COPY
TECHNICAL – PART I

A PROPOSAL TO CONDUCT PART I OF THE TWO-PART GAMING STUDY FOR THE FLORIDA LEGISLATURE

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March 20, 2013

MGT OF AMERICA, INC.

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MGT
OF AMERICA, INC.

March 20, 2013

Ms. Jeannie Evans
Purchasing Program Administrator
The Florida Legislature
Office of Legislative Services
111 West Madison Street, Room 874
Tallahassee, Florida 32399-1400

Dear Ms. Evans:

MGT of America, Inc. (MGT) is pleased to submit our proposal in response to the Legislature's ITN #859 to conduct a Two-Part Gaming Study. MGT is partnering with several well-respected firms – The Center for Policy Analysis at the University of Massachusetts Dartmouth, ECONorthwest, Nathan Associates, Inc., and WhiteSand Gaming LLC – to bring the Legislature the most experienced, unbiased and diversified team possible to this initiative.

MGT is a national research and consulting firm founded and incorporated in 1974 in Tallahassee, Florida. The firm is employee-owned and highly motivated and capable of performing the services outlined in this ITN. Not only do we understand what it takes to work with State and Local governments through our over 6,000 engagements, but we are particularly knowledgeable of how Florida's unique budgeting and forecasting policy works.

Our professionals served in legislative bodies, state government agencies, and city and county offices. We have a clear focus on the challenges facing the public sector on these critical issues and provide hands on service and a strong commitment to bring value to every client.

The MGT Team brings the highest level of unbiased objectivity and independence possible. We closely guard our objectivity and believe it is one of the reasons why our studies are so successful. In addition, our team offers a unique mix of diverse experience and knowledge that will allow the study to produce useful recommendations that can be implemented to provide tangible informed results.

As the President and CEO of MGT, I am authorized to represent the firm and bind it relative to all matters contained in our proposal.

- MGT's federal tax Identification number is 59-1576733.
- I have read and understand the ITN and its requirements. The MGT Team will comply and agrees to all stated within the ITN.
- MGT is a Tallahassee-based firm and is authorized to do business in the State of Florida.

We are prepared to begin the project immediately upon notification to proceed and will meet all project deadlines as specified by the ITN. The MGT Team looks forward to working with the Legislature to conduct this study. If you have any questions or need further information please contact me at Mark_Charland@mgtamer.com or **(850) 386-3191**. Thank you for your consideration.

Sincerely,

J. Mark Charland
President/CEO

ATTACHMENT "A"

THE FLORIDA LEGISLATURE

DISCLOSURE INFORMATION

PARTNERSHIP OR INDIVIDUAL

I hereby certify that I, if an individual, or each of us, if a partnership, doing business as ____________________
(Name of Individual or Partnership)
is not now involved in nor have I ever engaged in any private business venture or enterprise, directly or indirectly, with the Florida Senate, the Florida House of Representatives, or any Member of employee of either the Florida Senate or the Florida House of Representatives.

I further certify that neither I, nor any partner, if a partnership, nor anyone acting in my or our behalf has requested that any of the above designated persons or any other employee of the Florida Legislature exert any influence to secure the appointment of ____________________ under this proposed agreement.
(Name of Individual or Partnership)

If partnership, each partner must sign and execute.

Signature: ______________________ Title: ______________________

Signature: ______________________ Title: ______________________

Signature: ______________________ Title: ______________________

COMPANY OR CORPORATION

I hereby certify that neither I, nor any owner, officer, director, or shareholder of MGT of America, Inc.
(Name of Corporation/Company)
are presently engaged in or have ever been engaged in any private business venture or enterprise, directly or indirectly, with the Florida Senate, the Florida House of Representatives, or any Member of employee of either the Florida Senate or the Florida House of Representatives.

I further certify that neither I, nor any owner, officer, director, or shareholder of this company/corporation, nor anyone acting on its behalf, has requested that any of the above designated persons or any other employee of the Florida Legislature exert any influence to secure the appointment of MGT of America, Inc.
under this proposed agreement. (Name of Corporation/Company)

Signature: [signature] Title: President/CEO

ATTACHMENT "B"

THE FLORIDA LEGISLATURE

NON-COLLUSION STATEMENT

I certify that this ITN Reply is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a reply for the same ITN and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this ITN and certify that I am authorized to sign this ITN for the represented Vendor and that the Vendor is in compliance with all requirements of the Invitation to Negotiate including, but not limited to, certification requirements. In submitting a Reply to the Florida Legislature, the Vendor offers and agrees that, upon the ITN's acceptance, the Vendor is deemed to have sold, assigned, and transferred to the Florida Legislature all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of Florida relating to the particular commodities or services purchased or acquired by the State of Florida or its political subdivisions.

Vendor Name: MGT of America, Inc.

Certified by: Mark Charland
(Print or type name of owner, officer, or authorized agent)

Signature: ______________ Title: President/CEO

ATTACHMENT "C"

THE FLORIDA LEGISLATURE

WARRANTIES

The Respondent represents that it is professionally qualified and possesses the requisite skills, knowledge, qualifications and experience to provide the required services specified. The following are warranty certification requirements that must be certified in writing using Attachment C. If the Respondent cannot so certify to any of the following, the Respondent must submit with its Response a written explanation of why it cannot do so within the Administrative Documents Required.

1. The Respondent or any other organization associated with the ITN is not currently under suspension or debarment by the State or any other governmental authority.

2. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers, employees of any other organization associated with this ITN are not currently under investigation by any governmental authority and have not in the last ten years been convicted or found liable for any act prohibited by law in any jurisdiction involving conspiracy or collusion with respect to bidding on any public contract.

3. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have no delinquent obligations to the State, including a claim by the State for liquidated damages under any other contract.

4. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have not within the preceding three years been convicted of or had a civil judgment rendered against them or is presently under indictment for or otherwise criminally or civilly charged for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a federal, state, or local government transaction or public contract; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

5. To the best knowledge of the person signing the Response, the Respondent, its affiliates, subsidiaries, directors, officers or any other organization associated with this ITN have not within a three-year period preceding this certification had one or more federal, state, or local government public transactions terminated for cause or default.

Certified by: Mark Charland
(Print or type name of owner, officer, or authorized agent)

Signature: [signature] Title: President/CEO

THE FLORIDA LEGISLATURE

ITN #859 | TWO-PART GAMING STUDY • PART I

MARCH 20, 2013

MGT OF AMERICA, INC.

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

ECONorthwest
ECONOMICS • FINANCE • PLANNING

NATHAN
ASSOCIATES INC.

WHITESAND GAMING

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I EXECUTIVE SUMMARY

Team MGT has developed a comprehensive approach to provide the Florida Legislature with a detailed proposal that clearly defines our ability to perform this two-part academic study for the benefit of the State of Florida. MGT has assembled an Industry Best cross section of academics, researchers, economists, consulting professionals, and gaming industry experts for the Florida Legislature to educate and inform on the current baseline of the gaming industry in the state. MGT will provide a comprehensive view of Florida gaming as it exists today, and then define the economic, fiscal, and social impacts of quantifiable change in the environment. MGT clearly understands the Legislature's desire for an independent and impartial study of the gaming industry in Florida and have based our unbiased approach on providing a reliable cost efficient study that fulfills the expectations of the Legislature's varied user communities, and constituents. The Legislature will find MGT's approach consistent with our intimate knowledge of Florida's past, current, and evolving interests in the gaming industry and its' enormous impact on revenue stability, investments in infrastructure, job creation, and the escalating costs of education.

Our Methodology and Approach is based on sound and proven disciplines, skills, processes, practices, and procedures refined in the implementation of over 6,000 client engagements. Over 350 of these engagements have been within the State of Florida and its various agencies and municipalities.

Upon contract award, MGT's Project Director (PD) will lead the effort to implement Part I through a series of well-defined tasks as defined in our Project Plan. MGT mapped each of the project deliverables as defined by the study to associated tasks for Part I, sub-part A and B. Our *Approach and Methodology* provides for a Narrative, Objectives, Associated Activities, Deliverables, and a defined Work Period for each task that drives our overall project budget.

MGT employs a Task-Driven Project Plan Methodology and Approach that starts with a Project Initiation for both Part I and Part II. This is a critical first step for the project team. MGT will finalize the work plan to insure our final product achieves the expectations of the Legislature. Concurrently MGT will conduct a random sample telephone survey of Florida residents to measure their gaming behaviors as a baseline of estimating problem gambling in Florida. This data will provide geographically specific input to the gravity models on propensity for gaming, preference to specific types of gaming, and insights to re-capture gaming spending for the benefit of the State of Florida.

MGT's Functional Technical Approach Organization for Part I, sub-part A and B includes: Technical Components Part I-A: Gaming Industry Assessment; Regulatory, Governance, Best Practices; Public Funding Source Analysis; Social Impact; Economic Analysis of Structure and Performance. Technical Components Part I-B: Assessment of Industry Changes; Fiscal Analysis of Industry Changes; Fiscal Impacts to Gaming Industry Segments; and Social Impact of Scenario Based Models.

The MGT Project Management Office (PMO) is led by Guy Pedelini, Project Director, whose extensive broad industry and functional expertise in Strategy Development, Change Management, Reengineering, Organizational Collaboration & Engagement Programs and Corporate Talent Management is well suited to lead this effort. The Legislature can be assured MGT selected its teaming partners and team leaders for each functional discipline based on proven experience, skills, training, and knowledge.

Enhancing our PMO's expertise is Jim Zingale, a team member with specific Florida budgeting process knowledge who will guide our team in the development of revenue and fiscal impact projections that are consistent with Florida's five-year consensus driven budget forecast.

MGT's organizational structure is intentionally lean, and complementary to the requirements. Using established Project Management Best Practices our teams include project schedulers, communications liaisons, quality control, and project risk management positions. Solid lines extend from the PMO to the next level in our organization, where other MGT PMO contract support resources are identified. MGT is prepared and ready to initiate project start-up activities one week after contract award.

Team MGT has designed eight (8) functional areas that are governed by the PMO and allows the Legislature to understand the logical connection of Part I and Part II of the study. Our functional leads, representing Team MGT are:

Clyde W. Barrow, PhD., the Center for Policy Analysis at the University of Massachusetts Dartmouth, will serve as principal investigator and team leader on the research involving comparative market scenarios designed to maximize the positive economic and fiscal impacts of gaming in Florida, while minimizing negative social and economic impacts.

Bob Whelan, Senior Economist with ECONorthwest will lead the efforts to conduct a national evaluation of the impact of casinos on their local economies. This analysis will entail building an extensive panel dataset to be used in a regression analysis to identify a correlation between the presence of gaming and the economic prosperity of the affected counties.

Alan P. Meister, PhD., Principal Economist with Nathan Associates, has studied all sectors of the gaming industry, particularly Indian gaming. Their Indian gaming research and analyses are relied on by governments, regulatory agencies, the gaming industry and associated industries, and investors, including matters before the U.S. Supreme Court; World Trade Organization; and the National Indian Gaming Commission (NIGC). Dr. Meister, whose body of work has been utilized by the State of Florida, will serve as the principal investigator and team leader for all economic impact analysis as well as the statistical analysis of the relationships between gaming and economic variables for communities.

Maureen D. Williamson, ESQ. of Whitesand Gaming will support all aspects of the project with a primary focus in the exploration of options in regulatory schemes and trends and best practices in governance and regulation.

In Summary, Team MGT will provide the Florida Legislature with a preeminent, diversified complement of talent and expertise with intimate knowledge of the gaming industry and an intimate knowledge of the State of Florida budget/forecasting process backed by the capital and human resources of our teaming partner organizations. MGT has the talent, experience, dedication, and initiative to ensure the Legislature receives a thorough, research-driven, fact-based, unbiased study that can be transitioned to actionable legislative guidance and on-going gaming operational strategies as developed by the Legislature. MGT stands ready to serve!

2 ORGANIZATIONAL BACKGROUND, EXPERIENCE, AND CAPABILITIES

PROJECT UNDERSTANDING

Over the last several years, the Florida Legislature has been debating various options for expanding, revising or reorganizing the various gaming sectors in the state. Each effort has been complicated and pressurized by aggressive lobbying on behalf of competing sectors and interests, including the Seminole Indians, pari-mutuel horse and dog tracks, bingo, internet café establishments, cruises to nowhere, and more recently, resort destination casinos. The often time patchwork of legislative efforts coupled with high powered lobbying activities has left the state without a clear focus, understanding or direction on how best to manage, expand or eliminate existing gaming assets as well as whether or not to expand and/or regulate new gaming opportunities.

In 2012, several legislative efforts attempted to develop a comprehensive state Gaming regulatory structure to oversee all gaming elements in the state, including the creation of a State Gaming Commission and Department of Gaming Control. The legislation contemplated folding existing gaming sectors underneath this umbrella. In addition, the legislation would have provided opportunities for new destination resort casinos, enhancements to existing pari-mutuel activities and options for the local expansion of casino operations. The failure of the bill to pass continued to heighten awareness of the need to do a comprehensive review of Florida's current gaming enterprises and examine if and how the state ought to expand or organize its gaming interests.

Since then, proponents for new and expanded gaming opportunities have approached state leaders with proposals that promise additional revenues and economic benefits for the state. Representatives of existing gaming industries and establishments are cautioning state leaders that new gaming will displace current gaming with no net impact on state proceeds. Representatives of existing gaming industries also are using the current interest in expansion of gaming to correct perceived shortcomings of current structures (e.g., level the playing field).

The recent federal and state investigations into Internet Café activities throughout the state, and the subsequent indictments and arrests, have prompted the Senate and House Select Committees on Gaming to expedite bills that would clarify existing state legislation and ban all internet café operations. This action underscores the dynamics involved in the state's interest to better understand the scope and impact of current and proposed gaming activities on state revenues, communities and the quality of life in Florida.

To accomplish this, the House and Senate have moved forward with the creation of Select Committees on Gaming in an attempt to better understand the various stakeholders, interests, economic and social impacts of existing and potentially new gaming options in the state. Both chambers have held committee meetings to gather stakeholder testimony and lay the groundwork for proposed legislation during the 2014 legislative session. The issuance of this ITN reflects the Legislatures compelling interest in recruiting a consulting team to assist them in analyzing the existing sectors, identify their current impact on the state's economy and communities, compare and contrast the experiences of other states with significant gaming activities and make recommendations to the respective legislative committees by Fall of 2013 in anticipation of legislation being developed for the 2014 legislative session.

OUR EXPERIENCE AND BACKGROUND

With this in-depth understanding, MGT of America, Inc. a national recognized research and consulting firm has the proven experience and capabilities to manage this study. Founded and incorporated in 1974 in Tallahassee, Florida, we have grown since to include offices in California, Michigan, Texas, and Washington. MGT is dedicated to providing the most creative yet practical solutions to the challenges faced by public organizations and entities.

Since our founding, MGT has successfully managed more than 6000 client engagements nationwide and internationally. Our firm's staff of qualified professionals brings a wealth of knowledge and depth of understanding to all our client engagements, delivering the quality services our clients expect and deserve. Our organizational mission is supported by our capacity to deliver an extensive range of services to a variety of public sector institutions and non-profit groups. Our consultant services are supported by a full complement of support staff personnel, office space, and technological equipment required to meet our clients' needs.

Across our MGT Team we provide a variety of service in both the public and private sector, including overseeing major projects in economic, financial and demographic study and analysis. Below is a representative sample of the many MGT client services offered.

SERVICES		MARKETS
– Governement, management, and organizational structure – Economic impact analysis – Facilities planning and analysis – Business process reengineering – Human resource studies – Strategic planning – Communications and marketing consulting	– Fiscal impact analysis – Geographic Information Systems – Funding studies and models – Market and opinion research – Disparity studies – Information technology consulting – Costing services – Classification and compensation studies	– State and Local Government – Higher Education – PK-12 Education – Public Safety and Criminal Justice – Gaming (lottery)

IN-DEPTH UNDERSTANDING OF STATE AND LOCAL GOVERNMENT

MGT has worked almost exclusively with the public sector. As a result, we understand the challenges and unique issues inherent in government programs, operations, and technology projects. Team MGT knows government is different from private enterprise, and therefore requires solutions geared toward the environment in which it operates. We have a clear understanding of the state and local government structure, control agencies, budgetary processes, and political environment.

EXPERIENCED SENIOR-LEVEL STAFF

Successfully understanding and refining business processes requires a knowledge base specific to the areas under review, along with a broad-based understanding of the organization, its operating environment, its objectives, and relevant technology. We believe you will not find another firm that brings the depth and breadth of experience in all of the functional areas that MGT can provide. Our team members have relevant experience in a variety of audits, including financial, performance and operational, contracts, and information technology.

THE FOCUS IS ON BUSINESS UNDERSTANDING AND ANALYSIS

MGT consistently focuses on identifying and implementing the most effective and efficient methods for achieving operational objectives in all of our engagements. No matter what the task, we "cut to the chase," and work to provide the most viable business solutions in the shortest amount of time, at the lowest cost. We understand the importance of streamlining business processes and we know how to pinpoint the most efficient and effective methodologies for specific situations.

OBJECTIVE RESEARCH BASED RECOMMENDATIONS

MGT will provide independent, objective solutions that meet the Legislature's needs most effectively. We are not affiliated with any institutions or industry, thus we are not predisposed to recommend any specific solution. We will, however, offer you an objective analysis, followed by innovative and realistic recommendations.

MGT PARTNERS

MGT has assembled an Industry Best cross section of academics, researchers, economists, consulting professionals, and gaming industry experts, including;

- Center for Policy Analysis at the University of Massachusetts Dartmouth
- ECONorthwest
- Nathan Associates, Inc.
- WhiteSand Gaming LLC

CENTER FOR POLICY ANALYSIS AT THE UNIVERSITY OF MASSACHUSETTS DARTMOUTH

The University of Massachusetts Dartmouth Center for Policy Analysis was established in 1983 as a multidisciplinary research unit that promotes economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom-designed research and technical analysis in the areas of economic development, public management, program evaluation, and survey research for state and local government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis is a flexible research organization that responds on a timely basis to the problems and issues identified by client agencies and sponsors. It has completed more than 300 applied policy research and technical assistance projects over the last 30 years.

The Center is organized into five divisions and three projects:

DIVISIONS	PROJECTS
Economic Development Educational Policy and Leadership Environmental Policy Polling and Program Evaluation Public and Non-Profit Management	New England Gaming Research Project UMass Dartmouth Public Policy Poll Urban Initiative

The Center for Policy Analysis consists of a Director, Associate Director, Assistant to the Director, ten Senior Research Associates, one Adjunct Research Associate, and several undergraduate and graduate research assistants. Each division or project is headed by an individual who specializes in that area of research and has several years' experience in conducting applied research for government, business, or educational agencies. The Center's Research Associates are drawn primarily from faculty of the University of Massachusetts Dartmouth, but when necessary the Center is authorized to appoint adjunct research associates from throughout the University of Massachusetts System, from other public and private colleges, and to appoint private sector specialists. The Center for Policy Analysis reports to the Dean of the School of Education, Public Policy, and Civic Engagement for administrative purposes, but the Center is governed by a five-member Executive Board and is administered on a day-to-day basis by the Director.

The CFPA's New England Gaming Research Project (NEGRP), which was established in 2004, has established a national reputation for expertise in gaming with state legislatures, industry executives, and the mass media. Its mission is to provide policymakers, the general public, and the media with independent and objective research on the economic, fiscal, social, and community impacts of gaming in the New England and Northeast regions, and especially to inform on-going debates about expanded gambling in these regions. The NEGRP publishes an annual *New England Casino Gaming Update*, which has rapidly achieved national recognition among academic gaming experts, industry executives, and state and federal policymakers. It also conducts a biennial *Gaming Behavior Survey*, which in 2010 tabulated interview responses from 3,819 residents in Connecticut, Massachusetts, Maine, New Hampshire, and Rhode Island to determine the propensity to gamble and to identify patterns in gambling behavior among the five states' residents (see, http://www.umassd.edu/seppce/centers/cfpa/newenglandgamingresearchproject/)

ECONORTHWEST

ECONorthwest (ECO) specializes in the application of economic and financial principles and methods to the evaluation of public policies and investments. Incorporated in 1974, ECO has completed more than 2,000 projects for public and private clients. ECO has a staff of approximately 40 people, including offices in Portland, Eugene, and Boise; personnel have advanced degrees and decades of work experience in planning, development, economics, finance, and public policy. Across the firm, ECO's economists, planners, and policy analysts work on all types of economic issues: in business economics, market analysis, environmental economics, education, economic forecasting, and much more. The diverse skills of ECO staff, allow us to tap into the following areas of expertise for this project:

IMPACT ANALYSIS	PLANNING AND DEVELOPMENT	TRIPLE BOTTOM LINE
Economic Impacts (Input /Output Modeling)	Economic Development	Social Equity (e.g., Health and Education)
Fiscal Impacts and Tax Policy	Land-Use Planning	Environmental Impacts
Financial Feasibility	Public-Private Partnerships	Criminal behavior and pathological gambling
Casino Gaming Industry	Sustainable Development	Benefit-Cost Analysis
Economic Forecasting	Community Visioning	Data Collection and Surveys

For more than three decades, ECO has earned a reputation for excellence for our technical expertise, communication skills, and exceptional client service. We are committed to applying rigorous economic methods to complex public policy questions facing our region. We strive to provide the most accurate analysis possible and to help decision makers solve tough problems.

We help our clients make thoughtful, data-driven decisions using tools and methods that meet the highest standards of best practice. At the core of everything we do is applied microeconomics. This perspective allows us to fully understand – and effectively communicate – the benefits, costs, and tradeoffs associated with any decision.

NATHAN ASSOCIATES, INC.

Nathan Associates is one of the oldest and most respected economic consulting firms in the United States. Nathan Associates is headquartered in Arlington, Virginia, with offices across the United States as well as in Europe and India. When Robert Nathan founded it in 1946, a handful of consulting economists adapted the economic techniques that had proved so valuable to the U.S. government during World War II to solve the problems facing U.S. industries and foreign governments. Trained in economic analysis and research, they believed they could use economic principles and data to guide policies and operations in a way that would ultimately make a positive difference in people's lives.

Now, more than 65 years later, grounded in the same principles and guided by the same core values, Nathan Associates' employees are motivated by the belief that they can make a difference. Nathan Associates has grown many times over and expanded its services and geographical reach while remaining small enough to personally ensure the quality of its work.

Services

Generally, Nathan Associates' services for public and private sector clients in the United States and around the world include:

- Analysis of the economic impacts of public policy
- Analysis of infrastructure planning, policy, investment needs, and feasibility
- Economic development consulting
- Expert analysis and testimony on liability and damages in litigation matters
- Analysis of and testimony on economic issues in regulatory proceedings
- Strategic business consulting

Nathan Associates brings significant industry experience and expertise to cases, projects, and studies. Its staff of economists, accountants, and financial analysts has experience in a wide range of industries.

Public Policy Analysis

Nathan Associates helps inform and shape public policy through the use of economic and financial research and analysis. It helps governments formulate sound policy and understand the economic impacts of public policies and policy reforms. Nathan Associates' public policy work includes:

- Policy studies
- Economic impact analysis
- Assistance with economic policy formulation
- Economic assessments of regulations
- Cost-benefit analysis
- Market and industry research

- Survey design and development
- Analysis of survey data
- Evaluations of public policy studies and analysis
- Public testimony before legislative bodies and government agencies
- Expert witness testimony in regulatory proceedings

Economic Impact Analysis

Nathan Associates' consultants have extensive experience using economic impact analysis to identify and measure the effects of projects, businesses, industries, institutions, events, and public policies on national, state, regional, and local economies. They measure the overall contribution of existing economic activity to an economy and the net impact of changes in economic activity. Nathan Associates' consultants analyze the impact of one-time capital investments and construction projects, as well as the annual, ongoing operational impacts of projects.

Nathan Associates' economic impact studies are rooted in economic theory and use state-of-the-art software. Nathan Associates' staff draw on extensive training and experience to develop economic impact analyses. They customize economic impact models to meet the needs of each project and take into account the unique characteristics of the relevant geographic area and economic activity being studied.

Gaming Industry

Nathan Associates has extensive expertise conducting research and analysis of the gaming industry. It provides economic consulting to federal, state, local, tribal, and foreign governments, existing and potential operators, suppliers, and investors. Nathan Associates provides a variety of services to the gaming industry:

- Economic and fiscal impacts of existing gaming operations and future gaming developments on surrounding communities
- Economic impact of gaming-related public policies
- Economic advisory services regarding the design and development of gaming laws, regulations, and public policies
- Gaming market assessments and feasibility studies
- Economic consulting on the legalization of gaming
- Economic assessments of new entry and competition in gaming markets
- Economic analysis of gaming and tourism
- Market research
- Cost-benefit analysis
- Expert testimony in litigation matters and regulatory proceedings

Nathan Associates' consultants and affiliates study all sectors of the gaming industry, particularly Indian gaming. Its Indian gaming research and analyses are relied on by governments, regulatory agencies, the gaming industry and associated industries, and investors, including matters before the

- U.S. Supreme Court

- World Trade Organization
- National Indian Gaming Commission (NIGC)

In addition to gaming-related consulting, Nathan Associates' experts have many years of experience conducting independent, scholarly research and analysis of the gaming industry.

WHITESAND GAMING LLC

WhiteSand Gaming LLC is a leading global gaming services firm providing consulting services to a substantial and diversified client base that includes regulatory agencies, gaming corporations, tribal governments, lotteries, racetracks, and resort hotels. Founded in 2001, the firm is headquartered in Las Vegas and maintains offices in Atlantic City, London, and Macau. Our team consists of experienced professionals having both executive level operational experience with some of the top gaming companies, and extensive consulting experience as practice leaders for several of the Big Four consulting firms.

WhiteSand provides consulting services to a wide variety of gaming and hospitality clients globally. Our services support our client's needs in technology, operations, and strategy during start-up and development, expansion, acquisition, down-sizing, and casino pre-opening.

Regulatory

With multiple gaming markets opening and expanding in the U.S. in the past year, state governments and regulatory agencies have faced additional challenges and burdens.

WhiteSand has assisted several states' regulatory bodies with the addition or expansion of gaming operations to their jurisdictional markets. From acting as a liaison to the new operations to developing strategies and regulations for agencies, WhiteSand has successfully assisted states and regulatory agencies in their efforts to expand revenues and create jobs by allowing gaming operations to enter into new markets.

Gaming

As the Gaming Industry works to recover from the global recession and expand into new markets both domestically in the U.S. as well as internationally, owners, operators and investors continue to seek insightful advice about gaming operations.

WhiteSand has assembled a team with a combined experience of over 100 years that understands the vast complexities that face casinos. From international gaming corporations with large resorts in their portfolios, to small, individual gaming properties, WhiteSand has provided assistance across the full spectrum of gaming assets. In addition, WhiteSand has participated in every aspect of the gaming lifecycle, from feasibility, development, and pre-opening services, to analyzing existing operations, and finally providing acquisition due diligence and valuation during a property's divestiture.

In emerging markets, opportunities for new owners and operators often arise. WhiteSand Gaming offers an especially appealing solution in these situations as we can provide all the consulting services new properties often need when in the development process.

Tribal

American Indian Tribal Governments and Enterprises have an incredible opportunity to exercise sovereignty as individual nations and provide for future generations of the tribe. The ability to succeed at this endeavor depends greatly on the proper structure of the Tribal Organization and management of the various Tribal Enterprises.

For years, WhiteSand has partnered with Indian Tribes to assist in efforts to use casino gaming to strengthen tribal governments, rebuild economies and improve communities. WhiteSand has provided both management and consulting services to a multitude of Tribal Nations. In addition, WhiteSand has assisted with many Tribal Organization reviews in terms of structure, efficiency, and overall strategy.

Lottery

Our team members have significant lottery and gaming experience to complement their consulting skills, providing our clients with a partner to help achieve growth by deploying a team that is intimately familiar with the industry and its operations.

WhiteSand's system testing protocols are among the most extensive and efficient in the country. From Pick 3 to Lotto to PowerBall and MegaMillions, we have been able to work with lotteries and providers to review and certify individual games in as little as three weeks. Our approach is based on working with the selected provider to get the game up and running, and revenues flowing, as quickly as possible while protecting the lottery's interest. Our approach is very practical, driven to the success of the lottery.

WhiteSand focuses on combining resources, skills, and industry experience, along with a formal methodology and technology skills, to provide our clients with best practices and solutions that are appropriate for their needs.

Racing

As one of the great sporting traditions throughout history, horse racing finds itself in a period of transition. In many areas of the country, racetracks are facing declining revenues and an inability to generate the purses necessary to fund participating equestrians. In lieu of these developments, many racetracks are turning to the installation of alternative gaming operations, including slots and tables, to help offset the operation of the racetrack.

WhiteSand has worked with racing clients in assisting to successfully implement gaming operations and integrate them with the pre-existing racetrack.

Hospitality

The Hospitality Industry, including lodging and food and beverage, is one of the most complex industries in which to enter and operate. From supply and demand, pricing, design and development, to customer service and guest satisfaction, the hospitality industry is subject to a plethora of variables that equally affect an operations success.

In addition to gaming, WhiteSand has worked with many of the world's largest and best known hospitality brands including Marriott, Hilton, Intercontinental, and Starwood. Along with these industry leading brands, WhiteSand's clients include boutique hotel properties and hotel related food and beverage outlets, both in large resorts and small lodging operations.

Other

Much of the gaming and hospitality industry leverages solutions can be applied to other industries such as consumer package goods, technology, entertainment, and manufacturing. WhiteSand team members have worked with Fortune 500 clients such as GM, Philip Morris, Microsoft, CSC, Intel, and others to apply lessons learned from gaming to their markets. Accordingly, WhiteSand has utilized this experience to bring fresh and innovative concepts back from outside the industry to gaming and hospitality, helping our clients to become market leaders.

QUALIFICATIONS AND ABILITY TO PERFORM THE REQUIRED SERVICES

MGT is recognized as one of the nation's premier government planning and management research consulting firms. As a result of our extensive experience in consulting work across all levels of government, we have a keen understanding of governmental structure and operations far exceeding that of our competition. Government officials quickly recognize that our staff has a detailed understanding of their environment, operations, and procedures and are confident in our abilities to provide a comprehensive analysis and evaluation.

MGT will strive to enhance the Legislature's ability to fulfill their missions effectively while providing quality services. Our practitioners will quickly establish credibility and confidence in providing comprehensive and accurate analysis and recommendations to the key stakeholder associated with this study. Our insider's knowledge of government structure and process gives MGT a competitive advantage and an ability to hit the ground running from the very start of a project.

The Project Management Office (PMO) lead by the Project Director serves as the nerve center for the project effort. The PMO provides overall structure and approach and enables fluid interaction, issue resolution, progress monitoring and communication.

The PMO guides project participants toward a rigorous approach to project planning and control and oversee the management of all related sub-projects. This requires the Project Director to coordinate a proven approach that is simple in structure but rich in content.

ELEMENTS OF THE MGT'S PMO FRAMEWORK INCLUDE:

1. **Program Governance and Team Structure**
   - Three factors are established at the outset of the project: clear definition of how the project will be governed; the extent of MGT of America's, sub-contractor, and client leadership involvement; and the roles and responsibilities of resources assigned to the project.
   - The Project will be governed by an Executive Steering Committee (ESC). Reporting directly to the ESC will be the Project Director, who will lead the day-to-day project effort on a full time basis.
   - Project sub-teams will be established to address focus areas that will require significant project planning and execution. Each of these teams will be chartered by the PMO and fully sanctioned by the ESC. These charters will embrace the deliverable and timing expressed in the Invitation to Negotiate.
2. **Planning and Monitoring Framework**

   MGT's common planning and monitoring approach educates each project participant about the sequence of deliverables, about how the deliverables link together, and about the set of standardized formats and routines that will be applied across all teams. Planning formats will include project charters, milestone plans, resource plans, and detailed sub-team work plans that blend into an overall project master plan. As part of the planning process, potential risks to the project will be documented and mitigating actions assessed.
3. **Project Review Cycle**

   The need for regular review activities ensures that the project effort is on track, it is in this review-cycle dimension that the Project Director and the PMO need to push for full participation and commitment. Integral to the cycle are weekly team "flash reporting" to describe deliverable progress, team-leader status meetings to enable orientation to new approaches and discussion of issues that limit progress, and standing Executive Steering Committee sessions to enable the commitment of critical resources.

4. **Information Sharing and Dissemination**

   Communications for this complex undertaking is indispensable to the success of any complex project. The rationale and timing of the project need to be sold to — and supported by — key stakeholders and project participants. Clear, concise, and consistent communication is critical in effectively announcing the project, and mobilizing client and project team efforts, especially where there are joint dependencies. It is one of the first and most crucial activities that is undertaken, and needs to be maintained and managed over the subsequent stages of the project. Use of current technology to advance communication can also provide significant advantages. A dedicated project website can easily be established to promote an environment of openness and collaboration.

MGT's Project Director will adhere to major elements of the Project Management Institute's Project Management Body of Knowledge. These represent proven project management practices that will help to ensure complete, timely, quality and cost effective deliverables. MGT's PMO processes will include: Scope Management, Schedule Management, Resource Management, Risk Management, Project Governance, Issue Management, Change Management, Communication Management, Project Reporting, Quality Management, and Cost Management.

MGT recognizes the sensitive nature of this project and the events that led to the request for our services. In order for our work to be credible and effective, all of the parties involved must believe the work was carried out independently and objectively without undue influence from anyone outside of the MGT team. Our 38 years of experience combined with our approach to quality control and dedication to excellence ensures all findings and recommendations developed through our research and findings are beyond reproach due to concerns about independence or objectivity.

