

# ECONOMIC AND FISCAL IMPACTS OF CASINOS: AN OVERVIEW

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# My starting point

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- ❖ Casinos are seen as an economically desirable but socially (or morally) questionable activity.
- ❖ They are an anomaly in the US economy: a highly regulated, state-sanctioned, quasi-monopolistic industry.
- ❖ They trigger a complex – and often poorly understood – pattern of economic costs and benefits

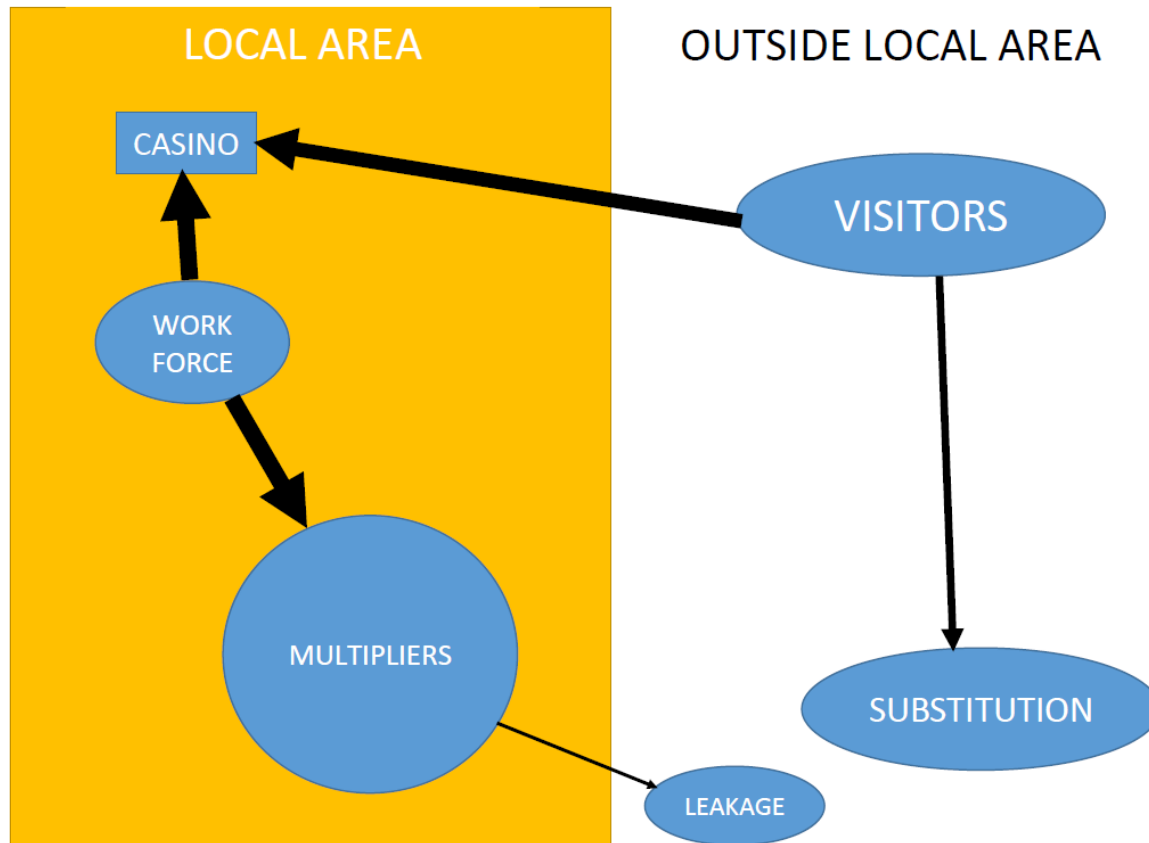
# Economic impacts

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- ❖ Casinos are major employers and revenue generators
- ❖ The best case is where the casino workforce is local, and the visitor base is from outside the area.
- ❖ Gamblers trigger gains in the casino community, but losses in their home community through substitution.
- ❖ Casino workers trigger multiplier benefits in their home community

