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CONTACT: Dr. Clyde W. Barrow

(508) 999-9265

cbarrow@umassd.edu

BAY STATERS IN 2008 SPENT \$920M AT CT CASINOS AND RI AND ME SLOT PARLORS

**Massachusetts spending generated \$211M in tax revenues
to the CT and RI state treasuries**

Rhode Islanders spent \$537M at region's casinos and slot parlors

Despite being mired in the worst economic downturn since the Great Depression, Massachusetts residents still spent more than \$920 million in 2008 at Connecticut's casinos and at the slot parlors in Rhode Island and Maine, according to the 2009 New England Gaming Update released today by the Center for Policy Analysis (CFPA) at the University of Massachusetts Dartmouth.

The sixth annual study, which tracks 2008 spending at New England's five casino-style venues, found that Bay Staters spent more than \$920 million last year:

- \$709 million at Connecticut's Foxwoods Resort and Mohegan Sun casinos;
- \$211 million at Rhode Island's Twin River and Newport Grand slot parlors; and
- more than \$600,000 at Maine's Hollywood Slots.

Dr. Clyde W. Barrow, CFPA director said that "2008 is particularly notable in the 15-year history of New England casino gaming, because even though Massachusetts residents have reduced their spending at the region's casinos over the last two years, spending by Massachusetts residents is still sustaining the region's gaming industry, especially in Connecticut and Rhode Island. It is a continuing example of the Bay State's passion for casino-style gaming."

Massachusetts residents have spent more than \$11 billion at the Connecticut casinos and Rhode Island slot parlors since 1992, generating about \$4 billion in tax revenues for the Connecticut and Rhode Island state treasuries.

In 2008, Massachusetts residents accounted for 31% of the patrons at Foxwoods, 17% at Mohegan Sun, 41% at Twin River, 39% at Newport Grand, and 1% at Hollywood Slots.

Bay State spending at the Connecticut casinos and Rhode Island slot parlors generated \$211 million in tax revenues for the Connecticut and Rhode Island state treasuries --- nearly 30% of all gaming taxes collected by the two states. Massachusetts' patronage of Maine's upscale slot parlor generated \$262,000 in tax revenues to the state of Maine and the city of Bangor.

Rhode Islanders spent \$537 million --- \$251 million at the Connecticut casinos and \$286 million at their home state slot parlors. That, in turn, generated \$192 million in tax revenues to the Connecticut and Rhode Island state treasuries.

New Hampshire residents spent about \$66 million and Maine residents spent about \$22 million at Foxwoods and Mohegan Sun, and that generated about \$12 million in taxes to the Connecticut state treasury.

New England's two casinos and three slot parlors generated \$3.53 billion in total revenues, of which \$2.79 billion, 79%, was generated in gross gaming revenues (GGR). Foxwoods and Mohegan Sun generated \$2.94 billion in total revenues --- \$2.26 billion in gaming and \$680 million in non-gaming spending, such as hotel rooms, food and beverage, entertainment and retail sales.

Foxwoods and Mohegan Sun share 25% of slot revenues with the state of Connecticut, which generated \$396 million in revenues for the Connecticut state treasury. However, the casinos enjoy a rare advantage of not being taxed on table game revenues. If table game revenues were also taxed at 25%, Connecticut state government would have received an additional \$170 million in tax revenues.

Overall, Twin River and Newport Grand generated \$522 million in total revenues --- \$475 million in gaming and \$47 million in non-gaming spending. Rhode Island's slot parlors offer video lottery terminal (VLT) gaming, which are electronic versions of traditional reel-to-reel slot machines.

Twin River's and Newport Grand's VLTs are taxed at about 60% and generated about \$277 million in tax revenues to the Rhode Island state treasury.

Barrow said that "there are vast differences in the fiscal and economic benefits generated by the casinos as opposed to the slot parlors as evidenced by tax revenues, employment levels at the facilities, regional business and vacation tourism, and spending on the facility's non-gaming amenities."

The Connecticut casinos still employ about 22,000 people despite recent layoffs by Foxwoods and employment reductions through attrition at Mohegan Sun. The three slot parlors combined employ about 1,600 people --- 900 at Twin River, 200 at Newport Grand, and 500 at Hollywood Slots.

Moreover, Southeastern Connecticut has evolved into that state's premier tourism destination and has emerged as one of New England's premier convention and meeting destinations. In comparison, Rhode Island's and Maine's slot parlors do not appear to have had a discernible effect on regional tourism growth or local business development.

"There's no question that the struggling economy and rising gas prices played some role in diverting a small percentage of Massachusetts, Maine, and New Hampshire residents to forego visits to the Connecticut casinos in favor of the Rhode Island slot parlors," Barrow said. "Yet despite one of the worst recessionary periods in our nation's recent history, most Bay Staters still made the longer and more expensive drive to visit southeastern Connecticut's casinos instead of the shorter and far less expensive drive to the Rhode Island slot parlors bordering our state."

Barrow said, "either of the two casinos' economic impact is nearly triple that of the region's three slot parlors combined."

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth. The full report is available at www.umassd.edu/cfpa, click What's New!