Previously stated, MGT possess extensive knowledge of the issues confronting the State of Florida. MGT's Project Management Approach and demonstrated diversified experiences advising the State of Florida Legislature, agencies, and municipalities provides the framework for our stated qualifications and ability to perform and deliver the required services. The fact that the State of Florida relies on data from members of our Team developed with their annual Indian gaming study, plus our independent, unbiased, and academic approach differentiates us from other respondents. The construct of Team MGT combines a proven ability to manage complex projects thru our PMO combined with all of our Teaming Partners' significant Indian gaming experience, which we believe is invaluable for the State of Florida. Our approach will take us to where the data leads us to advise the State of Florida without advocating the expansion of gaming by producing excessively high revenue projections. Overall, the State of Florida must consider the impact of any new gaming on existing Indian gaming, and we believe Team MGT's expertise in this area is superior.

SUMMARY OF PROJECTS

Illustrated below is an overview of the team's experience relevant to the ITN. Following the chart are project abstracts.

PROJECT / CLIENT	FISCAL ANALYSIS	ECONOMIC IMPACT	GEOSPATIAL ANALYSIS	SOCIAL IMPACTS	INDUSTRY BEST PRACTICES
New England Casino Gaming Update, 2012	✓	✓	✓		
Gaming Market Analysis for Oxford, Maine Casino *Black Bear Entertainment, LLC*	✓	✓	✓	✓	
Toward a New Prosperity *Massachusetts Department of Economic Development*		✓			✓
The Marine Science and Technology Industry in New England *Marine and Oceanography Technology Network*		✓			✓
New England Gaming Behavior Survey, 2007, 6 Volumes (2009, 2 Volumes and 2012 forthcoming)	✓	✓	✓	✓	
Market Feasibility, Economic and Fiscal Impact Analysis for Sagamore Crossing Golf Resort and Convention Center *Green Meadow Golf Club, Inc.*	✓	✓	✓	✓	✓
Market Assessment and Economic Impact of Coconut Creek Casino *The Seminole Tribe of Florida*	✓	✓			
Contributions of Indian Gaming to Oregon's Economy *Oregon Tribal Gaming Alliance*	✓	✓		✓	
Strategic Aggregates Study: Economic Value of Limestone and Sand in Florida *Florida Department of Transportation*		✓			
Evaluation of Industry Clusters *Portland Development Commission*		✓	✓		
Fiscal Impacts of planOKC Growth Scenarios *Oklahoma City*	✓		✓		
Economic Impact of Proposed Indian Gaming Regulations *National Indian Gaming Commission*		✓			
Indian Gaming Industry Report	✓	✓			
Regulations and Technical Standards Governing Video Lottery Terminals *Maryland Lottery and Gaming Control Agency (formerly Maryland State Lottery Agency)*					✓

PROJECT: NEW ENGLAND CASINO GAMING UPDATE, 2012

Partner: Center for Policy Analysis, University of Massachusetts Dartmouth

This is one of the CFPA's signature projects released in March/April of each year. It has provided the basis for much of the legislative discussions about expanded gaming throughout New England, including passage of the Massachusetts Expanded Gaming Act of 2011, the authorization of two casinos in Maine (by statewide referendum), and the authorization of table games at Rhode Island's Twin River racino. A few media references illustrate the influence of this report; for example, a biographical story in the *Boston Globe* (June 11, 2007) referred to Dr. Barrow as "the undisputed king of academic research on gambling trends in New England" (also, *Casino City Times*, June 11, 2007). Similarly, *Indian Country Today*, the nation's leading trade publication on Indian gaming has stated that Dr. Barrow is "recognized as the most knowledgeable expert on the New England gaming market" (April 16, 2008). Dr. Barrow also was identified as one of the 10 "key players" in the Massachusetts casino debate, ranked 5^{th} behind only the governor, speaker of the house, senate president, and secretary of economic development, because "The director of the University of Massachusetts Dartmouth's Center for Policy Analysis has produced the most widely cited studies of casino and slot parlor spending by Massachusetts residents" (*New Bedford Standard-Times* and *Cape Cod Times*, July 24, 2007). This work established the preliminary blueprint for casino gaming as an economic development tool in Massachusetts and offered recommendations for a statewide gaming policy that would maximize the economic impacts of expanded gambling in Massachusetts, while minimizing or mitigating its social impacts. The *Boston Herald* (October 18, 2007) observed that: "The proposal for three casinos announced by [Governor Deval] Patrick bears a striking resemblance to a plan by Clyde Barrow, the director of the Center for Policy Analysis at the University of Massachusetts at Dartmouth." Similarly, *Casino City Times* (October 29, 2007) concluded that "...University of Massachusetts professor Clyde W. Barrow...has issued reports largely adopted by the governor in recommending three casinos in the state to create new jobs and generate hundreds of millions of dollars in revenue." Likewise, the *Washington Post* (March 20, 2008) and *Philadelphia Inquirer* (March 20, 2008) both identified "Clyde Barrow, a gambling expert at the University of Massachusetts" as the individual who most "helped [Governor Deval] Patrick develop his [casino] plan."

PROJECT: GAMING MARKET ANALYSIS FOR OXFORD, MAINE CASINO

Client: Black Bear Entertainment, LLC
Partner: Center for Policy Analysis, University of Massachusetts Dartmouth

This report was a market feasibility and economic impact analysis of a proposed resort casino in Oxford, Maine. This casino was authorized by statewide referendum in November 2010 and opened for business in June 2012. It's economic and financial performance has met and, in some cases (e.g., table games) exceeded the original forecasts for gross gaming revenues and job creation.

PROJECT: TOWARD A NEW PROSPERITY

Client: Massachusetts Department of Economic Development
Partner: Center for Policy Analysis, University of Massachusetts Dartmouth

A statewide economic development strategy developed under former Governor Jane Swift in cooperation with the University of Massachusetts. The Center for Policy Analysis was responsible for the two regional analyses of Southeastern Massachusetts and Cape Cod. This report provided the blueprint for state legislation now referred to as "Economic Stimulus I," which was an omnibus bill, including workforce development funds targeted at key industries in each region, selected tax incentives to stimulate key industries in each region, and capital investment in higher education research facilities (e.g., advanced technology manufacturing center and marine science laboratory at UMass Dartmouth).

PROJECT: THE MARINE SCIENCE AND TECHNOLOGY INDUSTRY IN NEW ENGLAND

Client: Marine and Oceanographic Technology Network
Partner: Center for Policy Analysis, University of Massachusetts Dartmouth

This report was the first industry analysis to define the marine science and technology cluster in New England. Its recommendations were incorporated into Massachusetts legislation now referred to as "Economic Stimulus II." It resulted in capital appropriations to expand the marine science laboratory at UMass Dartmouth and funding for a "concept to prototype" program that plugged a gap in financing so marine technology could be transferred out of academic laboratories into first prototype development (where venture capital firms then move in to pick up the next phase of development).

PROJECT: NEW ENGLAND GAMING BEHAVIOR SURVEY, 2007, 6 VOLUMES (2009, 2 VOLUMES AND 2012 FORTHCOMING)

Partner: Center for Policy Analysis, University of Massachusetts Dartmouth

The second New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis. It measures the propensity to gamble among New England residents, the types of gambling and games played by residents, annual visitations to gaming venues, demographics of gamblers, perceptions of the costs and benefits of casino and racino gambling, and the prevalence of problem gambling.

PROJECT: MARKET FEASIBILITY, ECONOMIC AND FISCAL IMPACT ANALYSIS FOR SAGAMORE CROSSING GOLF RESORT AND CONVENTION CENTER

Client: Green Meadow Golf Club, Inc.
Partner: Center for Policy Analysis, University of Massachusetts Dartmouth

This report was a market feasibility and economic impact analysis of a proposed resort casino in Hudson, New Hampshire. The New Hampshire State Legislature passed expanded gaming legislation in March of 2012 and the legislation will be considered by the New Hampshire House of Representatives next month. The findings and recommendations in this report were delivered to the state legislature in several rounds of invited legislative testimony.

PROJECT: MARKET ASSESSMENT AND ECONOMIC IMPACT ANALYSIS OF COCONUT CREEK CASINO

Client: The Seminole Tribe of Florida
Partner: ECONorthwest

The Seminole Tribe of Florida submitted an Economic Analysis (EA) in November 2008, describing a proposed action to place on 23.2 acres of land into trust in order to expand the existing Seminole Coconut Creek Casino into a major resort casino complex. ECONorthwest used Seminole Tribe data to forecast the incremental impacts on the City of Coconut Creek that would result should the proposed action be implemented.

ECONorthwest found the market assessment from the EA was out of date, and the key assumptions had changed, including the square feet of the casino, number of tables, and number of machines. ECONorthwest updated the economic impact analysis with updated assumptions, using IMPLAN input-output modeling software. The analysis also estimated impacts to the local school district, based on the increase in employment, and the subsequent increase in local household creation. Finally, the project included an evaluation of the impact on municipal revenues and services.

PROJECT: CONTRIBUTIONS OF INDIAN GAMING TO OREGON'S ECONOMY

Client: Oregon Tribal Gaming Alliance
Partner: ECONorthwest

The Oregon Tribal Gaming Alliance (OTGA) has had ECONorthwest report on the annual economic and fiscal impacts of the tribal casino gaming industry in Oregon since 2003. This is the eighth edition in the series. The nine Indian tribe members of the OTGA provided audited operating statistics on their casinos, hotels, and restaurants for this report. This study also used data from state and federal government sources, such as the Oregon Lottery, National Indian Gaming Association, U.S. Bureau of Economic Analysis, Oregon State Police, Washington State Gambling Commission, and the Oregon Department of Justice.

This study described the size, impact, and events of Oregon tribal gaming in 2011. It also included information for 2010, which had not been reported previously. The report included four topics: (1) A summary of current conditions and how gaming has advanced the wellbeing of tribal members and their communities, (2) Economic and fiscal impacts of tribal gaming, (3) Charitable donations, and (4) the gaming market.

PROJECT: STRATEGIC AGGREGATES STUDY: ECONOMIC VALUE OF LIMESTONE AND SAND IN FLORIDA

Client: Florida Department of Transportation
Partner: ECONorthwest

For the Florida Department of Transportation, ECONorthwest conducted a study to document the importance of aggregates materials and to evaluate ways to assure the quantity and quality of materials essential to the economic wellbeing of the State. The activities associated with mining, processing, and transportation of aggregates and crushed stone materials are an integral, but often overlooked part of the economic activities in the State.

The economy of Florida consumes an estimated 143 million tons of aggregate materials each year. Approximately 120 million tons are produced from mines in the state. The report included an evaluation of the near-term issues related to a federal lawsuit that potentially could shut down production from the Lake Belt Region of Miami-Dade County. The worst case modeling for a complete shutdown of Lake Belt mines places the statewide total annual impact at $28.6 billion in lost economic output, $11.2 billion in lost wages, and loss of 288,000 jobs primarily in the development, construction, and real estate sectors.

PROJECT: EVALUATION OF INDUSTRY CLUSTERS

Client: Portland Development Commission
Partner: ECONorthwest

For the Portland Development Commission (PDC) and the City of Portland, ECONorthwest evaluated work done on industry clusters for the Portland region over the last ten years, and added to that work with a new study of industry specialization. ECO's study thoroughly reviewed and critiqued the theoretical and applied literature on using standard data sources to identify industry clusters, compiled results from the numerous cluster studies that have been completed in the Portland region, and developed new ways to measure and display industry specialization information based on value added data for the City of Portland and its downtown core. The analysis used state-of-the-art GIS techniques to analyze the concentration of various industries in the City of Portland, compared to the concentration of that industry at the national level, and other geographic areas of comparison.

PROJECT: FISCAL IMPACTS OF PLANOKC GROWTH SCENARIOS

Client: Oklahoma City
Partner: ECONorthwest

For the City of Oklahoma City, as part of the planOKC long-term comprehensive planning process, ECO is evaluating the fiscal impacts of potential growth scenarios. Using Envision Tomorrow, ECO is working with the City to identify likely future patterns of development, including Base Case, Emerging Market Trends, and Fiscally Optimal scenarios. ECO is examining the full range of public services provided by the City, and developing a state-of-the-art model to forecast changes in costs and revenues for each city service for each scenario. The analysis makes heavy use of GIS methods to identify development patterns, and correlations with demand for and the cost of providing service. Preliminary results, for example, have shown no correlation between density and demand for police, fire, and emergency services, when controlling for personal income. Ultimately, the analysis will be about the future location and pattern of growth for Oklahoma City.

PROJECT: ECONOMIC IMPACT OF PROPOSED INDIAN GAMING REGULATIONS

Client: National Indian Gaming Commission (NIGC)
Partner: Nathan Associates, Inc.

In 2006 and 2007, the National Indian Gaming Commission (NIGC) proposed a series of Class II Indian gaming regulations. The proposed regulations, which included game classification standards and a revised definition of "electronic or electromechanical facsimile," were intended to more clearly distinguish Class II gaming (e.g., electronic bingo and other games similar to bingo) from Class III gaming (e.g., slot machines). Generally, the proposed regulations were expected to be more restrictive than existing practices and likely to limit the types of gaming machines classified as Class II devices and thus available for tribes restricted to operating only Class II gaming.

The NIGC commissioned Nathan Associates Principal Economist Alan Meister to conduct independent studies of the potential economic impact of the proposed regulations on Indian tribes (at the time, Dr. Meister was at Analysis Group). He maintained his independence from the NIGC and the industry throughout the project, including during: data collection from regulators, tribal casinos, and gaming machine manufacturers; analysis; the development of his expert opinions; and report writing. Dr. Meister's assignment for the project was to identify the types of potential impacts and quantify them on an aggregate nationwide basis. To analyze the nationwide impacts, Dr. Meister conducted state-by-state market analyses.

In a 2006 report to the NIGC, Dr. Meister concluded that regulations proposed in May and October 2006 would have had a significant negative impact on Class II gaming and the tribes that operate Class II facilities. Subsequent to the completion of Dr. Meister's report, the NIGC withdrew the first set of proposed regulations.

In October 2007, the NIGC proposed revised versions of the withdrawn regulations. In a 2008 study for the NIGC, Dr. Meister concluded that while the revised set of proposed regulations would be less restrictive than the withdrawn regulations, they would still have a significant negative impact on Class II gaming and the tribes that operate Class II facilities. Later in 2008, the NIGC withdrew the most detrimental of these revised regulations.

Both of Dr. Meister's studies identified a variety of potential negative economic impacts, including decreases in gaming and nongaming revenue; a decrease in the variety and quality of Class II gaming machines; gaming facility closures; an increase in capital, deployment, compliance, regulatory, training, revenue sharing, and financing costs; a decrease in the number of tribal member jobs; and a decrease in innovation in the Class II gaming machine market.

The study can be downloaded from the NIGC's website:
http://www.nigc.gov/Portals/0/NIGC%20Uploads/lawsregulations/proposedamendments/MeisterReport2FINAL2108.pdf

PROJECT: INDIAN GAMING INDUSTRY REPORT

Partner: Nathan Associates, Inc.

The *Indian Gaming Industry Report* is an annual study of Indian gaming authored by Nathan Associates Principal Economist Alan Meister. It is the product of independent, scholarly research and analysis over the past 13 years. The goal of the study has been to document and analyze the performance of Indian gaming, provide some historical and industry perspective, and foster a deeper understanding of Indian gaming in the context of Native American tribal affairs, the gaming industry, and the U.S. economy in general. The 2013 Edition of the study, which was released in late February 2013, is the eleventh edition.

The *Indian Gaming Industry Report* is the most comprehensive, up-to-date study of Indian gaming in the U.S. It provides data on a national and state-by-state basis on the number of facilities, tribes, gaming machines, and table games; gaming and non-gaming revenue; tribal revenue sharing with state and local governments; and pending and approved applications for land into trust for gaming purposes. The study also provides detailed background on, and analysis of Indian gaming, including the economic and fiscal contributions of Indian gaming to the U.S. economy; market summaries; a historical review; trend analyses; comparisons of Indian gaming across states; comparisons of Indian gaming to other gaming segments, including commercial casinos, racinos, and card rooms; and assessments of the historical and future performance of Indian gaming. The study includes data on Florida Indian gaming.

The *Indian Gaming Industry Report* is a trusted resource for governments and regulatory agencies, investors, and the gaming industry itself, as well as associated industries. In fact, economists for the State of Florida have relied on data from Dr. Meister's study in their revenue forecasts for proposed resort casinos in the state.

See links to State economists' documents located at the bottom of this Miami Herald news story: http://miamiherald.typepad.com/nakedpolitics/2011/11/state-economists-to-seek-more-data-on-resort-casinos-to-project-final-impact-.html

PROJECT: REGULATIONS AND TECHNICAL STANDARDS GOVERNING VIDEO LOTTERY TERMINALS

Client: Maryland Lottery and Gaming Control Agency (formerly Maryland State Lottery Agency)
Partner: WhiteSand Gaming

To assist Agency staff in developing:

1. A comprehensive set of regulations and technical standards governing the 15,000 video lottery terminals in five facilities within the State of Maryland authorized in 2009.
2. Request for Proposals involving:
   a) Video Lottery Operators Licenses;
   b) Video Lottery Terminals; and
   c) A Central Control Computer System.

The project was successfully concluded with the issuance and implementation of all three Requests for Proposal and the adoption by the Maryland Lottery Commission on August 23, 2010 of the regulatory scheme developed by WhiteSand, specifically COMAR 14.01.13, *Facility Standards*, COMAR 14.01.14, *Video Lottery Facility Minimum Internal Control Standards* and COMAR 14.01.15, *Video Lottery Technical Standards*. See http://gaming.mdlottery.com/about-us/rules-and-regulations/

Barriers and complications to the development of a comprehensive regulatory scheme involved the inclusion of a number of unique provisions in the Maryland statute that precluded the incorporation into the regulations of a number of common regulatory controls. These statutory provisions involved acquisition of the video lottery terminals by the Lottery Agency rather than the facility operators and the attendant assumption by the Lottery of maintenance responsibilities for the video lottery terminals, reliance for game selection purposes on an average payout percentage rather than the traditional minimum theoretical payout percentage and the permissibility of outsourcing mandatory operational functions like security.

WhiteSand was able to successfully develop effective regulatory controls commensurate with the statutory provisions by developing a consensus approach involving all stakeholders: the facility operators, the video lottery terminal manufacturers and service vendors and the regulating entity to ensure that the operating controls were cost effective, clearly apportioned among the parties and that the necessary segregation of responsibilities was attained.

MGT STATE GOVERNMENT EXPERIENCE

Since 2005, MGT has conducted more than 350 government organizational assessments, audits, reviews, and consulting engagements throughout the United States. Our national reach gives MGT staff exposure to a range of organizational structures, a wide variety of work environments, and exposure to the varying needs and resources of government agencies. This gives MGT staff a depth of experience that few firms can match.

MGT has conducted studies for legislative bodies in the following states:

- California
- Georgia
- Florida
- Hawaii
- New Mexico
- North Carolina
- Oklahoma
- Pennsylvania
- South Carolina
- Texas
- Virginia
- West Virginia
- Wyoming

The chart below provides a ***sample*** of MGT's extensive state government experience in Florida. Additional information on any project listed is available.

CLIENT	PROJECT
Florida Legislature	• Analysis of Article V, Revision 7, to Florida State Constitution • Evaluation of Educational Fixed Capital Outlay Program
Florida House of Representatives	• Analysis of Elected Official Compensation
Florida Joint Legislative Technology Workgroup	• Technology Review Workgroup
Florida Office of Program Policy Analysis and Government Accountability	• Best Financial Management Practice Review • Facilities Management Best Practices Review • Performance Reviews of Florida School Districts • Review of Land Acquisition Practices
Florida Agency for Health Care Administration	• Cost-Effectiveness Evaluation • Design and Oversight of Medicaid Eligibility Error Rate Study • Design of External Quality Review Program • Management Consulting Services for Diagnosis Related Group System
Florida Chamber of Commerce	• Survey of State Legislators and Staffs
Florida Community College System	• Marketing and Recruitment Study
Florida Department of Children and Families	• Crisis Counseling Evaluation and Media Outreach • Lead Negotiator for Medical Eligibility System Replacement Activities • Medicaid Eligibility Analysis • Office of Disability Determination Privatization • Stamp Out Hunger Five-Year Strategic Plan

CLIENT	PROJECT
Florida Department of Corrections	• Agency-Wide Operational Analysis Services • Operational Analysis Services • Statewide Inmate Third Party Medical Claims Review and Recovery Services
Florida Department of Economic Opportunity	• Developing Performance Measures for Division of Strategic Business Development
Florida Department of Education	• Consulting Services for Legislative Mandates Regarding Career and Technical Education • Cost Analysis/Feasibility Study • Early Learning Standards • Evaluation of Impact of Educational Reform Legislation • Evaluation of LEA Practices and State-Level Initiatives Related to Educator Effectiveness
Florida Department of Financial Services	• PeopleSoft® Implementation
Florida Department of Health	• Position Descriptions and Performance Standards
Florida Department of Insurance	• Human Resource Management Assessment
Florida Department of Juvenile Justice	• Monitoring of Program Services and Contract Compliance for Correctional Facilities • Strategic Planning and Development of Statewide Prevention Plan
Florida Department of Law Enforcement	• Assessment of Operations and Training Requirements • Community Partnership Training
Florida Department of Management Services	• Comprehensive Salary Survey • Correctional Facility Privatization Analysis • Geographic Assessment of Labor Market • MyFlorida Network Deployment
Florida Department of State	• Workflow Assessment
Florida Department of Transportation	• Develop and Maintain a Data Collection for Medicaid Encounter Data • Executive Compensation Study • Programming Automated Permit Application Submission System • Reconciliation Process Review • Safety Data Review • Statewide Management Information System • Transportation Disadvantaged Web Hosting
Florida Department of Veterans' Affairs	• Feasibility Study
Florida Film Commission	• Economic Impact Study of the Entertainment Industry
Florida Lottery	• Development of Rules and Procedures for Lottery Start-Up
Florida Office of the Attorney General	• Legislative Planning Support
Florida Executive Office of the Governor	• Merger of Three Agencies into a New Department of Economic Opportunity
	• Project Monitoring of Student Financial Aid Database

CLIENT	PROJECT
Florida State Board of Administration	• Classification and Performance Evaluation Review
Florida State Board of Education	• Universal Prekindergarten Education Advisory Council Coordination
Florida State University	• Comprehensive Study of Medical Education System • Legislative Support • Medical Education Plan

The projects below demonstrate MGT's experience with large-scale projects.

PROJECT: FACILITIES CONDITION INVENTORY SYSTEM

Client: Kentucky Department of Education
Budget/Duration: $2.8 million | 1 year

In 2010, SB 132 mandated the Kentucky Department of Education (KDE) provide a statewide facilities assessment for schools that had been rated by Kentucky to be in the poorest condition. Parsons Environment & Infrastructure Group Inc. and MGT of America, Inc. were selected to provide assessments to 490 schools. MGT conducted assessments for educational adequacy and technology readiness using BASYS®, MGT's proprietary assessment tool, and Parsons conducted the condition assessments using their proprietary tool called eCOMET®. MGT also provided capacity and utilization analysis for each school that was assessed. The project was completed on schedule in December 2011.

PROJECT: STATEWIDE FINANCIAL ASSISTANCE PRIORITY ASSESSMENT

Client: Colorado Department of Education
Budget/Duration: $12 million | 1 year

In 2009, MGT and Parsons Environment & Infrastructure Group Inc. were part of a group of consultants that conducted an assessment of all school facilities in the state of Colorado for the Colorado Department of Education. MGT was responsible for evaluating the educational adequacy of over 1,870 schools using our BASYS® assessment software. Parsons was responsible for evaluating the physical condition of the schools using their Energy and Condition Management Estimation Technology eCOMET® software. All data results were integrated into the eCOMET software for access and use by the state. eCOMET also integrated several additional requirements from the Department of Education into its database, including an illumination assessment and energy guidelines. In addition, the team was part of the consultation for developing a prioritization and ranking system for the state capital construction grant program. This project was completed on schedule in February of 2010. The BEST Grant Program assessment resulted in $14 billion in capital construction needs through 2013.

PROJECT: IN-DEPTH REVIEW AND IMPLEMENTATION OF THE PUERTO RICO PRISON SYSTEM

Client: Administration of Corrections, Commonwealth of Puerto Rico
Budget/Duration: $27 million | 8 years

MGT assisted the Commonwealth of Puerto Rico's Administration of Corrections with the implementation of more than 250 recommendations for improvement in operations, security, organizational structure, management, technology, and strategic planning. MGT completed an examination of all functional areas of Puerto Rico's prison system, including inmate management and prison capacity, health services, programs, facilities maintenance, construction, food services, transportation, information technology, staffing, and training. As a result of an inmate lawsuit, the prison system has been under federal court orders for more than 30 years because of the overcrowded and poor condition of facilities, programs, and inmate management practices. MGT developed practical management solutions to address the wide range of system deficiencies as well as strategies to implement the solutions, which furthered the agency in reaching compliance with court orders, and should ultimately achieve compliance with U.S. Constitutional standards and be able to end the lawsuit.

PROJECT: ANNUAL REVIEW OF DETENTION FACILITY COMPLIANCE WITH ICE NATIONAL DETENTION STANDARDS

Client: Immigration and Customs Enforcement, Department of Homeland Security
Budget/Duration: $20.3 million | 2 years

MGT worked for the Department of Homeland Security Immigration and Customs Enforcement (ICE) providing support in administering and conducting the Detention Compliance Management Plan. MGT conducted annual and pre-occupancy inspections of more than 300 designated detention facilities to ascertain compliance with federal standards. MGT provided focused inspections and expert input on detention issues, including health services, and performed related research and programmatic support to ICE functions.

PROJECT: DISTRICT EFFICIENCY REVIEWS

Client: Virginia Department of Planning and Budget
Budget/Duration: $3 million | 3 years

MGT conducted efficiency reviews of 24 school divisions with enrollments ranging from 783 to over 70,000 students. Each review examined central office organization and administration, human resources, financial management, food services, purchasing, transportation, technology, costs of education service delivery, special education, and facilities use and management. Over 90 percent of MGT's recommendations have been implemented by the school divisions, with average savings exceeding $1 million annually in each division.

WORK PRODUCT SAMPLE

The MGT team has conducted numerous projects similar in nature, size, and scope. For this proposal, we are providing New England Gaming Research Project (NEGRP) as our work product sample. This aligns most with the scope of services requested in the ITN. The work product sample is included in ***Appendix A***.

CENTER FOR POLICY ANALYSIS

New England Casino

The New England Gaming Research Project (NEGRP) was established in 2004 by the Center for Policy Analysis at UMass Dartmouth to provide policymakers, the general public, and the media with independent and objective research on the economic, fiscal, social, and community impacts of gaming in the New England and Mid-Atlantic regions, and to inform on-going debates about expanded gambling in sponsors, but is funded entirely by the University of Massachusetts Dartmouth School of Education, Public Policy, and Civic Engagement.

The Center's NEGRP releases a multi-volume report on the New England gaming market in March and April of each year, beginning with several volumes that analyze the findings of its biennial gaming behavior survey (March) and culminating with the release of its *New England Casino Gaming Update*. The New England Gaming Research Project has rapidly achieved national recognition among academic gaming experts, industry executives, and state and federal policymakers. The NEGRP's research findings have been published by the principal investigators in peer reviewed scholarly journals, including the *Gaming Law Review and Economics, Massachusetts Benchmarks,* and the *Journal of Travel Research*, as well as in widely read trade publications, such as *Casino Enterprise Management*, *Global Gaming Business,* and *Casino City Times*. The results of these reports, included as a work sample, have been incorporated into commissioned reports prepared by private consultants for the states of Connecticut and Massachusetts. The reports have also been utilized extensively by state legislators in Maine, Massachusetts, New Hampshire, and Rhode Island in crafting expanded gaming legislation, with the reports being shared frequently with state legislatures in through invited committee testimony.

The reports are routinely cited in newspaper and other media stories articles on the gaming industry, including recent mentions in the *Wall Street Journal, New York Times, Washington Post, Christian Science Monitor, Forbes, USA Today,* MSNBC, CBS News, CNN, Bloomberg News, and CNNMoney*.com*.

REFERENCES

Included on ITN Attachment D (following this page) are the projects representing the MGT team's references of similar projects. We encourage you to contact them to learn of our staff professionalism and quality, on-time work.

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ECONORTHWEST	**MR. PAUL S. STUART, CITY ATTORNEY** CITY OF COCONUT CREEK 4800 WEST COPANS ROAD COCONUT CREEK, FL 33063 (954) 973-6797 PSTUART@COCONUTCREEK.NET
CENTER FOR POLICY ANALYSIS, UNIVERSITY OF MASSACHUSETTS DARTMOUTH	**MR. PETER MARTIN, GOVERNMENT RELATIONS** BLACK BEAR ENTERTAINMENT/OXFORD CASINO 1570 MAIN STREET, SUITE 10 OXFORD, ME 04270 (207) 861-1003 NITRAM54@GWI.NET
NATHAN ASSOCIATES	**MR. JOSEPH VALANDRA** VADVISORS, LLC (FORMERLY CHIEF OF STAFF OF THE NATIONAL INDIAN GAMING COMMISSION, 2005-2007) P.O. BOX 57122 WASHINGTON, DC 20036 (202) 445-0013 JOE.VALANDRA@VADVISORSLLC.COM
WHITESAND	**MR. BUDDY ROOGOW, LOTTERY DIRECTOR** DC LOTTERY (FORMERLY EXECUTIVE DIRECTOR OF THE MARYLAND LOTTERY) 1800 WASHINGTON BOULEVARD BALTIMORE, MD 21230 (202) 645-8000 BUDDY.ROOGOW@DC.GOV

ATTACHMENT "D"
THE FLORIDA LEGISLATURE
REFERENCES for: MGT America, Inc.
(Name of Respondent)

Provide the following reference information for a minimum of three businesses where services of similar size and scope have been completed.
Make additional copies as necessary to provide a maximum of five business references

Business Name	Florida Department of Education
Address	325 West Gaines Street, Suite 1502, Tallahassee, FL 32399
Contact Person	Kathy Hebda, Deputy Chancellor for Educator Quality
Phone	(850) 245-0509
Fax	(850) 245-0501
Email	Kathy_hebda@fldoe.org
Date and Description of Services	February 2012 – September 2014. Currently conducting an *Analysis of Implementation of Teacher and Principal Evaluation Programs* for 65 Florida school districts.

Business Name	City of Coconut Creek
Address	4800 West Copans Road, Coconut Creek, FL 33063
Contact Person	Paul Stuart
Phone	(954) 973-6797
Fax	(945) 973-6701
Email	PStuart@coconutcreek.net
Date and Description of Services	ECONorthwest used research to forecast the impact of developing a major resort casino complex on the city of Coconut Creek.

Business Name	City of Oklahoma City
Address	420 West Main Street, Oklahoma City, OK 73102
Contact Person	Geoffrey Butler
Phone	405 297 2283
Fax	405 297 2201
Email	Geoff.butler@okc.gov
Date and Description of Services	Present. Evaluation of the fiscal impact of potential growth scenarios as part of the city's long term planning process

Business Name	V Advisors LLC (former chief of staff for National Indian Gaming Comm.)
Address	P.O. Box 57122, Washington, DC 20036
Contact Person	Joe Valandra
Phone	(202) 445-0013
Fax	(202) 445-0013
Email	Joe.valandra@vadvisorsllc.com
Date and Description of Services	2000-Present. Researched and published the *Indian Gaming Industry Report*. The most comprehensive report on Indian Gaming to date. Data is used by many states including Florida.

Business Name	Maryland Lottery and Gaming Control Agency
Address	1800 Washington Boulevard, Baltimore, MD 21230
Contact Person	Buddy Roogow, Lottery Director
Phone	(202) 645-8000
Fax	(410) 230-8728
EMail	Buddy.roogow@dc.gov
Date and Description of Services	September 2010. Comprehensive review and development of proposed regulations for Maryland lottery as well as developing RFPs for lottery operators, terminal manufactures and system integrators

3 PART I PROJECT PLAN

APPROACH AND METHODOLOGY

MGT includes project initiation as its initial work task in order to clarify all project objectives and make appropriate adjustments in our work plan, methodology, and time schedule to ensure we fully meet the Legislature's expectations. During the initial work task, we will work closely with the Legislature's Project Officer to verify our understanding of project objectives. As part of this initial task, we typically meet with the Project Officer to clarify project objectives and expectations; study existing data and information; make adjustments in the work plan as appropriate and produce a final set of work tasks; develop a work schedule, including specific assignments for all project team members; and develop a final work plan and schedule for preparing, reviewing, finalizing, and delivering all project deliverables.

The final project work plan will be submitted to the Legislature's Project Officer in written form and serves as a basis for the Project Officer to monitor our work and the instrument used by our Project Director and Team Leaders to manage the project.

We believe it is extremely important to maintain close contact between our project team and the Legislature's Project Officer during the entire project to ensure the project's objectives are being fulfilled. It is much easier to make mid-project corrections than to have to repeat certain project activities at the end of the project. Hence, during the course of a project we will submit bimonthly written progress reports and make oral weekly progress reports to the Legislature's Project Officer by telephone or in person, as appropriate.

To ensure the accuracy and completeness of our findings and recommendations for each project, all reports will be submitted to the Legislature's Project Officer in draft form for review and comment prior to finalization. Our experience has shown that having reports critically reviewed in draft form significantly improves the quality and accuracy of the final product.

We have developed a project management methodology that helps each Project Director think through the tasks that need to be undertaken, and provides the tools to accomplish the tasks. The methodology includes project kick-off agendas, checklists, document library instructions, and tools to help the client and Project Director review the schedule and budget to ensure that the project is on time and on budget.

PART A

TASK 1.0: PROJECT INITIATION

NARRATIVE:

The MGT Team's understanding of the scope of work comes from the information contained in the ITN and our understanding and experience regarding gaming system operations, and the direct experience of our staff having worked in the industry both as employees and consultants. The work plan included in this proposal provides the detail regarding the planned work steps which are designed to complete the following:

OBJECTIVES:

- To finalize the work plan.
- To ensure effective communication throughout the project.
- To ensure the project's final product will meet the client's goals and objectives.

ACTIVITIES:

1.1 Conduct project initiation meeting with appropriate project staff.

1.2 Distribute project directory for MGT's Team and identify key project team members of the legislative members and staff.