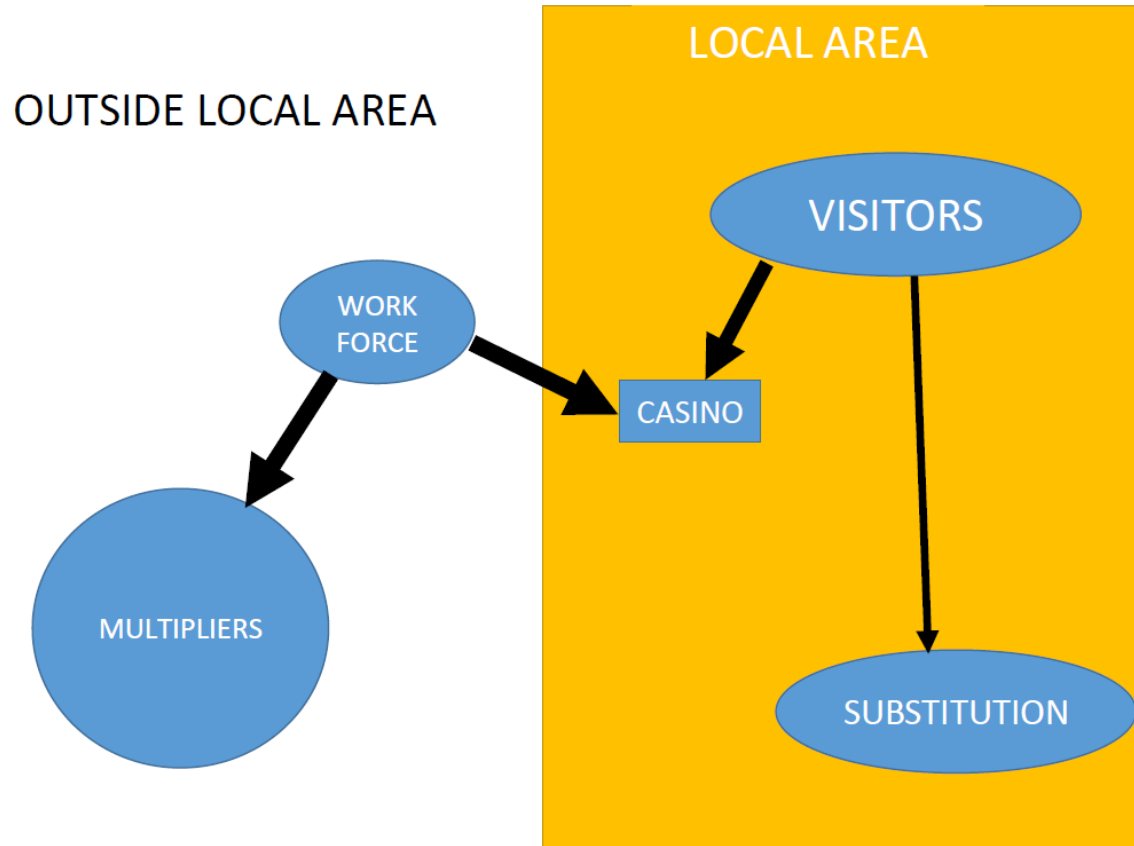
# Local economic impact: best case

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# Local economic impact: worst case

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But.....

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- ❖ **All** casino spending displaces other spending.
- ❖ Casinos can trigger social problems, including increased crime and problem gambling

