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RESEARCH AGENDA UPDATE:

Economic Impact of Plainridge Park Casino Construction contributed \$166 million to business revenues and over \$100 million to the gross state product

On September 22, 2016 during a public meeting, the Massachusetts Gaming Commission (MGC) released a report, based on research conducted by the UMass Donahue Institute, detailing the economic impact of the Plainridge Park Casino construction. This study, funded and overseen by the MGC, is part of a larger legislatively mandated research agenda to study the social and economic impacts of expanded gaming in Massachusetts. The complete report is available here on the Commission's website.

The construction of Plainridge Park Casino occurred over two phases: the architecture, engineering, and design phase, which took place from 2010 until 2014, and the actual construction phase, which went from 2014 to 2015. Of the two phases, the vast majority of spending occurred during construction. In both cases, most of the spending was spent on goods and services supplied by firms within Massachusetts.

The report found that 99% of \$13.3 million of preconstruction spending and 85% of the \$115.4 million of construction spending went to Massachusetts-based businesses. Similarly, most of the resulting job and income creation remained in-state as well. For example, over the course of 14 months, the workers building Plainridge Park collectively earned almost \$22 million in direct wages, 85% of which went to Massachusetts residents while most of the remainder went workers from nearby Rhode Island.

As the spending ripples through the economy it creates total impacts that are larger than the initial project. The \$13.2 million of preconstruction spending that remained in Massachusetts added \$24.3 million to total business revenues and \$16.7 million to the gross product of Massachusetts over five years.

As far as the construction impact on local jobs, it created or supported an average of 558 full-time equivalent jobs and \$46 million of wages (including the above direct wages) per year over 2014 and 2015, impacts that were mostly concentrated near the construction site in Bristol and Norfolk Counties. Research indicates that the construction phase supported a total of 1116 jobs with a combined personal income of approximately \$91.5 Million. In

total, over the 14 month process, the construction of Plainridge Park Casino added \$166 million to total business revenues and \$105 million to gross state product.

The UMass Donahue Institute is a member of the Social and Economic Impacts of Gambling in Massachusetts (<u>SEIGMA</u>) project team that has been charged with carrying out the research agenda of the MGC.

The **University of Massachusetts Donahue Institute** is the public service, outreach, and economic development group of the University of Massachusetts President's Office. Established in 1971, the Institute strives to connect the Commonwealth with the resources of the University, bridging theory and innovation with real world public and private sector applications. For more information, www.donahue.umassp.edu.

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