1.3 Identify the appropriate lines of communication.

1.4 Review proposed work plan and edit, as appropriate, to ensure the final product will meet the needs of the Legislature.

1.5 Review proposed project schedule and adjust as appropriate.

DELIVERABLES:

- Project directory.
- Final work plan.
- Final project schedule.

WORK PERIOD:

April 15 – 19, 2013

TASK 2.0: GAMBLING BEHAVIOR SURVEY

NARRATIVE:

The MGT Team will conduct a random sample telephone survey of 2,400 Florida residents to measure their gambling behaviors as well as the prevalence of problem gambling in Florida. , By surveying 2,400 respondents, the results will have a low margin of error for the overall dataset (+/- 2.0%), while allowing the MGT Team to conduct a statistically meaningful analysis of various subsets of data, for example, by region, demographic background, and whether a respondent has visited a casino or race track casino in Florida or out-of-state. In addition to providing an overview of Florida residents' gaming behavior, the survey will provide geographically specific inputs for the gravity models that will be used in later tasks to forecast various scenarios for expanded gaming and in the economic and social impact analyses of those scenarios.

The survey will be conducted using a questionnaire developed by the Center for Policy Analysis at the University of Massachusetts Dartmouth and in cooperation with key project staff. The survey will be conducted using an overlapping dual-frame random digit dialed survey design; separate landline and mobile telephone projects that are subsequently combined into one data file with the goal of interviewing 70 percent of respondents on landlines and 30 percent via mobile telephone. In addition, the MGT Team has a well-established in-house capacity for survey research that uses Computer Assisted Telephone Interviewing, or CATI, to conduct telephone surveys. Specifically, the Center for Policy Analysis, which will implement the survey, uses WinCATI software from Sawtooth Technologies, one of the most widely used CATI systems in the world. Interviews will be conducted between 3:00 p.m. and 8:00 p.m. on weekdays, 10:00 a.m. to 4:00 p.m. on Saturday, and 12:00 p.m. to 4:00 p.m. on Sunday. Households also will be called at least once during the morning or early afternoon hours. This range of hours provides the interviewers with an opportunity to contact hard to reach respondents, a procedure crucial to producing high quality survey data. Return calls are scheduled at the convenience of the respondents. Each telephone number will be dialed a minimum of five times, unless the number called receives a final status (e.g. complete, refusal, business, etc.). Surveys will be conducted in Spanish when appropriate.

Both the landline and mobile telephone phone samples will be drawn from random-digit dial (RDD) samples. The Center for Policy Analysis uses the Genesys Sampling System from Marketing Systems Group to generate the RDD sample, which is one of the survey research industry's preferred sampling companies (see http://www.m-s-g.com/web/genesys/index.aspx). The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The RDD sample ensures an equal and known probability of selection for every residential telephone number in the sample frame. The survey will be administered to any person age 18 and older who lives in the study area. The landline survey will employ the "most recent birthday" method of selecting a respondent in each household. The interviewer requests the adult who had the last birthday and if this is the person on the phone the interview begins. If not, the telephone is handed off to the person with the latest birthday, unless that person is not available. A callback is then scheduled. For mobile telephones, it is assumed the adult reached is the owner of that mobile telephone and no screen is used.

If necessary, the survey data will be weighted to ensure the data are representative of the actual population of the study area. Weighting also accounts for the probability of being selected into the sample. The dual-frame RDD will employ two types of weights: a design weight (or pre-weight) and a post-stratification weight. The design weight takes into account the number of adults in a household and the number of landline telephone numbers at which adults in the household can be reached in order to equalize the chances of an individual in the study area being selected. Further, since separate samples of people with landlines and mobile telephones are used, a multiplicity adjustment is needed to account for the overlap in the two samples because some households have both landlines and mobile telephones. Design weights computed for the dual frame approach use the mixing parameter λ, where λ is equal to the proportion of frame overlap. A post-stratification weight is then applied to adjust for non-response, which may include adjustments for sex, age, region, race, among other variables.

The survey will determine the prevalence of problem gambling among Florida residents (i.e., the percentage and number of Florida residents who are "at risk," "problem," or "pathological" gamblers) by administering the American Psychiatric Association's (APA) Diagnostic and Statistical Manual of Mental Disorders IV (DSM-IV)) criteria as implemented in a survey questionnaire developed by the National Opinion Research Center (NORC) for the National Gambling Impact Study Commission (1999).

The gaming behavior survey will provide a wealth of data that will support and strengthen the analysis in many of the activities identified in Part I A and B of the study.

OBJECTIVES:

- To determine the propensity to gamble among Florida residents (i.e., what number and percentage of Florida residents participate in different forms of gambling.
- To provide a baseline estimate of problem gambling in Florida.
- To determine where Florida residents gamble (i.e., in or outside of Florida).
- To determine the types of gambling that interest Florida residents (i.e., casinos, racinos, card rooms, internet cafes, pari-mutuel facilities).
- To determine the demographic background of casino, racino, card room, internet cafe, and pari-mutuel gamblers.
- To estimate the average number of times per year residents visit casinos, racinos, card rooms, internet cafes, and pari-mutuel facilities.
- To determine the distance patrons will drive to visit a casino, racino, card room, internet cafe, or pari-mutuel facility.
- To assess Florida residents' perceptions of the costs and benefits of gambling as a leisure activity.
- To measure the potential for expanded gaming to 'recapture' the spending of Florida residents who currently gamble out of state or at Indian casinos in Florida.

ACTIVITIES:

2.1 Design survey questionnaire in cooperation with key project staff.

2.2 Code survey for WinCati entry.

2.3 Obtain Genesys telephone samples for land lines and cellular telephones.

2.4 Field test survey and 'de-bug' questionnaire by identifying technical issues with coding or difficulties with specific questions.

2.5 Implement gaming behavior survey with telephone calls until reach 2,400 respondents.

2.6 Review and re-weight sample if necessary.

DELIVERABLES:

- Written report of survey results.
- Transfer appropriate data points to other partners for incorporation into their activities.

WORK PERIOD:

April 22, 2013 – May 31, 2013

TASK 3.0: PART A – GAMBLING INDUSTRY ASSESSMENT

NARRATIVE:

The purpose of this task is to provide the Legislature with an overview of the U.S. gambling industry generally and of the Florida gambling industry in specific. The MGT Team will develop data on relevant sectors of the gambling industry and will analyze that data in terms of popularity, profitability, regulatory considerations, and cost mitigation.

To accomplish this, the MGT Team will first consider any gaming data resulting from the State's revenue forecasting conference. This data will be supplemented and adjusted if necessary with existing research, data, and presentations previously submitted to the Legislature, the combined databases of the MGT Team, our industry operational experience and best practices, along with the Gambling Behavior Survey, which is described in Task 2.0 above. Our extensive industry knowledge allows us to understand and provide commentary on operational and investment criteria and the operational margins required to drive investment (including ancillary investments such as hotels, restaurants, water parks, etc.). Our experience with multiple regulatory jurisdictions (internally and externally) will develop the analysis of the regulatory aspects.

- A review of existing literature will inform a discussion of potential social impacts of gambling.
- Deliverables will be staged and distributed by gaming segment and updated as additional data is identified or produced.

OBJECTIVES:

- To accumulate, research, investigate, and accurately summarize available data subject to time considerations regarding all sectors of the U.S. gambling industry as it relates to popularity, profitability, regulatory considerations, and cost mitigation.
- To accumulate, research, investigate, and accurately summarize available data regarding all sectors of the Florida gambling industry as it relates to popularity, profitability, regulatory considerations, and cost mitigation.
- To provide an accurate survey of regulatory scheme options to include, but not be limited to, regulating entity organizational structure, authorization and revocation mechanisms, and taxation schemes.
- To provide an overview of current regulatory best practices.
- To provide a comprehensive assessment of the ability of gambling to serve as a reliable public funding source.
- To provide an overview of potential social impacts of gambling.

ACTIVITIES:

3.1 Identify WhiteSand team members, project partners, and their responsibilities.

3.2 Determine timeline and milestones.

3.3 Identify and document current U.S. gaming sectors:

- Commercial Casinos
- Racetrack casinos
- Card rooms
- Native American Class II and Class III Gaming
- Lottery
- Pari-mutuels:
- Thoroughbred Racing
- Standardbred Racing
- Quarter Horse Racing
- Greyhound Racing
- Jai Alai
- Off-Track Wagering
- Off-Shore Gambling Cruises
- Sports Betting
- Bingo, Pull Tabs, and other forms of Charitable Gaming
- Sweepstakes at retail outlets
- Internet Gaming
- Gray Area (money in/money out) "skill" games

3.4 Identify and document current Florida gaming sectors:

- Racetrack casinos
- Card rooms
- Native American Class II and Class III Gaming
- Lottery
- Pari-mutuels:
- Thoroughbred Racing
- Standardbred Racing
- Quarter Horse Racing
- Greyhound Racing
- Jai Alai
- Off-Track Wagering
- Off-Shore Gambling Cruises
- Bingo, Pull Tabs, and other forms of Charitable Gaming
- Sweepstakes at retail outlets
- Internet Gaming
- Gray Area (money in/money out) "skill" games

3.5 Gather data regarding popularity, revenues, and tax receipts from the State's revenue forecast conference, the MGT Team, and the Gambling Behavior Survey conducted in Task 2.0 above.

3.6 Gather public data regarding popularity, revenues, and tax receipts:

- Gather public testimony and submissions not yet publicly available from legislative inquiries.
- Conduct workshops/interviews with members of the Legislature to help determine goals and areas of concern and focus.

3.7 Identify and document potential gaming sectors that could be introduced in Florida:

- Table Games - expansion beyond card rooms and Seminole Tribe's casinos
- Internet Gaming (state or federal regulated)
- Destination Commercial Casino Resorts
- Sports Betting

3.8 Document, describe, and discuss possible regulatory schemes:

- State Operated
- Consolidated Agency Oversight
- Multi-Agency Oversight
- Local/State Dual Oversight

3.9 Identify jurisdictions to be surveyed in the Study to include, but not be limited to:

- State Operated - New York, Delaware
- Consolidated Agency Oversight - Pennsylvania, Maryland, Mississippi
- Multi-Agency Oversight - Nevada, New Jersey
- Local/State Dual Oversight - California
- Other relevant jurisdictions

3.10 Summarize authorization and revocation mechanisms in the jurisdictions surveyed in Activity 3.9.

3.11 Summarize taxation schemes in the jurisdictions surveyed in Activity 3.9 including tax rates, enforcement, auditing for compliance, and collection methods.

3.12 Document and discuss the current Florida gaming regulatory environment and how it compares with current regulatory best practices.

3.13 Identify potentially feasible comprehensive regulatory solutions available to Florida.

3.14 Identify, document, and discuss gaming revenue as a source of public funding including the reliability, predictability, and flexibility of the revenue stream.

3.15 Document and discuss reliance on and use of gaming revenues in the jurisdictions surveyed in Activity 3.9.

3.16 Identify and discuss direct and indirect costs to each jurisdiction surveyed in Activity 3.9.

3.17 Review and discuss existing literature on social impacts of gambling.

3.18 Finalize findings and develop report.

DELIVERABLE:

- Written report of findings.

WORK PERIOD:

April 15 – June 30, 2013

TASK 4.0: ECONOMIC ANALYSIS OF STRUCTURE AND PERFORMANCE OF FLORIDA'S GAMING INDUSTRY

NARRATIVE:

In order to analyze and document the likely impacts of potential changes in the Florida gaming industry as desired in the ITN, it is important to first assess the structure, performance, and economic impact of Florida's gaming industry.

The economic impact analysis will be conducted using the IMPLAN economic modeling system. IMPLAN was originally developed by the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management. The IMPLAN system has been in use since 1979 and continues to be widely used by universities, government agencies, corporations, and private consultants to conduct economic impact analyses involving a wide range of issues and industries, including the gaming industry. According to the developer of IMPLAN, MIG, its modeling system has been used by a variety of agencies in the State of Florida (Department of Environmental Protection, Agency for Workforce Innovation, Fish & Wildlife Conservation Commission, Governor's Office, Labor Market Statistics, State Legislature, and Office of Tourism: Visit Florida). IMPLAN is very flexible and can be highly customized to the geographic area and industry of interest. Its data and accounts closely follow the accounting conventions used in the "Input-Output Study of the U.S. Economy" by the U.S. Bureau of Economic Analysis and the format recommended by the United Nations. IMPLAN is largely based upon data from the U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics.

IMPLAN utilizes input-output analysis to estimate the total economic and fiscal contributions of businesses, industries, and events to an economy, including direct and secondary effects that result from the direct effect. Input-output analyses model these effects by accounting for the economic interdependence between industries, households, and government institutions in the economy.

The direct effect is the economic activity for which the total economic and fiscal contributions are being measured. It is the "input" into the input-output analysis. In this project, the direct effect will be measured as total gaming patron spending, including gaming and non-gaming expenditures.

Secondary effects come about as gaming patron expenditures are subsequently spent and re-spent throughout the economy. The successive rounds of spending are often referred to as the "multiplier effect." The secondary effects continue until leakages (e.g., imports from outside the study area, profit, and savings) stop the cycle. There are two types of secondary effects: indirect and induced. The indirect effect relates to the iteration of businesses purchasing from other businesses as a result of the direct effect. For example, gaming operators purchase goods and services from suppliers, who in turn purchase goods and services from their suppliers, and so on. The induced effect relates to household spending resulting from wages directly or indirectly earned as a result of the direct effect. For example, employees of gaming operators use their wages to make household purchases. So do employees of businesses that are indirectly impacted by the gaming operators (e.g., employees of suppliers).

Because other segments of the economy are supported, at least in part, by the economic activity of interest, the total economic and fiscal contributions equal the sum of the direct, indirect, and induced effects.

OBJECTIVES:

- To assess the structure and performance of the existing segments of the Florida gaming industry.

- To measure the economic and fiscal impacts of the existing segments of the Florida gaming industry.

ACTIVITIES:

4.1 Collect Florida gaming segment data from the State's revenue forecast conference.

4.2 Supplement data from 4.1 with publicly available data.

4.3 For segments in which there are insufficient data, contact gaming operators to see if they will provide data confidentially.

4.4 For segments in which there are no publicly available data and gaming operators will not provide data confidentially, conduct market/segment analyses to estimate data.

4.5 Assess the historical, current, and projected structure and performance of Florida's existing gaming industry assuming no potential changes take place. To the extent data are available, provide the following information:

- Number of gaming facilities by segment and in total
- Number of gaming machines and tables by segment and in total
- Gaming revenue by segment and in total
- Gaming revenue growth by segment and in total
- Non-gaming revenue by segment and in total
- Non-gaming revenue growth by segment and in total
- Construction expenditures by segment and in total

4.6 Conduct economic impact analyses to estimate the historical, current, and projected economic and fiscal contributions of each gaming segment to Florida's economy.

- Define the geographic area of the economic impact analyses to be the statewide level given that the Legislature is interested in the impacts of the entire state's gaming industry and in order to maintain a comparable study area across gaming segments.
- Measure economic impacts in terms of output, employment, and wages. Output equals the value of production or sales in current dollars. Employment is the total number of full and part-time jobs. Wages consist of the current value of income earned by households, including self-employed individuals, and include tips and benefits, such as health insurance and retirement payments.
- Measure fiscal impacts in terms of tax revenue and other types of gaming-related payments made to governments (e.g., compact payments by the Seminole Tribe of Florida).

4.7 Analyze the one-time construction impact and the annual operational impact of each gaming segment.

4.8 Use the following years of analysis given the State Legislature's accelerated timeframe for the project and in order to maintain comparable time periods across gaming segments:

- Most current year for which data are available
- One previous year for which data are available (e.g., five years ago)
- One future year for which data are projected (e.g., five years from now)

4.9 Write up summary of economic impact analysis methods, data, and results.

DELIVERABLES:

- Descriptive statistics regarding the current size and performance of Florida's gaming industry and the existing segments therein.
- Measures of the economic and fiscal contribution of each of Florida's existing gaming segments to the state economy.

WORK PERIOD:

April 15 – June 30, 2013

OPTIONAL OR ALTERNATIVE MODELS:

- Additional historical or projected years beyond those noted above could be analyzed at an additional cost. Also, the geographic level could be counties rather than the state; however, this would significantly increase the cost of this task.

PART B

TASK 5.0: ECONOMIC IMPACT AND ASSESSMENT OF INDUSTRY CHANGES

Narrative:

The assessment of any potential industry changes, including economic and fiscal impacts of expanded gaming in Florida, will build on the analysis of the existing gaming market and its various segments presented in Task 4.0. However, the cornerstones of moving beyond an analysis of the status quo to an analysis of the various scenarios identified in Part I B.1, B.2, B.3, and B.4 of the study will require:

1) The development of a comprehensive 'gravity model' for the State of Florida.
2) A review of the results and impacts of comparable scenarios in other gaming jurisdictions using an ARIMA model.[1]

Gravity Model

Most of the impacts at existing and potential gaming facilities are a function of how much business these facilities generate, including the extent to which this business is supported primarily by local customers or by out-of-region and out-of-state customers. The total amount of business generated by a gaming facility, particularly casinos, is a combination of gross gaming revenues and non-gaming revenues. Gross gaming revenues normally account for 70 percent to 90 percent of a casino's total revenue, depending on the size and type of facility. Gravity models are the most widely accepted technique for estimating the demand for various forms of land-based gaming in a designated market area (DMA), based on:

[1] For example, other gaming jurisdictions with slot machines at pari-mutuel facilities have changed tax rates on pari-mutuel facilities (e.g., Rhode Island and New York) or authorized table games at what were previously slots-only (e.g., West Virginia, Delaware, and Pennsylvania). Other gaming jurisdictions have internet gambling cafes competing against casinos (e.g., Illinois), while other states have closed this type of operation and made them illegal under state law (e.g., Massachusetts). At least one state abolished the requirement for live events its pari-mutuel (greyhound and jai alai) facilities (Rhode Island), while two other states (Massachusetts and New Hampshire) recently abolished live greyhound racing, while re-authorizing simulcasting at those same facilities.

- The adult (age 21+) population.
- Personal disposable income.
- The propensity to gamble at various distances from a gaming facility.

The MGT Team has extensive experience developing custom-designed gravity models for proposed gaming facilities and its specialists will build a series of complex geographically specific gravity models that incorporate the various scenarios identified in Part B of the ITN. The gravity models will make it possible to estimate:

- Gross gaming revenues at existing and potential gaming facilities.
- Annual number of visits to existing and potential gaming facilities.
- The geographic origin of visitors to existing and potential gaming facilities.

Business economists and market analysts have been using a modified version of Sir Isaac Newton's Law of Gravitation to predict the movement of people, commodities, and sales (money) since 1931, when William J. Reilly introduced Reilly's Law of Retail Gravitation to calculate the geographical "Break Point" between two competing commercial centers. The Break Point is the geographical point between two competing commercial centers where customers will be drawn to one or another of two or more competing commercial facilities. Newton's Law of Gravitation states the gravitational force between two objects is proportional to the product of their masses and inversely proportional to the square of the distance between the two objects. William J. Reilly's restatement of this principle as the Law of Retail Gravitation states the larger the retail center (i.e., the greater the mass) the wider the sphere of 'gravitational' attraction compared to similar type but smaller facilities. The Break Point (BP) at which a consumer will choose one comparable facility over another is equal to the Distance (*d*) between the two facilities, divided by 1 (a constant) plus the Square Root of the size of Place One (*p*1) divided by the size of Place Two (*p*2) (see equation below):

$$BP = \frac{d}{1 + \sqrt{p1/p2}}$$

Reilly's Law presumes the geography of an area is flat without any rivers, roads, or mountains that would alter a consumer's decision about where to purchase a particular good or service. However, geography, road quality, and accessibility (i.e., convenience) do affect a consumer's decision about what facilities to patronize, especially when they are comparable in scale, so many gravity models, including the ones that will be utilized in this analysis, incorporate functional distance by substituting estimated drive times for mileage. This is an important modification, since casino patrons in local and regional markets are highly sensitive to drive time, position availability,[2] and the range of amenities offered by a gaming facility.[3] Consequently, the basic gravity model has been modified by researchers in many ways since 1931 with adaptations to account for the levels of retail gravitation attributable to different types of facilities (e.g., regional malls, theme parks, casinos) and to incorporate empirical behavioral research

[2] Position availability refers to a patron's ability to find a place at their preferred game. Thus, if a slot machine player repeatedly finds that a local slot parlor's gaming devices are occupied, and that there is a long wait time to find a position at their preferred device, they will often be willing to travel a longer distance to a larger facility to insure that a position is available, since the "time to position" (i.e., drive plus wait) is essentially the same or shorter, despite the longer initial drive-time.

[3] A table games player will necessarily by-pass a local racino, and travel a longer distance to a full-scale casino, because table games positions are not available at most racinos or slot parlors. In addition, many casino patrons are attracted to the general atmosphere and physical attractiveness of the facilities as compared to smaller slot parlors or racinos, or they are attracted by the presence of non-gaming forms of entertainment (e.g., cabarets, night clubs, concerts, gourmet dining, spas, golf, etc.).

that specifies this relationship with greater precision for different types of facilities and for different geographic jurisdictions.

The gravity models developed and modified for the retail sector over many decades were extended to expanded gaming beginning in the 1990s, when it was found that gravity models provide a reliable basis for forecasting a land-based gaming venues' ability to attract visitors and revenues. The simplest gravity models assign "mass" to a casino based exclusively on the number of gaming positions.[4] However, it is possible to refine this definition by incorporating data on the types of gaming options (i.e., video lottery terminals, slot machines, table games, poker, bingo), parking availability, and the availability of non-gaming amenities, such as a hotel, spa, other entertainment venues, retail outlets, the quality of food and beverage offerings, a golf course, etc. Thus, a resort casino generally has a larger mass (i.e., gravitational force) than a small slot parlor without table games or significant non-gaming amenities.

At the same time, gravitational pull is in inverse proportion to functional distance. In other words, if one doubles the distance, revenues and visitations decline in inverse proportion to that distance, although this mathematical relationship can be modified in gravity models by incorporating empirically-based behavioral data, since it has been documented that a casino's gravitational force is "not always according to Reilly" (Cummings 2006). Quite simply, the further the distance from a casino, the less likely residents are to visit it, and those who do visit it will visit it less frequently, although it has generally been found that patrons who live further away from a casino are likely to spend more per visit, since they will generally stay longer and spend on a wider range of amenities. Similarly, as competing casinos or racinos get closer to residents, one eventually reaches a Break Point, where the retail gravitation (i.e., convenience) of competing facilities exerts greater force over potential patrons, all things being equal.

However, in addition to local and regional residents, Florida is a vibrant national and international tourist destination. Consequently, it will be necessary to incorporate a 'tourism factor' into the gravity models to estimate the number of the current visitors who would have come to Florida in the absence of expanded gaming activities, but would choose to spend more during their visit, or extend the length of their visit, if additional casino gaming were available, as well as visitors (particularly conventioneers) who would plan a visit to Florida rather than an alternative destination due to the availability of gaming in the state. This factor will be determined based on a review of the literature and the experience of other jurisdictions.

ARIMA Model

An analysis of the impact of future legislative changes to the Florida pari-mutuel racing scenarios will need to address a wide range of factors across the thoroughbred, harness, quarter horse, greyhound, and jai alai sectors, which are distinct markets that need to be evaluated separately. The MGT Team will employ an analytical approach which recognizes the unique characteristics of each of the pari-mutuel sectors, including a review of information and data available in Florida and other states. This comparative approach will analyze similar changes in other jurisdictions to provide an estimate of the economic effect of proposed legislative changes to Florida's gaming laws in the pari-mutuel sector. The MGT Team will employ a statistically rigorous forecast of the economic effect of the various scenarios proposed in Part B.c–h using Autoregressive Integrated Moving Average (ARIMA) modeling. ARIMA modeling utilizes time series (longitudinal data, often from different jurisdictions) to provide a statistical model on which to base future forecasts. More importantly, given the nature of the research questions

[4] Each slot machine is designated as one 'position', since it is played by a single individual, while most analysts will assign 6 positions to each gaming table (e.g., blackjack or roulette).

to be addressed, ARIMA modeling has the ability to highlight the *impact* of policy changes on economic effects.

OBJECTIVES:

- To define the total maximum gaming market for the State of Florida and evaluate alternative scenarios for expanded gaming to determine which, if any, of these scenarios maximize economic and fiscal impacts for the state with the least social and economic costs.
- To evaluate alternative fiscal policy scenarios to determine which, if any, changes to the state's gaming taxation regime will improve the economic and fiscal performance of its gaming facilities.
- To identify and evaluate the economies of leveraging equity and profits as sources for public funding of education, transportation, underwriting risks associated with a catastrophic hurricane event in Florida, and other public funding needs based on the experience of other states.

ACTIVITIES:

5.1 An ARIMA model will be operationalized to assess the likely economic and fiscal impact of renewing the Seminole Tribe's exclusive authorization to conduct banked card games on Indian lands, as defined in the Indian Gaming Regulatory Act.

5.2 A comprehensive gravity model will be operationalized to evaluate the economic and fiscal impact of granting the Seminole Tribe exclusive authorization to offer table games on Indian lands, as defined in the Indian Gaming Regulatory Act.

5.3 Develop an estimate of the current economic impact of gambling at Internet sweepstakes cafes, arcade amusement centers, or truck stops in Florida by collecting public ES-202 state data files on employment and establishments, along with primary data from the gaming behavior survey. This data will provide the basis for evaluating the potential economic and fiscal impact of regulating, prohibiting, and/or taxing simulated casino-style gaming in conjunction with an examination of the impacts in other states that have similar type gambling.

5.4 To the extent possible, an ARIMA model will be operationalized that incorporates data from other states that have modified or repealed live racing requirements to assess the potential impact of such a policy change on purses and awards at Florida's pari-mutuel facilities, including those that offer thoroughbred racing, harness racing, quarter horse racing, greyhound racing, and jai alai.

5.5 An ARIMA model will be operationalized that incorporates data from other states that have changed tax rates for Class III games at pari-mutuel facilities requirements to assess the potential economic and fiscal impact of such a policy change on Florida's pari-mutuel facilities.

5.6 A gravity model will be operationalized to evaluate the potential economic and fiscal impact of adjusting restrictions on the number and operation of slot machines at pari-mutuel facilities in Miami-Dade and Broward counties.

5.7 Gravity models will be operationalized to evaluate the economic and fiscal impact of authorizing pari-mutuel facilities in counties other than Miami-Dade and Broward counties to offer slot machines. The fiscal analysis will evaluate the number and location of gaming facilities that best maximizes net new economic activity to the State of Florida, while avoiding cannibalization of existing sectors, including other gaming sectors. The fiscal analysis also will evaluate three alternative tax regimes, including (1) one in which all non-lottery gaming activities are taxed at rates corresponding to current pari-mutuel tax rates, (2) one in which all non-lottery gaming activities are taxed at national average rates for their respective subsectors, and (3) one in which non-lottery gaming activities are taxed at a rate that would maximize state revenues.

5.8 Gravity models will be operationalized to evaluate the economic and fiscal impact of authorizing pari-mutuel to conduct table games or other Class III games. The fiscal analysis will evaluate the number and location of gaming facilities that best maximizes net new economic activity to the State of Florida, while avoiding cannibalization of existing sectors, including other gaming sectors. The fiscal analysis also will evaluate three alternative tax regimes, including (1) one in which all non-lottery gaming activities are taxed at rates corresponding to current pari-mutuel tax rates, (2) one in which all non-lottery gaming activities are taxed at national average rates for their respective subsectors, and (3) one in which non-lottery gaming activities are taxed at a rate that would maximize state revenues.

5.9 Gravity models will be operationalized to evaluate the economic and fiscal impact of authorizing a limited number of casino/resort complexes in Miami-Dade and/or Broward counties. The fiscal analysis will evaluate the number and location of gaming facilities that best maximizes net new economic activity to the State of Florida, while avoiding cannibalization of existing sectors, including other gaming sectors. The fiscal analysis also will evaluate three alternative tax regimes, including (1) one in which all non-lottery gaming activities are taxed at rates corresponding to current pari-mutuel tax rates, (2) one in which all non-lottery gaming activities are taxed at national average rates for their respective subsectors, and (3) one in which non-lottery gaming activities are taxed at a rate that would maximize state revenues.

5.10 Gravity models will be operationalized to evaluate the economic and fiscal impact of authorizing a limited number of casino/resort complexes around the State. The fiscal analysis will evaluate the number and location of gaming facilities that best maximizes net new economic activity to the State of Florida, while avoiding cannibalization of existing sectors, including other gaming sectors. The fiscal analysis will also evaluate three alternative tax regimes, including (1) one in which all non-lottery gaming activities are taxed at rates corresponding to current pari-mutuel tax rates, (2) one in which all non-lottery gaming activities are taxed at national average rates for their respective subsectors, and (3) one in which non-lottery gaming activities are taxed at a rate that would maximize state revenues.

5.11 The gravity models and ARIMA models will be developed by the Center for Policy Analysis, which is an applied research unit of the University of Massachusetts Dartmouth. As an academic institution, it is committed to intellectual transparency and, consequently, its gravity models and ARIMA are open to public view to the maximum extent possible. The sources for data inputs to the study's economic and fiscal impact models will be clearly specified and referenced in the final report, while the calculations used in the models to estimate economic and fiscal impacts, and to account for cannibalization against other sectors of the economy, will be clearly articulated and subject to independent review and verification. The MGT Team will be available to the Legislature to explain the models' results and to explain its construction and findings.

5.12 For each scenario identified in Activities 5.6 through 5.10, the MGT Team will use gravity models to estimate total spending and net (recognizing reduced spending at other Florida businesses because visitor and resident spending has now flowed to gaming activities) economic impact for gaming as well as the change in demand associated with each of several sources including:

a. The current visitors who would have come to Florida in the absence of expanded gaming activities, but would choose to spend more during their visit, or extend the length of their visit, if additional casino gaming were available.

b. Floridians who now gamble out of state or in Native American casinos who would instead opt to gamble in Florida, if additional local gaming activities were available.

c. Floridians who now do not gamble but would participate if additional gaming activities were easily available.

d. Visitors who plan a visit to Florida rather than an alternative destination due to the availability of gaming here.

e. Visitors who would choose not to visit Florida due to the presence of gaming activities.

In addition to the gravity models, the MGT Team will review any statistics or reports that may be available on tourism in Florida as well as other studies that address casino tourism.

5.13 Conduct a comprehensive review of gaming-related fiscal and tax policies in states with commercial Class III gaming.

5.14 Review the relevant scholarly literature on the impact of gaming taxes on state fiscal policies and program spending.

5.15 Conduct key informant interviews with state fiscal policy leaders/analysts to gauge their perceptions of the impact of gaming taxes on overall state finances and targeted program spending.

5.16 Use the estimated direct effects of each scenario as inputs to an economic impact analysis to quantify net economic and fiscal impact of the scenario on the State of Florida.

Direct effect of each scenario measured as changes in revenues for each gaming segment.
Economic impact measured in terms of changes in output, jobs, and wages in Florida.
Fiscal impact measured in terms of changes in state and local tax revenue in Florida.
Net impacts measured as the difference between gains and losses across all gaming segments.

5.17 Analyze the one-time construction impact and the annual operational impact of each scenario and selected combination of scenarios.

5.18 If the economic impact analysis in Subsection B of Part I of the ITN is conducted by our team, utilize the models developed therein as the starting point for the economic impact analyses of the scenarios and combination of scenarios. If not, attempt to use the economic impact models created by others in Subsection B of Part I or else develop them from scratch.

DELIVERABLE:

- Written report of findings.

WORK PERIOD:

May – June 2013; August 20, 2013

TASK 6.0: SOCIAL IMPACT OF SCENARIO-BASED MODELS

NARRATIVE:

The MGT Team will provide an analysis and assessment of the social impacts of expanded gaming activities for each scenario presented in Task 5.0 by comparing and contrasting credible existing studies of the social impacts of gaming and providing social impact scenarios to match the preceding economic and fiscal impacts computed in Task 5.0. The MGT Team notes there has been considerable debate about the best methodological and theoretical approach to analyzing the social impacts of gambling, with one of the central issues being how to monetize them.

While determining the financial costs of some social impacts is reasonably straightforward (e.g., costs of treating problem gamblers, or the costs of prosecuting and incarcerating gambling-related crime), estimating costs for many other social impacts is not. This includes the costs of suicides, divorces, loss of social capital, the leisure benefit of gambling as well as the psychic trauma of being a problem gambler.

After reviewing 492 gambling studies from around the world, including studies by academic scholars, government agencies, and business consulting firms, the Canadian Consortium for Gambling Research (CCGR) released a pioneering meta-analysis of *The Social and Economic Impacts of Gambling* (2011), which defined a new "Framework for Conducting Socioeconomic Impact Analyses" and a set of "Principles for Conducting Socioeconomic Impact Analyses". The CCGR proposed a framework designed to measure 'impacts', which will be employed by the MGT Team in its review of the existing literature on social impacts, including that covered by the CCGR,. The CCGR observes that "while many gambling impacts are clearly negative (e.g., increased problem gambling) or positive (e.g., employment gains), the positive or negative nature of several other changes is less clear and somewhat subjective (e.g., changed societal pattern of leisure pursuits, cannibalization of competing industries, increase in tax revenue)."

The evaluation of economic and fiscal impacts described previously under Tasks 4.0 and 5.0 will be primarily monetary in nature. However, the evaluation of social impacts will by primarily non-monetary in nature. The types of potential social impacts (i.e., impacts that are primarily non-monetary in their nature) that will be evaluated include:

Problem Gambling	Changes in the prevalence of problem gambling and the main indices potentially associated with problem gambling (i.e., personal bankruptcy rates, divorce rates, suicide rates, treatment numbers). There also are monetary costs associated with changes in problem gambling that should be tabulated (and included in the Economic Impact section). Specifically, these are the amount of money spent on a) treatment and prevention; b) policing, prosecution, incarceration, and probation for gambling-related crime; c) child welfare involvement for gambling-related family problems; and d) unemployment and welfare payments and lost productivity because of gambling-related work problems.
Crime	Change in the rate of crime and gambling-related crime. This also includes any observed decreases in illegal gambling with the introduction of a legalized form.
Socioeconomic Inequality	Evidence that the introduction of gambling has a differential financial impact on people of different socioeconomic levels (e.g., potentially making it more or less 'regressive').
Leisure Activity	Changes in the pattern of leisure behavior associated with gambling introduction.