# Why do states *want* casinos?

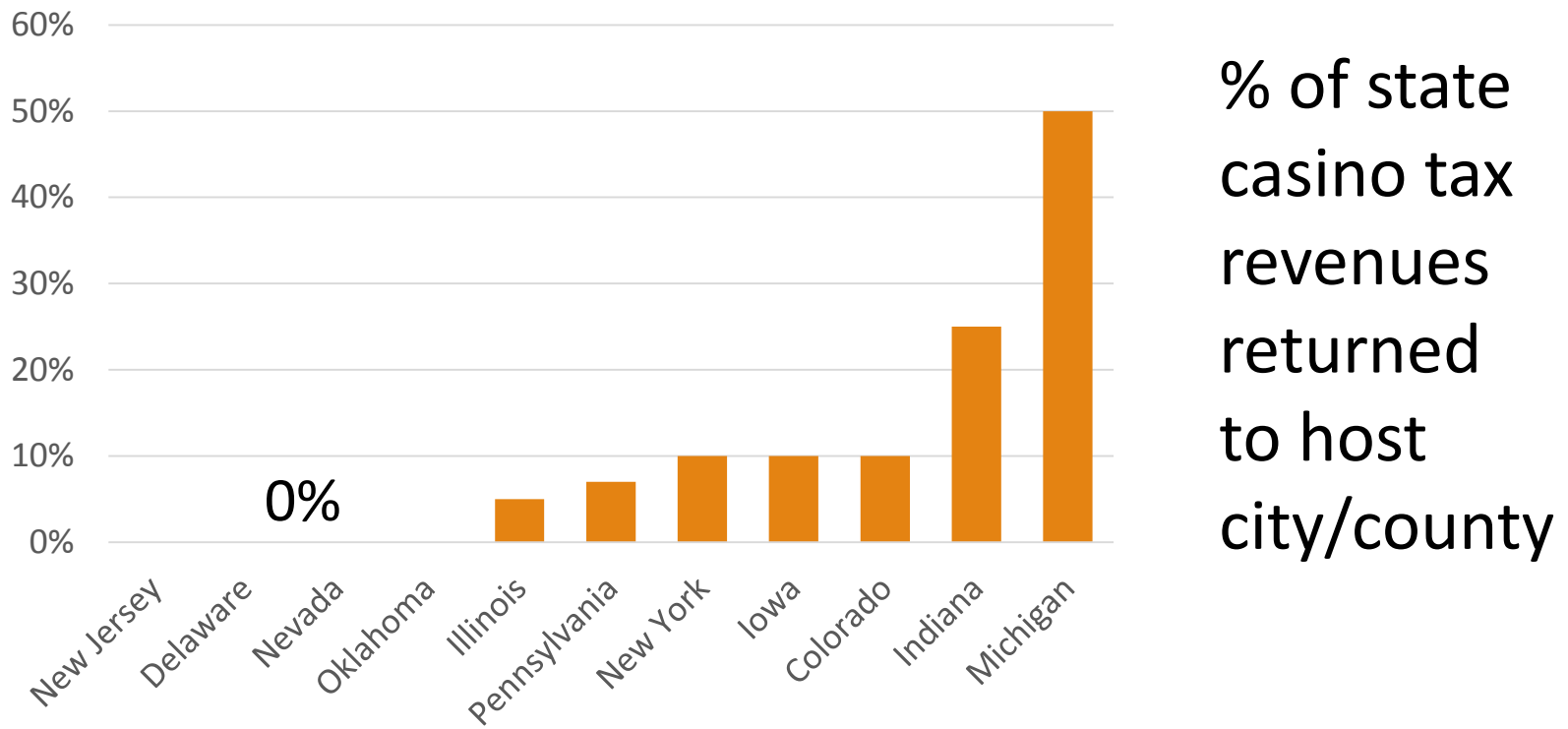
AVERAGE CASINO TAX RATE*	NUMBER OF STATES	
Under 6%	1**	<b>2/3 of the states with commercial casinos tax their revenues at an average rate of 20% or more</b>
6 to 9.9%	3	
10 to 19.9%	2	
20 to 29.9%	5	
30% or higher	6	

## NOTES

\*Where a state has a graduated tax rate the midpoint of the different rates appears in the table

\*\*Nevada

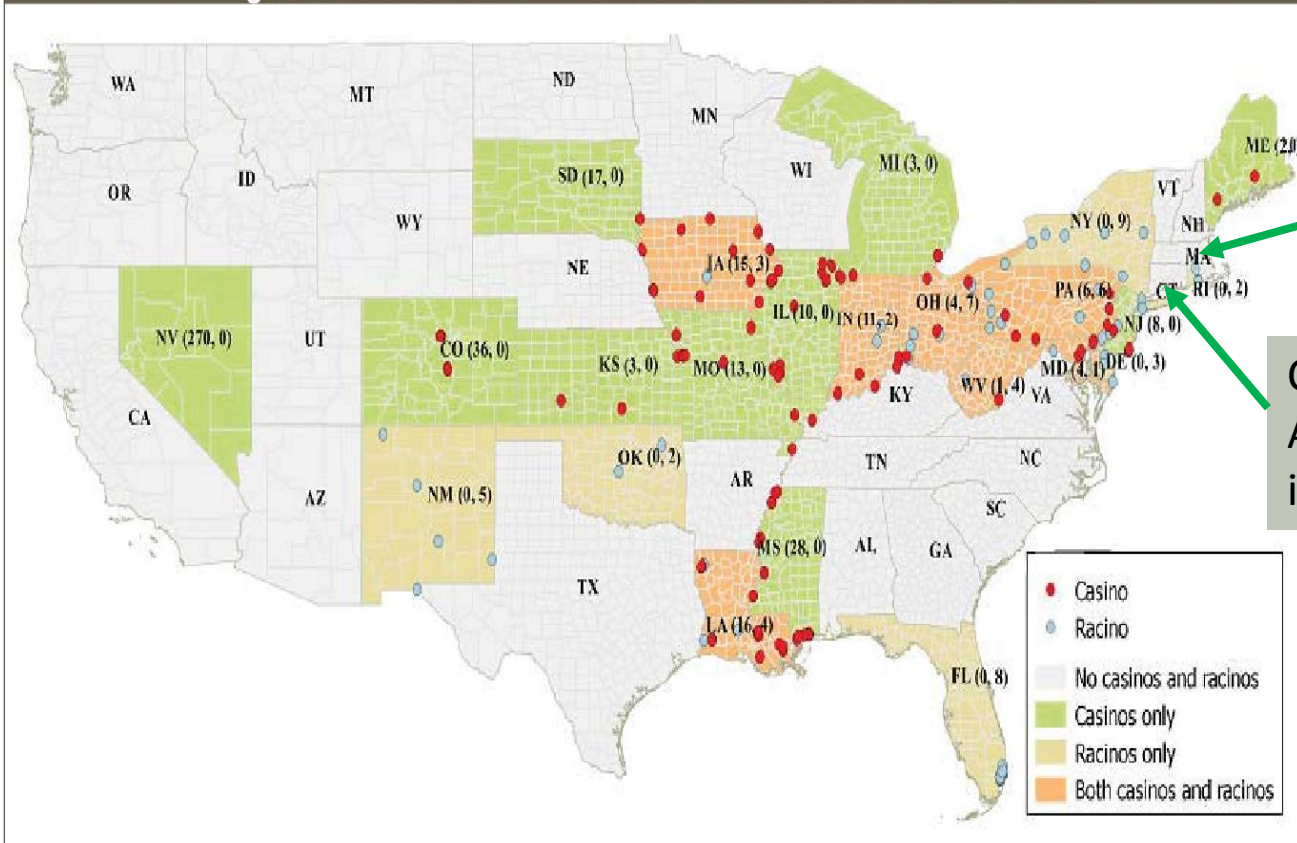
# States don't share much of their take with local governments





