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November 7, 2019

UMass researchers provide update of Plainridge Park Casino's social and economic impacts on the Commonwealth

AMHERST – Researchers from UMass Amherst and the <u>UMass Donahue Institute</u>, as part of the Social and Economic Impacts of Gambling in Massachusetts (<u>SEIGMA</u>) research team, released three reports detailing findings of the social and economic impacts of the state's only slot parlor, Plainridge Park Casino (PPC), to the Massachusetts Gaming Commission (MGC) at an open meeting in Plainville, Massachusetts.

The first report, the *Social and Economic Impacts of Plainridge Park Casino: 2018*, is an in-depth and comprehensive investigation of the impacts of introducing casino gambling. The economic impacts of PPC were found to be largely positive for the host and surrounding communities. Findings also indicated the absence of negative impacts on gambling behavior, including rates of problem gambling. The lack of impact on the problem gambling rate was likely the result of the already high rate of casino gambling that existed in the Plainville area prior to the opening of the slot parlor and related to the close proximity of Rhode Island and Connecticut casinos in operation since the early 1990s.

The SEIGMA research team also released two reports examining PPC's operations. The studies, funded and overseen by the MGC, are part of a larger legislatively mandated research agenda to study the effects of expanded gaming in Massachusetts.

The <u>New Employee Survey at Plainridge Park Casino: Analysis of Fiscal Year 2018</u> report presents findings of who is working in Massachusetts' new casino industry and details PPC's workforce in its third year of operation.

Andrew Hall, lead author of the report and a senior research analyst at the UMass Donahue Institute, said, "Analyzing casino employment is critical to understanding whether casino employment can be a pathway to economic stability and prosperity for workers. We are investigating these impacts across the state, especially among the most marginalized sectors of the population. The new employee survey gives us insight into casino employees' experience on the ground: why they're seeking employment in this new field, what types of walks of life employees come from, their aspirations and how casino employment fits into their career goals, and their interest in training and career advancement."

The report finds that PPC created employment opportunities that did not exist in the Commonwealth, benefitting people unemployed or underemployed and those with little educational attainment, experience, or training.

This report's main findings:

- 46% of respondents hired in 2017-2018 reported being previously unemployed or employed only part-time. 76% of people who were previously unemployed are in full-time positions at the casino. 42% of those who previously worked in part-time jobs now work full-time at the casino.
- 75% of new employees in 2017-2018 have less than a bachelor's degree and 82% of casino employees lacked previous casino-related experience.
- The three major reasons why recent hires wanted to work at PPC include: 1) the opportunity for career advancement; 2) improved pay; and 3) the opportunity to learn new skills or receive training.
- 67% of people hired in 2017-2018 are Massachusetts residents and 33% commute from out-of-state, mainly from Rhode Island.

The final <u>report</u> summarizes the economic impacts of PPC after four years of operation. Thomas Peake, lead author of the report and senior research analyst at the UMass Donahue Institute, said, "With the two resort casinos now open—MGM Springfield in August 2018 and Encore Boston Harbor in June 2019—it is especially important to understand the dynamic nature of the casino industry's impacts on employment, vendor spending, and state and local revenue in Massachusetts."

This report's main findings:

- Employment at PPC has declined. When PPC opened in summer 2015, it employed 555 employees at its peak. At the end of fiscal year 2019, PPC employed just over 450 employees.
- Full-time employees represent the majority of PPC's workforce in all four fiscal years of operation. Median hourly wages for full-time workers have increased faster than for part-time workers.
- In-state spending on private vendors dropped in fiscal year 2019, while out-of-state spending has seen a gradual increase. 54.5% of PPC's private sector spending was on vendors outside of Massachusetts and 26.3% was spent in the Metro Boston region.
- Plainridge spent less money on private sector vendors and increased its payment to charitable organizations in fiscal year 2019.
- Revenues have been trending slightly upwards (approx. \$160M in FY2016, \$158M in FY2017, \$170M in FY2018, and \$169M in FY2019). However, each successive year has seen lower visitation than the previous year.
- Average annual gross gaming revenue brought in per PPC patron has increased by 27% from fiscal year 2016 to fiscal year 2019. This change in patron behavior has driven the rise in revenues, even as visitation has fallen.

Dr. Rachel Volberg, principal investigator of the SEIGMA study, said, "While the economic impacts of Plainridge Park Casino to date are clearly positive, it is somewhat concerning to see an increase in spending per patron because it suggests that a smaller number of individuals are spending more. If this increase in spending is affecting patrons' ability to meet other financial obligations, it would suggest the need to raise awareness about the importance of keeping gambling entertaining and not spending more than one can afford."

Mark Vander Linden, MGC director of research and responsible gaming, said, "It is important to have a monitoring system to ensure the Commonwealth is maximizing the benefits and mitigating unintended

harms of expanded gaming. The research agenda allows the MGC to make data-informed decisions on resource allocation, policies, and programs."

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About the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) research study

The University of Massachusetts Amherst, School of Public Health & Health Sciences (SPHHS) has been engaged by the Massachusetts Gaming Commission (MGC) to carry out a comprehensive, multi-year research project, believed to be the first of its kind, on the economic and social impacts of introducing casino gambling in Massachusetts. The project fulfills Section 71 of the 2011 Expanded Gaming Act, which requires the MGC to establish "an annual research agenda" to assist in understanding the social and economic effects of the introduction of casino gambling in MA, and in making annual scientifically-based recommendations to the Legislature. For more information on the SEIGMA research study, please visit www.umass.edu/seigma or connect on Twitter (@ImpactsMA).

About the University of Massachusetts Donahue Institute

The University of Massachusetts Donahue Institute is an outreach and economic development arm of the University of Massachusetts President's Office. Established in 1971, the Institute strives to connect its clients with the resources of the University, bridging theory and innovation with real world public and private sector applications. For more information: <u>www.donahue.umassp.edu</u> or visit <u>@UMASSDonahue</u> on Twitter.

About MassGaming

The mission of the Massachusetts Gaming Commission is to create a fair, transparent, and participatory process for implementing the expanded gaming law passed by the Legislature and signed by the Governor in November 2011. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality. For more information on MGC, please visit Massgaming.com or connect and share on Twitter (@MassGamingComm) or Facebook www.facebook.com/MAGamingComm.

CONTACT: Elaine Driscoll, Communications Director, Massachusetts Gaming Commission, elaine.driscoll@state.ma.us, (617) 571-2964.

Ken LeBlond, Marketing Communications Manager, UMass Donahue Institute, <u>kleblond@donahue.umassp.edu</u>, (413) 545-3452.