Public Attitudes	Change in public attitudes associated with gambling introduction. This can include changed attitudes about gambling (e.g., perceived benefits/harms), or changed attitudes about government or the role of government for allowing/providing gambling, etc.
Quality of Life/Public Health/ Social Capital/Values	Change in the general quality of life, state of public health, societal interconnectedness, societal values, and related indices. These indices are often difficult to measure and also difficult to attribute to the introduction of gambling. Nonetheless, they are relevant impacts if they exist, and if they can be captured.

In this task, we will first identify the relationships between the size of the gaming industry and various social impacts (crime, socioeconomic inequality, quality of life, pathological gambling, etc.). Also, we will examine local data for the State of Florida to confirm the social impacts predicted by the relationship identified in national academic literature hold true for the State of Florida. Once we have a working model, where the inputs are the size of various aspects of the Florida gaming industry (measured by spending and other economic variables) and the outputs are social impacts, we will use the same model, but will run numerous different scenarios, using different inputs to show the social impacts of the proposed gaming industry changes.

OBJECTIVES:

- To quantify the social impacts from the existing segments of gaming industry in the State of Florida.
- To quantify what alternative scenarios for expanding gaming would have on social impacts in the State of Florida.

ACTIVITIES:

6.1 We will conduct a literature review on the social impacts of gaming. The literature review will inform our framework for understanding the connection between gaming and social impacts, and will confirm that we have identified a complete list of relevant social impacts to be included in our analysis. Most importantly, the literature review will allow us to Identify the specific relationships between the size of the gaming industry and various social impacts (e.g., for every $1 million spent on gaming, crime rates increase X%).

6.2 Review deliverables from previous tasks to quantify the size of the gaming industry in Florida. The deliverables from Task 4.0 and 5.0 will be particularly important, as they will define the gross amount of spending, employment, and other economic measures of the Florida gaming industry and the net changes of alternative scenarios for expanding gaming in the state. Another critical input for this analysis is the gaming behavior survey results from Task X. In particular, the survey will quantify the number of "at risk," "problem," or "pathological" gamblers in Florida, using the DSM-IV methodology.

6.3 Using relationships identified in the literature review (activity 5.13), and the size of the gaming industry in Florida (activity 5.14), we will estimate the social impacts for the State of Florida, including crime rates, socioeconomic inequality, quality of life, public health, and pathological gambling.

6.4 The analysis described in activity 5.15 tells us the expected impacts based on academic research. For some social impacts, however, we can augment the academic research with actual data from the State of Florida. We will obtain and review statewide data on quantifiable social impacts, such as crime, to confirm or contradict our estimated impacts, found in activity 5.15. Specifically, we will create a panel dataset showing each county in Florida for a series of historical years (ideally going back a decade or more to create a more robust panel dataset). We will then run a regression analysis to identify correlations between the level of gaming activity in a county and the various social impacts of concern.

6.5 This task will conclude with a report on the social impacts of the alternative scenarios for expanding the gaming industry in Florida.

DELIVERABLES:

- Literature review.
- Preliminary estimate of social impacts.
- Revised estimate of social impacts, informed by local data.
- Written report on social impacts.

WORK PERIOD:

August 30 – September 30, 2013

OPTIONAL OR ALTERNATIVE MODELS:

The MGT Team can conduct more qualitative case studies of specific jurisdictions in Florida that have a history of the gaming industry. The MGT Team can interview police chiefs, social service providers, and others, and dig more deeply into the data, to see if there are any stories to tell. Although consultants tend to prefer cold, analytical, academic approaches to the analysis, Florida lawmakers might appreciate a different approach. The value of case studies is the information is easily digestible to the layperson and it's intuitive. If the Chief of Police for City X says that he's seen Y impact on crime rates since the new casino opened or expanded or closed or whatever, then that resonates with some people more than a big spreadsheet showing T statistics and R squares and standard deviations for a panel dataset.

TASK 7.0: PREPARATION AND PRESENTATION OF FINAL REPORTS

NARRATIVE:

The MGT Project Management Office will team with its partners to develop a comprehensive final report based on the research defined in this proposal. The Project Director will provide a preliminary draft report to the Legislative Project Management Officer and dialogue with that officer to ensure that the final report achieves all of the objectives described in the ITN and that the results meet the expectations of the Legislature.

OBJECTIVE:

- To prepare and present the final Part I gaming study reports.

ACTIVITIES:

7.1 Prepare the draft report.

7.2 Present draft plan to legislative members.

7.3 Revise draft and prepare final.

7.4 Present final report to legislative members, key stakeholders, and other officials, as appropriate.

7.5 Make public presentations, as needed.

DELIVERABLES:

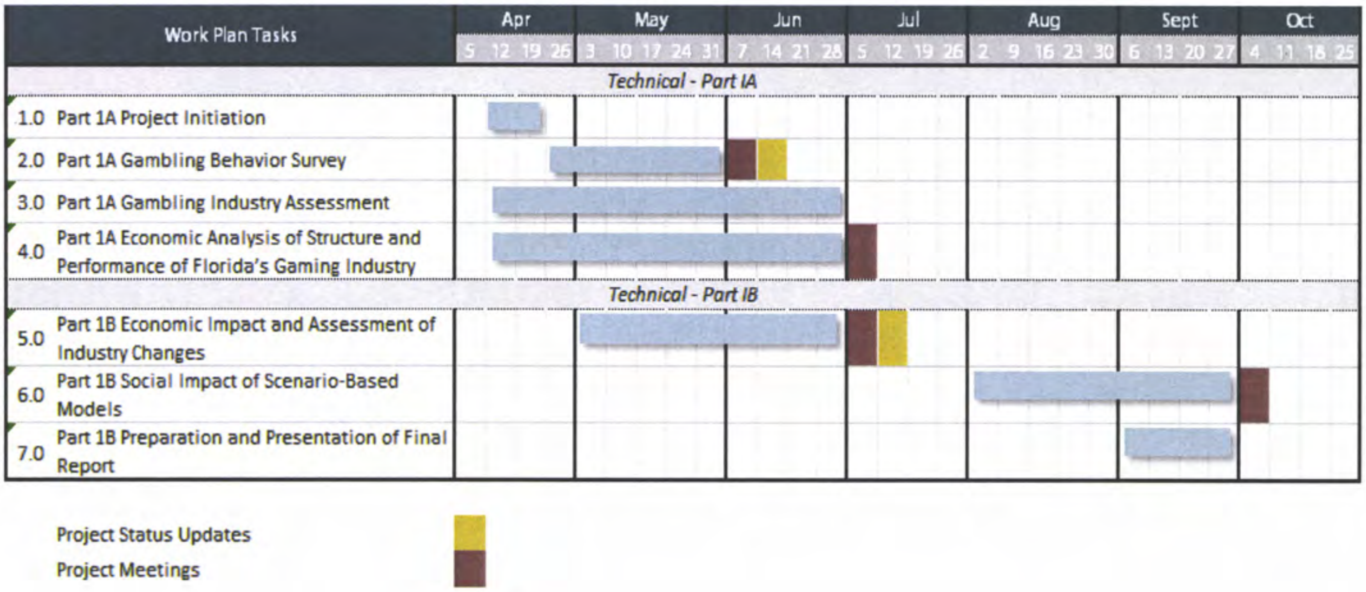
- Draft Report.
- Legislative Presentation of Draft Report.
- Final Part I report.

WORK PERIOD:

September 30, 2013

PRELIMINARY IMPLEMENTATION PLAN

Below we provide the preliminary implementation plan with project objectives and milestones for Part I of the study.



STAFF QUALIFICATIONS

As noted earlier, MGT is partnering with several knowledgeable firms to conduct this study. We believe the skills and experience clearly demonstrate the high level of qualifications we bring to this engagement. All members of the MGT team clearly understand the need for maintaining an independent attitude and appearance. Each team member receives direction from the MGT Partner-in-Charge on the steps needed to ensure professional care is exercised. In addition, the Partner-in-Charge will review the work of team members for demonstration of sound professional judgment in the execution of their assigned responsibilities.

A fundamental philosophy of MGT project management and staff is that we work with, not for, our clients. We have worked with consultants as clients and know the importance of developing practical recommendations that can be implemented. Most important, we understand the environment in which our recommendations will be reviewed. Close partnerships require clear, frequent, and honest communication throughout the project to ensure the most positive project outcome for all parties.

Through the years, MGT has found an effective management and communications plan is essential to promoting and carrying out a positive relationship with the client. Consequently, our overall plan for managing the project and communicating with the Legislature is designed to:

- Clearly identify, at the beginning of the project, the outcomes and deliverables expected by you.
- Specifically redesign, as necessary, our project work plan and methodology to produce the expected outcomes and deliverables according to specified project time schedules.
- Clearly assign all study responsibilities (including responsibilities for individual chapters in the final report) to team members at the beginning of the project so there will be no question as to who is responsible for stated deliverables.
- Maintain frequent contact on-site and by telephone with the Legislature's Project Officer to make progress reports and to discuss unforeseen issues.
- Have the report reviewed in draft form by the Legislature's Project Officer and appropriate officials prior to finalization.
- Deliver, on time, a high-quality final report of which MGT and the Legislature can be proud.

Below we provide the project's proposed organizational structure. This structure has been built to provide the most effective use of team members and time in order to conduct the study in the most effective manner possible.

Qualifications of the key personnel assigned to conduct Part I of the project follow. Additional analysis and support staff will be utilized to meet the requirements of this project on an as-needed basis.

MARK CHARLAND

PRESIDENT/CEO

MGT OF AMERICA, INC.

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(850) 386-3191

Mr. Charland has diverse experience in driving profitability and efficiency for stakeholders as well as project management and business development responsibility. He has demonstrated success in developing and implementing business models to achieve optimal operating performance and profit. Mr. Charland is skilled at maximizing cooperation and value across functional areas and vertical markets, having generated more than $2 billion in shareholder value to date. In addition to directing MGT, he has experience managing software, communications, and technology firms ranging from emerging-technology start-ups to global Fortune 500 firms.

Prior to joining MGT, Mr. Charland founded several companies and served in high-level positions with Bowne Global Solutions, Inc., KPMG (Business Integration Practice), Cap Gemini and several others. He has experience in corporate restructuring, developing and implementing integration/ acquisition plans, conducting business reengineering projects, Banking and ensuring quality services.

In addition, Mr. Charland managed the largest Mortgage Banking workout in U.S. History at that time. Working in conjunction with the RTC and Skyline Financial he was responsible for working out over $1.7 B in assets for 150 major banks and over 5000 Investors in various REITS.

EDUCATION

B.A., ECONOMICS, WESTERN CONNECTICUT UNIVERSITY

M.B.A. COURSEWORK, WHARTON AND COLUMBIA SCHOOLS OF BUSINESS

PROJECT ROLE

Mr. Charland will be the Partner-in-Charge and will have overall responsibility for successful completion of the project. He will ensure all contractual requirements are satisfied, project deadlines are met, and a quality report is prepared. The Partner-in-Charge will ensure all necessary corporate resources are committed to the project. He also will have ultimate responsibility for quality control and will be available to help resolve any problems that may arise during the course of the project.

GUY PEDELINI
CONSULTANT
MGT OF AMERICA, INC.
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(908) 644-7906

Mr. Pedelini is a proven, results oriented, hands on leader with significant experience in leading global and domestic organizational transformation and change. Throughout his career, he has consistently driven company strategy utilizing his leadership skills in change management, talent initiatives, communications, reengineering, and employee engagement programs.

Mr. Pedelini has driven strategic change for publicly held and private organizations in both domestic and global settings in Technology, Sales, Marketing, Service, Manufacturing, Engineering, and Corporate staff functions. His broad industry experience has included Pharmaceutical, Healthcare, Financial and Insurance Services, Professional Services, Technology, Aerospace, Consumer Products, and Government Programs.

EDUCATION

M.B.A., MONMOUTH UNIVERSITY

B.S., BUSINESS ADMINISTRATION, UNIVERSITY OF DELAWARE

PROJECT ROLE

Mr. Pedelini will serve as the project director and be responsible for the overall delivery of the project. Mr. Pedelini will be responsible for all communication on the project with the Legislative Project Officer and the MGT Team. He will be the primary point of contact with the Legislative Project officer. His focus will be assuring the delivery of high quality results, on time and within budget.

RELATED WORK

Mr. Pedelini has been president of Double Black Human Capital Solutions since January 2011. He has managed numerous projects for numerous diverse global and domestic firms. A partial list of the companies/clients he has worked with include the following:

- Bowne Global Solutions
- Bowne and Co.
- NL Industries
- Fedders Corporation
- RCA
- GE
- Bayer &Co
- SGS
- Universal Health Services
- Interpublic Corporation
- McCann Healthcare Worldwide
- Idis, Inc.
- Northstream Global Partners
- Preferred Freezer Services
- Accelovance
- Elanex

JAMES A. ZINGALE

CONSULTANT, CAPITOL HILL GROUP, INC.

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Dr. Zingale's background is in economic analysis, problem solving, and business process analysis. He created the Division of Economic and Demographic Research, which provides economic, revenue, and budget expenditure forecast to the Legislative budgeting process.

Dr. Zingale retired from state government in 2008 after 35 years of public service. During his career, Dr. Zingale served 17 years as legislative leadership staff. While working for the Legislature, he worked for the House Committee on Appropriations, the Division of Economic and Demographic Research, the Senate Ways and Means Committee, and the Senate Finance and Tax Committee.

Dr. Zingale served 18 years with the Department of Revenue serving as Deputy Director for ten years and eight years as Executive Director. In this role he oversaw implementation of two monumental technology projects: a $110 million Integrated Tax Administration System, which delivered a 10-to-1 return on investment, and an $86 million Integrated Child Support System. His work earned the Department the National Excellence Award from the LBJ School of Public Administration.

He is currently with the Capitol Hill Group, and the Safety Net Hospital Alliance of Florida.

EDUCATION

PH.D., ECONOMICS(PUBLIC FINANCE, LABOR ECONOMICS, NSF FELLOW), FLORIDA STATE UNIVERSITY

M.A., ECONOMICS(PUBLIC FINANCE, LABOR ECONOMICS), BOWLING GREEN STATE UNIVERSITY

B.S., BUSINESS ADMINISTRATION (ECONOMICS), BOWLING GREEN STATE UNIVERSITY

PROJECT ROLE

Dr. Zingale will be the financial impact consultant.

GLENN LIKE
SENIOR ANALYST
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Mr. Like has 12 years experience analyzing criminal justice and education data. His work for MGT has included staffing studies, population projections, stepwise regression analysis, and peer reviews.

Prior to joining MGT, Mr. Like spent six years working for Travis County, Texas as part of a team conducting process and outcome evaluations on rehabilitative programming. Additionally, the team worked on process mapping of the criminal justice system as part of a jail overcrowding initiative.

Mr. Like is proficient with various statistical analysis software packages and has worked with entities across the country.

EDUCATION

M.A., CRIMINOLOGY/CRIMINAL JUSTICE AT EASTERN MICHIGAN UNIVERSITY

B.S., MATHEMATICS AT BEMIDJI STATE UNIVERSITY

PROJECT ROLE

Mr. Like will serve as a project analyst. He will provide data, information, and statistical data coordination, integration management, and prepare internal and external reports.

RELATED WORK

Mr. Like has conducted analyses or assisted in project organization for federal, state, and local governments and for school districts and universities. His work has included staffing studies, population projections, and peer reviews. Below is a sampling of projects:

- Florida Department of Education
- Okalahoma Department of Corrections
- National Youth Gang Center
- Commonwealth of Puerto Rico's Administration of Corrections
- Harris County Sheriff's Office, Texas
- Tulsa Police Department, Oklahoma
- Kentucky Department of Education
- Miami-Dade County, Florida
- Department of Homeland Security- Immigration and Customs Enforcement
- Arizona First Things First
- Austin Police Department, Texas
- Marion County Sheriff's Office, Oregon

CLYDE W. BARROW

DIRECTOR

CENTER FOR POLICY ANALYSIS AT UNIVERSITY OF MASSACHUSETTS DARTMOUTH

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Dr. Clyde W. Barrow is Director of the Center for Policy Analysis at the University of Massachusetts Dartmouth and Project Manager of the New England Gaming Research Project. The Gaming Project monitors the economic, fiscal, and social impacts of the gaming industry in the New England and Mid-Atlantic states and it releases an annual *New England Casino Gaming Update* and a biennial *Gaming Behavior Survey* that is widely referenced throughout academia, the gaming industry, and the media. He teaches graduate level courses on the policy process and applied policy research. He has published articles on expanded gaming in *Casino Enterprise Management, Gaming Law Review and Economics, Massachusetts Benchmarks,* and the *Journal of Travel Research.* His research findings and expert commentary on the gaming industry have been cited in more than 2,100 newspaper articles, 400 radio interviews, and 300 television appearances, including the *Wall Street Journal, New York Times, Washington Post, Christian Science Monitor, Forbes, USA Today,* MSNBC, CBS News, CNN, Bloomberg News, and CNNMoney.com. Dr. Barrow also is a Gaming Specialist for the Gerson Lehrman Group, LLC (New York), where he provides briefings and consultations on the gaming industry to capital management firms, investment banks, and bond traders. In a biographical story, the *Boston Globe* (June 11, 2007) referred to Dr. Barrow as "the undisputed king of academic research on gambling trends in New England."

EDUCATION

PH.D., POLITICAL SCIENCE, UNIVERSITY OF CALIFORNIA AT LOS ANGELES

M.A., POLITICAL SCIENCE, UNIVERSITY OF CALIFORNIA AT LOS ANGELES

B.A., POLITICAL SCIENCE, TEXAS A&M UNIVERSITY AT KINGSVILLE

PROJECT ROLE

Dr. Barrow will serve as the principal investigator and team leaderon the research involving comparative market scenarios designed to maximize the economic and fiscal impacts of gaming in Florida, while minimizing negative social and economic impacts.

RELATED WORK

Dr. Barrow has directed the Center for Policy Analysis since 1992, where he has conducted research and provided technical assistance to state and local governments, non-profit organizations, school departments, and private business associations in the areas of industry analysis, economic impact analysis, workforce development, and program evaluation. The following is a sampling of project clients and sponsors:

- Massachusetts Department of Economic Development
- Massachusetts Cultural Council
- Rhode Island Senate
- Rhode Island House of Representatives
- New Bedford Workforce Investment Board
- Commonwealth Corporation
- Northeast Resorts Group
- Intel, Inc.
- BJs Wholesale, Inc.
- Lowe's Co.
- Circuit City, Inc.
- SouthCoast Health System
- Massachusetts Ocean Technology Network
- Massachusetts High Technology Council
- Black Bear Entertainment
- Green Meadow Golf Club

DAVID R. BORGES

ASSOCIATE DIRECTOR

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Mr. Borges is Associate Director of the Center for Policy Analysis, where he has been employed for 17 years. Mr. Borges' focus is applied policy research in the areas of program evaluation, survey research, economic impact analysis, workforce development, public management, and gaming studies. Mr. Borges is responsible for conducting CFPA's biennial New England Gaming Behavior Survey, which informs much of the casino debate in the Northeast market and serves as the cornerstone of the Center's New England Casino Gaming Update. Mr. Borges also heads the Center's Division of Polling & Program Evaluation, which specializes in public opinion polling in both quantitative and qualitative forms of program evaluation. The Division works with a wide variety of public and private organizations, including departments and agencies of state and municipal government, non-profit organizations, housing authorities, schools, media outlets, and trade associations.

EDUCATION

M.A., PUBLIC ADMINISTRATION, UNIVERSITY OF CENTRAL FLORIDA

B.A., POLITICAL SCIENCE, UNIVERSITY OF MASSACHUSETTS DARTMOUTH

PROJECT ROLE

Mr. Borges will serve as co-principal investigator on the research involving comparative market scenarios designed to maximize the economic and fiscal impacts of gaming in Florida, while minimizing negative social and economic impacts.

RELATED WORK

Mr. Borges is involved in nearly all aspects of the Center's operation, including project management and coordination, report writing, data analysis, grant and proposal development, and staff supervision. The following is a sampling of projects:

- Massachusetts Department of Economic Development
- Massachusetts Cultural Council
- New Bedford Workforce Investment Board
- City of New Bedford
- Commonwealth Corporation
- New Bedford Department of Public Health
- Alliance to Protect Nantucket Sound
- Northeast Resorts Group
- SouthCoast Health System
- Massachusetts High Technology Council
- American Lung Association
- Cape Cod Commission
- Legal Aid Coalition of Southeastern Massachusettts
- Nutter McClennen & Fish LLP
- Somerville Arts Council
- Rhode Island Senate

JEFF DENSE

PROFESSOR OF PUBLIC POLICY, EASTERN OREGON UNIVERSITY

CENTER FOR POLICY ANALYSIS AT UNIVERSITY OF MASSACHUSETTS DARTMOUTH

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Dr. Jeffrey L. Dense is a professor of public policy at Eastern Oregon University, Adjunct Research Associate at the UMass Dartmouth Center for Policy Analysis, and an internationally recognized authority on the relationship between gambling activity and public finance. His research has been published in scholarly journals, including Gaming Law Review and Economics, Encyclopedia of Public Administration and Public Policy, Journal of Travel Research, and Comparative State Politics. He also is the author of "The Socioeconomic Impact of Gaming in the Virgin Islands", which was prepared for the Bureau of Economic Research of the United States Virgin Islands (December 2002). Dr. Dense has provided expert testimony on gambling policy to a number of federal, state and local agencies, including the National Gambling Impact Study Commission, the Public Sector Gaming Study Commission, and the Massachusetts General Court. His consultancies with domestic and international jurisdictions have contributed to the development of gambling policy across the United States. Dr. Dense has previously worked with the Center for Policy Analysis as a Senior Research Associate to analyze the potential socio-economic impacts of expanded gaming in Massachusetts and Rhode Island, including its impact on public finance. His secondary research focus centers on the economic impact of the craft brewing industry, especially the effect of beer festivals on tourism, public finance, and economic development.

EDUCATION

PH.D., POLITICAL SCIENCE, UNIVERSITY OF OREGON

M.S., EDUCATIONAL ADMINISTRATION, PORTLAND STATE UNIVERSITY

B.A., POLITICAL SCIENCE, UNIVERSITY OF CALIFORNIA, LOS ANGELES

PROJECT ROLE

Dr. Dense will provide research support on comparative market scenarios designed to maximize the economic and fiscal impacts of gaming in Florida, while minimizing negative social and economic impacts, particularly on issues related to pari-mutuel gambling and the state lottery.

RELATED WORK

Dr. Dense previous project work has highlighted the role gambling activity plays in public finance, focusing on the substitution effect between different types of gambling activity, the impact of technological changes, impact of gaming taxation schemes, especially electronic gaming on public finance.. His current research also focuses on the craft brewing industry's impact on economic development, tourism, and public finance. The following is a sampling of project clients:

- United States Virgin Islands
- Massachusetts General Court
- Rhode Island Senate
- National Gambling Impact Study Commission
- Public Sector Gaming Study Commission
- North American Association of State and Provincial Lotteries
- Oregon State Lottery
- Oregon Brewers Festival
- Holiday Ale Festival

BOB WHELAN
SENIOR ECONOMIST
ECONORTHWEST
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Mr. Whelan is a senior economist who has been with ECONorthwest since 1996. He is an economist by education, but has held executive positions in market research and strategic planning for NYSE-listed corporations. He uses a broad array of economic, financial, and market research tools to successfully provide fresh, workable solutions for clients. He advises Indian tribes, local governments, nonprofit organizations, and businesses on strategies, new projects, predicting market outcomes, and completing social/economic assessments. He has analyzed a wide range of industries, including casino gaming, retail, tourism, entertainment, mining, and construction, among many others. Mr. Whelan has done financial and market feasibility studies for hotels, casinos, live theaters, cinemas, event centers, and a host of other leisure and recreational destinations.

Mr. Whelan's first foray into the gaming industry was as an economist for the consulting division of the Chase Manhattan Bank in the late 70's when Atlantic City opened its first casinos. In 1995, during a brief tenure at the State of Oregon, he pioneered the application of gravity model methodology for predicting the frequency and spending by patrons at non-tourist casinos. He also conducted surveys of gaming behavior, measured traffic and social impacts, and identified the relationships between gambling and household demographics. At ECONorthwest he has conducted research for casinos, state and local governments, racetracks, cardrooms, lotteries, and Indian tribes on all aspects of gaming, tourism, and related activities. He has worked with clients throughout the United States, both private and public.

EDUCATION

M.S., ECONOMICS, PENNSYLVANIA UNIVERSITY

B.S., EARTH SCIENCES, ADELPHI UNIVERSITY

PROJECT ROLE

Mr. Whelan will provide expertise on many aspects of the gaming industry, including economic, fiscal, and social impacts. He will lead efforts to conduct a national evaluation of the impact of casinos on their local economies. This analysis will entail building an extensive panel dataset to be used in a regression analysis to identify a correlation between the presence of various forms of casino gaming, and the economic prosperity of the affected counties.

RELATED WORK

Since joining ECONorthwest two decades ago, Mr. Whelan has conducted economic and market analyses for hundreds of clients, including dozens of projects related to the gaming industry.The following is a sampling of projects:

- Florida Seminole Coconut Creek Casino
- Cascade Locks, Warm Springs Indian Reservation, Oregon
- Clearwater Casino, Washington
- Contra Costs County, California
- Coquille Indian Tribe, Oregon
- Hood River County, Oregon
- Multnomah Greyhound Track, Oregon
- Oregon Horseracing and Breeding Industry
- Oregon Lottery
- Oregon Sports Betting
- Rolling Hills Casino in Corning, California
- Sullivan County, New York
- Umatilla Indian Reservation, Oregon

NICK POPENUK
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Mr. Popenuk is a project manager at ECONorthwest with a background in regional planning and public-sector finance. He has overseen a wide range of projects related to land use and development, including real estate negotiations, development feasibility studies, economic cluster analysis, and financial pro forma analysis.

Mr. Popenuk's recent work focuses on urban renewal, including analyzing development potential, forecasting future growth in value, projecting future long- and short-term borrowing costs and debt service schedules, and providing advice and guidance to policy makers throughout the process.

EDUCATION

B.S., PLANNING, PUBLIC POLICY AND MANAGEMENT, UNIVERSITY OF OREGON

PROJECT ROLE

Mr. Popenuk will assist with various aspects of the gaming analysis, including the national evaluation of the impact of casinos on their local economies. Additionally, he would assist other team members in evaluating the fiscal impacts to the State of Florida, focusing on changes in tax revenues that would result from potential public policies.

RELATED WORK

Since joining ECONorthwest in 2008, Mr. Popenuk has conducted dozens of economic and fiscal analyses for public and private clients. The following is a sampling of projects:

- Metropolitan Exposition and Recreation Commission
- League of Oregon Cities
- Confederated Tribes of the Warm Springs
- Association of Oregon Redevelompent Agencies
- Portland Development Commission

Dozens of cities, including:

- Portland, Oregon
- Oklahoma City, Oklahoma
- Billings, Montana
- Olympia, Washington
- Tulsa, Oklahoma
- Hillsboro, Oregon
- Gresham, Oregon
- Lake Oswego, Oregon
- Canby, Oregon

ALAN P. MEISTER
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Dr. Meister is an economist specializing in the application of economic analysis to public policy, litigation, regulatory, and strategic business matters. In his public policy work, he has conducted economic analysis to identify and measure the effects of: regulations; legislation; taxation; the passage of ballot initiatives; government programs and services; publicly funded projects; commercial and mixed-use developments in low-income areas; the construction, expansion, and operation of various types of businesses; sporting and entertainment events; and medical research.

Dr. Meister has extensive experience analyzing economic issues related to the gaming industry, particularly Indian gaming, commercial casinos, racinos, and card rooms. In addition to his consulting work, he has conducted years of independent, scholarly research on the gaming industry and authored a number of publications, most notably his annual study, the *Indian Gaming Industry Report*. His gaming work is utilized by governments, the gaming industry, and the investment community, and also has been relied upon before the United States Supreme Court, the World Trade Organization, and the National Indian Gaming Commission. He leads the Gaming Industry and Indian Gaming consulting practices at Nathan Associates.

EDUCATION

PH.D., ECONOMICS, UNIVERSITY OF CALIFORNIA, IRVINE

M.A., ECONOMICS, UNIVERSITY OF CALIFORNIA, IRVINE

B.A., ECONOMICS, UNIVERSITY OF CALIFORNIA, IRVINE

PROJECT ROLE

Dr. Meister will serve as the principal investigator and team leader for all economic impact analyses, as well as the statistical analysis of the relationships between gaming and economic variables for communities. He also will support other components of the study involving Indian gaming.

RELATED WORK

Dr. Meister's public policy work has included economic and fiscal impact analyses, assessments of the contribution of businesses and industries to the economy, cost-benefit analyses, and surveys. His gaming industry work has included economic and fiscal impact studies, industry and market analyses, assessments of regulatory policies, analyses of Tribal-State gaming compacts and revenue sharing, feasibility studies, surveys, and economic analysis and expert testimony in litigation and regulatory matters. Dr. Meister has been commissioned by the National Indian Gaming Commission to independently analyze the economic effects of proposed regulatory changes. Below is a sampling of states in which Dr. Meister has conducted studies:

Gaming Matters:

- Alabama
- Arizona
- California
- Kansas
- Minnesota
- Nevada
- New Mexico
- North Dakota
- Oklahoma
- South Dakota
- Washington
- Wisconsin

Economic Impact Analysis Matters:

- Arizona
- California
- Missouri
- Oklahoma
- Washington
- Wisconsin

JAMES NICKERSON
DIRECTOR
WHITESAND GAMING
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(609) 501-3374

Mr. Nickerson is a Director with WhiteSand Gaming and a 30 year business veteran, with 25 years of experience as a Gaming and Hospitality industry professional. Mr. Nickerson has held several executive management positions in the casino industry.

Mr. Nickerson's experience also includes management positions with KPMG Consulting and PricewaterhouseCoopers as well as several management positions with Harrah's Entertainment Corporation, Showboat Atlantic City, Morongo Casino Resort and National Freight, Inc. He has been involved in several high profile casino resort openings, nationally and internationally, including Star City and Sydney Harbour Casinos in Australia, Showboat East Chicago, Wynn Las Vegas, Mohegan Sun at Pocono, Rivers Casino in Pittsburgh, Revel Entertainment, Star Casino in New Orleans, and the Borgata in Atlantic City.

EDUCATION

M.B.A., CONCENTRATION IN FINANCE, WIDNENER UNIVERSITY

B.S., SPECIAL EDUCATION, THE COLLEGE OF NEW JERSEY

PROJECT ROLE

Mr. Nickerson will serve as the team leader for WhiteSand Gaming during this study. As team leader he will be responsible for the successful completion of the study. As the key point of contact with WhiteSand Gaming, he will oversee all the work product, assignments, logistics, communications and deliverables.

RELATED WORK

He has extensive experience in all aspects of Casino and Gaming Market Research, Surveys and Focus Groups including recent projects with Boyd Gaming, Borgata, Atlantic City, Barona Resort and Casino, Morongo Casino Resort and Spa, and the Atlantic City Convention and Visitors Authority. He has conducted many operational and information technology assessments and performed numerous market demand studies. The following is a sampling of projects:

- Aliante Casino Resort
- Borgata Hotel Casino
- Boyd Gaming
- Harrah's Entertainment
- Maryland Lottery System
- Revel Entertainment
- Idaho Lottery
- MGM Resorts
- Mohegan Sun
- Sandia Resort
- Seneca Nation of Indians
- Colony Capital.
- Nikki Beach, Turks and Caicos
- Rivers Casino
- San Manuel Bingo & Casino
- Sandia Resort
- Seneca Nation of Indians
- Sky City Casino
- Stardust Resort & Casino
- Station Casinos, Inc.
- Sycuan Casino
- Tabcorp - Australia
- Full House Resorts
- Wynn Las Vegas
- Trump Entertainment Resorts
  Valley Forge Casino Resort

MAUREEN D. WILLIAMSON, ESQ.

WHITESAND GAMING

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Ms. Williamson leads WhiteSand Gaming's Regulatory Advisory Practice Group. She has been involved in gaming either as a regulator, attorney, or operational consultant for more than 25 years. Her areas of expertise include drafting of enabling legislation and operating regulations, design and evaluation of systems of internal control, technical standards for emerging technologies, facility development, consulting, and management agreements. Ms. Williamson has extensive experience in designing and implementing comprehensive gaming regulatory schemes. While with WhiteSand she authored the video lottery terminal MICS and technical standards for the Maryland State Lottery Agency. While directing gaming operations as Deputy Chief Counsel for the Pennsylvania Gaming Control Board (PGCB) she authored much of Pennsylvania's regulatory scheme and coordinated the education and training of the audit, compliance and investigative staffs necessary to support it. Before joining the PGCB, Ms. Williamson was a Deputy Attorney General with the New Jersey Division of Gaming Enforcement. Among her many responsibilities in that capacity, she directed the Division's rulemaking efforts. Her private practice experience includes gaming consultation in emerging jurisdictions, notably Puerto Rico, the Dominican Republic, and the Turks and Caicos Islands.

EDUCATION

J.D., RUTGERS SCHOOL OF LAW

B.A., *CUM LAUDE*, ECONOMICS, URSINUS COLLEGE

PROJECT ROLE

Ms. Williamson will support all aspects of the WhiteSand effort as well as other members of the MGT Team. Her primary focus will be options in regulatory schemes and trends and best practices in governance and regulation.

