

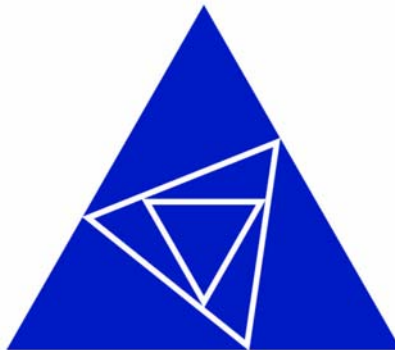
TAKING THE GAMBLE IV: WHO GAMBLES AT RHODE ISLAND'S RACINOS?

Executive Summary



Prepared

By



CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

February 2007

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Polling & Program Evaluation Research Series No. 54

EXECUTIVE SUMMARY:

Who Gambles at Rhode Island's Racinos?

The New England Gaming Behavior Survey was conducted to inform on-going debates about expanded gambling in Maine, Massachusetts, and Rhode Island. The Center for Policy Analysis conducted a random sample telephone survey of 2,807 residents in Massachusetts, Maine, New Hampshire, and Rhode Island to determine the propensity to gamble and to identify patterns in gambling behavior among the four states' residents. A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006 (see Appendix A). The survey instrument was developed by the Center for Policy Analysis (see Appendix B).

The U.S. gaming market is usually divided into six different segments consisting of charitable gaming,¹ pari-mutuel wagering,² state lotteries,³ commercial casinos, racetrack casinos, and tribal casinos. Currently, 47 states and the District of Columbia allow charitable gaming, 41 states allow pari-mutuel wagering, 41 states and the District of Columbia have lotteries, 11 states license commercial casinos, 9 states have licensed racetrack casinos ("racinos), and 28 states have Class II or Class III tribal casinos. Nevada was the first state to legalize casino gambling in 1931 and it was not until 1976 that New Jersey became the second state to legalize casinos in Atlantic City. However, growth in the U.S. gaming market accelerated a decade later when the federal Indian Gaming Regulatory Act (IGRA) was passed in 1988 and states other than Nevada and New Jersey began to legalize commercial casinos.⁴

There are currently 562 federally-recognized Indian tribes. At present, 224 of these tribes have negotiated 249 compacts with 28 states to establish 354 Class II or Class III gaming operations. Native American Indian casinos had GGR of \$14.5 billion in 2002. There are 10 federally-recognized Indian tribes in New England, although only two of the tribes – the Mashantucket Pequot Tribe and the Mohegan Tribe -- currently operate Class III gaming facilities. The two tribes operate the only casinos in New England, which in calendar year 2005 had combined gross gaming revenues of nearly \$2.4 billion. The Mashantucket Pequot's Foxwoods Resort Casino is now the largest casino in the United States, while the Mohegan Tribe's Mohegan Sun is the second largest casino in the United States. Connecticut's two Native American casinos have made that state the fourth largest casino market in the United States behind Nevada (\$11 billion), New Jersey (\$5 billion), and Mississippi (\$2.5 billion).

¹ For example, bingo and raffles.

² Greyhound racing, thoroughbred horse racing, quarter horse racing, harness racing, and jai-alai, including simulcast and off-track betting.

³ Instant tickets, lotto games, keno, and video lottery terminals.

⁴ Although commercial casinos and Native American casinos are similar from an economic and operational standpoint, the statutory basis of their existence is different and this distinction has numerous ramifications for the states' regulatory and taxing authority.

Since 1989, however, nine states have also legalized commercial casinos, including South Dakota (1989), Iowa (1989), Colorado (1990), Illinois (1990), Mississippi (1990), Louisiana (1991), Missouri (1993), Indiana (1993), and Michigan (1996).⁵ In 2005, these 11 states had 455 operating commercial casinos with 185 of the casinos operating outside the traditional venues of Nevada and New Jersey. In 2005, commercial casinos had combined gross gaming revenues of more than \$30 billion.

Racetrack casinos – or racinos -- are an even more recent development in the nation’s gaming and casino market. In 1992, Rhode Island was the first state to authorize and operate racinos at Lincoln Park and Newport Grand. Rhode Island was soon followed by Delaware (1994), West Virginia (1994), Iowa (1994), Louisiana (1994), and New Mexico (1997), and more recently, by New York (2001), Oklahoma (2004), and Maine (2005).⁶ There are currently 29 racetrack casinos operating in nine states.⁷ In 2005, racinos had combined gross gaming revenues of \$3.1 billion.

