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**MASSACHUSETTS AND RHODE ISLAND RESIDENTS HAVE WAGERED NEARLY
\$100 BILLION AT FOXWOODS AND MOHEGAN SUN**

**BAY STATERS BET ANOTHER \$3.4 BILLION ON VIDEO SLOTS
AT LINCOLN PARK AND NEWPORT GRAND**

Since Foxwoods and Mohegan Sun opened their doors in 1992 and 1996, respectively, Massachusetts and Rhode Island residents have wagered nearly \$100 billion on slots and table games at southeastern Connecticut's two Native American resort casinos, according to a review by the Center for Policy Analysis (CFPA) at the University of Massachusetts-Dartmouth. Overall, the total amount of monies wagered by Foxwoods and Mohegan Sun patrons has likely exceeded \$238 billion -- nearly a quarter-of-a-trillion dollars.

Massachusetts residents comprise 36% of Foxwoods and 21% of Mohegan Sun patrons and have wagered more than \$71 billion. Rhode Islanders comprise over 13% of Foxwoods and about 8% of Mohegan Sun patrons and have wagered about \$27 billion. The CFPA's analysis is based on data compiled during the past thirteen fiscal years, through June 30, 2005, by the Connecticut Division of Special Revenue (CDSR), the Rhode Island State Lottery (RISL), the U.S. Securities & Exchange Commission (SEC) Form 10K filings, and patron origin studies conducted by the CFPA since 1995.

Massachusetts residents have also demonstrated an affinity for the video slot terminals at Rhode Island's Lincoln Park and Newport Grand. Bay Staters comprise about 35% of Lincoln Park's and 74% of Newport Grand's patrons and they are estimated to have wagered about \$3.4 billion since 1992.

"Wagers," commonly referred to in the gaming industry as the "handle" or "cash in," do not represent the actual amount of monies won by the resort casinos and slot parlors. The monies won, or retained, by gaming establishments are more commonly referred to as the "win." However, according to CFPA director Dr. Clyde W. Barrow, "the wagers alone reflect the willingness of both Massachusetts and Rhode Island residents to put significant monies at risk as a form of entertainment at Connecticut's resort casinos and Rhode Island's video slot parlors."

Since opening their doors, Foxwoods and Mohegan Sun have won approximately \$19.2 billion in gross gaming revenues (GGR) from all patrons --- including more than \$5.7 billion from Massachusetts residents and nearly \$2.2 billion from Rhode Island residents. Additionally, Massachusetts residents have accounted for more than \$1.6 billion and Rhode Islanders approximately \$646 million in non-gaming spending at the two resort casinos' hotels, restaurants,

retail stores, theatres, cabarets, spas and other entertainment and recreation outlets. In all, Foxwoods and Mohegan Sun have generated total gaming and non-gaming revenues approaching \$26 billion.

Overall, Massachusetts residents have contributed more than \$1.5 billion in slot taxes to Connecticut's and Rhode Island's state treasuries -- \$1 billion to Connecticut and about \$542 million to Rhode Island since slots and VLTs were introduced in those states. Rhode Islanders have paid \$383.5 million in slot taxes to the Connecticut state treasury over the same period.

The CFPA will release its third annual New England Casino Gaming Update (NECGU) in March, 2006, which will present Calendar Year 2005 data detailing the year's gaming and non-gaming spending at Foxwoods and Mohegan Sun by residents of Massachusetts, Rhode Island, Connecticut, New Hampshire, Maine, Vermont, New York, New Jersey and Pennsylvania. For the second straight year, the update will also include gaming and non-gaming spending by Massachusetts and Rhode Island residents at Lincoln Park and Newport Grand.

The CFPA's second annual NECGU, released this past February, found that in CY04, Massachusetts residents spent more than \$1.1 billion at Foxwoods, Mohegan Sun, Lincoln Park and Newport Grand --- \$832 million at Connecticut's resort casinos and about \$180 million at Rhode Island's slot parlors. Rhode Islanders spent an estimated \$311 million at the two southeastern Connecticut resort casinos and about \$180 million at their own state's slot parlors.