RELATED WORK

In gaming, most operational decisions have a regulatory component. Ms. Williamson ensures that clients understand the compliance solutions realistically available to them and how each decision impacts the financial and operational integrity of the facility as well as the ability of the jurisdiction to attract and retain investment. This type of analysis is a key component of the study requested by the Florida Legislature. Notable projects have involved:

- Maryland State Lottery
- City of San Jose, California
- PPE Casino Resorts (Cordish)
- Barden Companies
- Revel Entertainment
- Golden Nugget AC
- Ocean Downs
- Penn National
- New Jersey Casino Control Commission
- New Jersey Division of Gaming Enforcement
- Pennsylvania Gaming Control Board

TECHNICAL – PART I
APPENDIX A

A PROPOSAL TO CONDUCT PART I OF THE TWO-PART GAMING STUDY FOR THE FLORIDA LEGISLATURE

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March 20, 2013

MGT OF AMERICA, INC.

Florida | Texas | California | Michigan | Washington

TAKING THE GAMBLE I:

DO MASSACHUSETTS RESIDENTS WANT A RESORT CASINO?

Executive Summary

Prepared

By

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

February 2007

UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CENTER FOR POLICY ANALYSIS

The University of Massachusetts Dartmouth Center for Policy Analysis is a multidisciplinary research unit that promotes economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and polling research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis strives to erode the walls between research and teaching by training students in the techniques of applied social science and by conducting university and community based educational programs. The Center for Policy Analysis does not pursue a predetermined research agenda, but is a flexible research organization responding on a timely basis to the problems and issues identified by client agencies.

Correspondence and inquiries should be addressed to: Center for Policy Analysis, University of Massachusetts Dartmouth, 285 Old Westport Road, North Dartmouth, Massachusetts 02747-2300 (telephone: 508-990-9660; fax: 508-999-8374).
Authors: Clyde W. Barrow and David R. Borges

Website URL: www.umassd.edu/cfpa

Polling & Program Evaluation Research Series No. 49

EXECUTIVE SUMMARY:

Do Massachusetts Voters Support the Authorization of a Resort Casino in the Bay State?

a) Do Bay State residents favor or oppose the authorization of a resort casino and how does the support and opposition break out by region, age, income, sex, and education?

A random sample of 1,041 Massachusetts residents was asked the following question: "In your opinion, should the state legislature authorize a resort casino for Massachusetts? yes – no – don't know." (Margin of error = +/- 3.1%).

Support for a Casino Statewide and by Region

- Massachusetts residents favor the authorization of a resort casino in the Bay State by a large margin: 56.5% (yes), 30.1% (no), and 13.5% (don't know/undecided) (see Table 1).
- Residents in every region of the state favor the authorization of a casino, with the exception of Cape & Islands residents, where statically residents are evenly divided (43% yes/41% no/16% undecided) (see Table 1).

Table 1

Should the State Legislature Authorize a Resort Casino in Massachusetts?

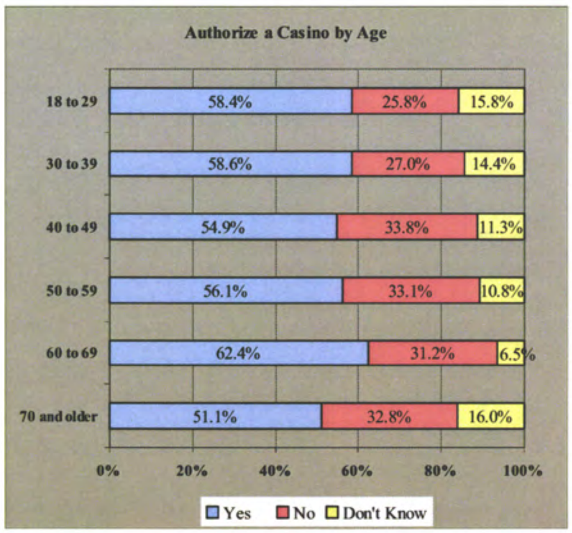
	Yes	No	Don't Know
All Respondents	56.5%	30.1%	13.5%
Region:			
Northeastern Mass.	61.3%	28.0%	10.8%
Worcester	57.7%	31.5%	10.8%
Greater Boston	57.5%	29.9%	12.6%
Southeastern Mass.	56.5%	31.0%	12.5%
Western Mass.	53.1%	24.8%	22.1%
Cape & Islands	42.9%	40.8%	16.3%

Regional definitions are as follows:
Cape & Islands: Barnstable County, Dukes County, Nantucket Count
Greater Boston: Middlesex County, Suffolk County, Norfolk County
Northeastern Mass: Essex County
Southeastern Mass: Bristol County, Plymouth County
Western Mass: Berkshire, Franklin, Hampshire, & Hampden Counti
Worcester: Worcester County

Support for a Casino By Age Cohorts

- A majority of residents in every age cohort favor the authorization of a casino. The strongest support for a casino (62% yes/31% no/7% undecided) is in the 60-69 age cohort; the weakest support for a casino (51% yes/33% no/16% undecided) is among the 70 and older age cohort (see Figure 1).

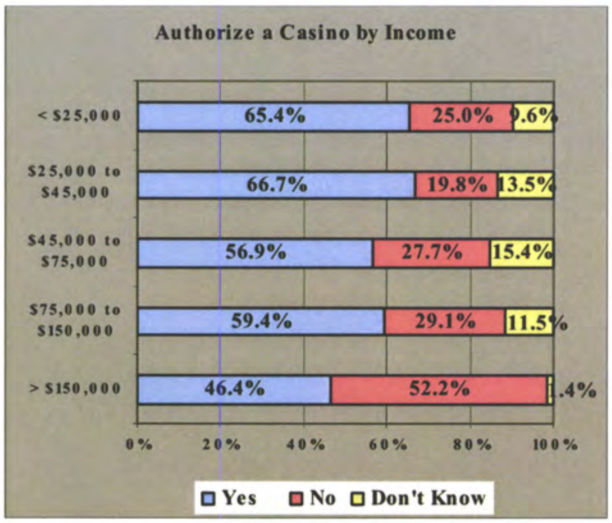
Figure 1



Support for a Casino By Income Strata

- Residents in all income strata, except those making more than $150,000 per year favor the authorization of a casino. About two-thirds of the state's residents earning up to $45,000 per year favor a casino, while a large majority of those earning between $45,000-$75,000 (57%) and those earning from $75,000-$150,000 (59%) per year also favor a casino. Residents earning more than $150,000 per year are the only income strata to oppose a casino (46% yes/52% no/1% undecided) (see Figure 2).

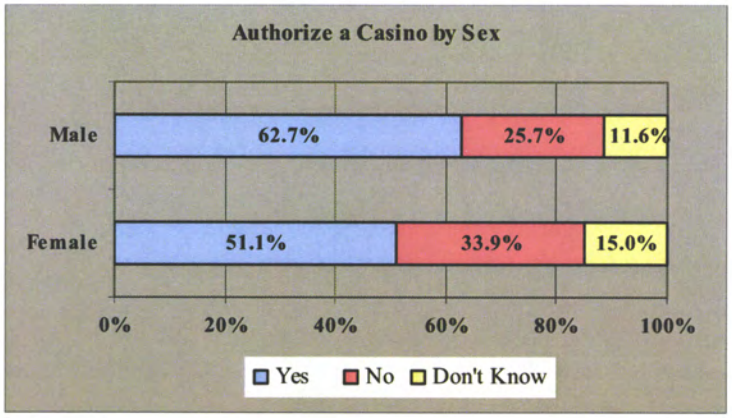
Figure 2



Support for a Casino by Sex

- A majority of both males (about 63%) and females (51%) favor the authorization of a casino (see Figure 3), although support among males is statistically much stronger than among females.

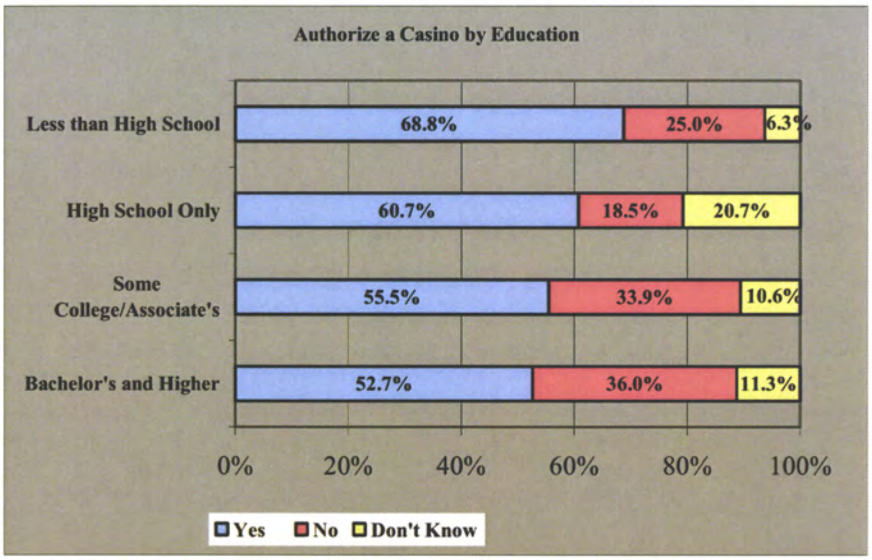
Figure 3



Support for a Casino by Educational Attainment

- A majority of residents at every level of educational attainment favors the authorization of a resort casino in Massachusetts. Support for a casino is strongest among those with less than a high school education (63% yes/26% no/11% undecided) and weakest among those with a bachelor's degree or higher (51% yes/34% no/15% undecided). However, even among those with a bachelor's degree or higher only 36% firmly oppose the authorization of a resort casino in the state.

Figure 4



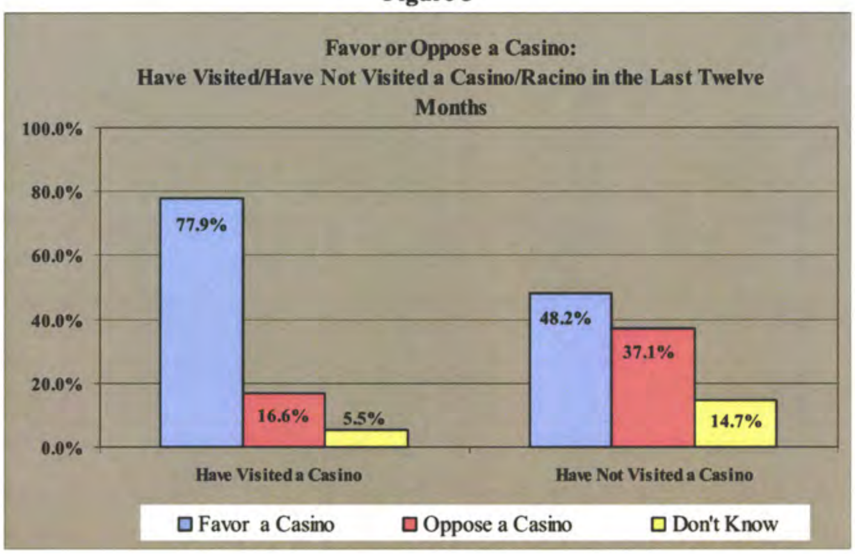
Support for a Casino Among Casino/Racino Gamblers & Non-Gamblers

A random sample of 1,041 Massachusetts residents was asked the following series of questions: During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut…Mohegan Sun Casino in Connecticut…Lincoln Park in Lincoln, Rhode Island….Newport Grand in Newport, Rhode Island?" The same residents were also asked "During the last 12 months, have you visited Hollywood Slots in Bangor, Maine…a casino in Atlantic City, New Jersey…a casino in Las Vegas, Nevada…a casino in any other place in the United States or abroad?" (Margin of error = +/- 3.1%).

- During the last 12 months, 29% of Massachusetts residents state that they have visited a casino or racino at least once in an out-of-state jurisdiction.[1]

- Support for a casino is significantly higher (78%) among those who have visited a casino or racino in the last year. However, nearly half (48%) of those who have not visited a casino or racino in the last 12 months also favor the authorization of a casino (see Figure 5).

Figure 5

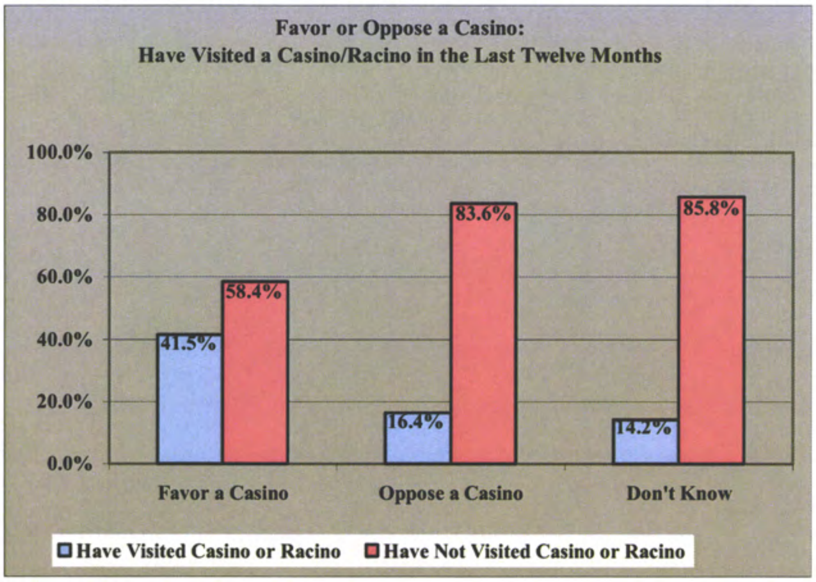


- Notably, over 58% of those who favor the authorization of a resort casino in Massachusetts have not gambled at a casino or racino in the last 12 months so their support for a casino does not appear linked to their participation in gambling. In other words, a majority of those who favor the authorization of a resort casino in Massachusetts are NOT regular casino/racino gamblers, but residents who are persuaded that the economic and fiscal benefits of a casino outweigh the potential social impacts (see Figure 6 and other tables below).

[1] This finding is statistically consistent with a March 2006 Boston Globe/University of New Hampshire survey of 503 Massachusetts "likely voters" (4.4% margin of error), which found that 31% of the state's likely voters had "traveled outside of Massachusetts in the past year specifically to visit a casino or other type of gaming facility" (see, *Boston Globe*, March 13, 2006, p. A1.

- Of those who oppose the authorization of a resort casino, nearly 84% have not visited a casino or racino in the last 12 months. Similarly, about 86% of the state's residents who are undecided about a casino have not visited a casino or racino in the last 12 months (see Figure 6).

Figure 6



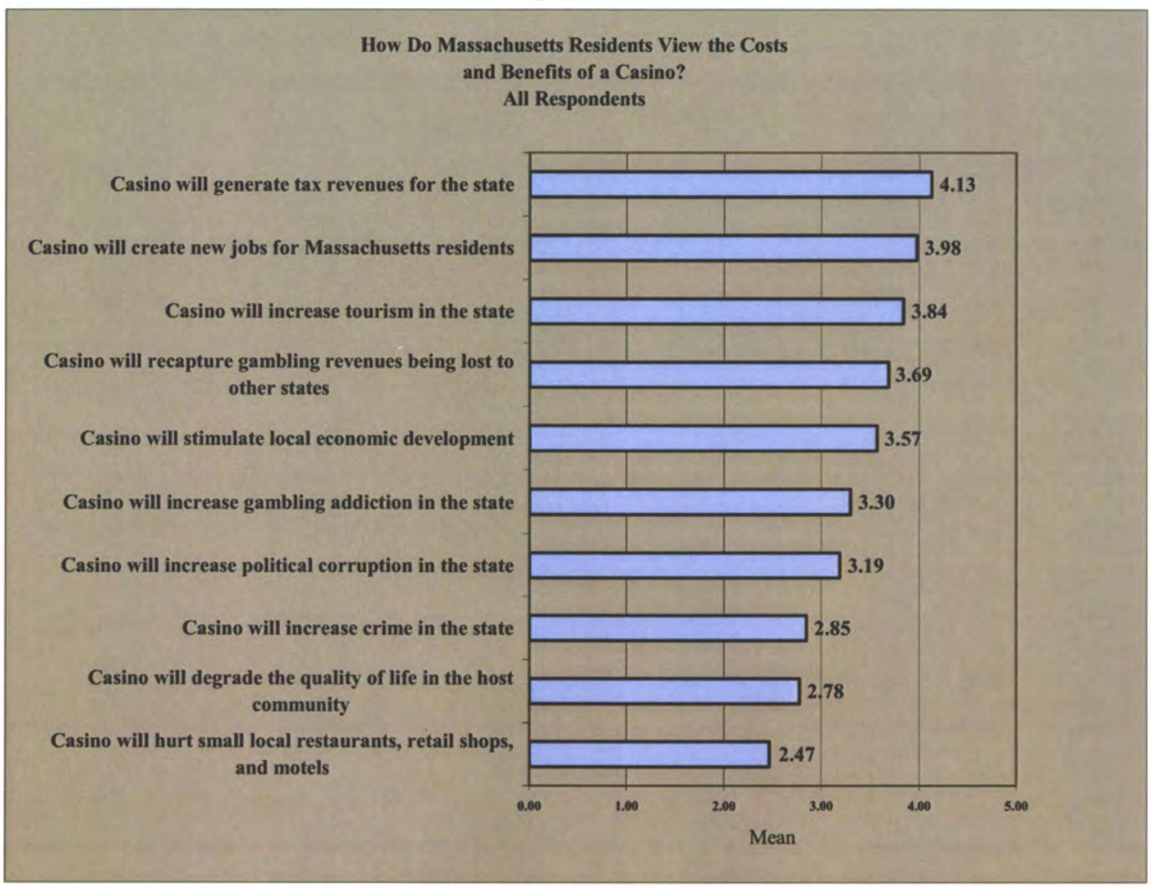
b) How do Bay State residents assess the comparative costs and benefits of a resort casino?

The Center for Policy Analysis asked 1,041 Massachusetts residents 10 questions about the potential economic and fiscal benefits of a casino (5 questions) and the potential negative social impacts of a casino (5 questions). Residents were asked: "On a scale of 1 to 5, with 1 being 'strongly disagree' and 5 being 'strongly agree,' how strongly do you agree that a resort casino in Massachusetts would..." The respondents' answers were averaged to produce a single rating from 1.0 (strongly disagree) to 5.0 (strongly agree) for each benefit and social impact. (Margin of error = +/- 3.1%).

<u>Residents' Assessment of Benefits and Costs of a Casino Statewide</u>

- In the statewide sample, Massachusetts residents agree that the five "benefits" identified for a casino outweigh the five social impacts identified for a casino, with most residents "agreeing" or "strongly agreeing" that a casino will generate tax revenues for the state, create new jobs for Massachusetts residents, increase tourism in the state, recapture gambling revenues being lost to other states, and stimulate local economic development (see Figure 7).

Figure 7



- Residents are most skeptical of, and tend to "disagree" or "strongly disagree," with the oft-stated claim that a casino will hurt local restaurants, retail shops and hotels and motels, degrade the quality of life in the host community, or increase crime (see Figure 7).

- However, residents generally agree that a casino has the potential to increase gambling addiction and political corruption in the state (see Figure 7).

- The intensity of Massachusetts residents' answers to the benefits/costs questions sheds additional light on how residents perceive the benefits and costs of a casino. Nearly 76% of all residents strongly agree that a casino will generate tax revenues for the state. More than two-thirds (69%) of all residents strongly agree that a casino will create new jobs for Massachusetts residents, and 67% of all residents strongly agree that a casino will increase tourism in the state (see Table 2).

- Similarly, nearly 62% of all residents strongly agree that a casino will recapture gambling revenues being lost to other states, such as Connecticut and Rhode Island, and more than 56% of all residents believe that a casino will stimulate local economic development (see Table 2).

- Conversely, just 27% of residents strongly agree that a casino will hurt local restaurants, retail shops and motels. Only 33% strongly agree that a casino will degrade the quality of life in the host community and just 35% strongly agree that a casino will increase crime (see Table 2).

- Among the social impacts identified with a casino, approximately 44% strongly agree that a casino will increase political corruption in the state, while 48% strongly agree that a casino will increase gambling addiction (see Table 2).

Table 2

How Do Massachusetts Residents View the Costs and Benefits of a Casino?

	Strongly Disagree 1	2	3	Strongly Agree 4	5
Casino will generate tax revenues for the state	7.5%	3.0%	13.6%	20.4%	55.5%
Casino will create new jobs for Massachusetts residents	10.7%	4.3%	16.0%	14.4%	54.6%
Casino will increase tourism in the state	9.9%	5.8%	17.3%	24.5%	42.5%
Casino will recapture gambling revenues being lost to other states	16.6%	4.0%	17.7%	16.8%	44.9%
Casino will stimulate local economic development	13.2%	8.4%	22.0%	20.9%	35.5%
Casino will increase gambling addiction in the state	20.7%	13.6%	17.6%	11.6%	36.5%
Casino will increase political corruption in the state	22.8%	12.9%	19.9%	11.6%	32.8%
Casino will increase crime in the state	27.6%	16.6%	20.8%	12.6%	22.4%
Casino will degrade the quality of life in the host community	31.6%	13.8%	21.5%	10.9%	22.2%
Casino will hurt small local restaurants, retail shops, and motels	39.1%	17.0%	17.2%	10.6%	16.0%

Residents' Assessment of Benefits and Costs of a Casino Among Residents Who Favor/Oppose a Casino

- Massachusetts residents who favor the authorization of a resort casino in the state rate the five potential economic and fiscal benefits of a resort casino higher than residents who oppose a resort casino, while residents who favor a casino --- about 57%, a majority of all residents --- also rate the potential "social impacts" as a much lower concern than residents who oppose a resort casino (see Table 3).

- While the 30 percent of residents who oppose a casino agree that a casino will create jobs, generate tax revenues, recapture gambling revenues being lost to other states, and increase tourism, they "agree" or "strongly agree" that four of the five social impacts outweigh the potential economic and fiscal benefits of a casino. These residents are most concerned about the potential for political corruption and gambling addiction (see Table 3).

- The nearly 14% of Massachusetts residents who are "undecided" about a casino generally agree that the potential economic and fiscal benefits of a casino outweigh the potential social impacts. Nevertheless, undecided residents are slightly more concerned about the social impacts of a casino than those who favor a resort casino and slightly less convinced of the magnitude of its economic and fiscal benefits (see Table 3).

Table 3

How Do Massachusetts Residents View the Costs and Benefits of a Casino?

Average Scores On a Scale of 1 to 5, with 5 Meaning Most Strongly Agree

	All Respondents	Favor Casino	Oppose Casino	Don't Know
Casino will generate tax revenues for the state	4.13	4.46	3.52	4.04
Casino will create new jobs for Massachusetts residents	3.98	4.45	3.05	3.93
Casino will increase tourism in the state	3.84	4.21	3.07	3.88
Casino will recapture gambling revenues being lost to other states	3.69	4.01	3.10	3.57
Casino will stimulate local economic development	3.57	4.00	2.76	3.47
Casino will increase gambling addiction in the state	3.30	2.71	4.31	3.45
Casino will increase political corruption in the state	3.19	2.80	3.91	3.15
Casino will increase crime in the state	2.85	2.27	3.89	3.04
Casino will degrade the quality of life in the host community	2.78	2.27	3.76	2.80
Casino will hurt small local restaurants, retail shops, and motels	2.47	2.12	3.18	2.48

Residents' Assessment of Benefits and Costs of a Casino by Region

- Residents in every region of the state agree or strongly agree that the economic and fiscal benefits of a casino outweigh the social impacts of a casino. However, residents do agree that a casino will have some social impacts and again cite the potential for increased political corruption and gambling addiction as their greatest concerns (see Table 4).

Table 4

How Do Massachusetts Residents View the Costs and Benefits of a Casino?

Average Scores On a Scale of 1 to 5, with 5 Meaning Most Strongly Agree

	All Respondents	Cape & Islands	Greater Boston	Northeastern Mass.	Southeastern Mass.	Western Mass.	Worcester County
Casino will generate tax revenues for the state	4.13	4.11	4.15	4.46	4.12	4.15	3.80
Casino will create new jobs for Massachusetts residents	3.98	3.94	3.84	4.22	4.07	4.11	4.04
Casino will increase tourism in the state	3.84	3.48	3.74	4.06	3.88	4.01	3.97
Casino will recapture gambling revenues being lost to other states	3.69	4.00	3.71	3.90	3.63	3.67	3.45
Casino will stimulate local economic development	3.57	3.44	3.42	3.71	3.60	3.83	3.82
Casino will increase gambling addiction in the state	3.30	3.30	3.36	3.39	3.01	3.32	3.48
Casino will increase political corruption in the state	3.19	3.08	3.13	3.39	3.11	3.30	3.34
Casino will increase crime in the state	2.85	2.64	2.85	2.85	2.90	2.79	2.93
Casino will degrade the quality of life in the host community	2.78	2.80	2.83	2.63	2.64	2.81	2.97
Casino will hurt small local restaurants, retail shops, and motels	2.47	3.00	2.28	2.60	2.52	2.75	2.61

Residents' Assessment of Benefits and Costs of a Casino by Educational Attainment

- Residents at every level of educational attainment agree or strongly agree that the economic and fiscal benefits of a resort casino outweigh the potential social impacts. The lower one's level of educational attainment, the more one is likely to strongly agree with statements about the potential economic and fiscal benefits of a casino. Nevertheless, even those with a bachelor's degree or higher rate four of the five economic and fiscal benefits higher than the potential social impacts (see Table 5).

Table 5

How Do Massachusetts Residents View the Costs and Benefits of a Casino?

By Education

	All Respondents	Less Than High School	High School Only	Some College or Associate's	Bachelor's & Higher
Casino will generate tax revenues for the state	4.13	4.53	4.14	4.16	4.05
Casino will create new jobs for Massachusetts residents	3.98	4.68	4.09	4.12	3.71
Casino will increase tourism in the state	3.84	4.52	4.10	3.91	3.53
Casino will recapture gambling revenues being lost to other states	3.69	4.45	3.82	3.75	3.47
Casino will stimulate local economic development	3.57	4.03	3.75	3.71	3.29
Casino will increase gambling addiction in the state	3.30	3.07	3.09	3.30	3.45
Casino will increase political corruption in the state	3.19	2.61	3.07	3.22	3.30
Casino will increase crime in the state	2.85	2.55	2.62	2.91	3.00
Casino will degrade the quality of life in the host community	2.78	2.97	2.55	2.66	3.00
Casino will hurt small local restaurants, retail shops, and motels	2.47	2.31	2.45	2.39	2.60

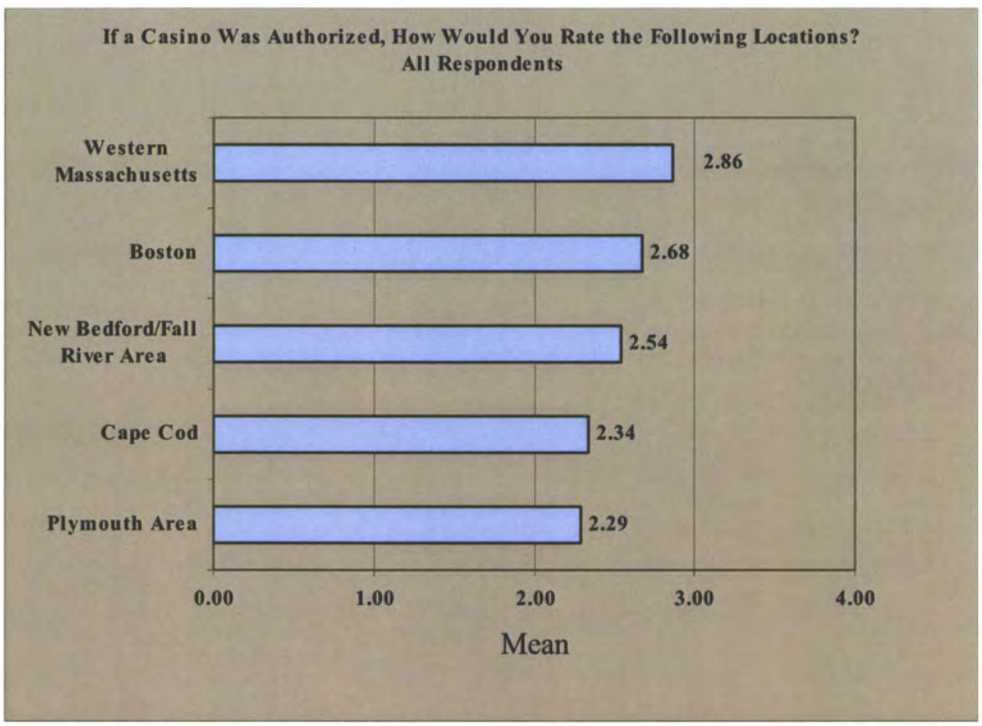
c) If Massachusetts lawmakers were to authorize one or more casinos, what location would residents most prefer?

The Center for Policy Analysis asked 1,041 Massachusetts residents to rate several potential locations for a resort casino on a scale of 1 to 5 with 1 being a "poor location" and 5 being a "great location." The locations identified as possible sites for a resort casino were the New Bedford/Fall River area, Plymouth, Cape Cod, Boston, and Western Massachusetts. These locations were selected for the survey because each location has been discussed publicly as a potential casino site at some point during the last decade.[2] (Margin-of-error = +/- 3.1%).

Locations Most Preferred Statewide

- Western Massachusetts, Boston, and the New Bedford/Fall River area received the highest ratings (average = 2.5 or higher), while residents consider Cape Cod and Plymouth to be poor locations (average less than 2.5) for a casino (see Figure 8).

Figure 8



[2] Northeastern Massachusetts was not included as a possible site even Salisbury was considered as a possible site in the state's 1999 casino legislation. Shortly thereafter, the citizens of Salisbury voted against hosting a casino.

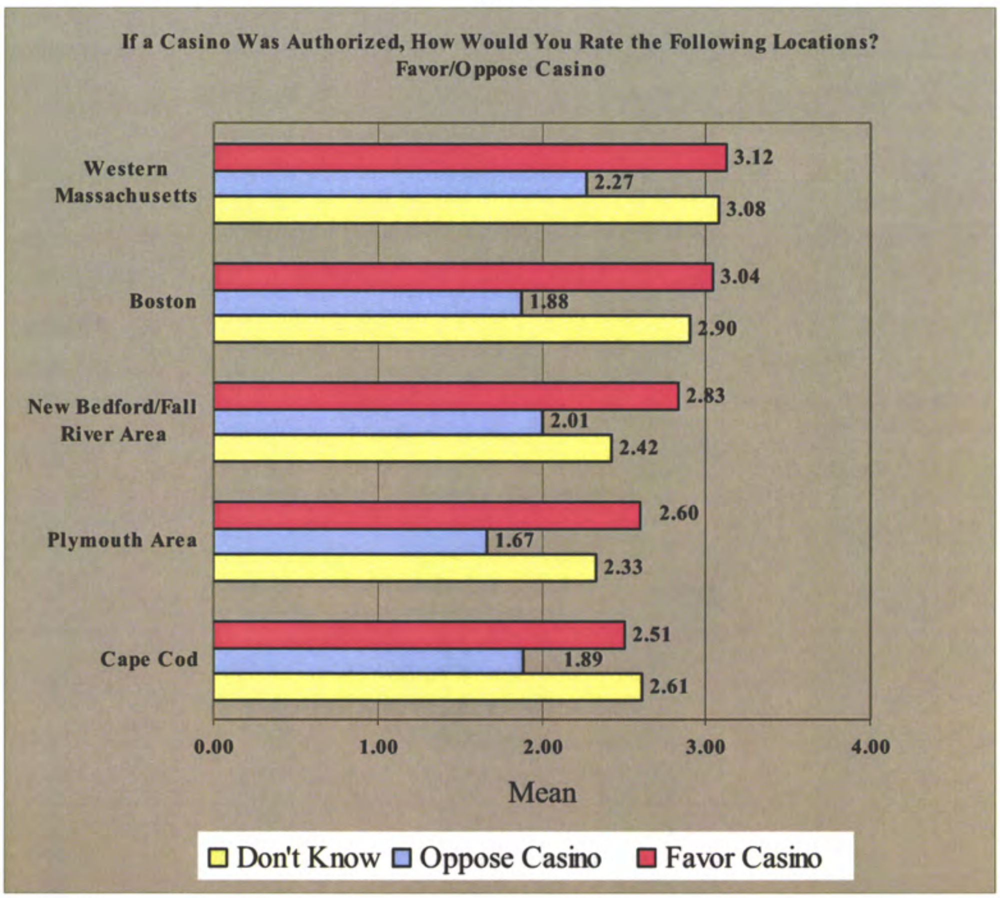
Locations Most Preferred by Residents Who Favor/Oppose a Casino

The overall ratings for various casino sites were skewed by respondents who oppose the authorization of a resort casino in Massachusetts, because these residents rated all possible sites as a poor location (see Figure 9).

- However, among the 57% of Massachusetts residents who favor the authorization of a resort casino, and among those residents who remain undecided (14%) on the issue, Western Massachusetts and Boston are rated as good locations, while the New Bedford/Fall River area is rated as an acceptable location (see Figure 9).

- Plymouth and Cape Cod are rated as the least desirable locations for a casino among those who favor a casino, those who oppose a casino, and those who are undecided (see Figure 9).

Figure 9



APPENDIX A
Methodology

What is the New England Gaming Behavior Survey?

The New England Gaming Behavior Survey was conducted to inform on-going debates about expanded gambling in Maine, Massachusetts, and Rhode Island. The Center for Policy Analysis conducted a random sample telephone survey of 2,806 residents in Massachusetts, Maine, New Hampshire, and Rhode Island to determine the propensity to gamble and to identify patterns in gambling behavior among the four states' residents. The survey also measures the public's assessment of the comparative costs and benefits of expanded gambling in Massachusetts.

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hamphsire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.[3] The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

[3] This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 4.6 percentage points of the answer given in this poll.