Given the comparatively recent expansion of casino gambling in the United States, gambling studies is a comparatively new field of social scientific inquiry.⁸ Consequently, policymakers, the general public, and even many scholars are often unfamiliar with the complexities and nuances of gaming-related issues and, most particularly the differences between “destination” casinos and “convenience” gambling facilities. There is often a tendency to view “gambling” as one large undifferentiated market with uni-dimensional behavior patterns and demographics that can be extrapolated from one market niche to another or from one political jurisdiction to another without qualification. More specifically, casinos are often viewed as generic (fiscal and economic) equivalents by public policymakers, regardless of whether they are land-based resorts, riverboat, dockside, or racetrack casinos. Hence, there has been little research to determine if there are in fact differences within the casino market that have implications for public policy, especially state fiscal, economic development, and social policies. For example:

- How many people gamble and what types of gambling interest them?
- Do different people gamble at destination casinos as opposed to slot parlors⁹ and racinos?¹⁰

⁵ The years identify dates when legislation was passed legalizing commercial casinos, although in most cases the first casino did not begin operations until one to three years later. This list includes states with land-based, riverboat, and dockside casinos.

⁶ The years identify dates when legislation was passed legalizing commercial casinos, although in most cases the first casino did not begin operations until one to three years later.

⁷ These numbers do not include Pennsylvania, which became the tenth state to authorize racinos and slot parlors. Its first racino opened in November 2006 at Pocono Downs, which is owned by the Mohegan Tribal Authority.

⁸ The leading academic journals in this field are the *Journal of Gambling Studies* and the *Gaming Law Review*. However, scholarly research on various aspects of gambling are now published in journals of economics, economic development, sociology, psychology, travel and tourism, and public health.

⁹ Slot parlors offer slot machines or video lottery terminals, but they do not offer table games (e.g., poker, roulette, black jack, baccarat, etc.). Slot parlors generally do not offer the same range of non-gambling amenities as a resort casino, such as a luxury hotel, gourmet dining, retail outlets, and entertainment venues.

¹⁰ Racinos are slot parlors located at parimutuel facilities, such as greyhound racing parks, horse racing tracks, or jai alai frontons.

- What are the incomes and demographics of destination casino, slot parlor, and racino patrons?
- What attracts patrons to a destination casino, slot parlor, or racino;
- How often does the average patron visit a destination casino, slot parlor, or racino?
- How far will patrons drive to visit a casino and are there differences between those who visit a destination casino, slot parlor, or racino?

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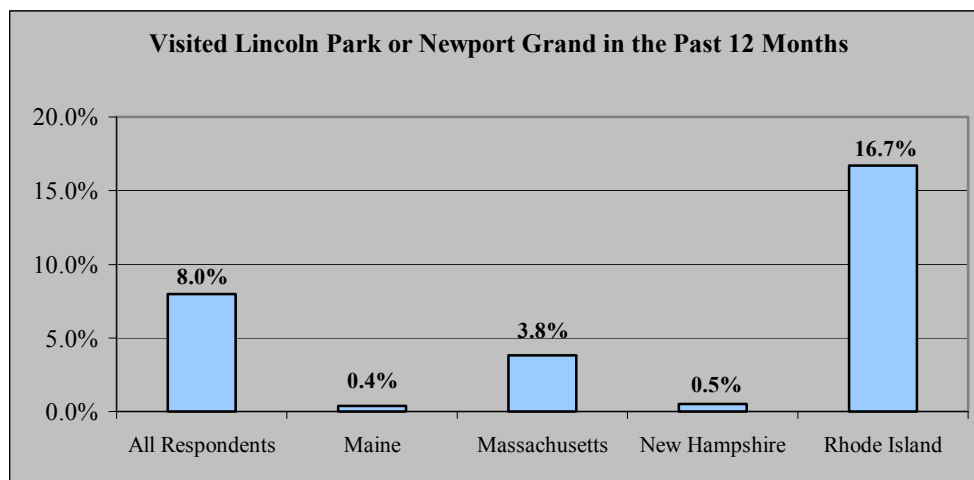
1) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island visited Lincoln Park or Newport Grand in the last 12 months and how often?

A random sample of 2,807 Maine, Massachusetts, New Hampshire, and Rhode Island residents was asked the following two questions: “During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?” and “During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island?” (Margin of error +/-1.9%).

Propensity to Gamble at Lincoln Park & Newport Grand by State

- Eight percent (8%) of all respondents in the four states surveyed report having visited Lincoln Park or Newport Grand at least once during the previous twelve months (see Figure 1). About seven percent (6.8%) of all respondents had visited Lincoln Park at least once during the previous twelve months, while about 2 percent (2.4%) of all respondents had visited Newport Grand at least once during the previous twelve months (see Table 1).
- Rhode Islanders reported the highest ratio of visitations, with nearly about a sixth (17%) of Ocean State residents having visited Lincoln Park or Newport Grand in the last twelve months, followed by Bay State residents (4%), New Hampshire (0.5%), and Maine (0.4%) (see Figure 1).¹¹

Figure 1



¹¹ The only statistically significant change from the 2004 New England Gaming Behavior Survey is that the percentage of Rhode Islander’s visiting Lincoln Park during the last 12 months increased from 10.2% in 2004 to 14.1% in 2006 (for comparison, see, Clyde W. Barrow, et al., *Gaming Behavior Survey*, North Dartmouth, MA: Center for Policy Analysis, 2004), p. 21.

