

## **TWIN RIVER GROWTH FUELED BY BAY STATE GAMBLERS**

### **Maine Casinos Attracting More Out of State Visitors Connecticut Resort Casinos in a Six Year Slump**

The *2013 New England Casino Gaming Update* (NEGU), which was released on Sunday, July 14<sup>th</sup>, reports that Bay State gamblers continued to out-visit and out-spend Rhode Islanders at Twin River Casino in 2012. Massachusetts residents accounted for more than 51% of all visits to the casino in 2012 and spent approximately \$271 million on gaming, food and beverage service, and other entertainment. Rhode Island residents accounted for 46% of all visits to Twin River and spent \$241 million at the casino in 2012.

Since the 2004 edition of NEGU began tracking spending patterns at Rhode Island's two slot parlors ten years ago, Massachusetts residents have spent an estimated \$2.03 billion at Twin River and Newport Grand.

In an earlier report released in March of this year, entitled *Bring It On Home*, the Center for Policy Analysis found the number of visits to Twin River by Massachusetts residents increased by 261% from 2006 to 2012, while posting an 18% increase at Newport Grand. During that same period, Rhode Island residents' visits increased by just 2% at Twin River and declined by 37% at Newport Grand Slots. Overall, Bay Staters made nearly 2.3 million visits to Rhode Island's slot parlors in 2012. Rhode Islanders made nearly 1.1 million visits.

The Center's most recent report reaffirmed this trend with its finding that total estimated spending at Twin River and Newport Grand by Massachusetts residents increased from \$182.2 million in 2006 – the New England casino industry's peak revenue year – to \$295.3 in 2012, a number that accounts for 86% of all revenue growth at Twin River over the last six years. The total estimated spending at Twin River and Newport Grand by Rhode Island residents increased from \$251.3 million in 2006 to \$269.5 in 2012 or barely more than 1% per cent per year during the same period.

Dr. Clyde W. Barrow, CFPA director, said that Twin River has been successful in broadening its reach among Massachusetts residents throughout central and southeastern Massachusetts and this trend will continue for at least another year with the addition of table games at Twin River on June 19, 2013. Barrow observed that "Anyone who watches a television, or looks at billboards by the highway, knows that Twin River has been aggressively marketing in the Bay State."

Dr. Clyde W. Barrow, director of the CFPA, noted that "despite being located in Rhode Island, Twin River is now more than ever dependent on spending by Bay Staters. Its success in attracting Massachusetts residents will prove to be a double edged sword." The steady

increase in spending by Bay Staters occurs at time when Massachusetts officials are well into the process of licensing three destination resort casinos and one slot parlor in the state. A slot parlor license is expected to be awarded later this year, while the first casino license may be awarded by mid-2014.

Bay State spending in 2011 at Twin River and Newport Grand generated \$149.5 million in tax revenues to Rhode Island state government. Since the 2004 edition of NEGU began analyzing spending at Rhode Island's slot parlors, Massachusetts residents' spending has generated over \$1.1 billion in tax revenues to Rhode Island state government. Bay Staters accounted for more than 51% of Twin River's visitations and about 45% of Newport Grand's visitations.

Overall, Massachusetts residents spent approximately \$853 million in 2012 at New England's four casinos in Connecticut and Maine and its two slot parlors in Rhode Island.

Massachusetts residents made more than 5 million visits, and spent \$554.4 million at Connecticut's two casinos for an 11.1% decrease over 2011 Massachusetts spending levels (\$624.1 million). Bay State spending in 2012 generated \$76.5 million in tax revenues to Connecticut state government. Massachusetts residents accounted for 32% of Foxwoods visitations and 19% of Mohegan Sun visitations.

Rhode Islanders spent just over \$176 million at the Connecticut casinos in 2012 for a 12% decline over 2011 spending (\$200 million) and their spending generated more than \$24 million in tax revenues to Connecticut state government. Rhode Island residents accounted for 11.7% of Foxwoods visitations and 4.5% of Mohegan Sun visitations.

Barrow observed that where the Massachusetts Gaming Commission ultimately decides to license three regional casinos and a slot parlor will have a dramatic impact on Connecticut's casinos and Rhode Island's slot parlors.

“Where the Commonwealth ultimately sites three casinos and the slot parlor will determine whether Massachusetts is able to reassert dominance over New England's gaming, entertainment and tourism sectors by stemming the flow of Massachusetts spending into Connecticut and Rhode Island and by capturing additional spending from northern New England, Canada, and other visitors who come to Massachusetts for business and for its many recognized tourist attractions” Barrow said.