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

All telephone interviewers at trained intensively by Center for Policy Analysis staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a \$3.4 billion industry in New England that employs approximately 23,000 people at Foxwoods and Mohegan Sun resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate \$1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly \$1.6 billion in new capital investments to expand their operations, including a \$700 million expansion at Foxwoods Resort Casino, a \$125 million expansion at Lincoln Park, and the construction of a new \$90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Mohegan Sun announced a \$740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat

House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Mohegan's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a $25 million that expansion that includes a new stand-alone hotel and a reburbishment of its gaming space that will house up to 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Foxwoods and Mohegan Sun generated more than $427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than $246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated $18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLT's at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a $1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, http://www.umassd.edu/cfpa/gaming.cfm

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to http://www.umassd.edu/cfpa

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: ________ ID #: _____ State: ________ Interviewer: ________________
Date: ____________

Hi, my name is _________ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. □ Yes □ No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? ___________________________________

1. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?

□ Yes □ No

[If NO, please skip to question 3. If yes, continue.]

2. Did you participate in any of the following forms of gambling in the last 12 months? How about:

Scratch Tickets	□ Yes	□ No	□ DK/Refused
Other Lottery games such as Megabucks or Powerball	□ Yes	□ No	□ DK/Refused
Keno	□ Yes	□ No	□ DK/Refused
Casino gambling	□ Yes	□ No	□ DK/Refused
Wagered on a dog or horse race	□ Yes	□ No	□ DK/Refused
Bingo	□ Yes	□ No	□ DK/Refused
Wagering over the Internet	□ Yes	□ No	□ DK/Refused

3. During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut?

_____

[If 0 times go to question 4]

3a. [If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Foxwoods in the last 12 months? How about:

Not Important → Very Important	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. On your last visit to Foxwoods, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

3c. When you visit Foxwoods, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o bingo
- o do not gamble

4. During the last 12 months, how many times did you visit Mohegan Sun Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Mohegan Sun in the last 12 months? How about:

	Not Important				Very Important
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

4b. On your last visit to Mohegan Sun, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

4c. When you visit Mohegan Sun, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o do not gamble

5. During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?

_____

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important → 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

6. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ___

[If 0 times go to question 7 below]

6a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. On your last visit to Newport Grand, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

7. During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?

- o yes
- o no

8. During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____

9. During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times? ____

10. During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- o yes
- o no
- o don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location → 1	2	3	4	Great Location 5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree → 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?

- o yes
- o no
- o don't know

15. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:

	Strongly Disagree →				Strongly Agree	
	1	2	3	4	5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. [For Maine residents only]

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- o yes
- o no
- o don't know

17. Gambling Problem Questions:

		Yes	No
a	Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b	Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c	Have you ever tried to stop, cut down, or control your gambling?		
d	**[If yes]** Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e	Have you ever gambled as a way to escape from personal problems?		
f	Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g	Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h	Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i	Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j	Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? ________

19. Sex

- ❑ male
- ❑ female

20. What is the last grade of school that you completed? [Read Choices]

- ❑ less than high school
- ❑ high school diploma
- ❑ some college
- ❑ Associate's
- ❑ Bachelor's
- ❑ Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- ❑ Less than $25,000
- ❑ $25,000 to $45,000
- ❑ $45,000 to $75,000
- ❑ $75,000 to 150,000
- ❑ $150,00 or more
- ❑ don't know/refused

APPENDIX C

New England Gaming Behavior Survey: Profile of Massachusetts Survey Sample

A total of 1,041 telephone interviews of Massachusetts residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of survey respondents, including age, income, education, age and region of the state.

A. Sex

Sex	Percent
Male	46.7%
Femal€	53.3%

B. Income

Income	Percent
Less than $25,000	14.7%
$25,000 to $45,000	16.0%
$45,000 to $75,000	26.6%
$75,000 to $150,000	33.1%
More than $150,000	9.7%

C. Education

Education	Percent
Less than High School	4.6%
High School Only	27.0%
Some College/Associat€	28.6%
Bachelor's and Higher	39.8%

D. Age

Age	Percent
18 to 29	20.8%
30 to 39	21.4%
40 to 49	20.5%
50 to 59	14.8%
60 to 69	9.3%
70 and older	13.2%

E. Region

Massachusetts Region	Percent
Cape & Islands	4.7%
Greater Boston	43.6%
Northeastern Mass.	9.0%
Southeastern Mass.	21.2%
Western Mass.	10.9%
Worcester County	10.7%

Regional definitions are as follows:
Cape & Islands: Barnstable County, Dukes County, Nantucket County
Greater Boston: Middlesex County, Suffolk County, Norfolk County
Northeastern Mass: Essex County
Southeastern Mass: Bristol County, Plymouth County
Western Mass: Berkshire County, Franklin County, Hampshire County, Hampden County
Worcester: Worcester County

TAKING THE GAMBLE II:

DO MASSACHUSETTS RESIDENTS WANT SLOT MACHINES AT THE STATE'S RACETRACKS?

Executive Summary

Prepared

By

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

February 2007

UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CENTER FOR POLICY ANALYSIS

The University of Massachusetts Dartmouth Center for Policy Analysis is a multidisciplinary research unit that promotes economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and polling research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis strives to erode the walls between research and teaching by training students in the techniques of applied social science and by conducting university and community based educational programs. The Center for Policy Analysis does not pursue a predetermined research agenda, but is a flexible research organization responding on a timely basis to the problems and issues identified by client agencies.

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Authors: Clyde W. Barrow and David R. Borges

Website URL: www.umassd.edu/cfpa

Polling & Program Evaluation Research Series No. 50

EXECUTIVE SUMMARY:

Do Massachusetts Voters Support the Authorization of Slot Machines at the Bay State's Four Racetracks?

a) Do Bay State residents favor or oppose the authorization of slot machines at the state's four race tracks and how does the support and opposition break out by region, age, income, sex, and education?

A random sample of 1,041 Massachusetts residents was asked the following question: "Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks? yes – no – don't know." (Margin of error = +/- 3.1%).

Support for Racinos Statewide and by Region

- Massachusetts residents favor the authorization of slot machines at the state's four racetracks by a large margin: 53% (yes), 29% (no), and 18% (don't know/undecided) (see Table 1).
- Residents in every region of the state are uniform in their support for authorizing slot machines at the state's four racetracks (see Table 1).

Table 1

Should the State Legislature Authorize Slot Machines at the State's Four Race Tracks?

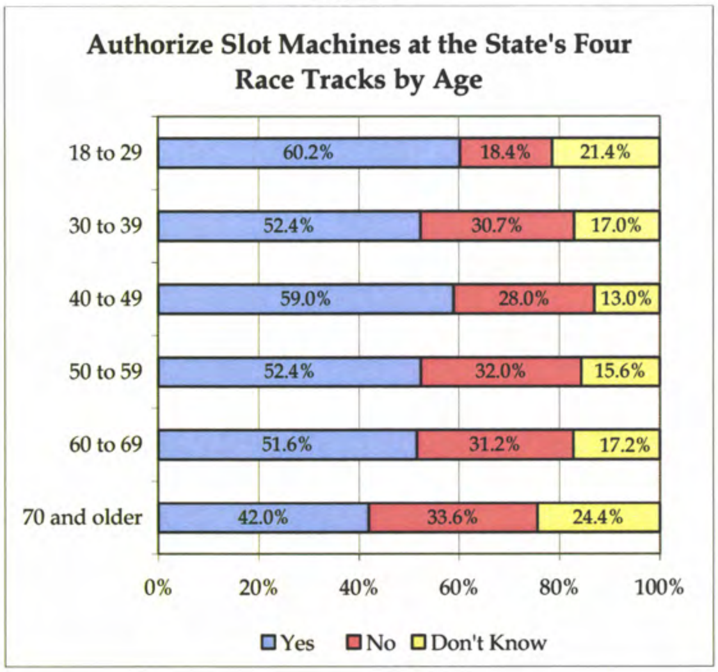
	Yes	No	Don't Know
All Respondents	53.3%	29.0%	17.7%
Region:			
Cape & Islands	54.2%	27.1%	18.8%
Greater Boston	52.6%	30.1%	17.3%
Northeastern Mass.	53.8%	33.0%	13.2%
Southeastern Mass.	53.2%	23.9%	22.9%
Western Mass.	53.6%	27.3%	19.1%
Worcester County	55.5%	34.5%	10.0%

Regional definitions are as follows:
Cape & Islands: Barnstable County, Dukes County, Nantucket County
Greater Boston: Middlesex County, Suffolk County, Norfolk County
Northeastern Mass: Essex County
Southeastern Mass: Bristol County, Plymouth County
Western Mass: Berkshire County, Franklin County, Hampshire County, Hampden County
Worcester: Worcester County

Support for Racinos By Age Cohorts

- Residents in every age cohort favor the authorization of slot machines at the state's four racetracks, except for those in the 70 and older age group. However, this age cohort also has the highest percentage of persons who don't know if they favor or oppose slots at the racetracks (see Figure 1).

Figure 1

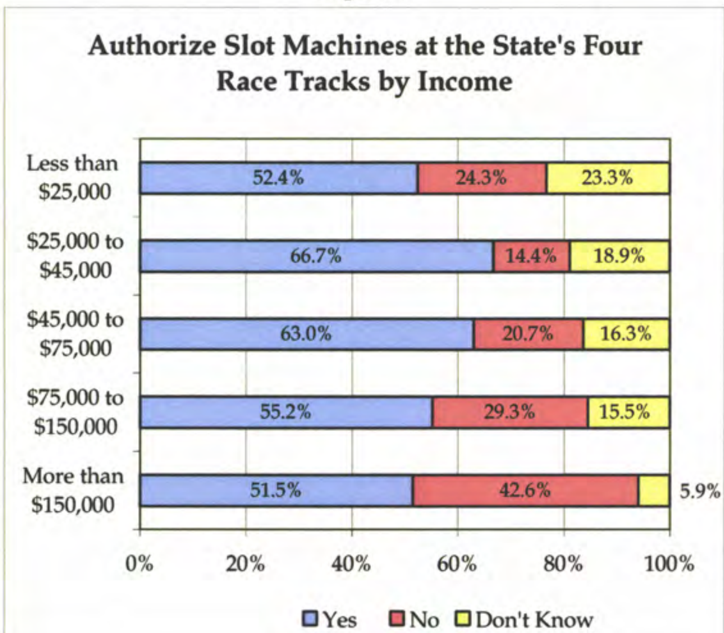


Support for Racinos By Income Strata

- Residents in all income strata favor the authorization of slot machines at the state's four racetracks (see Figure 2).

- The strongest support for slot machines at the state's racetracks is among middle-income residents earning between $25,000 and $75,000 per year and among those earning $75,000 to $150,000 per year. More than 2/3 of the state's residents earning between $25,000 and $45,000 (67%) favor slots at the racetracks, while a significant majority of those earning between $45,000 and $75,000 per year (63%) and $75,000 to $150,000 per year (55%) support slots at the racetracks (see Figure 2).

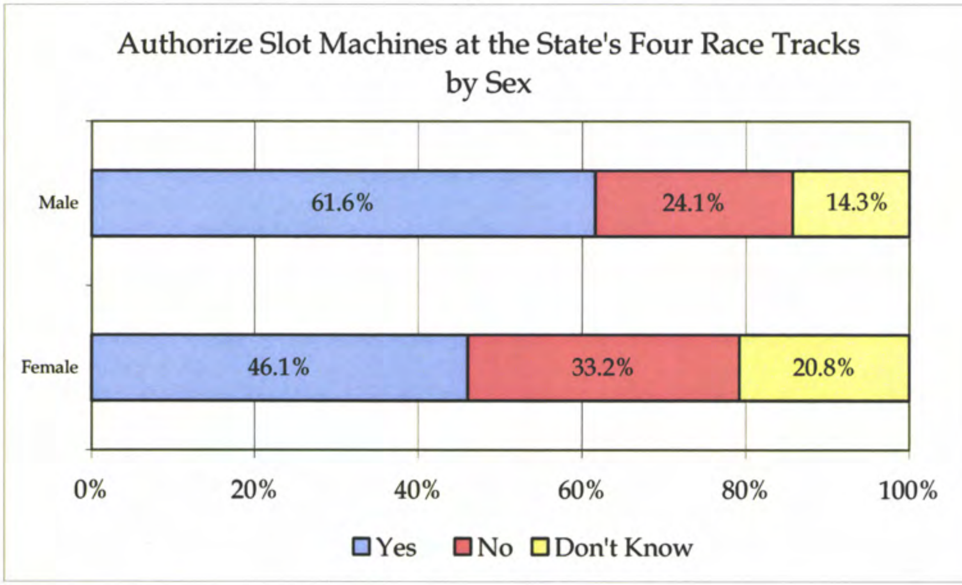
Figure 2



Support for Racinos by Sex

- A majority of males (62%) support the authorization of slot machines at the state's four racetracks, while less than a majority of females (46%) support slots at the racetracks, although nearly 21% of females are undecided about the issue (see Figure 3).

Figure 3

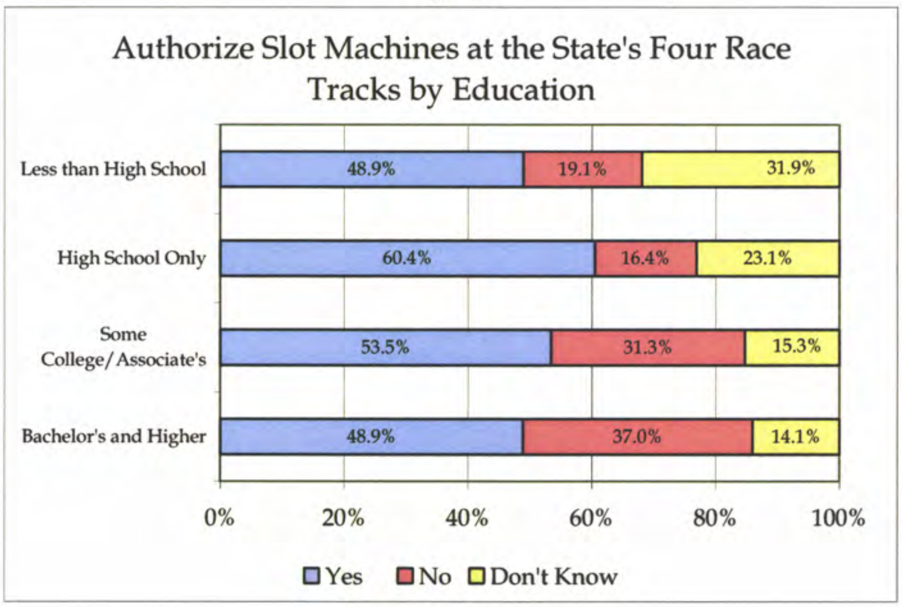


Support for Racinos by Educational Attainment

- A majority of Massachusetts residents with a high school diploma (60%) and residents who have some college experience or an Associate's degree (54%) favor the authorization of slot machines at the state's four racetracks (see Figure 4).

- A significant plurality of residents without a high school diploma (49%), and an equally significant plurality of residents with a bachelor's degree or higher (48.9%) favor slots at the state's four racetracks supporters still outnumber opponents due to the large number of undecided respondents among these two groups. Nearly a third of residents with less than a high school diploma (32%) are undecided about the issue, while 14% of those with a bachelor's degree or higher are undecided about the issue (see Figure 4).

Figure 4

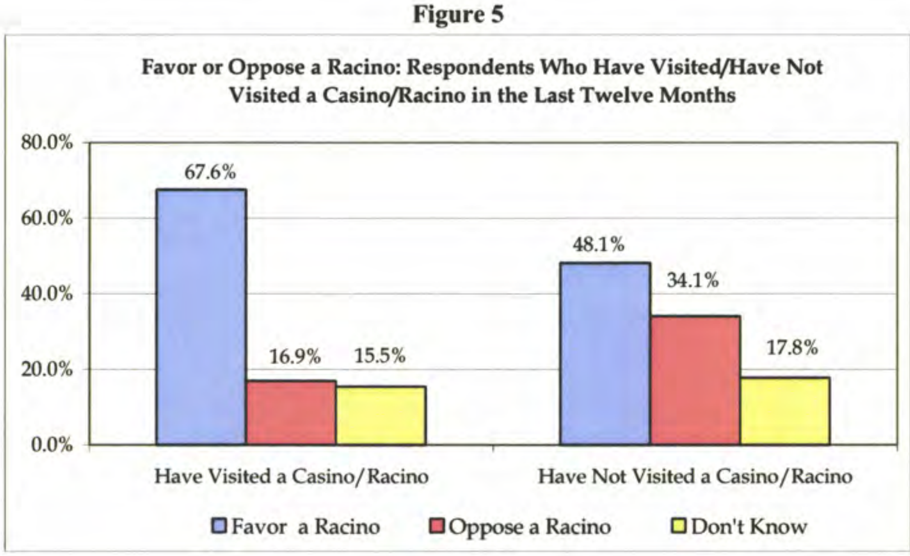


Support for Racinos Among Casino/Racino Gamblers & Non-Gamblers

A random sample of 1,041 Massachusetts residents was asked the following series of questions: During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut...Mohegan Sun Casino in Connecticut...Lincoln Park in Lincoln, Rhode Island....Newport Grand in Newport, Rhode Island?" The same residents were also asked "During the last 12 months, have you visited Hollywood Slots in Bangor, Maine...a casino in Atlantic City, New Jersey...a casino in Las Vegas, Nevada...a casino in any other place in the United States or abroad?" (Margin of error = +/- 3.1%).

- During the last 12 months, 29% of Massachusetts residents state that they have visited a casino or racino at least once in an out-of-state jurisdiction.[1]
- Support (68%) for racinos is significantly higher among those who have visited a casino or racino in the last 12 months in comparison to those who have not visited a racino or casino (48%) (see Figure 5).
- Notably, nearly half of the state's residents who have not visited a casino or racino in the last 12 months support slots at the racetracks and only 34% of these residents firmly oppose slots at the racetracks (see Figure 5).

Figure 5

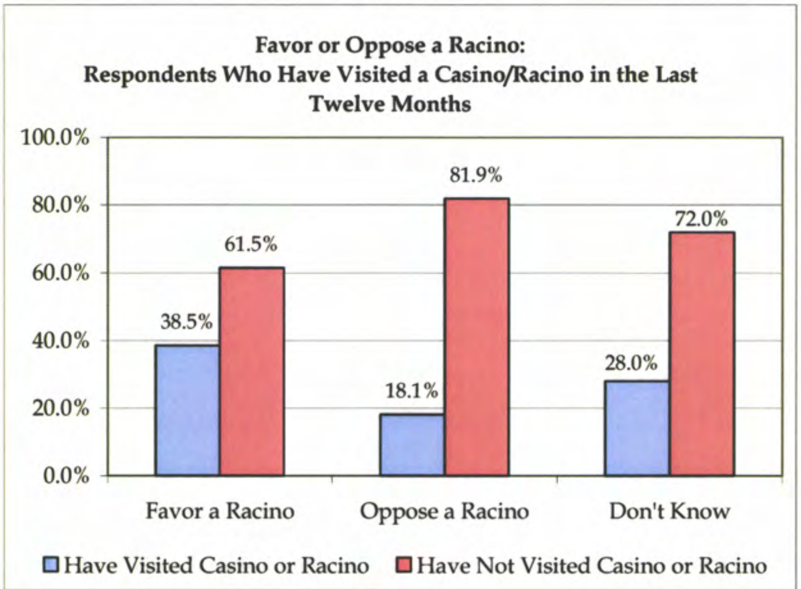


- Over four-fifths (82%) of those who oppose the authorization of slots at the racetracks have not visited a casino or racino in the last 12 months. Similarly, 72.0% of those who are undecided about the issue have not visited a casino or racino in the last 12 months (see Figure 6).

[1] This finding is statistically consistent with a March 2006 Boston Globe/University of New Hampshire survey of 503 Massachusetts "likely voters" (4.4% margin of error), which found that 31% of the state's likely voters had "traveled outside of Massachusetts in the past year specifically to visit a casino or other type of gaming facility" (see, *Boston Globe*, March 13, 2006, p. A1.

- Notably, 62% of those who favor the authorization of slot machines at the state's racetracks have NOT visited a casino or racino in the last 12 months, but residents who are persuaded that the economic and fiscal benefits of a racinos outweigh the potential social impacts (see Figure 6 and other tables below).

Figure 6



b) How do Bay State residents assess the comparative costs and benefits of slots at the state's four racetracks?

The Center for Policy Analysis asked Bay State residents 10 questions about the potential economic and fiscal benefits of authorizing slot machines at the state's four racetracks (5 questions) and the potential social impacts of slot machines at the state's four racetracks (5 questions). Massachusetts residents were asked: "On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would..." The respondents' answers were averaged to produce a single rating from 1.0 (strongly disagree) to 5.0 (strongly agree) for each benefit or social impact. (Margin of error = +/- 3.1%).

- In the statewide sample, Massachusetts residents agree that the five economic and fiscal benefits identified for racinos outweigh the five social impacts identified for a casino with most residents strongly agreeing that racinos will generate tax revenues for the state and agreeing that racinos will recapture gambling revenues being lost to other states, create new jobs for Massachusetts residents, increase tourism in the state, and stimulate local economic development (see Table 2).

- Residents are most skeptical of, and tend to disagree or strongly disagree, with the oft-stated claim that racinos will hurt local restaurants, retail shops and hotels and motels, degrade the quality of life in the host community, or increase crime (see Table 2).

- However, residents generally agree that racinos have the potential to increase gambling addiction and political corruption in the state (see Table 2).

Table 2

How Do Massachusetts Residents View the Costs and Benefits of a Racino?

Average Scores On a Scale of 1 to 5, with 5 Meaning Most Strongly Agree

	All Respondents	Favor Racino	Oppose Racino	Don't Know
Casino will generate tax revenues for the state	4.00	4.27	3.45	4.03
Casino will recapture gambling revenues being lost to other states	3.41	3.70	2.82	3.34
Casino will increase tourism in the state	3.33	3.60	2.77	3.32
Casino will create new jobs for Massachusetts residents	3.33	3.76	2.55	3.05
Casino will stimulate local economic development	3.26	3.61	2.54	3.19
Casino will increase gambling addiction in the state	3.25	2.81	4.03	3.43
Casino will increase political corruption in the state	3.09	2.81	3.62	3.16
Casino will increase crime in the state	2.70	2.28	3.48	2.74
Casino will degrade the quality of life in the host community	2.60	2.21	3.49	2.51
Casino will hurt small local restaurants, retail shops, and motels	2.25	1.91	2.83	2.42

- Among the 29% of residents who oppose slot machines at the state's racetracks, the top four average scores are social impacts, with an increase in gambling addiction reported as the primary perceived social impact (see Table 2).

- The highest average benefit reported among those who oppose racinos is additional tax revenues for the state (see Table 2).

- The intensity of Massachusetts residents' answers to the benefits/costs questions sheds additional light on how residents perceive the benefits and costs of racinos. Seventy-one percent (71%) of all residents strongly agree that racinos will generate tax revenues for the state. More than half (53%) of all residents strongly agree that racinos will recapture gambling revenues being lost to other states (53%) and create new jobs for Massachusetts residents (52%) (see Table 3).

- A plurality of Massachusetts residents strongly agree that racinos will increase tourism in the state (49%) and stimulate local economic development (46%) (see Table 3).

- Conversely, only 21% of Massachusetts residents strongly agree that racinos will hurt local restaurants, retail shops and motels. Only 28% strongly agree that a casino will degrade the quality of life in the host community and just 29% strongly agree that a casino will increase crime in the state (see Table 3).

- Among the social impacts identified with racinos, approximately 47% strongly agree that racinos will increase gambling addiction, while 43% strong agree that racinos will increase political corruption in the state (see Table 3).

Table 3

How Do Massachusetts Residents View the Costs and Benefits of Slots at the Racetracks?

	Strongly Disagree			Strongly Agree	
	1	2	3	4	5
Casino will generate tax revenues for the state	7.2%	4.9%	16.9%	22.4%	48.6%
Casino will recapture gambling revenues being lost to other states	19.7%	8.1%	19.6%	16.6%	36.0%
Casino will increase tourism in the state	19.8%	9.9%	21.3%	15.7%	33.4%
Casino will create new jobs for Massachusetts residents	23.1%	11.0%	14.0%	13.6%	38.3%
Casino will stimulate local economic development	17.7%	14.3%	22.3%	15.7%	30.0%
Casino will increase gambling addiction in the state	20.2%	13.4%	19.6%	14.8%	32.0%
Casino will increase political corruption in the state	26.3%	13.3%	17.7%	10.2%	32.5%
Casino will increase crime in the state	30.4%	18.8%	21.6%	8.7%	20.5%
Casino will degrade the quality of life in the host community	35.6%	16.9%	19.4%	8.2%	19.9%
Casino will hurt small local restaurants, retail shops, and motels	43.3%	22.2%	13.8%	7.1%	13.6%

Residents' Assessment of Benefits and Costs of Racinos By Region

- Residents in every region of the state agree or strongly agree that the overall economic and fiscal benefits of racinos outweigh the potential social impacts of racinos, although residents in every region believe that racinos will have some social impact (see Table 4).

- Residents in every region are most concerned about the potential for racinos to increase political corruption and gambling addiction in the state (see Table 4).

Table 4

How Do Massachusetts Residents View the Costs and Benefits of a Racino?

By Region

	All Respondents	Cape & Islands	Greater Boston	Northeastern Mass.	Southeastern Mass.	Western Mass.	Worcester County
Casino will generate tax revenues for the state	4.00	4.01	3.98	4.06	4.07	3.91	4.01
Casino will recapture gambling revenues being lost to other states	3.41	3.57	3.42	3.61	3.34	3.60	3.07
Casino will increase tourism in the state	3.33	2.93	3.25	3.35	3.35	3.49	3.63
Casino will create new jobs for Massachusetts residents	3.33	3.41	3.28	3.26	3.42	3.31	3.41
Casino will stimulate local economic development	3.26	3.11	3.11	3.28	3.32	3.54	3.51
Casino will increase gambling addiction in the state	3.25	3.19	3.34	3.25	3.00	3.43	3.20
Casino will increase political corruption in the state	3.09	3.08	3.03	3.34	2.90	3.15	3.46
Casino will increase crime in the state	2.70	2.47	2.67	2.75	2.70	2.71	2.89
Casino will degrade the quality of life in the host communit	2.60	2.93	2.63	2.47	2.38	2.66	2.88
Casino will hurt small local restaurants, retail shops, and motels	2.25	2.69	2.10	2.28	2.26	2.38	2.55

Residents' Assessment of Benefits and Costs of Racinos by Educational Attainment

- Respondents at every level of educational attainment, generally agree that the economic and fiscal benefits of racinos outweigh the potential social impacts (see Table 5).

- The lower one's level of educational attainment, the more one is likely to strongly agree with statements about the potential economic and fiscal benefits of racinos and the less one is likely to be concerned about the potential social impacts (see Table 5).

- Those with a bachelor's degree or higher rate three of the five potential benefits higher than the potential social impacts, although individuals with higher levels of educational attainment are more concerned about the potential social impacts than those with less education, particular their potential to increase political corruption and gambling addiction in the state (see Table 5).

Table 5

How Do Massachusetts Residents View the Costs and Benefits of a Racino?
By Region

	All Respondents	Less Than High School	High School Only	Some College or Associate's	Bachelor's & Higher
Casino will generate tax revenues for the state	4.00	4.47	4.09	4.03	3.86
Casino will recapture gambling revenues being lost to other states	3.41	4.25	3.52	3.47	3.22
Casino will create new jobs for Massachusetts residents	3.33	3.83	3.43	3.61	2.99
Casino will increase tourism in the state	3.33	4.27	3.66	3.39	2.97
Casino will stimulate local economic development	3.26	4.06	3.51	3.32	2.97
Casino will increase gambling addiction in the state	3.25	3.33	3.10	3.15	3.42
Casino will increase political corruption in the state	3.09	2.93	3.01	3.16	3.12
Casino will increase crime in the state	2.70	2.48	2.55	2.71	2.82
Casino will degrade the quality of life in the host community	2.60	2.62	2.38	2.54	2.79
Casino will hurt small local restaurants, retail shops, and motels	2.25	2.26	2.17	2.14	2.40

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APPENDIX A

What is the New England Gaming Behavior Survey?

The New England Gaming Behavior Survey was conducted to inform on-going debates about expanded gambling in Maine, Massachusetts, and Rhode Island. The Center for Policy Analysis conducted a random sample telephone survey of 2,806 residents in Massachusetts, Maine, New Hampshire, and Rhode Island to determine the propensity to gamble and to identify patterns in gambling behavior among the four states' residents. The survey also measures the public's assessment of the comparative costs and benefits of expanded gambling in Massachusetts.

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hamphsire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.[2] The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

[2] This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 4.6 percentage points of the answer given in this poll.

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

All telephone interviewers at trained intensively by Center for Policy Analysis staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a $3.4 billion industry in New England that employs approximately 23,000 people at Foxwoods and Mohegan Sun resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate $1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly $1.6 billion in new capital investments to expand their operations, including a $700 million expansion at Foxwoods Resort Casino, a $125 million expansion at Lincoln Park, and the construction of a new $90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Mohegan Sun announced a $740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Mohegan's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a $25 million that expansion that includes a new stand-alone hotel and a reburbishment of its gaming space that will house up to 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Foxwoods and Mohegan Sun generated more than $427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than $246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated $18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLT's at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a $1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, http://www.umassd.edu/cfpa/gaming.cfm

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to http://www.umassd.edu/cfpa

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: ________ ID #: ____ State: _______ Interviewer: _______________
Date: ___________

Hi, my name is ________ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. ☐ Yes ☐ No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? ________________________________

1. **Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?**

   ☐ Yes ☐ No

   [If NO, please skip to question 3. If yes, continue.]

2. **Did you participate in any of the following forms of gambling in the last 12 months? How about:**

Scratch Tickets	☐ Yes	☐ No	☐ DK/Refused
Other Lottery games such as Megabucks or Powerball	☐ Yes	☐ No	☐ DK/Refused
Keno	☐ Yes	☐ No	☐ DK/Refused
Casino gambling	☐ Yes	☐ No	☐ DK/Refused
Wagered on a dog or horse race	☐ Yes	☐ No	☐ DK/Refused
Bingo	☐ Yes	☐ No	☐ DK/Refused
Wagering over the Internet	☐ Yes	☐ No	☐ DK/Refused

3. During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut?

_____

[If 0 times go to question 4]

3a. [If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Foxwoods in the last 12 months? How about:

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. On your last visit to Foxwoods, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

3c. When you visit Foxwoods, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o bingo
- o do not gamble

4. During the last 12 months, how many times did you visit Mohegan Sun Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Mohegan Sun in the last 12 months? How about:

	Not Important 1	2	3	4	Very Important → 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

4b. On your last visit to Mohegan Sun, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

4c. When you visit Mohegan Sun, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o do not gamble

5. During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?

_____

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

6. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ___

[If 0 times go to question 7 below]

6a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?

	Not Important 1	2	3	Very Important 4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. On your last visit to Newport Grand, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

7. During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?

- o yes
- o no

8. During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____

9. During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times? ____

10. During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- o yes
- o no
- o don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location → 1	2	3	4	Great Location 5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree → 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?

- o yes
- o no
- o don't know

15. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:

	Strongly Disagree → 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. [For Maine residents only]

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- o yes
- o no
- o don't know

17. Gambling Problem Questions:

		Yes	No
a	Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b	Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c	Have you ever tried to stop, cut down, or control your gambling?		
d	**[If yes]** Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e	Have you ever gambled as a way to escape from personal problems?		
f	Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g	Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h	Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i	Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j	Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? ________

19. Sex

- ❑ male
- ❑ female

20. What is the last grade of school that you completed? [Read Choices]

- ❑ less than high school
- ❑ high school diploma
- ❑ some college
- ❑ Associate's
- ❑ Bachelor's
- ❑ Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- ❑ Less than $25,000
- ❑ $25,000 to $45,000
- ❑ $45,000 to $75,000
- ❑ $75,000 to 150,000
- ❑ $150,00 or more
- ❑ don't know/refused

APPENDIX C

New England Gaming Behavior Survey: Profile of Massachusetts Survey Sample

A total of 1,041 telephone interviews of Massachusetts residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of survey respondents, including age, income, education, age and region of the state.

A. Sex

Sex	Percent
Male	46.7%
Female	53.3%

B. Income

Income	Percent
Less than $25,000	14.7%
$25,000 to $45,000	16.0%
$45,000 to $75,000	26.6%
$75,000 to $150,000	33.1%
More than $150,000	9.7%

C. Education

Education	Percent
Less than High School	4.6%
High School Only	27.0%
Some College/Associate	28.6%
Bachelor's and Higher	39.8%

D. Age

Age	
	Percent
18 to 29	20.8%
30 to 39	21.4%
40 to 49	20.5%
50 to 59	14.8%
60 to 69	9.3%
70 and older	13.2%

E. Region

Massachusetts Region	
	Percent
Cape & Islands	4.7%
Greater Boston	43.6%
Northeastern Mass.	9.0%
Southeastern Mass.	21.2%
Western Mass.	10.9%
Worcester County	10.7%

Regional definitions are as follows:
Cape & Islands: Barnstable County, Dukes County, Nantucket County
Greater Boston: Middlesex County, Suffolk County, Norfolk County
Northeastern Mass: Essex County
Southeastern Mass: Bristol County, Plymouth County
Western Mass: Berkshire County, Franklin County, Hampshire County, Hampden County
Worcester: Worcester County

TAKING THE GAMBLE III:

WHO GAMBLES AT CONNECTICUT'S CASINOS?

Executive Summary

Prepared

By

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

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UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CENTER FOR POLICY ANALYSIS

The University of Massachusetts Dartmouth Center for Policy Analysis is a multidisciplinary research unit that promotes economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and polling research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis strives to erode the walls between research and teaching by training students in the techniques of applied social science and by conducting university and community based educational programs. The Center for Policy Analysis does not pursue a predetermined research agenda, but is a flexible research organization responding on a timely basis to the problems and issues identified by client agencies.