- About triple the percentage of residents in most of the states surveyed had visited Lincoln Park as compared to Newport Grand (see Table 2)

Table 1
Visited Lincoln Park or Newport Grand in Last 12

	Lincoln %	Newport %
All	6.8%	2.4%
ME	0.2%	0.2%
MA	3.2%	1.0%
NH	0.5%	0.0%
RI	14.1%	5.2%

Number of Visitors & Average Visits Per Year to Lincoln Park & Newport Grand by State

- In the last 12 months, approximately 151,000 Massachusetts residents visited Lincoln Park an average of 3.9 times and approximately 47,000 Massachusetts residents visited Newport Grand an average of 2.8 times (see Table 2).¹²

Table 2
Visitation Patterns to Lincoln Park and Newport Grand by State

	Visited		Total Annual	Visitors	Avg.	Avg.
	Lincoln	Newport	Visitors	Newport	Visits/Year	Visits/Year
	Lincoln	Newport	Lincoln Park	Grand	Lincoln	Newport
All Respondents	6.8%	2.4%	268,963	90,330	7.28	7.38
Maine	0.2%	0.2%	2,015	2,015	1.00	2.00
Massachusetts	3.2%	1.0%	151,430	47,322	3.89	2.83
New Hampshire	0.5%	0.0%	4,363	-	1.00	0.00
Rhode Island	14.1%	5.2%	111,155	40,993	8.10	8.31

- In the last 12 months, approximately 111,000 Rhode Island residents visited Lincoln Park an average of 8.1 times and approximately 41,000 Rhode Island residents visited Newport Grand an average of 8.3 times each (see Table 2).
- In the last 12 months, approximately 4,400 New Hampshire residents visited Lincoln Park an average of 1.0 times. New Hampshire residents did not report any visits to Newport Grand in the last 12 months (see Table 2).
- In the last 12 months, approximately 2,000 Maine residents visited Lincoln Park an average of 1.0 times and approximately 2,000 Maine residents visited Newport Grand an average of 2.0 times each (see Table 2).

¹² The number of Massachusetts residents who visited Lincoln Park increased from 119,286 in 2004 to 151,430 in 2006. However, the number of Massachusetts residents who visited Newport Grand declined from 64,231 in 2004 to 47,322 in 2006. Similarly, the number of Rhode Islander's visiting Lincoln Park increased from 76,341 in 2004 to 111,115 in 2006, while the number visiting Newport Grand declined from 45,655 in 2004 to 40,993 in 2006 (for comparison, see, Ibid., p. 21).

Number of Visits Per Year to Lincoln Park & Newport Grand by State

- Massachusetts residents made approximately 588,000 visits to Lincoln Park and 134,000 visits to Newport Grand in the last 12 months (see Table 3).
- Rhode Island residents made approximately 900,000 visits to Lincoln Park and 341,000 visits to Newport Grand in the last 12 months (see Table 3).¹³
- New Hampshire residents made approximately 4,400 visits Lincoln Park and no visits to Newport Grand in the last 12 months (see Table 3).
- Maine residents made approximately 2,000 visits to Lincoln Park and 4,000 visits to Newport Grand in the last 12 months (see Table 3).

Table 3

Total Annual Visits to Lincoln Park or Newport Grand in Last 12 Months		
	Lincoln Visits	Newport Visits
All	1,495,145	478,604
ME	2,015	4,030
MA	588,414	133,921
NH	4,363	0
RI	900,353	340,654

¹³ The number of visits to Lincoln Park by Massachusetts residents increased slightly from 571,381 in 2004 to 588,414 in 2006. However, the number of visits to Newport Grand by Massachusetts residents declined from 456,683 in 2004 to 134,079 in 2006. The declines at Newport Grand were partially offset by an increase in visitations by Rhode Island residents from 259,321 in 2004 to 341,000 in 2006. On the other hand, the number of visitations to Lincoln Park by Rhode Islander's decreased from 1,408,499 in 2004 to 900,000 in 2006, although this decline was partially offset by the small increase in visitations from Massachusetts residents from 119,286 in 2004 to 133,921 in 2006 (for comparison, see, *Ibid.*, p. 21-22). While the data indicate that the total number of persons visiting Rhode Island's two slot parlors has increased over the last two years, the decline in total visitations (and revenues) is explained by the fact that patrons are now making fewer visits per year than in 2004, but are probably spending slightly more per visit than two years ago.