# The market is becoming saturated

Figure 3. Location of Commercial Casinos and Racinos as of FY 2015



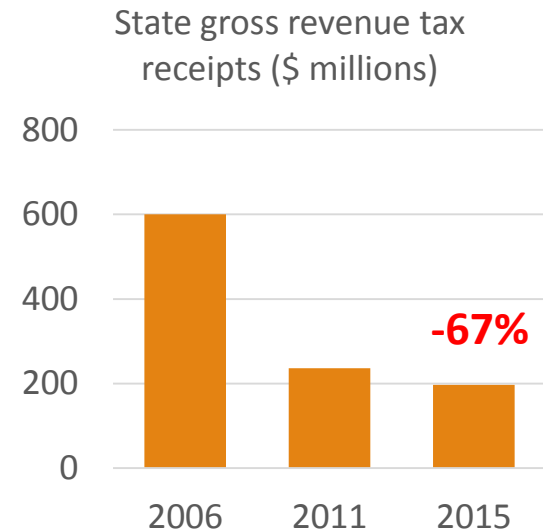
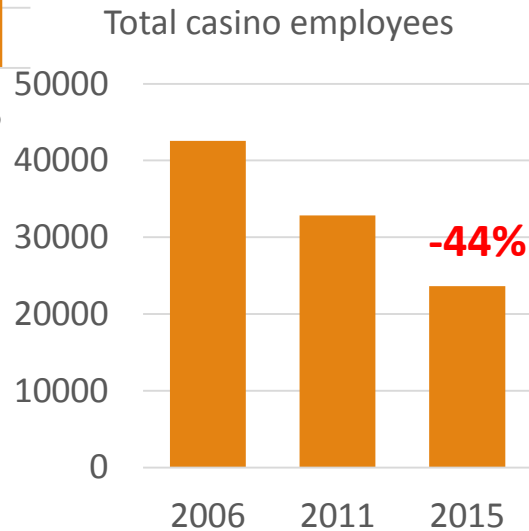
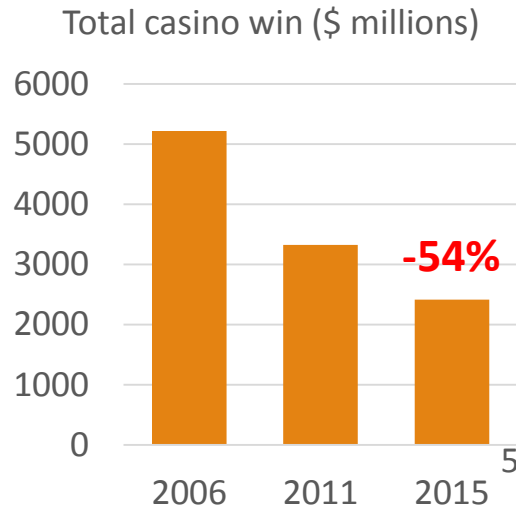
MA – casinos coming in 2018

CT – two Native American casinos in operation

# The Atlantic City story




# The impact 2006-2015



# NJ's 2016 referendum: is this the answer?

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**New York and  
Pennsylvania have  
stolen \$15 billion  
of *OVR* gaming  
revenue.**

**This means \$1.8 billion for  
*OVR* seniors programs has been lost...**

Thank you

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