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Polling & Program Evaluation Research Series No. 53

EXECUTIVE SUMMARY:

Who Gambles at Connecticut's Casinos?

The New England Gaming Behavior Survey was conducted to inform on-going debates about expanded gambling in Maine, Massachusetts, and Rhode Island. The Center for Policy Analysis conducted a random sample telephone survey of 2,807 residents in Massachusetts, Maine, New Hampshire, and Rhode Island to determine the propensity to gamble and to identify patterns in gambling behavior among the four states' residents. A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006 (see Appendix A). The survey instrument was developed by the Center for Policy Analysis (see Appendix B).

The U.S. gaming market is usually divided into six different segments consisting of charitable gaming,[1] pari-mutuel wagering,[2] state lotteries,[3] commercial casinos, racetrack casinos, and tribal casinos. Currently, 47 states and the District of Columbia allow charitable gaming, 41 states allow pari-mutuel wagering, 41 states and the District of Columbia have lotteries, 11 states license commercial casinos, 9 states have licensed racetrack casinos ("racinos), and 28 states have Class II or Class III tribal casinos. Nevada was the first state to legalize casino gambling in 1931 and it was not until 1976 that New Jersey became the second state to legalize casinos in Atlantic City. However, growth in the U.S. gaming market accelerated a decade later when the federal Indian Gaming Regulatory Act (IGRA) was passed in 1988 and states other than Nevada and New Jersey began to legalize commercial casinos.[4]

There are currently 562 federally-recognized Indian tribes. At present, 224 of these tribes have negotiated 249 compacts with 28 states to establish 354 Class II or Class III gaming operations. Native American Indian casinos had GGR of $14.5 billion in 2002. There are 10 federally-recognized Indian tribes in New England, although only two of the tribes – the Mashantucket Pequot Tribe and the Mohegan Tribe -- currently operate Class III gaming facilities. The two tribes operate the only casinos in New England, which in calendar year 2005 had combined gross gaming revenues of nearly $2.4 billion. The Mashantucket Pequot's Foxwoods Resort Casino is now the largest casino in the United States, while the Mohegan Tribe's Mohegan Sun is the second largest casino in the United States. Connecticut's two Native American casinos have made that state the fourth largest casino market in the United States behind Nevada ($11 billion), New Jersey ($5 billion), and Mississippi ($2.5 billion).

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[1] For example, bingo and raffles.

[2] Greyhound racing, thoroughbred horse racing, quarter horse racing, harness racing, and jai-alai, including simulcast and off-track betting.

[3] Instant tickets, lotto games, keno, and video lottery terminals.

[4] Although commercial casinos and Native American casinos are similar from an economic and operational standpoint, the statutory basis of their existence is different and this distinction has numerous ramifications for the states' regulatory and taxing authority.

Since 1989, however, nine states have also legalized commercial casinos, including South Dakota (1989), Iowa (1989), Colorado (1990), Illinois (1990), Mississippi (1990), Louisiana (1991), Missouri (1993), Indiana (1993), and Michigan (1996).[5] In 2005, these 11 states had 455 operating commercial casinos with 185 of the casinos operating outside the traditional venues of Nevada and New Jersey. In 2005, commercial casinos had combined gross gaming revenues of more than $30 billion.

Racetrack casinos – or racinos -- are an even more recent development in the nation's gaming and casino market. In 1992, Rhode Island was the first state to authorize and operate racinos at Lincoln Park and Newport Grand. Rhode Island was soon followed by Delaware (1994), West Virgina (1994), Iowa (1994), Louisiana (1994), and New Mexico (1997), and more recently, by New York (2001), Oklahoma (2004), and Maine (2005).[6] There are currently 29 racetrack casinos operating in nine states.[7] In 2005, racinos had combined gross gaming revenues of $3.1 billion.

Given the comparatively recent expansion of casino gambling in the United States, gambling studies is a comparatively new field of social scientific inquiry.[8] Consequently, policymakers, the general public, and even many scholars are often unfamiliar with the complexities and nuances of gaming-related issues and, most particularly the differences between "destination" casinos and "convenience" gambling facilities. There is often a tendency to view "gambling" as one large undifferentiated market with uni-dimensional behavior patterns and demographics that can be extrapolated from one market niche to another or from one political jurisdicition to another without qualification. More specifically, casinos are often viewed as generic (fiscal and economic) equivalents by public policymakers, regardless of whether they are land-based resorts, riverboat, dockside, or racetrack casinos. Hence, there has been little research to determine if there are in fact differences within the casino market that have implications for public policy, especially state fiscal, economic development, and social policies. For example:

- How many people gamble and what types of gambling interest them?
- Do different people gamble at destination casinos as opposed to slot parlors[9] and racinos?[10]

[5] The years identify dates when legislation was passed legalizing commercial casinos, although in most cases the first casino did not begin operations until one to three years later. This list includes states with land-based, riverboat, and dockside casinos.

[6] The years identify dates when legislation was passed legalizing commercial casinos, although in most cases the first casino did not begin operations until one to three years later.

[7] These numbers do not include Pennsylvania, which became the tenth state to authorize racinos and slot parlors. Its first racino opened in November 2006 at Pocono Downs, which is owned by the Mohegan Tribal Authority.

[8] The leading academic journals in this field are the *Journal of Gambling Studies* and the *Gaming Law Review*. However, scholarly research on various aspects of gambling are now published in journals of economics, economic development, sociology, psychology, travel and tourism, and public health.

[9] Slot parlors offer slot machines or video lottery terminals, but they do not offer table games (e.g., poker, roulette, black jack, baccarat, etc.). Slot parlors generally do not offer the same range of non-gambling amenities as a resort casino, such as a luxury hotel, gourmet dining, retail outlets, and entertainment venues.

[10] Racinos are slot parlors located at parimutuel facilities, such as greyhound racing parks, horse racing tracks, or jai alai frontons.

- What are the incomes and demographics of destination casino, slot parlor, and racino patrons?
- What attracts patrons to a destination casino, slot parlor, or racino;
- How often does the average patron visit a destination casino, slot parlor, or racino?
- How far will patrons drive to visit a casino and are their differences between those who visit a destination casino, slot parlor, or racino?

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1) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island has participated in some form of gambling in the last 12 months?

A random sample of 2,807 Maine, Massachusetts, New Hampshire, and Rhode Island residents was asked the following question: "Did you participate in any of the following forms of gambling in the last 12 months? How about: Scratch Tickets, Other Lottery games such as Megabucks or Powerball, Keno, Casino gambling, Wagered on a dog or horse race, Bingo, Wagering over the Internet – yes/no/don't know/refused." (Margin of error +/-1.9%).

Propensity to Participate in Different Forms of Gambling by State

- Over half the residents in all four states surveyed have participated in some type of gambling in the last 12 months, including 52% in Maine, 59% in New Hampshire, 60% in Massachusetts, and 62% in Rhode Island (see Table 1).

- The most frequent form of gambling among the residents of all four states is the lottery, including both scratch tickets and lotto games, followed by casino gambling. Only a small percentage of residents in all four state surveyed report gambling on keno, bingo, dog or horse racing, or the internet in the last twelve months (see Table 1).[11]

- Casino gambling is the second most frequent form of gambling among the four state's residents with Rhode Island (40%) reporting the highest propensity to casino gamble, followed by Massachusetts (29%), New Hampshire (23%), and Maine 19%) (see Table 1).

- Small percentages of residents in the four states surveyed report gambling on keno, bingo, dog or horse racing, or the internet in the last twelve months (see Table 1).

- New Hampshire (7%) has the highest rate of internet wagering compared to Massachusetts (4%), Rhode Island (2%), and Maine (2%) (see Table 1).

Table 1

Gambled in the Last Twelve Months

	All Respondents	Massachusett s	Rhode Island	Maine	New Hampshire
Any type	59%	60%	62%	52%	59%
Scratch tickets	42%	47%	40%	49%	35%
Lotto games	43%	38%	48%	45%	38%
Keno	10%	12%	11%	4%	3%
Casino	31%	29%	40%	19%	23%
Dog/horse rac	6%	5%	6%	6%	6%
Bingo	8%	8%	10%	8%	6%
Internet	3%	4%	2%	2%	7%

[11] The only statistically significant change in the propensity to participate in different forms of gambling from the 2004 New England Gaming Behavior Survey is a slight increase in the rate of Internet gambling. For comparison, see, Clyde W. Barrow, et al., *Gaming Behavior Survey*, North Dartmouth, MA: Center for Policy Analysis, 2004), p. 16.

2) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island visited Foxwoods or Mohegan Sun in the last 12 months and how often?

A random sample of 2,807 Maine, Massachusetts, New Hampshire, and Rhode Island residents was asked the following two questions: "During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut?" and "During the last 12 months, how many times did you visit Mohegan Sun Casino in Connecticut?" (Margin of error +/-1.9%).

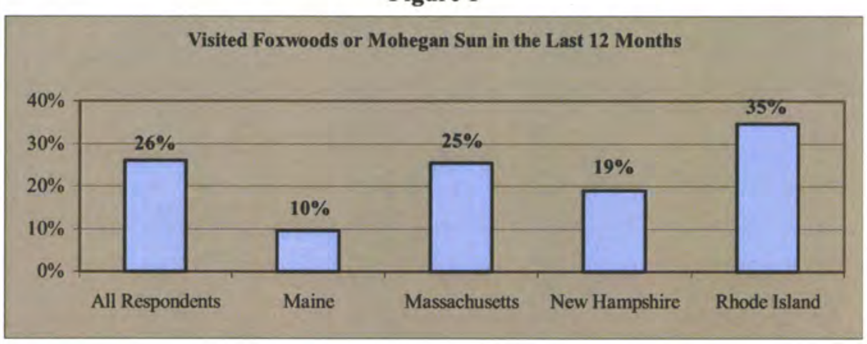
<u>**Propensity to Gamble at Foxwoods & Mohegan Sun by State**</u>

- Twenty-six percent (26%) of all respondents in the four states surveyed report having visited Foxwoods or Mohegan Sun at least once during the previous twelve months (see Figure 1).

- Twenty-three percent (23%) of all respondents in the four states surveyed had visited Foxwoods at least once during the previous twelve months, while 13% of all respondents had visited Mohegan Sun at least once during the previous twelve months (see Table 2).

- Rhode Islanders reported the highest ratio of visitations, with more than a third (35%) of Ocean State residents having visited Foxwoods or Mohegan in the last twelve months, followed by Bay State residents (25%), New Hampshire (19%), and Maine (10%) (see Figure 1).

Figure 1



- Nearly twice the percentage of residents in all four states surveyed had visited Foxwoods as compared to Mohegan Sun (see Table 2)

Table 2

Visited Foxwoods or Mohegan in the Last 12 Months			
State	Percent Either Fox or Moh	Percent Fox	Percent Moh
All Respondents	26%	23%	13%
Maine	10%	8%	4%
Massachusetts	25%	22%	13%
New Hampshire	19%	17%	7%
Rhode Island	35%	30%	17%

Number of Visitors & Average Visits Per Year to Foxwoods & Mohegan Sun by State

- In the last 12 months, approximately 977,000 Massachusetts residents visited Foxwoods an average of 4.9 times per year and approximately 568,000 Massachusetts residents visited Mohegan Sun an average of 3.6 times per year (see Table 3).

- In the last 12 months, approximately 231,000 Rhode Island residents visited Foxwoods an average of 5.4 times each and approximately 129,000 Rhode Island residents visited Mohegan Sun an average of 3.6 times each (see Table 3).

Table 3

Visitation Patterns to Foxwoods and Mohegan Sun by State

	Visited Foxwoods	Visited Mohegan	Total Annual Visitors	Total Annual Visitors	Avg. Visits/Yea	Avg. Visits/Year
All Respondents	23%	13%	1,442,433	807,091	4.86	3.45
Maine	8%	5%	80,074	43,413	2.06	2.45
Massachusetts	22%	13%	976,579	567,779	4.92	3.64
New Hampshire	17%	7%	154,862	66,767	2.29	1.67
Rhode Island	30%	17%	230,917	129,131	5.38	3.56

- In the last 12 months, approximately 155,000 New Hampshire residents visited Foxwoods an average of 2.3 times each and approximately 67,000 New Hampshire residents visited Mohegan Sun an average of 1.7 times each (see Table 3).

- In the last 12 months, approximately 80,000 Maine residents visited Foxwoods an average of 2.1 times each and approximately 43,000 Maine residents visited Mohegan Sun an average of 2.5 times each (see Table 3).

Number of Visits Per Year to Foxwoods & Mohegan Sun by State

- Massachusetts residents made approximately 4.8 million visits to Foxwoods and 2.1 million visits to Mohegan Sun in the last 12 months (see Table 4).

Table 4

Total Annual Visits to Foxwoods and		
	Total Annual Visits to	**Total Annual**
All Respondents	6,566,692	2,744,286
Maine	164,952	106,363
Massachusetts	4,804,770	2,066,714
New Hampshire	354,635	111,501
Rhode Island	1,242,336	459,708

- Rhode Island residents made approximately 1.2 million visits to Foxwoods and 460,000 visits to Mohegan Sun in the last 12 months (see Table 4).

- New Hampshire residents made approximately 355,000 visits to Foxwoods and 112,000 visits to Mohegan Sun in the last 12 months (see Table 4).

- Maine residents made approximately 165,000 visits to Foxwoods and 106,000 visits to Mohegan Sun in the last 12 months (see Table 4).

Frequency of Visitation to Foxwoods & Mohegan Sun by State

- One-third (33%) of the individuals who reported visiting Foxwoods in the last 12 months had visited only one time, while nearly three-quarters (80%) had visited four times or less (Table 5).

- Nearly half (45%) of the individuals who reported visiting Mohegan Sun in the last 12 months had visited only one time, while more than four-fifths (85%) had visited four times or less (Table 5).

Table 5

Number of Trips Per Year to Foxwoods and Mohegan Sun

	Foxwoods					Mohegan Sun				
	One Time	Two Times	Three Times	Four Times	Five or More Times	One Time	Two Times	Three Times	Four Times	Five or More Times
All Respondents	33%	27%	13%	7%	21%	45%	27%	9%	4%	15%
Maine	35%	35%	3%	22%	5%	45%	25%	10%	10%	10%
Massachusetts	37%	24%	11%	7%	21%	51%	24%	5%	2%	19%
New Hampshire	35%	35%	24%	0%	5%	53%	40%	0%	0%	7%
Rhode Island	30%	26%	14%	6%	24%	40%	29%	11%	5%	14%

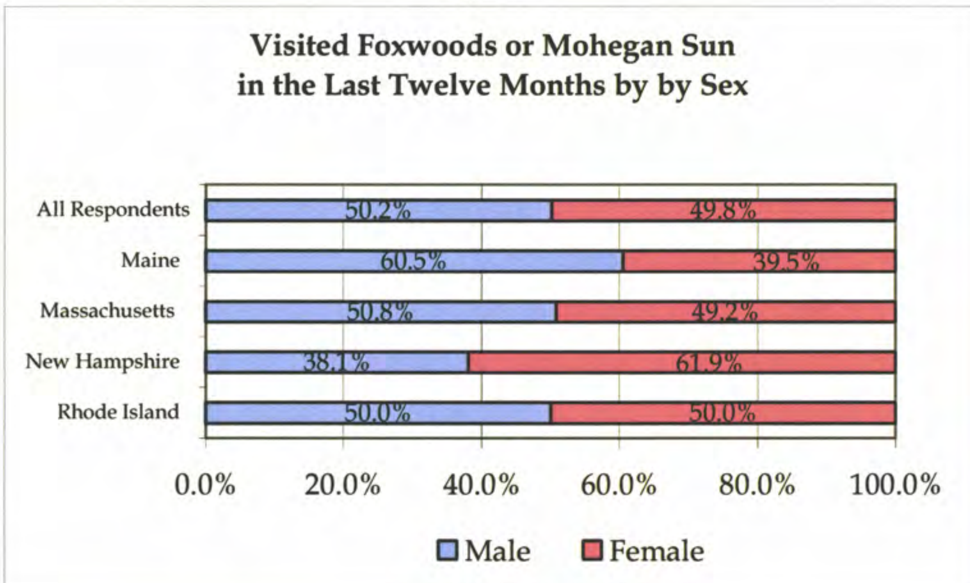
3) What is the demographic profile of persons from Maine, Massachusetts, New Hampshire, and Rhode Island who visited Foxwoods or Mohegan Sun in the last 12 months?

All 2,807 respondents were asked basic demographic questions about their sex, age, educational attainment, and annual income (see Appendix B).

Foxwoods/Mohegan Visitors by Sex

- In Massachusetts and Rhode Island, about half (50%) of all visitors to Foxwoods and Mohegan Sun are men and half are women (50%) (see Figure 2).
- In Maine, over sixty percent (60.5%) of all residents who have visited Foxwoods or Mohegan Sun are men (see Figure 2).
- In New Hampshire, nearly sixty-two percent (61.9%) of all residents who have visited Foxwoods or Mohegan Sun are women (see Figure 2).

Figure 2



Foxwoods/Mohegan Visitors by Age

- More than half of the visitors to Foxwoods and Mohegan Sun from the four states surveyed were age 40 or older – 53% in Rhode Island, 59% in Massachusetts, 60% in Maine, and 68% in New Hampshire (see Table 4, columns add to 100%) (see Table 6).

Table 6

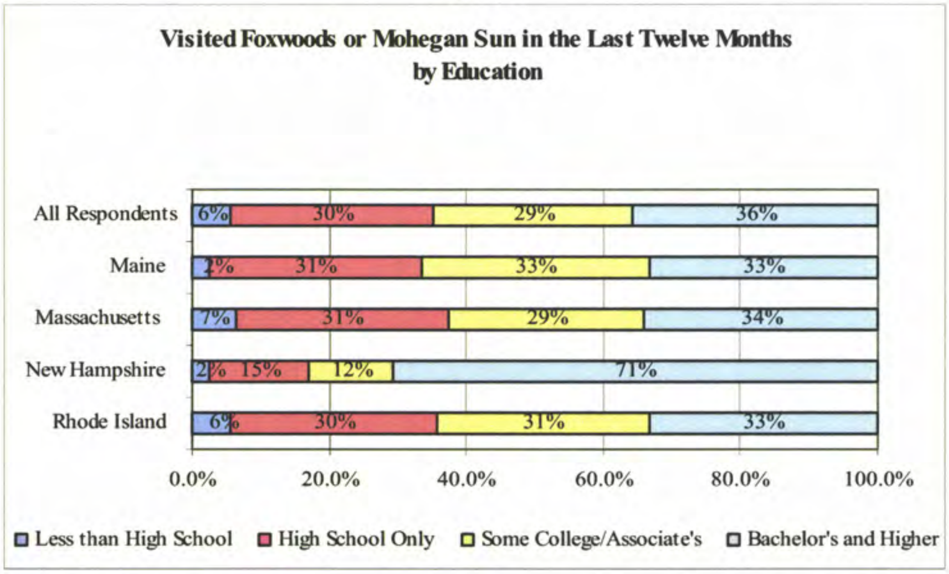
Distribution of Foxwoods/Mohegan Sun Visitors by Age

	All Respondents	Maine	Massachusetts	New Hampshire	Rhode Island
21 to 29	22%	25%	17%	7%	26%
30 to 39	22%	16%	24%	24%	20%
40 to 49	22%	21%	20%	39%	21%
50 to 59	14%	23%	16%	12%	12%
60 to 69	10%	11%	12%	7%	9%
70 and older	11%	5%	11%	10%	11%

Foxwoods/Mohegan Visitors by Education

- In the four states surveyed, one-third or more those who had visited Foxwoods or Mohegan Sun in the last 12 months had a bachelor's degree or higher – 33% in Rhode Island, 33% in Maine, 34% in Massachusetts, and 71% in New Hampshire (see Figure 3).

Figure 3



- In the four states surveyed, approximately two-thirds of the individuals who had visited Foxwoods or Mohegan Sun in the last 12 months had at least some college, an associate's degree, a bachelor's degree, or higher – 63% in Massachusetts, 64% in Rhode Island, 66% in Maine, and 83% in New Hampshire (see Figure 3).

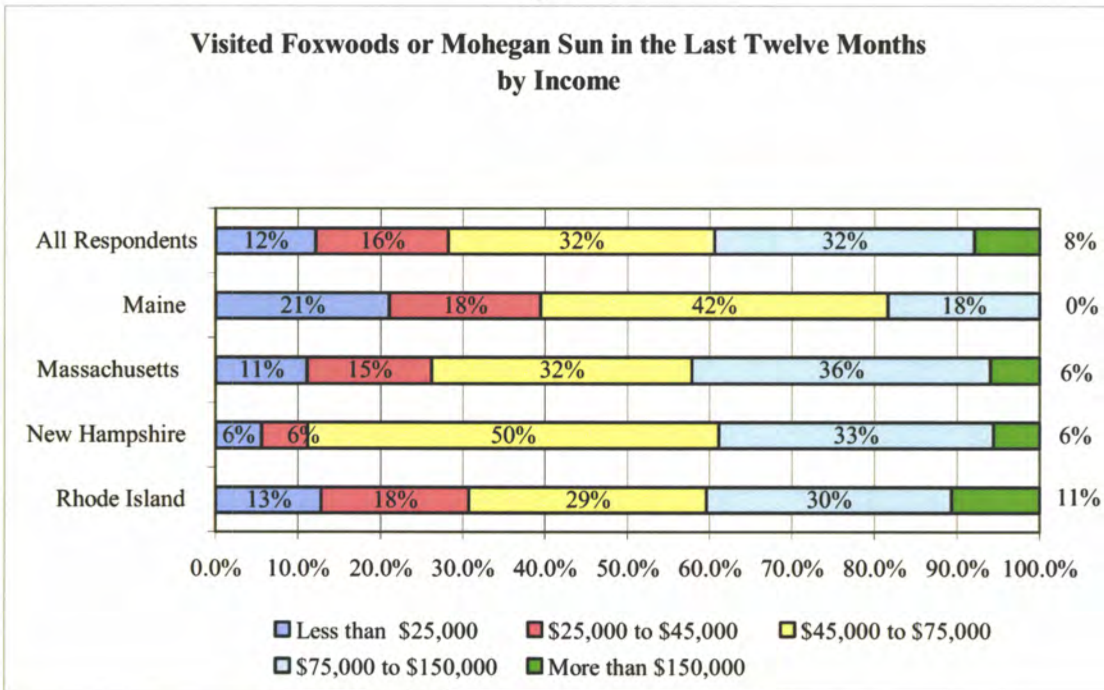
- In the four states surveyed, only a small proportion of the individuals who had visited Foxwoods or Mohegan Sun in the last 12 months had less than a high school diploma – 2% in Maine, 2% in New Hampshire, 6% in Rhode Island, 7% in Massachusetts (see Figure 3).

Foxwoods/Mohegan Visitors by Income

- In the four states surveyed, most of the individuals who had visited Foxwoods or Mohegan Sun in the last 12 months had annual incomes of $45,000 or higher – 60% in Maine, 70% in Rhode Island, 74% in Massachusetts, and 89% in New Hampshire (see Figure 4).

- In the four states surveyed, a comparatively small percentage of the individuals who had visited Foxwoods or Mohegan Sun in the last 12 months had annual incomes of less than $25,000 -- 6% in New Hampshire, 11% in Massachusetts, 13% in Rhode Island, and 21% in Maine (see Figure 4).

Figure 4



4) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island who visited Foxwoods or Mohegan Sun in the last 12 months spent money on gambling and non-gambling activities at the casinos?

Respondents who said they had visited Foxwoods or Mohegan Sun in the last 12 months were also asked: "On your last visit to Foxwoods...Mohegan Sun did you spend money on any of the following items? Food, hotel or lodging, retail purchases, other entertainment, gambling – yes/no" (see Appendix B).

- Most visitors to Foxwoods (94%) and Mohegan Sun (89%) spend money on gambling, although 6% of those who visited Foxwoods in the last 12 months did not gamble, while 11% of those who visited Mohegan Sun did not gamble (see Table 7).

- A large percentage of Foxwood's visitors spend money on food (71%), lodging (46%), retail (42%), and other entertainment (27%) during their visits to the casino (see Table 7).

- Massachusetts residents have much higher rates of spending than the residents of other states on food (94%), lodging (85%), retail (74%), and other entertainment (30%), when visiting Foxwoods (see Table 7).

Table 7

Foxwoods - % Patrons Who Spent Money By Category	Food	Lodging	Retail	Other	Gambling
All Respondents	71%	46%	42%	27%	94%
Maine	71%	30%	26%	24%	99%
Massachusetts	94%	85%	74%	30%	91%
New Hampshire	71%	15%	18%	24%	96%
Rhode Island	72%	26%	26%	25%	95%
Mohegan - % Patrons Who Spent Money By Category	**Food**	**Lodging**	**Retail**	**Other**	**Gambling**
All Respondents	71%	19%	29%	30%	89%
Maine	71%	26%	32%	26%	92%
Massachusetts	90%	46%	19%	4%	88%
New Hampshire	74%	15%	22%	33%	93%
Rhode Island	73%	21%	26%	29%	89%

- A large percentage of Mohegan's visitors spend money on food (71%), lodging (19%), retail (29%), and other entertainment (30%) during their visits to the casino (see Table 7).

- Massachusetts residents have much higher rates of spending than the residents of other states on food (90%) and lodging (46%) when visiting Mohegan Sun, while residents from other New England states are more attracted to Mohegan's retail and entertainment venues (see Table 7).

5) What attracts visitors to Connecticut's two casinos?

Respondents who said they had visited Foxwoods or Mohegan Sun in the last 12 months were also asked: "On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Foxwoods [or Mohegan Sun] in the last 12 months? How about…."

Foxwoods

- The items that both male and female visitors to Foxwoods rated in order of importance in their decision to visit the casino are the general atmosphere of the facility (3.85), the physical attractiveness of the facility (3.77), the availability of slot machines (3.50), bars and restaurants (3.49), and location close to home (3.37) (see Table 8).

- The availability of slot machines (3.87) was rated significantly more important to women than men, while the availability of table games rated significantly more important to men (3.48) than women (see Table 8).

Table 8

Importance of Various Amentities in Decision to Visit Foxwoods
Average on a Scale of 1 to 5 with 5 Meaning Very Important

	Average	Male	Female
general atmosphere of the facility	3.85	3.81	3.88
physcial attractiveness of the facility	3.77	3.61	3.88
slot machines	3.50	3.14	3.87
bars & restaurants	3.49	3.55	3.42
location close to home	3.37	3.45	3.29
table games	2.86	3.48	2.25
music & dance venues	2.67	2.72	2.63
concerts & other entertainment	2.65	2.73	2.57
hotel lodging	2.53	2.53	2.53
retail shops	2.40	2.24	2.55
museum & cultural attractions	2.01	1.91	2.11
bingo	1.92	1.78	2.07
keno	1.71	1.71	1.70
golf course	1.58	1.71	1.45

Mohegan Sun

- The items that both male and female visitors to Mohegan Sun rated in order of importance in their decision to visit the casino are the physical attractiveness of the facility (3.80), the general atmosphere of the facility (3.77), location close to home (3.41),), the availability of slot machines (3.39), and bars and restaurants (3.14) (see Table 9).

- The availability of slot machines was rated significantly more important to women (3.91) than men, while the availability of table games rated significantly more important to men (3.16) than women (see Table 9).

Table 9

Importance of Various Amentities in Decision to Visit Mohegan Sun

Average on a Scale of 1 to 5 with 5 Meaning Very Important

	Average	Male	Female
physcial attractiveness of the facility	3.80	3.61	3.99
general atmosphere of the facility	3.77	3.60	3.96
location close to home	3.41	3.33	3.50
slot machines	3.39	2.91	3.91
bars & restaurants	3.14	3.07	3.22
concerts & other entertainment	2.76	2.75	2.76
table games	2.66	3.16	2.13
music & dance venues	2.62	2.60	2.64
retail shops	2.42	2.24	2.62
hotel lodging	2.40	2.36	2.44
keno	1.73	1.70	1.76

6) The availability of table games, the availability of numerous non-gambling amenities, the physical attractiveness of the facilities, and the general atmosphere of the facilities differentiate New England's resort casino market from the convenience gambling (slot parlor/racino) market.

All 2,807 respondents were also asked whether they had visited Lincoln Park in Lincoln, Rhode Island or Newport Grand in Newport, Rhode Island in the last 12 months.

- It was found that 77% of those who visited Foxwoods or Mohegan Sun had not visited Lincoln Park or Newport Grand in the last 12 months despite their closer proximity to most respondents' homes (see Table 10).

Table 10

Foxwoods & Mohegan Patrons Who Have Visited Lincoln or Newport	Percent
Have Visited LP/NG	23%
Have Not Visited LP/NG	77%

7) Casino gamblers will travel further to access the table games, non-gambling amenities and to experience the physical attractiveness and general atmosphere of a resort casino than a convenience gambling (slot parlor/racino) facility.

The town or city of residence for all 2,807 respondents was determined by asking them "...in which town or city do you live?" The drive-time for each person visiting the two casinos in the last twelve months was determined using Mapquest.

- More than nine-tenths (91%) of the individuals who visited Foxwoods from Maine, Massachusetts, New Hampshire, and Rhode Island traveled more than 60 minutes to get to the casino; forty-three percent (43%) traveled more than 90 minutes (see Table 11).[12]

Table 11

Visitors' Travel Time to Foxwoods	Percent
1 to 30 minutes	0%
31 to 60 minutes	9%
61 to 90 minutes	48%
91 to 120 minutes	22%
> 2 hours	21%

- Four-fifths (80%) of the individuals who visited Mohegan Sun from Maine, Massachusetts, New Hampshire, and Rhode Island traveled more than 60 minutes to get to the casino; thirty-nine percent (39%) traveled more than 90 minutes (see Table 12).[13]

Table 12

Visitors' Travel Time to Mohegan Sun	Percent
1 to 30 minutes	3%
31 to 60 minutes	18%
61 to 90 minutes	41%
91 to 120 minutes	23%
> 2 hours	16%

[12] Clyde W. Barrow, *New England Casino Gaming Update, 2006* (North Dartmouth, MA: Center for Policy Analysis, 2006), p. 10 estimates that 27% of Foxwood's visitations originate in Connecticut.
[13] Clyde W. Barrow, *New England Casino Gaming Update, 2006* (North Dartmouth, MA: Center for Policy Analysis, 2006), p. 10 estimates that 44% of Mohegan Sun's visitations originate in Connecticut.

- Residents in all four states surveyed also report that they have visited resort casinos in other jurisdictions, including Atlantic City (4%), Las Vegas (6%), and other areas, such as the Caribbean, Canada, and Europe (4%) (see Table 13).

Table 13

Percent Who Have Visited Other Casinos

	Atlantic City	Las Vegas	Other Areas
All Respondents	4%	6%	4%
Maine	4%	4%	2%
Massachusetts	3%	6%	4%
New Hampshire	6%	13%	7%
Rhode Island	5%	6%	3%

8) Who plays slot machines and who plays table games at Foxwoods and Mohegan Sun?

Respondents who said they had visited Foxwoods or Mohegan Sun in the last 12 months were also asked: "When you visit Foxwoods [or Mohegan Sun], do you PRIMARILY play slots, table games, or bingo, or do you not gamble?"

Type of Game Played – All Respondents

- Among individuals who have visited Foxwoods or Mohegan Sun in the last 12 months, 67% report that they primarily play slot machines, 22% primarily play table games, 3% primarily play bingo (at Foxwoods), 8% primarily play more than one game, and 1% do not primarily go to the casinos to gamble (see Table 14).

Type of Game Played by Sex

- Women (83%) are much more likely than men (51%) to report that they primarily play slot machines at Foxwoods and Mohegan Sun (see Table 14). In fact, 60% of slot machine players at Foxwoods and Mohegan Sun are female (see Table 15).

- Women (5%) are more likely than men (1%) to report that they primarily play bingo at Foxwoods (see Table 14). In fact, 84% of bingo players at Foxwoods are female (see Table 15).

- Men (35%) are much more likely than women (8%) to report that they primarily play table games at Foxwoods and Mohegan Sun (see Table 14). In fact, 83% of table game players at Foxwoods and Mohegan Sun are male (see Table 15).

Table 14

Type of Game Played By Sex					
	Slots	Table Games	Bingo	More Than One	Did Not Gamble
All Respondents	67%	22%	3%	8%	1%
Male	51%	35%	1%	12%	1%
Female	83%	8%	5%	3%	1%

Table 15

Type of Game Played By Sex					
	Slots	Table Games	Bingo	More Than One	Do Not Gambl e
Male	40%	83%	16%	79%	33%
Female	60%	17%	84%	21%	67%

Type of Game Played by Age

- Persons aged 40 and over are much more likely than persons under 40 to report that they primarily play slot machines at Foxwoods and Mohegan Sun. In general, the older the age cohort, the larger the percentage of persons who report that they primarily play slot machines at Foxwoods and Mohegan Sun (21-29 = 53%, 70 and older = 86%) (see Table 16). In fact, nearly two-thirds (63%) of slot machine players at Foxwoods and Mohegan Sun are female (see Table 17).

- Bingo (at Foxwoods) is most popular among the young (21-29 = 8%) (see Table 16). In fact, nearly sixty-percent (60%) of bingo players at Foxwoods are female (see Table 17).

- The younger the age cohort, the more likely individuals are to report that they primarily play table games at Foxwoods and Mohegan Sun (21-29 = 35%, 70 and older = 4%) (see Table 16). In fact, nearly two-thirds (63%) of table game players at Foxwoods and Mohegan Sun are under age 40 (see Table 17).