Frequency of Visitation to Lincoln Park & Newport Grand by State

- One-third (34%) of the individuals who reported visiting Lincoln Park in the last 12 months had visited only one time, while two-thirds (66%) had visited four times or less (Table 4). However, a larger percentage of Lincoln Park patrons report visiting the racino 5 or more times per year as compared to visitors to Connecticut’s resort casinos (Foxwoods = 21%, Mohegan = 15%).
- Over half (54%) of the individuals who reported visiting Newport Grand in the last 12 months had visited only one time, while more than four-fifths (85%) had visited four times or less (Table 4).

Table 4

Number of Trips Per Year to Lincoln Park and Newport Grand by State										
	Lincoln Park					Newport Grand				
	One Time	Two Times	Three Times	Four Times	five or More Times	One Time	Two Times	Three Times	Four Times	five or More Times
All Respondent	34%	13%	13%	6%	33%	54%	19%	9%	3%	15%
Maine	100%	0%	0%	0%	0%	0%	100%	0%	0%	0%
Massachusetts	36%	21%	15%	0%	27%	40%	50%	0%	0%	10%
New Hampshire	100%	0%	0%	0%	0%	NA	NA	NA	NA	NA
Rhode Island	34%	12%	13%	7%	35%	58%	12%	11%	4%	16%

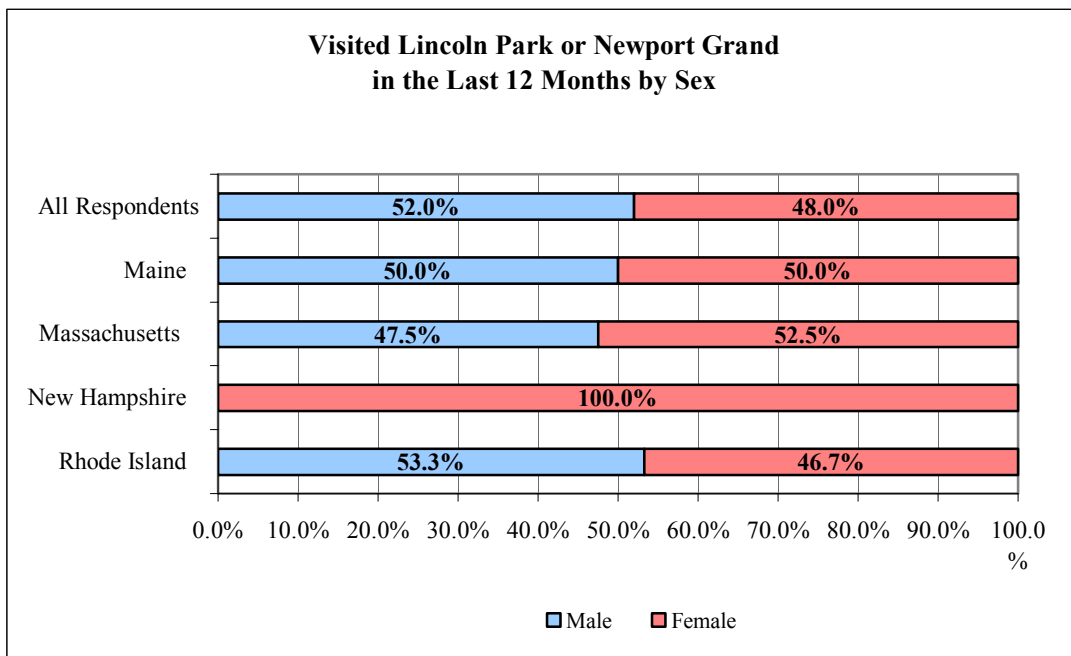
2) What is the demographic profile of persons from Maine, Massachusetts, New Hampshire, and Rhode Island who visited Lincoln Park or Newport Grand in the last 12 months?

All 2,807 respondents were asked basic demographic questions about their sex, age, educational attainment, and annual income (see Appendix B).

Lincoln Park/Newport Grand Visitors by Sex

- Visitors to Lincoln Park and Newport Grand are more or less evenly divided between men and women (see Figure 2).

Figure 2



Lincoln Park/Newport Grand Visitors by Age

- Visitors to Lincoln Park and Newport Grand from the four states surveyed are dispersed among all age cohorts, although nearly two-thirds (64%) are under age 50 (see Table 4, columns add to 100%) (see Table 5).

