



UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

Executive Summary

The Economic Impacts of Plainridge Park Casino: Four Years of Operations

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Background

This report analyzes the first four years of operation at Plainridge Park Casino (PPC). To do so, the UMass Donahue Institute ([UMDI](#)), as part of the [SEIGMA](#) research team, focused on measuring the direct effects of PPC by assessing employment, wages, vendor spending, taxes, revenues, and visitation. This report discusses the direct impacts of operations at PPC and how they have changed in the years following the casino's first year of operation. This study does not employ a full economic impact analysis as recent information on patron behavior—which is an important component of a full economic impact study—is necessary. This information on patron behavior is not available as patron surveys are not conducted every year. However, the direct contributions of casino operations—based on operating data collected from PPC and data from the Massachusetts Gaming Commission (MGC)—have continued to be tabulated.

Along with being the first casino in Massachusetts after the passing of the Expanded Gaming Act, PPC's corporate owner, Penn National Gaming, holds the state's only slots-parlor license, as opposed to other casinos which have resort casino licenses. The slots-parlor agreement was for a minimum capital investment of \$125 million for a facility holding up to 1,250 slot machines and a \$25 million license fee. As a slots-parlor, PPC is taxed at 49 percent of its annual gross gaming revenue. PPC integrated its new operations with a preexisting racetrack, which opened in 1999 and remains the only live harness racing track in Massachusetts. The casino is located in the southwestern tip of Norfolk County, hosted by the town of Plainville, on the border with Rhode Island. For the purposes of our county-based economic impact model, Plainville is situated within the Metro Boston Region. Surrounding communities, as designated by the MGC, include Attleboro, Foxboro, Mansfield, North Attleborough, and Wrentham. Fiscal Year 2018 was significant for PPC as it was the last full year where PPC was the sole casino operating in Massachusetts, as MGM Springfield opened in August of 2018 and Encore Boston Harbor opened in June of 2019, both of which are resort-style casinos. While it's still early for us to draw conclusions on how the introduction of these new facilities will affect business at PPC, the SEIGMA research team looks forward to continuing its study of this emerging market in the coming years.

This report covering the second, third, and fourth years of operations stands in contrast to the analysis of PPC's first year, which employed a full economic impact analysis using information on patron behavior during that year of operation. Individual employment data was aggregated by payroll date, resulting in an official count of how many individuals were working at PPC on any given day for the purpose of this study. Analysis of detailed payroll data began with the very first paycheck cut in July of 2015, up until the last paycheck for Fiscal Year 2019. The use of payroll data gives the research team the ability to analyze dynamic areas of interest about employment at the casino, including positions, compensation, and places of residence. It is important to note that there may be small discrepancies in the exact number of workers from paycheck to paycheck, such as those who have begun working but have yet to receive their first paycheck or those who are no longer working but are still receiving their last paycheck. Since PPC opened so close to the start of the Massachusetts 2016 fiscal year (PPC opened on June 24, 2015 and the Massachusetts 2016 fiscal year began on July 1, 2016), we have followed the convention of reporting these data in terms of fiscal years. As we begin to report on the operations of the other casinos, this convention may change.

Key Findings:

Employment and Wages

- While average annual employment at PPC has remained relatively steady in recent years, the number of hours worked by employees has been increasing, with a 23 percent jump between fiscal years 2018 and 2019.
- Payroll employment at Plainridge Park Casino has declined since its opening in the summer of 2015. The casino employed just over 450 employees at the end of Fiscal Year 2019, compared to its peak of 555 in Fiscal Year 2016.
- Most of PPC's employees live in close proximity to the casino, with the majority living in either Plainville or one of nine nearby municipalities. Pawtucket, Rhode Island, North Attleborough, and Attleboro, Massachusetts house the largest proportion of these workers in Fiscal Year 2019.
- Most of PPC's out-of-state employees live in Rhode Island, and the towns of Pawtucket, Providence, Warwick and Woonsocket, Rhode Island make the list of the top 10 cities and towns in which employees live.
- Mean hourly wages are consistently higher for workers in the Metro Boston Region throughout the time series, a trend much less prominent in median wages, suggesting that this region is home to the higher-wage workers within the casino.
- Full-time employees have constituted the majority of PPC's workforce in the first four fiscal years of operation. Median hourly wages for full-time workers have increased faster than those of their part-time counterparts.

Vendor Spending

- PPC spent less money on private sector vendors in Fiscal Year 2019, while increasing its payments to charitable organizations.
- The major private sector industries on which PPC spent money in Fiscal Year 2019 are Wholesale Trade; Professional, Scientific, and Technical Services; Utilities; Miscellaneous Manufacturing; and Performing Arts and Spectator Sports.
- In terms of regional spending, most of PPC's private sector spending was made to vendors outside of Massachusetts, making up just over half of total private sector spending (54.5 percent). Spending in the Metro Boston Region follows next (26.3 percent). These two regions make up just over 80 percent of all of private sector spending in Fiscal Year 2019.
- In-state spending on private vendors dropped in Fiscal Year 2019, while out-of-state spending has seen a gradual increase. Spending in the Wholesale Trade industry has decreased in-state while simultaneously increasing out of state, making up much of this discrepancy.

Revenues, Taxes, and Visitation

- While there is some variability in month-to-month visitation at PPC, each successive fiscal year from Fiscal Year 2016 to Fiscal Year 2019 has seen lower visitation than the previous year.
- Average annual gross gaming revenue brought in per PPC patron has increased by 27 percent from Fiscal Year 2016 to Fiscal Year 2019. This rise in revenue has come even as visitation has fallen, suggesting a change in patron behavior.
- While PPC's average monthly employment declined after its first year, revenue is trending upwards nonetheless.