Communications, Inc. and Peter D. Hart

Note: In this year's public opinion poll, half of the survey participants were asked if casino gaming was "perfectly acceptable for anyone to do," and those results are reported above. The other half were asked if casino gaming was "acceptable for you and others." Of those asked the question the second way, nearly half (48 percent) said casino gaming was "acceptable for you and others," almost two out of five (37 percent) thought it was "acceptable for others, but not you personally," and only 13 percent said casino gaming was "not acceptable for anyone to do."

More than four out of five (82 percent) of those surveyed think that casino gaming is acceptable for themselves or others, which is similar to acceptability findings in recent years.

How important do you think the casino industry is in terms of contributing to the overall travel and tourism industry in the U.S.?

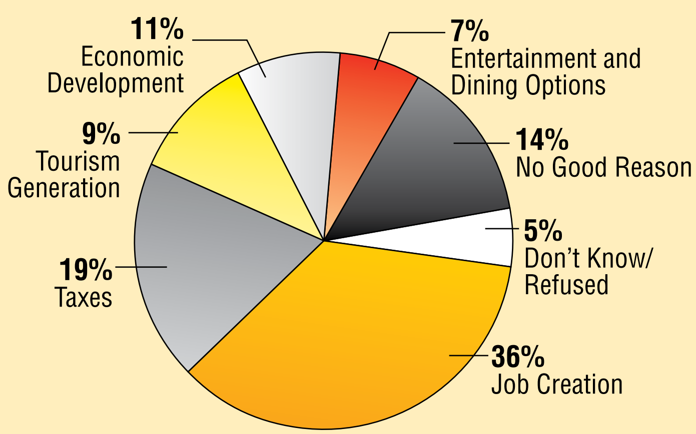
Communities across the country view casinos as an integral part of their tourism mix, and Americans understand this value as well, with three out of five (60 percent) survey respondents saying the casino industry is very or somewhat important to the overall U.S. travel and tourism industry.



Source: VP Communications, Inc. and Peter D. Hart

Regardless of whether or not your state has casinos, what is the best reason for casinos to be allowed in your state?

There are many benefits that casinos bring to their host communities, and when survey respondents were asked which was the most valuable, job creation came out on top for more than one-third (36 percent) of those asked. Nearly one out of five (19 percent) say gaming tax revenues are the most important benefit, and just more than one out of 10 (11 percent) choose the economic development brought by casinos.



Source: VP Communications, Inc. and Peter D. Hart

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 table games.

Commercial Casino: A private-sector establishment (i.e., nongovernmental) — whether land-based, riverboat, dockside, limited-stakes or racetrack casino — that 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 businesses.

Electronic Gaming Device, or EGD: Any mechanical or electronic 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.

Pari-mutuel: A system of betting on races whereby the winners divide the total amount bet, after deducting management expenses, in proportion to the sums they have wagered individually.

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 of hitting the jackpot.

Slot Machine: Any mechanical or electronic 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.

**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.*

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

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METHODOLOGY

Methodology

VP Communications, Inc. and Peter D. Hart
VP Communications, Inc. and Peter D. Hart jointly produced the national public opinion survey and the study of casino county residents for the 2011 *States of the States* report.

Peter Hart has collaborated on the survey research associated with the AGA *State of the States* report for more than a decade. He is chairman of Peter D. Hart Research Associates and co-director of the NBC/Wall Street Journal poll.

For the national survey, VP Communications interviewed a base sample of 800 adult Americans from February 10-15, 2011. The margin of error for the total sample is +/- 3.5 percent. Interviews were conducted by telephone using Random Digit Dial sampling to ensure the universe was as representative as possible of the U.S. population 21 and older.

VP Communications also conducted the survey of 301 past-year casino visitors from February 14-16, 2011. Respondents completed the survey via phone interview. These 301 interviews were supplemented by the 249 interviews conducted with casino visitors from the national survey in order to achieve a sample size of 550 total interviews with past-year casino visitors. The margin of error for this total sample is +/- 4.18 percent.

Founded in 1999 and based in Alexandria, Va., VP Communications conducts strategic public opinion research for corporate, political and trade association clients. The company specializes in quantitative, survey-based research as well as qualitative, focus group and dial testing studies.

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Association of Gaming Equipment Manufacturers (AGEM)/ Applied Analysis (AA)
In 2011, the Association of Gaming Equipment Manufacturers (AGEM) retained Applied Analysis (AA) to prepare an updated economic impact analysis for the global gaming supplier segment of the gaming industry.

Economic impact measures were segmented into direct impacts and indirect impacts. Direct impacts measure the effects of the specific force being considered. In this case, gaming equipment manufacturing jobs are considered direct jobs, and the wages and salaries they are paid are considered direct personal income. Indirect impacts consider how other businesses respond to the impacting condition. Employees at part suppliers, for example, are considered indirect employees to the extent their jobs are dependent, in full or in part, on the suppliers' income generated by industry-related purchases.

To identify and model the interrelationships in the economy, IMPLAN (Impact Analysis for Planning) software and databases were used. IMPLAN is an input-output model (or econometric system) that utilizes complex economic equations to explain how the "outputs" of one industry become the "inputs" of others, and vice versa. This relationship is sometimes referred to as the "multiplier effect," illustrating how changes in one sector of the economy can affect other sectors.

AGEM is an international trade association representing manufacturers and suppliers of electronic gaming devices, systems, table games, key components and support products and services for the gaming industry. AGEM works to further the interests of gaming equipment suppliers throughout the world. Through political action, trade show partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. AGEM has assisted regulatory commissions and participated in the legislative process to solve problems and create a business environment where AGEM members can prosper while providing a strong level of support to education and responsible gaming initiatives.

Applied Analysis (AA) is a Nevada-based economic analysis and gaming consulting firm with extensive experience in preparing economic and fiscal impact analyses. AA also maintains a broad range of gaming experience and has performed work for some of the largest gaming companies in the world. AA was retained by several organizations to review and analyze the economic, fiscal and social impacts of community investments and operations. This includes impacts on employment, wages and output as well as impacts on tax collection and public service demands.

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Acknowledgments

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