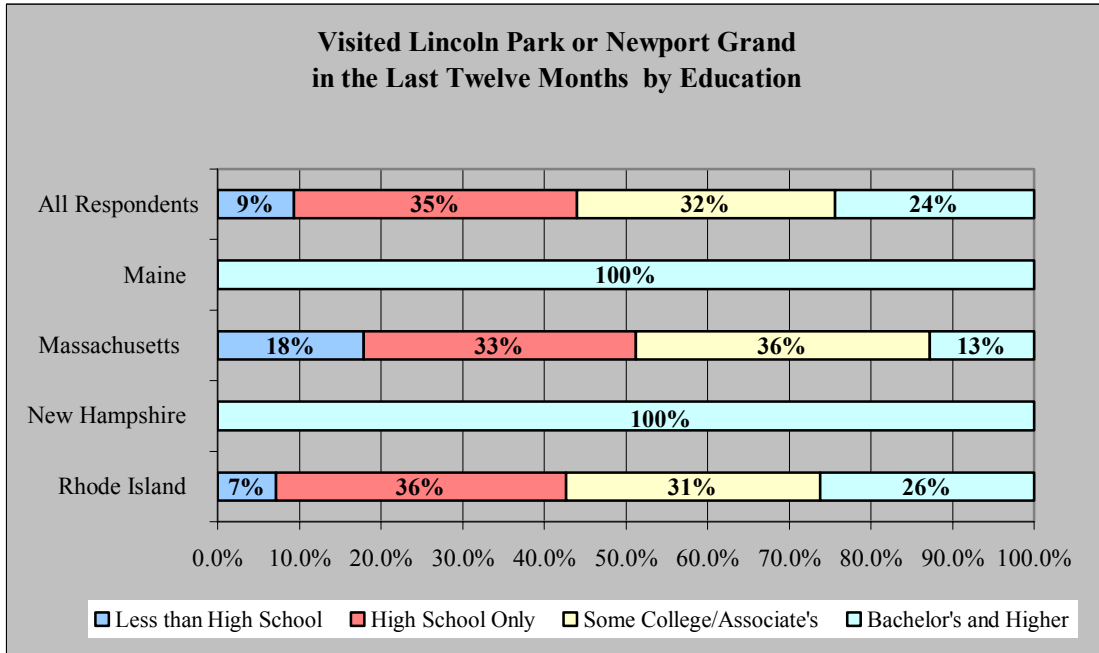
Table 5

Visited Lincoln Park or Newport Grand in the Last Twelve Months by Age					
	Respon-		Massachusetts	Hampshire	Rhode
	ds	Maine	s	e	Island
18 to 29	24%	0%	21%	0%	25%
30 to 39	19%	50%	21%	0%	18%
40 to 49	21%	0%	10%	0%	23%
50 to 59	12%	0%	15%	0%	12%
60 to 69	12%	50%	23%	100%	9%
70 and older	13%	0%	10%	0%	13%

Lincoln Park/Newport Grand Visitors by Education

- More than two-thirds (67%) of those who have visited Lincoln Park or Newport Grand in the last 12 months have moderate levels of education – a high school diploma, some college, or associate’s degree (see Figure 3).
- Less than a tenth (9%) of the individuals who had visited Lincoln Park or Newport Grand in the last 12 months had less than a high school diploma (see Figure 3).