Foxwoods' current \$700 million expansion will add another casino, hotel, restaurants, convention and meeting facilities, and retail outlets to what is already the largest resort casino in the western hemisphere. While Mohegan Sun recently completed a \$1 billion expansion, casino executives announced recently that another expansion project is being finalized and is expected to be announced in early 2006. Executives at both resort casinos have said their current and future expansion plans are geared toward broadening the resort casinos' already extensive reach into Massachusetts and Rhode Island's tourism, convention, and business meetings sectors.

Both casinos are also seeking to diversify and expand their offerings in the leisure, tourism, and entertainment sector to increase non-gaming revenues. For example, Foxwoods' non-gaming revenues account for about a quarter of its total annual revenue stream and that amount is expected increase after its planned expansion. Since completing its \$1 billion Project Sunburst, Mohegan Sun's non-gaming revenues have increased to about 16% of total annual revenues and that number is also expected to increase in coming years.

Lincoln Park is undergoing a \$128 million renovation, which will make it possible to add more video slots terminals, while Newport Grand is refurbishing its facility to accommodate additional VLTs and a 90-room hotel. Both slot parlors enjoy a significant patronage from nearby Massachusetts residents.

Despite the magnitude of these investments, Barrow said that "the Massachusetts State Legislature will ultimately dictate the future of gaming in southern New England and that decision will directly impact the fortunes of Connecticut's resort casinos and Rhode Island's slot parlors, including the hundreds of millions of dollars in tax revenues they generate for each state."

If the commonwealth approves casinos in western and southeastern Massachusetts, Barrow said, “Mohegan Sun and Foxwoods will both be hit, but because Foxwoods depends more on the population-rich regions of southeastern Massachusetts and the greater Providence area, it will likely be hit the hardest, which may explain Foxwoods’ sense of urgency at further diversifying into non-gaming leisure, entertainment, and tourist-related businesses.”

Last week, Maine joined Rhode Island as the second New England state to host slot parlors in downtown Bangor. Maine’s slot parlor offers just 475 slot machines, but the gaming facility will soon undergo a \$70 million expansion that will allow it to house 1,500 slot machines. Maine levies a 61% gaming tax on slots in its jurisdiction.

Rhode Islands’ slot parlors are taxed at about 60%, which has a direct impact on net revenues, customer payouts, and the ability of those enterprises to reinvest in improvements to their facilities. Foxwoods and Mohegan Sun share 25% of slot revenues with the state of Connecticut. “The difference,” Barrow said, “is that Rhode Island and Maine view their slot parlors exclusively as revenue generators for their state treasuries, since there is little job creation or measurable impact on tourism and economic growth associated with slot parlors taxed at such high rates.”

On the other hand, Barrow said “Connecticut has leveraged its resort casinos into both significant revenue generators and economic incubators that are spinning off or attracting numerous leisure, entertainment, and tourism-related businesses to the region. Foxwoods and Mohegan Sun have directly created nearly 24,000 jobs, while stimulating off-site growth in the hotel, restaurant, retail, and entertainment sectors to make southeastern Connecticut the state’s premier tourism destination region. This is possible because of a tax rate that encourages the resort casinos to invest in ongoing capital improvements to their facilities and to foster economic partnerships throughout the region.”

Yet despite that investment, Barrow added, Bay Staters and Rhode Islanders will, if given a competitive alternative, patronize a resort casino or slot parlor that is geographically closer to their residence. “That’s why slots at Massachusetts race tracks are such a threat to Lincoln Park and Newport Grand, because most Massachusetts residents would likely desert the Rhode Island slot parlors to patronize the two southeastern Massachusetts tracks.”

And, Barrow said, “given the alternative of a competitive southeastern Massachusetts or Rhode Island resort casino, most Massachusetts and Rhode Island residents would likely forsake Foxwoods and Mohegan Sun in large numbers. Executives at the two Connecticut resort casinos understand this; that’s why they’re hoping that Massachusetts pursues slot parlors as Rhode Island and Maine have done.”