The report also updates its patron origin analysis of Maine's two casinos for the first time since 2009. Oxford Casino, which is located 40 miles north of Portland, opened on June 5, 2012, while Hollywood Casino Bangor began offering live table games on March 27, 2012. In 2009, the Center for Policy Analysis found that Hollywood Casino attracted 5% of its visitors from out of state, but that ratio nearly tripled to almost 14% in 2012, including a significant number of visitors from New Brunswick, Canada.

Oxford Casino attracted more than 18% of its visitors from out of state, including 10.4% from New Hampshire and 4% from Massachusetts.

The *New England Gaming Casino Gaming Update 2013* also calls attention to the fact that the New England gaming market is being steadily reshaped by its integration into a larger Northeastern gaming market that includes New England and the Mid-Atlantic states, including Maryland, Delaware, New

Jersey, Pennsylvania, West Virginia, and New York. There are now 55 Class III casinos in this Northeastern corridor with an estimated \$15.1 billion in annual total revenues. The gaming report predicts that the Northeastern casino industry will continue to grow over the long-term as the economy strengthens; as the industry adds capacity in new markets, such as Massachusetts and Maryland; and as new facilities are located closer to major population and income centers, such as Baltimore, Boston, and Philadelphia.

<b>Estimated Patron Origins by State, 2013:</b>						
<b>Foxwoods, Mohegan Sun, Twin River, Newport Grand, Hollywood, &amp; Oxford</b>						
	<b>Foxwoods</b>	<b>Mohegan</b>	<b>Twin River</b>	<b>Newport</b>	<b>Hollywood</b>	<b>Oxford</b>
Massachusetts	32.1%	18.5%	51.4%	44.5%	2.2%	4.0%
Connecticut	38.0%	57.5%	0.8%	0.9%	0.2%	0.4%
Rhode Island	11.7%	4.5%	45.8%	51.4%	0.3%	0.1%
New Hampshire	2.9%	1.7%	0.5%	0.3%	2.1%	10.4%
Maine	1.8%	0.5%	0.1%	0.0%	86.1%	81.6%
Vermont	0.3%	0.4%	0.0%	0.0%	0.5%	0.5%
New York	9.8%	13.4%	0.2%	0.6%	0.1%	0.2%
New Jersey	1.9%	1.7%	0.1%	0.1%	0.5%	0.2%
Other	1.5%	1.8%	1.1%	2.2%	8.0%	2.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Total Spending at New England Casinos & Slot Parlors by State, 2012**

<b>NEW ENGLAND</b>	<b>Slot Win</b>	<b>Other Gaming</b>	<b>Total Gaming</b>	<b>NonGaming</b>	<b>Grand Total</b>	<b>Taxes Paid</b>
<b>TOTAL</b>	<b>\$1,844,055,624</b>	<b>\$552,368,600</b>	<b>\$2,396,424,224</b>	<b>\$507,081,267</b>	<b>\$2,903,505,491</b>	<b>\$670,936,700</b>
MA	\$576,522,816	\$133,822,387	\$710,345,204	\$142,381,521	\$852,726,725	\$241,367,312
RI	\$341,858,124	\$42,108,688	\$383,966,812	\$62,010,804	\$445,977,616	\$173,934,181
CT	\$598,393,663	\$261,560,596	\$859,954,258	\$209,793,743	\$1,069,748,001	\$151,194,804
NH	\$34,655,124	\$12,964,329	\$47,619,453	\$11,021,748	\$58,641,202	\$10,520,374
ME	\$86,882,205	\$16,906,217	\$103,788,422	\$12,216,784	\$116,005,205	\$38,149,434
VT	\$4,772,060	\$1,975,145	\$6,747,205	\$1,583,310	\$8,330,515	\$1,289,158
NY	\$145,373,425	\$63,370,362	\$208,743,787	\$51,233,573	\$259,977,360	\$36,828,100
NJ	\$22,925,904	\$9,707,736	\$32,633,640	\$8,146,256	\$40,779,895	\$5,998,862
OTHER	\$32,672,303	\$9,953,140	\$42,625,443	\$8,693,529	\$51,318,972	\$11,654,476

For a copy of the full report go to <http://www.umassd.edu/seppce/centers/cfpa/>

See Appendix A for expenditures by state and gaming venue.

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