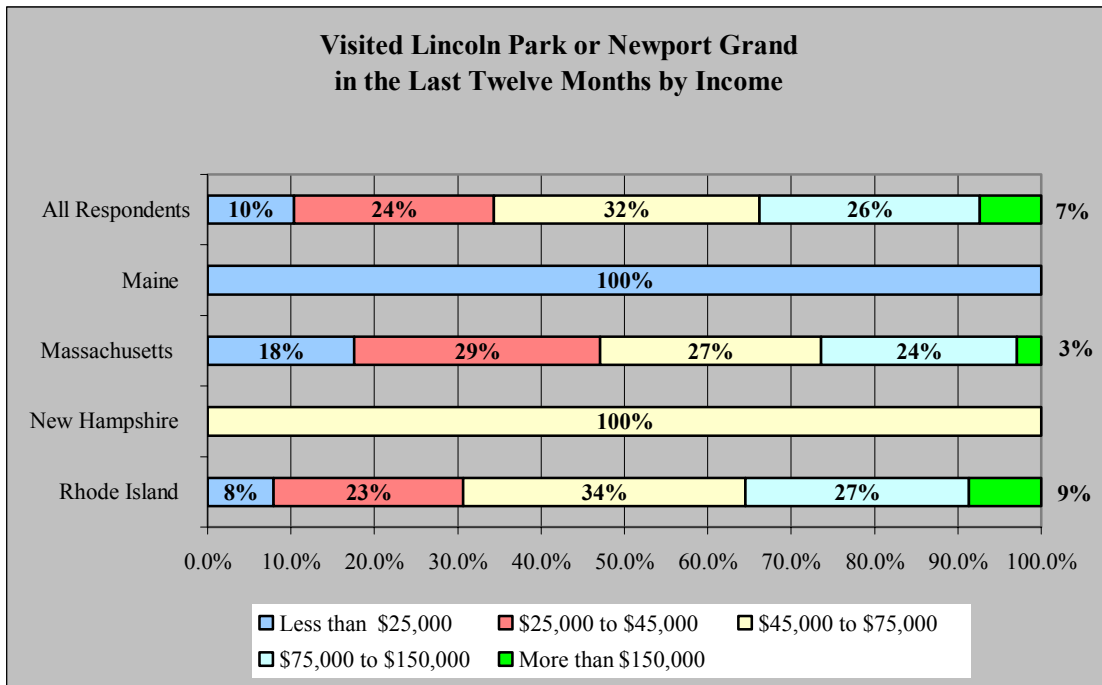
Figure 3



Lincoln Park/Newport Grand Visitors by Income

- Over half (56%) of the individuals who had visited Lincoln Park or Newport Grand in the last 12 months had annual incomes of \$25,000 to \$75,000. Another 26% had annual incomes of \$75,000 to \$150,000 (see Figure 4).
- A comparatively small percentage (10%) of the individuals who had visited Lincoln Park or Newport Grand in the last 12 months had annual incomes of less than \$25,000 (see Figure 4).

Figure 4



3) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island who visited Lincoln Park or Newport Grand in the last 12 months spent money on gambling and non-gambling activities at the casinos?

Respondents who said they had visited Lincoln Park or Newport Grand in the last 12 months were also asked: “On your last visit to Lincoln Park...Newport Grand did you spend money on any of the following items? Food, hotel or lodging, retail purchases, other entertainment, gambling – yes/no” (see Appendix B).

- Most visitors to Lincoln Park (95%) and Newport Grand (90%) spend money on gambling (which is about the same proportion as at Connecticut’s two resort casinos), although 5% of those who visited Lincoln Park in the last 12 months did not gamble, while 10% of those who visited Newport Grand did not gamble (see Table 6).¹⁴
- A large percentage of Lincoln’s visitors spend money on food (71%), but very few spend money on lodging (4%), retail (4%), or other entertainment (4%) during their visits to the racino (see Table 6).¹⁵
- Over half of Newport Grand’s visitors spend money on food (54%), but very few spend money on lodging (3%), retail (3%), or other entertainment (7%) during their visits to the racino (see Table 6).¹⁶

Table 6

Percent Patrons Who Spent Money By Category										
	Lincoln Park					Newport Grand				
	Food	g	Retail	Other	ng	Food	g	Retail	Other	g
All Respondent	62%	4%	4%	4%	95%	54%	3%	3%	7%	90%
Maine	100%	100%	0%	0%	100%	100%	100%	100%	100%	100%
Massachusetts	51%	0%	4%	12%	95%	46%	0%	0%	0%	89%
New Hampshir	100%	0%	0%	0%	100%	NA	NA	NA	NA	NA
Rhode Island	64%	5%	4%	3%	95%	54%	2%	2%	8%	90%

¹⁴ The current decline in Newport Grand’s revenues is clearly driven by Massachusetts residents, who are visiting the facility less frequently and who are less attracted to its non-gambling amenities. Lincoln Park seems to be having some success in attracting more Massachusetts residents to its new entertainment venues.

¹⁵ The percentage of Rhode Island visitors to Lincoln Park who spent money on food increased from 52% in 2004 to 64% in 2006, although the percentage who spent money on retail and other entertainment decreased over the last two years. The percentage of Massachusetts visitors to Lincoln Park who spent money on food decreased from 76% in 2004 to 51% in 2006 and the percentage who spent money on lodging and retail also decreased over the last two years. The percentage of Massachusetts residents who spent money on other entertainment increased from 0% in 2004 to 12% in 2006 (for comparison, see Ibid., p. 24).

¹⁶ The percentage of Rhode Island visitors to Newport Grand who spent money on food increased from 47% in 2004 to 54% in 2006, although the percentage who spent money on retail and other entertainment decreased over the last two years. The percentage of Massachusetts visitors to Newport Grand who spent money on food decreased from 67% in 2004 to 46% in 2006 and the percentage who spent money on retail and other entertainment also decreased over the last two years (for comparison, see Ibid., p. 24).

4) What attracts visitors to Rhode Island’s two racinos?

Respondents who said they had visited Lincoln Park or Newport Grand in the last 12 months were also asked: “On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park [or Newport Grand] in the last 12 months? How about....” (see Appendix B).

Lincoln Park

- In contrast to patrons of Connecticut’s resort casinos, most of Lincoln Park’s patrons rated its location close to home (3.87) as the most import factor in their decision to visit the racino. The general atmosphere of the facility (2.97) and the availability of video lottery terminals (2.93) were secondary considerations (see Table 7).

Table 7

Importance of Various Amentities in Decision to Visit Lincoln Park	
Average on a Scale of 1 to 5 with 5 Meaning Very Impor	
	<u>Average</u>
location close to home	3.87
general atmosphere of the facility	2.97
video lottery terminals	2.93
physcial attractiveness of the facilit	2.89
bars & restaurants	2.57
live dog racing	2.16
music & dance venues	2.00
simulcast racing	1.71

Newport Grand

- Most of Lincoln Park’s patrons rated its location close to home (3.65) as the most import factor in their decision to visit the racino. However, the general atmosphere of the facility (3.34) and the physical attractiveness of the facility (3.18) were also important considerations The (see Table 8).

Table 8

Importance of Various Amentities in Decision to Visit Newport Grand	
Average on a Scale of 1 to 5 with 5 Meaning Very Impo	
	<u>Average</u>
location close to home	3.65
general atmosphere of the facility	3.34
physcial attractiveness of the facility	3.18
bars & restaurants	2.90
video lottery terminals	2.71
music & dance venues	2.20
simulcast racing	1.99

5) The availability of table games, the availability of numerous non-gambling amenities, the physical attractiveness of the facilities, and the general atmosphere of the facilities differentiate New England’s resort casino market from the convenience gambling (slot parlor/racino) market.

All 2,807 respondents were also asked whether they had visited Lincoln Park in Lincoln, Rhode Island or Newport Grand in Newport, Rhode Island in the last 12 months.

- It was found that 77% of those who visited Lincoln Park or Newport Grand had not visited Lincoln Park or Newport Grand in the last 12 months despite their closer proximity to most respondents’ homes (see Table 9).

Table 9

Foxwoods & Mohegan Patrons Who Have Visited Lincoln or Newport	
	Percent
Have Visited LP/NG	23%
Have Not Visited LP/NG	77%

6) Racino/slot parlor gamblers are attracted primarily by convenience (i.e., location close to home).

The town or city of residence for all 2,807 respondents was determined by asking them “...in which town or city do you live?” The drive-time for each person visiting the two racinos in the last twelve months was determined using Mapquest.

- Nearly all visitors (97%) to Lincoln Park traveled less than 60 minutes to get to the racino and 61% traveled 30 minutes or less (see Table 10).

Table 10

Travel Time to Lincoln Park	
	Percent
1 to 30 minutes	61%
31 to 60 minutes	36%
61 to 90 minutes	3%
91 to 120 minutes	0%
> 2 hours	0%

- More than three-fourths (76%) visitors to Newport Grand traveled less than 60 minutes to get to the racino and 97% traveled 90 minutes or less (see Table 11).¹⁷

Table 11

Travel Time to Newport Grand	
	Percent
1 to 30 minutes	24%
31 to 60 minutes	52%
61 to 90 minutes	21%
91 to 120 minutes	2%
> 2 hours	1%

¹⁷ The fact that Newport Grand is able to attract a substantial number of visitors from longer distances than Lincoln Park is consistent with the fact that its patrons rate the importance of the general atmosphere of the facility and physical attractiveness of the facility higher than at Lincoln Park patrons.

Demographic Profile of Racino Players

The demand for various types of games in the New England casino market is anchored in a number of different demographic groups, who each have an affinity for different types of games and facilities:

- The racinos in Rhode Island have a well-defined customer demographic that is distinct from Connecticut's resort casinos. Racinos are the casinos of the lower middle class.
- Racino patrons are not poor, but are members of lower-middle to middle income groups (\$25,000 to \$75,000), who have also have mid-range levels of educational attainment (i.e., high school diploma, some college, or associate's degree).
- Racino patrons are interested primarily in gambling, particularly slot machine (or VLT) gambling, so they are not attracted to the table games or various non-gambling amenities offered by resort casinos.
- Racino patrons do not, for the most part, spend money on overnight lodging, since most come from within a 30 to 60 minute drive radius.
- Racino patrons are not, for the most part, seeking gourmet dining or high-end designer retail shopping. They are seeking convenient gambling, rather than a comprehensive entertainment or resort venue.
- Despite being attracted to racinos by their convenience (i.e., location close to home), most racino patrons visit those facilities only 1 to 4 times per year.
- Racino patrons constitute a secondary market for the slot machines at Connecticut's resort casinos, particularly females with annual incomes of \$45,000 or higher, who rate the general atmosphere and physical attractiveness of gambling facilities as a more important consideration than other racino patrons.

APPENDIX A **Methodology**

What is the New England Gaming Behavior Survey?

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hampshire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.¹⁸ The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

¹⁸ This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 1.9 percentage points of the answer given in this poll.

All telephone interviewers are trained by Center for Policy Analysis senior staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis also monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a \$3.4 billion industry in New England that employs approximately 23,000 people at Lincoln Park and Newport Grand resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate \$1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly \$1.6 billion in new capital investments to expand their operations, including a \$700 million expansion at Lincoln Park Resort Casino, a \$125 million expansion at Lincoln Park, and the construction of a new \$90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Newport Grand announced a \$740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Newport Grand's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a \$25 million expansion that includes a new 120-room stand-alone hotel and refurbishment of its gaming space to house another 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Lincoln Park and Newport Grand generated more than \$427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than \$246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated \$18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLTs at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a \$1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, <http://www.umassd.edu/cfpa/gaming.cfm>

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The

Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to <http://www.umassd.edu/cfpa>

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: _____ ID #: _____ State: _____ Interviewer: _____
Date: _____

Hi, my name is _____ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. Yes No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? _____

- 1. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?**

Yes No

[If NO, please skip to question 3. If yes, continue.]

- 2. Did you participate in any of the following forms of gambling in the last 12 months? How about:**

Scratch Tickets Yes No DK/Refused

Other Lottery games such as

Megabucks or Powerball Yes No DK/Refused

Keno Yes No DK/Refused

Casino gambling Yes No DK/Refused

Wagered on a dog or horse race Yes No DK/Refused

Bingo Yes No DK/Refused

Wagering over the Internet Yes No DK/Refused

3. During the last 12 months, how many times did you visit Lincoln Park Resort Casino in Connecticut? _____

[If 0 times go to question 4]

3a. [If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months? How about:

	Not Important		Very Important		
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physical attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. On your last visit to Lincoln Park, did you spend money on any of the following items?

- | | | |
|---------------------|-----|----|
| food | yes | no |
| hotel or lodging | yes | no |
| retail purchases | yes | no |
| other entertainment | yes | no |
| gambling | yes | no |

3c. When you visit Lincoln Park, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?

[Please check only one]

- slots
- table games
- bingo
- do not gamble

4. During the last 12 months, how many times did you visit Newport Grand Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months? How about:

	Not Important			Very Important	
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physical attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

4b. On your last visit to Newport Grand, did you spend money on any of the following items?

food	yes	no
hotel or lodging	yes	no
retail purchases	yes	no
other entertainment	yes	no
gambling	yes	no

4c. When you visit Newport Grand, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- slots
- table games
- do not gamble

5. During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important			Very Important	
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physical attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food	yes	no
hotel or lodging	yes	no
retail purchases	yes	no
other entertainment	yes	no
gambling	yes	no

6. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ____

[If 0 times go to question 7 below]

6a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?

	Not Important			Very Important	
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physical attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. On your last visit to Newport Grand, did you spend money on any of the following items?

- food yes no
- hotel or lodging yes no
- retail purchases yes no
- other entertainment yes no
- gambling yes no

7. During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?

- yes
- no

8. During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____

9. During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times? ____

10. During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- yes
- no
- don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location		Great Location		
	1	2	3	4	5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree				Strongly Agree	
	1	2	3	4	5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. **Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?**

- yes
- no
- don't know

15. **On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:**

	Strongly Disagree				Strongly Agree	
	1	2	3	4	5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. **[For Maine residents only]**

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- yes
- no
- don't know

17. Gambling Problem Questions:

	Yes	No
a Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c Have you ever tried to stop, cut down, or control your gambling?		
d [If yes] Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e Have you ever gambled as a way to escape from personal problems?		
f Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? _____

19. Sex

- male
- female

20. What is the last grade of school that you completed? [Read Choices]

- less than high school
- high school diploma
- some college
- Associate's
- Bachelor's
- Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- Less than \$25,000
- \$25,000 to \$45,000
- \$45,000 to \$75,000
- \$75,000 to 150,000
- \$150,00 or more
- don't know/refused

APPENDIX C

New England Gaming Behavior Survey: Profile of New England Survey Sample

A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of all survey respondents, including age, income, education, age and state.

A. Sex

Sex	
	<u>Percent</u>
Male	46.8%
Female	53.2%

B. Income

Income	
	<u>Percent</u>
Less than \$25,000	18.3%
\$25,000 to \$45,000	19.6%
\$45,000 to \$75,000	27.3%
\$75,000 to \$150,000	28.0%
More than \$150,000	6.9%

C. Education

Education	
	<u>Percent</u>
Less than High School	4.8%
High School Only	29.2%
Some College/ Associate	30.0%
Bachelor's and Higher	36.0%

D. Age

Age	
	<u>Percent</u>
18 to 29	20.4%
30 to 39	20.6%
40 to 49	20.7%
50 to 59	15.0%
60 to 69	9.7%
70 and older	13.7%