Table 16

Type of Game Played By Age

	Slots	Table Games	Bingo	More Than One	Do Not Gamble
All Respondents	66%	22%	3%	8%	1%
21 to 29	53%	35%	8%	5%	0%
30 to 39	58%	26%	1%	15%	1%
40 to 49	70%	20%	3%	6%	1%
50 to 59	72%	18%	0%	9%	2%
60 to 69	82%	10%	1%	7%	0%
70 and older	86%	4%	4%	7%	0%

Table 17

Type of Game Played By Age

	Slots	Table Games	Bingo	More Than One	Do Not Gamble
21 to 29	20%	39%	60%	14%	0%
30 to 39	18%	24%	4%	38%	20%
40 to 49	22%	19%	20%	16%	40%
50 to 59	16%	12%	0%	16%	40%
60 to 69	12%	2%	12%	8%	0%
70 and older	13%	5%	4%	8%	0%

Type of Game Played by Education

- The lower the level of educational attainment, the more likely individuals are to report that they primarily play slot machines at Foxwoods and Mohegan Sun (<high school diploma = 82%, bachelor's degree or higher = 60%), while the higher the level of educational attainment the more likely individuals are to report that they primarily play table games at Foxwoods and Mohegan Sun (less than high school diploma = 8%, bachelor's degree or higher = 32%) (see Table 18).

- However, slot machine players overall are composed about equally of individuals with a high school diploma, some college or associate's degree, and those with a bachelor's degree or higher (see Table 19).

- Over half (52%) of bingo players have some college or an associate's degree, while another 28% have high school diplomas (see Table 19).

- Nearly half (47%) of table game players have a bachelor's degree or higher, while 75% have at least some college (see Table 19).

Table 18

Type of Game Played By Education

	Slots	Table Games	Bingo	More Than One	Do Not Gamble
All Respondents	66%	22%	3%	8%	1%
< High School	82%	8%	4%	6%	0%
High School Only	70%	16%	3%	10%	1%
Some College/Assoc.	67%	20%	5%	8%	0%
Bachelor's +	60%	32%	1%	6%	2%

Table 19

Type of Game Played By Education

	Slots	Table Games	Bingo	More Than One	Do Not Gambl e
< High School	8%	2%	8%	5%	0%
High School Only	33%	23%	28%	40%	29%
Some College/Ass	31%	28%	52%	32%	14%
Bachelor's +	29%	47%	12%	24%	57%

Type of Game Played by Income

- The lower a person's income, the more likely they are to primarily play slot machines at Foxwoods and Mohegan Sun (<$25K = 72%, >$150K = 36%), while the higher a person's income, the more likely they are to report that they primarily play table games at Foxwoods and Mohegan Sun (<$25K = 13%, >$150K = 46%) (see Table 20).

- Nevertheless, nearly two-thirds (65%) of slot machine players at Foxwoods and Mohegan Sun have annual incomes of $45,000 or higher, while only 15% of those who play slot machines have an income of less than $25,000 (see Table 21).

- More than half of bingo players at Foxwoods have annual incomes of $25,000 to $45,000 (see Table 21).

- More than half (56%) of table games players have at Foxwoods and Mohegan Sun have annual incomes of $75,000 or higher, while 81% have annual incomes of $45,000 or higher (see Table 21).

Table 20

Type of Game Played By Income

	Slots	Table Games	Bingo	More Than One	Do Not Gamble
All Respondents	63%	25%	4%	8%	1%
Less than $25,000	72%	13%	6%	9%	0%
$25,000 to $45,000	70%	17%	10%	1%	2%
$45,000 to $75,000	68%	19%	2%	10%	1%
$75,000 to $150,00	55%	37%	0%	8%	1%
More than $150,00(	36%	46%	3%	15%	0%

Table 21

Type of Game Played By Income

	Slots	Table Games	Bingo	More Than One	Do Not Gambl e
Less than $25,000	15%	7%	24%	14%	0%
$25,000 to $45,00(	20%	13%	52%	4%	20%
$45,000 to $75,00(	35%	25%	19%	41%	40%
$75,000 to $150,0(	26%	44%	0%	29%	40%
More than $150,00	4%	12%	5%	12%	0%

Demographic Profile of Player Types

The demand for various types of games in the New England casino market is anchored in a number of different demographic groups, who each have an affinity for different types of games:

- The average slot machine player at Foxwoods and Mohegan Sun is a woman aged 40 plus, with at least some college and an annual income of $25,000 to $75,000 per year; and who is willing to travel 60 minutes or more -- even by passing more proximate slot parlors in Rhode Island -- to enjoy the general atmosphere and physical attractiveness of a destination casino. A secondary group of slot players consists of males with the same demographic profile. In addition to gambling 1 to 3 times per year, these players are quite likely to spend money on food, lodging, and retail shopping.

- The average bingo player at Foxwoods is a young woman aged 21 to 29 with an above average education (some college to associate's degree) and a moderate income ($25K - $45K). In addition to gambling 1 or 2 times per year, these players are likely to spend money on food and entertainment.

- The average table game player at Foxwoods and Mohegan Sun is a young male (under age 40) with a high income ($75K or more) and a high level of educational attainment (associate's degree, bachelor's degree, or higher). In addition to gambling 2 to 5 times per year, these players are likely to spend money on food, lodging, golf, and entertainment venues.

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APPENDIX A
Methodology

What is the New England Gaming Behavior Survey?

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hampshire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.[14] The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

[14] This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 1.9 percentage points of the answer given in this poll.

All telephone interviewers are trained by Center for Policy Analysis senior staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis also monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a $3.4 billion industry in New England that employs approximately 23,000 people at Foxwoods and Mohegan Sun resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate $1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly $1.6 billion in new capital investments to expand their operations, including a $700 million expansion at Foxwoods Resort Casino, a $125 million expansion at Lincoln Park, and the construction of a new $90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Mohegan Sun announced a $740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Mohegan's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a $25 million expansion that includes a new 120-room stand-alone hotel and refurbishment of its gaming space to house another 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Foxwoods and Mohegan Sun generated more than $427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than $246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated $18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLTs at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a $1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, http://www.umassd.edu/cfpa/gaming.cfm

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The

Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to http://www.umassd.edu/cfpa

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: ________ ID #: _____ State: ________ Interviewer: ________________
Date: ____________

Hi, my name is _________ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. □ Yes □ No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? ___________________________________

1. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?

□ Yes □ No

[If NO, please skip to question 3. If yes, continue.]

2. Did you participate in any of the following forms of gambling in the last 12 months? How about:

Scratch Tickets	□ Yes	□ No	□ DK/Refused
Other Lottery games such as Megabucks or Powerball	□ Yes	□ No	□ DK/Refused
Keno	□ Yes	□ No	□ DK/Refused
Casino gambling	□ Yes	□ No	□ DK/Refused
Wagered on a dog or horse race	□ Yes	□ No	□ DK/Refused
Bingo	□ Yes	□ No	□ DK/Refused
Wagering over the Internet	□ Yes	□ No	□ DK/Refused

3. **During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut?**

_____

[If 0 times go to question 4]

3a. **[If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Foxwoods in the last 12 months? How about:**

Not Important → Very Important	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. **On your last visit to Foxwoods, did you spend money on any of the following items?**

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

3c. **When you visit Foxwoods, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?**

[Please check only one]

- o slots
- o table games
- o bingo
- o do not gamble

4. During the last 12 months, how many times did you visit Mohegan Sun Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Mohegan Sun in the last 12 months? How about:

	Not Important		→	Very Important	
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

4b. On your last visit to Mohegan Sun, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

4c. When you visit Mohegan Sun, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o do not gamble

5. During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?

_____

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important → Very Important				
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

6. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ___

[If 0 times go to question 7 below]

6a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. On your last visit to Newport Grand, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

7. During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?

- o yes
- o no

8. During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____

9. During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times? ____

10. During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- o yes
- o no
- o don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location → 1	2	3	4	Great Location 5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree → 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?

- o yes
- o no
- o don't know

15. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:

	Strongly Disagree →				Strongly Agree	
	1	**2**	**3**	**4**	**5**	**DK**
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. [For Maine residents only]

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- o yes
- o no
- o don't know

17. **Gambling Problem Questions:**

		Yes	No
a	Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b	Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c	Have you ever tried to stop, cut down, or control your gambling?		
d	**[If yes]** Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e	Have you ever gambled as a way to escape from personal problems?		
f	Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g	Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h	Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i	Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j	Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? ________

19. Sex

- ❑ male
- ❑ female

20. What is the last grade of school that you completed? [Read Choices]

- ❑ less than high school
- ❑ high school diploma
- ❑ some college
- ❑ Associate's
- ❑ Bachelor's
- ❑ Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- ❑ Less than $25,000
- ❑ $25,000 to $45,000
- ❑ $45,000 to $75,000
- ❑ $75,000 to 150,000
- ❑ $150,00 or more
- ❑ don't know/refused

APPENDIX C

New England Gaming Behavior Survey:
Profile of New England Survey Sample

A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of all survey respondents, including age, income, education, age and state.

A. Sex

Sex	Percent
Male	46.8%
Female	53.2%

B. Income

Income	Percent
Less than $25,000	18.3%
$25,000 to $45,000	19.6%
$45,000 to $75,000	27.3%
$75,000 to $150,000	28.0%
More than $150,000	6.9%

C. Education

Education	Percent
Less than High School	4.8%
High School Only	29.2%
Some College/Associate	30.0%
Bachelor's and Higher	36.0%

D. Age

Age	Percent
18 to 29	20.4%
30 to 39	20.6%
40 to 49	20.7%
50 to 59	15.0%
60 to 69	9.7%
70 and older	13.7%

TAKING THE GAMBLE IV:

WHO GAMBLES AT RHODE ISLAND'S RACINOS?

Executive Summary

Prepared

By

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

February 2007

UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CENTER FOR POLICY ANALYSIS

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EXECUTIVE SUMMARY:

Who Gambles at Rhode Island's Racinos?

The New England Gaming Behavior Survey was conducted to inform on-going debates about expanded gambling in Maine, Massachusetts, and Rhode Island. The Center for Policy Analysis conducted a random sample telephone survey of 2,807 residents in Massachusetts, Maine, New Hampshire, and Rhode Island to determine the propensity to gamble and to identify patterns in gambling behavior among the four states' residents. A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006 (see Appendix A). The survey instrument was developed by the Center for Policy Analysis (see Appendix B).

The U.S. gaming market is usually divided into six different segments consisting of charitable gaming,[1] pari-mutuel wagering,[2] state lotteries,[3] commercial casinos, racetrack casinos, and tribal casinos. Currently, 47 states and the District of Columbia allow charitable gaming, 41 states allow pari-mutuel wagering, 41 states and the District of Columbia have lotteries, 11 states license commercial casinos, 9 states have licensed racetrack casinos ("racinos), and 28 states have Class II or Class III tribal casinos. Nevada was the first state to legalize casino gambling in 1931 and it was not until 1976 that New Jersey became the second state to legalize casinos in Atlantic City. However, growth in the U.S. gaming market accelerated a decade later when the federal Indian Gaming Regulatory Act (IGRA) was passed in 1988 and states other than Nevada and New Jersey began to legalize commercial casinos.[4]

There are currently 562 federally-recognized Indian tribes. At present, 224 of these tribes have negotiated 249 compacts with 28 states to establish 354 Class II or Class III gaming operations. Native American Indian casinos had GGR of $14.5 billion in 2002. There are 10 federally-recognized Indian tribes in New England, although only two of the tribes – the Mashantucket Pequot Tribe and the Mohegan Tribe -- currently operate Class III gaming facilities. The two tribes operate the only casinos in New England, which in calendar year 2005 had combined gross gaming revenues of nearly $2.4 billion. The Mashantucket Pequot's Foxwoods Resort Casino is now the largest casino in the United States, while the Mohegan Tribe's Mohegan Sun is the second largest casino in the United States. Connecticut's two Native American casinos have made that state the fourth largest casino market in the United States behind Nevada ($11 billion), New Jersey ($5 billion), and Mississippi ($2.5 billion).

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[1] For example, bingo and raffles.

[2] Greyhound racing, thoroughbred horse racing, quarter horse racing, harness racing, and jai-alai, including simulcast and off-track betting.

[3] Instant tickets, lotto games, keno, and video lottery terminals.

[4] Although commercial casinos and Native American casinos are similar from an economic and operational standpoint, the statutory basis of their existence is different and this distinction has numerous ramifications for the states' regulatory and taxing authority.

Since 1989, however, nine states have also legalized commercial casinos, including South Dakota (1989), Iowa (1989), Colorado (1990), Illinois (1990), Mississippi (1990), Louisiana (1991), Missouri (1993), Indiana (1993), and Michigan (1996).[5] In 2005, these 11 states had 455 operating commercial casinos with 185 of the casinos operating outside the traditional venues of Nevada and New Jersey. In 2005, commercial casinos had combined gross gaming revenues of more than $30 billion.

Racetrack casinos – or racinos -- are an even more recent development in the nation's gaming and casino market. In 1992, Rhode Island was the first state to authorize and operate racinos at Lincoln Park and Newport Grand. Rhode Island was soon followed by Delaware (1994), West Virgina (1994), Iowa (1994), Louisiana (1994), and New Mexico (1997), and more recently, by New York (2001), Oklahoma (2004), and Maine (2005).[6] There are currently 29 racetrack casinos operating in nine states.[7] In 2005, racinos had combined gross gaming revenues of $3.1 billion.

Given the comparatively recent expansion of casino gambling in the United States, gambling studies is a comparatively new field of social scientific inquiry.[8] Consequently, policymakers, the general public, and even many scholars are often unfamiliar with the complexities and nuances of gaming-related issues and, most particularly the differences between "destination" casinos and "convenience" gambling facilities. There is often a tendency to view "gambling" as one large undifferentiated market with uni-dimensional behavior patterns and demographics that can be extrapolated from one market niche to another or from one political jurisdicition to another without qualification. More specifically, casinos are often viewed as generic (fiscal and economic) equivalents by public policymakers, regardless of whether they are land-based resorts, riverboat, dockside, or racetrack casinos. Hence, there has been little research to determine if there are in fact differences within the casino market that have implications for public policy, especially state fiscal, economic development, and social policies. For example:

- How many people gamble and what types of gambling interest them?
- Do different people gamble at destination casinos as opposed to slot parlors[9] and racinos?[10]

[5] The years identify dates when legislation was passed legalizing commercial casinos, although in most cases the first casino did not begin operations until one to three years later. This list includes states with land-based, riverboat, and dockside casinos.

[6] The years identify dates when legislation was passed legalizing commercial casinos, although in most cases the first casino did not begin operations until one to three years later.

[7] These numbers do not include Pennsylvania, which became the tenth state to authorize racinos and slot parlors. Its first racino opened in November 2006 at Pocono Downs, which is owned by the Mohegan Tribal Authority.

[8] The leading academic journals in this field are the *Journal of Gambling Studies* and the *Gaming Law Review*. However, scholarly research on various aspects of gambling are now published in journals of economics, economic development, sociology, psychology, travel and tourism, and public health.

[9] Slot parlors offer slot machines or video lottery terminals, but they do not offer table games (e.g., poker, roulette, black jack, baccarat, etc.). Slot parlors generally do not offer the same range of non-gambling amenities as a resort casino, such as a luxury hotel, gourmet dining, retail outlets, and entertainment venues.

[10] Racinos are slot parlors located at parimutuel facilities, such as greyhound racing parks, horse racing tracks, or jai alai frontons.

- What are the incomes and demographics of destination casino, slot parlor, and racino patrons?
- What attracts patrons to a destination casino, slot parlor, or racino;
- How often does the average patron visit a destination casino, slot parlor, or racino?
- How far will patrons drive to visit a casino and are their differences between those who visit a destination casino, slot parlor, or racino?

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1) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island visited Lincoln Park or Newport Grand in the last 12 months and how often?

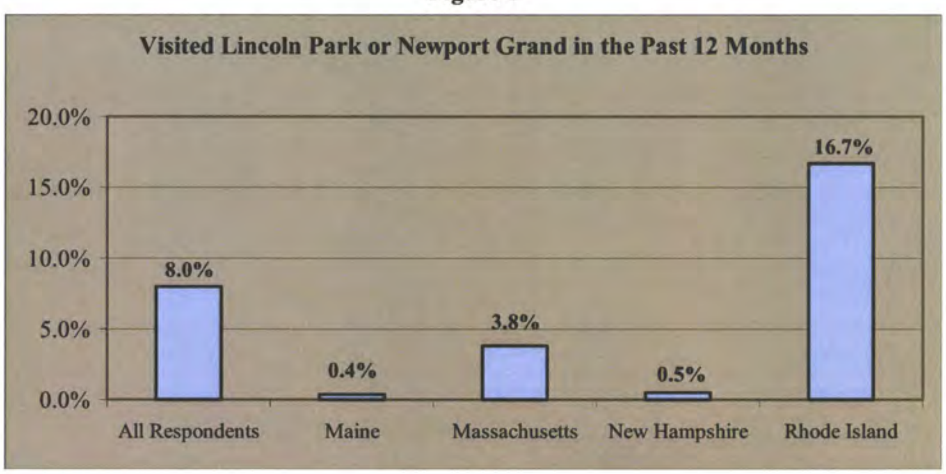
A random sample of 2,807 Maine, Massachusetts, New Hampshire, and Rhode Island residents was asked the following two questions: "During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?" and "During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island?" (Margin of error +/-1.9%).

Propensity to Gamble at Lincoln Park & Newport Grand by State

- Eight percent (8%) of all respondents in the four states surveyed report having visited Lincoln Park or Newport Grand at least once during the previous twelve months (see Figure 1). About seven percent (6.8%) of all respondents had visited Lincoln Park at least once during the previous twelve months, while about 2 percent (2.4%) of all respondents had visited Newport Grand at least once during the previous twelve months (see Table 1).

- Rhode Islanders reported the highest ratio of visitations, with nearly about a sixth (17%) of Ocean State residents having visited Lincoln Park or Newport Grand in the last twelve months, followed by Bay State residents (4%), New Hampshire (0.5%), and Maine (0.4%) (see Figure 1).[11]

Figure 1



[11] The only statistically significant change from the 2004 New England Gaming Behavior Survey is that the percentage of Rhode Islander's visiting Lincoln Park during the last 12 months increased from 10.2% in 2004 to 14.1% in 2006 (for comparison, see, Clyde W. Barrow, et al., *Gaming Behavior Survey*, North Dartmouth, MA: Center for Policy Analysis, 2004), p. 21.

- About triple the percentage of residents in most of the states surveyed had visited Lincoln Park as compared to Newport Grand (see Table 2)

Table 1

Visited Lincoln Park or Newport Grand in Last 12		
	Lincoln %	Newport %
All	6.8%	2.4%
ME	0.2%	0.2%
MA	3.2%	1.0%
NH	0.5%	0.0%
RI	14.1%	5.2%

Number of Visitors & Average Visits Per Year to Lincoln Park & Newport Grand by State

- In the last 12 months, approximately 151,000 Massachusetts residents visited Lincoln Park an average of 3.9 times and approximately 47,000 Massachusetts residents visited Newport Grand an average of 2.8 times (see Table 2).[12]

Table 2

Visitation Patterns to Lincoln Park and Newport Grand by State

	Visited Lincoln	Visited Newport	Total Annual Visitors Lincoln Park	Total Annual Visitors Newport Grand	Avg. Visits/Yea r Lincoln	Avg. Visits/Year Newport
All Respondents	6.8%	2.4%	268,963	90,330	7.28	7.38
Maine	0.2%	0.2%	2,015	2,015	1.00	2.00
Massachusetts	3.2%	1.0%	151,430	47,322	3.89	2.83
New Hampshire	0.5%	0.0%	4,363	-	1.00	0.00
Rhode Island	14.1%	5.2%	111,155	40,993	8.10	8.31

- In the last 12 months, approximately 111,000 Rhode Island residents visited Lincoln Park an average of 8.1 times and approximately 41,000 Rhode Island residents visited Newport Grand an average of 8.3 times each (see Table 2).

- In the last 12 months, approximately 4,400 New Hampshire residents visited Lincoln Park an average of 1.0 times. New Hampshire residents did not report any visits to Newport Grand in the last 12 months (see Table 2).

- In the last 12 months, approximately 2,000 Maine residents visited Lincoln Park an average of 1.0 times and approximately 2,000 Maine residents visited Newport Grand an average of 2.0 times each (see Table 2).

[12] The number of Massachusetts residents who visited Lincoln Park increased from 119,286 in 2004 to 151,430 in 2006. However, the number of Massachusetts residents who visited Newport Grand declined from 64,231 in 2004 to 47,322 in 2006. Similarly, the number of Rhode Islander's visiting Lincoln Park increased from 76,341 in 2004 to 111,115 in 2006, while the number visiting Newport Grand declined from 45,655 in 2004 to 40,993 in 2006 (for comparison, see, Ibid., p. 21).

Number of Visits Per Year to Lincoln Park & Newport Grand by State

- Massachusetts residents made approximately 588,000 visits to Lincoln Park and 134,000 visits to Newport Grand in the last 12 months (see Table 3).

- Rhode Island residents made approximately 900,000 visits to Lincoln Park and 341,000 visits to Newport Grand in the last 12 months (see Table 3).[13]

- New Hampshire residents made approximately 4,400 visits Lincoln Park and no visits to Newport Grand in the last 12 months (see Table 3).

- Maine residents made approximately 2,000 visits to Lincoln Park and 4,000 visits to Newport Grand in the last 12 months (see Table 3).

Table 3

Total Annual Visits to Lincoln Park or Newport Grand in Last 12 Months

	Lincoln Visit	Newport Visits
All	1,495,145	478,604
ME	2,015	4,030
MA	588,414	133,921
NH	4,363	0
RI	900,353	340,654

[13] The number of visits to Lincoln Park by Massachusetts residents increased slightly from 571,381 in 2004 to 588,414 in 2006. However, the number of visits to Newport Grand by Massachusetts residents declined from 456,683 in 2004 to 134,079 in 2006. The declines at Newport Grand were partially offset by an increase in visitations by Rhode Island residents from 259,321 in 2004 to 341,000 in 2006. On the other hand, the number of visitations to Lincoln Park by Rhode Islander's decreased from 1,408,499 in 2004 to 900,000 in 2006, although this decline was partially offset by the small increase in visitations from Massachusetts residents from 119,286 in 2004 to 133,921 in 2006 (for comparison, see, Ibid., p. 21-22). While the data indicate that the total number of persons visiting Rhode Island's two slot parlors has increased over the last two years, the decline in total visitations (and revenues) is explained by the fact that patrons are now making fewer visits per year than in 2004, but are probably spending slightly more per visit than two years ago.

Frequency of Visitation to Lincoln Park & Newport Grand by State

- One-third (34%) of the individuals who reported visiting Lincoln Park in the last 12 months had visited only one time, while two-thirds (66%) had visited four times or less (Table 4). However, a larger percentage of Lincoln Park patrons report visiting the racino 5 or more times per year as compared to visitors to Connecticut's resort casinos (Foxwoods = 21%, Mohegan = 15%).

- Over half (54%) of the individuals who reported visiting Newport Grand in the last 12 months had visited only one time, while more than four-fifths (85%) had visited four times or less (Table 4).

Table 4

Number of Trips Per Year to Lincoln Park and Newport Grand by State

	Lincoln Park					Newport Grand				
	One Time	Two Times	Three Times	Four Times	Five or More Times	One Time	Two Times	Three Times	Four Times	Five or More Times
All Respondent	34%	13%	13%	6%	33%	54%	19%	9%	3%	15%
Maine	100%	0%	0%	0%	0%	0%	100%	0%	0%	0%
Massachusetts	36%	21%	15%	0%	27%	40%	50%	0%	0%	10%
New Hampshir	100%	0%	0%	0%	0%	NA	NA	NA	NA	NA
Rhode Island	34%	12%	13%	7%	35%	58%	12%	11%	4%	16%

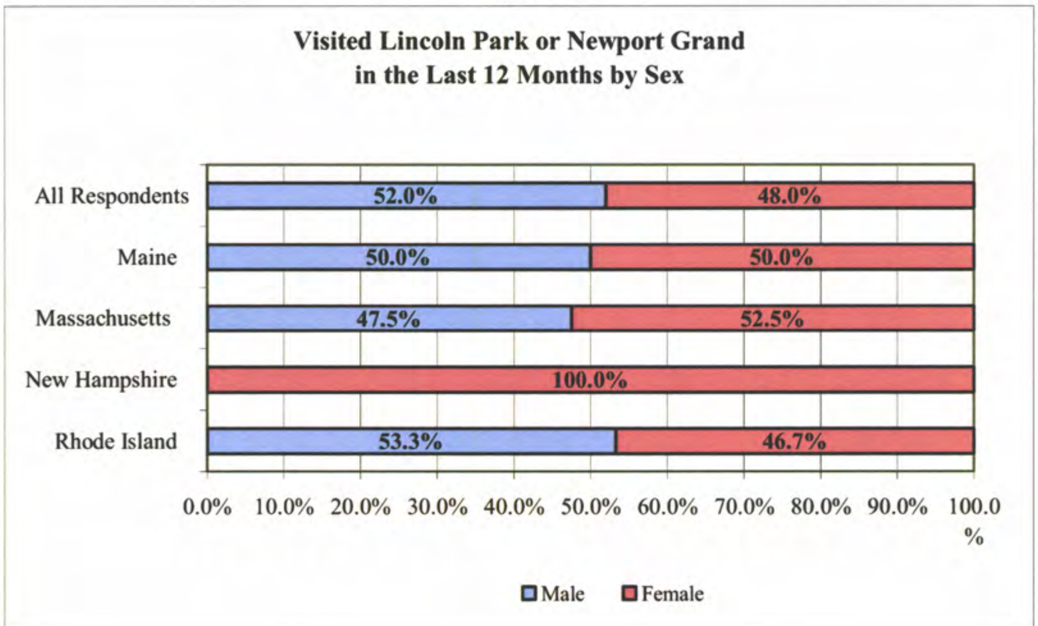
2) What is the demographic profile of persons from Maine, Massachusetts, New Hampshire, and Rhode Island who visited Lincoln Park or Newport Grand in the last 12 months?

All 2,807 respondents were asked basic demographic questions about their sex, age, educational attainment, and annual income (see Appendix B).

Lincoln Park/Newport Grand Visitors by Sex

- Visitors to Lincoln Park and Newport Grand are more or less evenly divided between men and women (see Figure 2).

Figure 2



Lincoln Park/Newport Grand Visitors by Age

- Visitors to Lincoln Park and Newport Grand from the four states surveyed are dispersed among all age cohorts, although nearly two-thirds (64%) are under age 50 (see Table 4, columns add to 100%) (see Table 5).

Table 5

Visited Lincoln Park or Newport Grand in the Last Twelve Months by Age

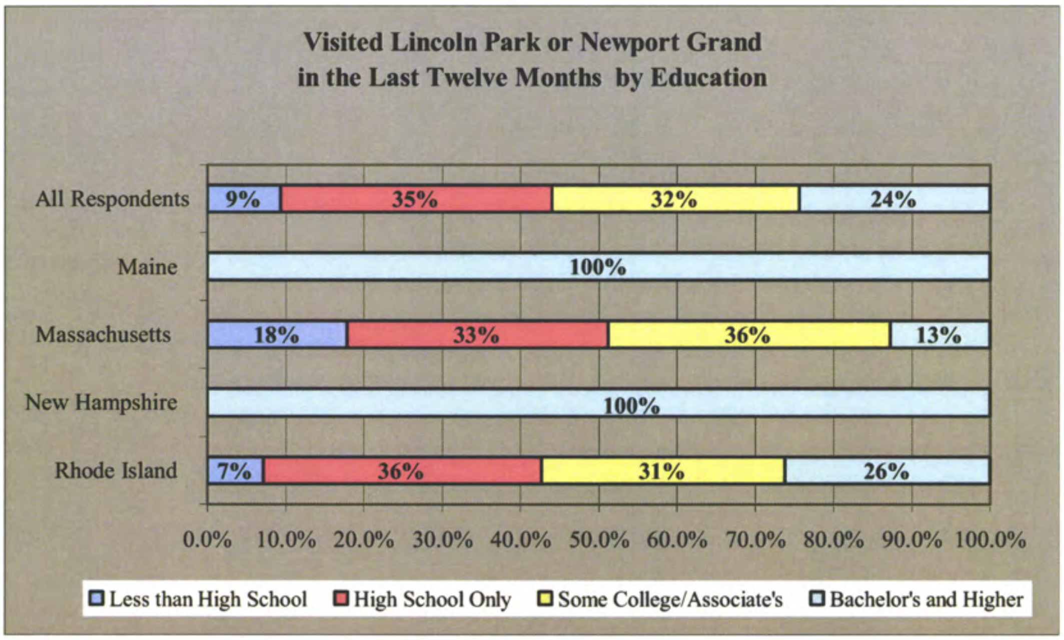
	Respondents	Maine	Massachusetts	Hampshire	Rhode Island
18 to 29	24%	0%	21%	0%	25%
30 to 39	19%	50%	21%	0%	18%
40 to 49	21%	0%	10%	0%	23%
50 to 59	12%	0%	15%	0%	12%
60 to 69	12%	50%	23%	100%	9%
70 and older	13%	0%	10%	0%	13%

Lincoln Park/Newport Grand Visitors by Education

- More than two-thirds (67%) of those who have visited Lincoln Park or Newport Grand in the last 12 months have moderate levels of education – a high school dipoma, some college, or associate's degree (see Figure 3).

- Less than a tenth (9%) of the individuals who had visited Lincoln Park or Newport Grand in the last 12 months had less than a high school diploma (see Figure 3).

Figure 3

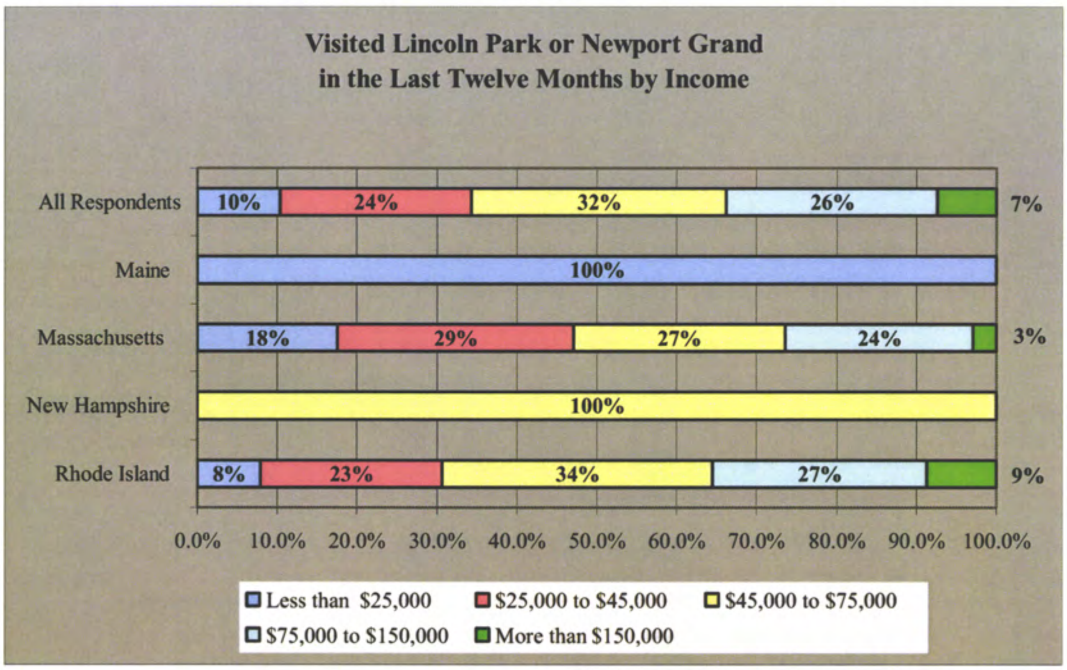


Lincoln Park/Newport Grand Visitors by Income

- Over half (56%) of the individuals who had visited Lincoln Park or Newport Grand in the last 12 months had annual incomes of $25,000 to $75,000. Another 26% had annual incomes of $75,000 to $150,000 (see Figure 4).

- A comparatively small percentage (10%) of the individuals who had visited Lincoln Park or Newport Grand in the last 12 months had annual incomes of less than $25,000 (see Figure 4).

Figure 4



3) What percentage of residents in Maine, Massachusetts, New Hampshire, and Rhode Island who visited Lincoln Park or Newport Grand in the last 12 months spent money on gambling and non-gambling activities at the casinos?

Respondents who said they had visited Lincoln Park or Newport Grand in the last 12 months were also asked: "On your last visit to Lincoln Park…Newport Grand did you spend money on any of the following items? Food, hotel or lodging, retail purchases, other entertainment, gambling – yes/no" (see Appendix B).

- Most visitors to Lincoln Park (95%) and Newport Grand (90%) spend money on gambling (which is about the same proportion as at Connecticut's two resort casinos), although 5% of those who visited Lincoln Park in the last 12 months did not gamble, while 10% of those who visited Newport Grand did not gamble (see Table 6).[14]

- A large percentage of Lincoln's visitors spend money on food (71%), but very few spend money on lodging (4%), retail (4%), or other entertainment (4%) during their visits to the racino (see Table 6).[15]

- Over half of Newport Grand's visitors spend money on food (54%), but very few spend money on lodging (3%), retail (3%), or other entertainment (7%) during their visits to the racino (see Table 6).[16]

Table 6

Percent Patrons Who Spent Money By Category

	Lincoln Park					Newport Grand				
	Food	**g**	**Retail**	**Other**	**ng**	**Food**	**g**	**Retail**	**Other**	**g**
All Responden	62%	4%	4%	4%	95%	54%	3%	3%	7%	90%
Maine	100%	100%	0%	0%	100%	100%	100%	100%	100%	100%
Massachusetts	51%	0%	4%	12%	95%	46%	0%	0%	0%	89%
New Hampshir	100%	0%	0%	0%	100%	NA	NA	NA	NA	NA
Rhode Island	64%	5%	4%	3%	95%	54%	2%	2%	8%	90%

[14] The current decline in Newport Grand's revenues is clearly driven by Massachusetts residents, who are visiting the facility less frequently and who are less attracted to its non-gambling amenities. Lincoln Park seems to be having some success in attracting more Massachusetts residents to its new entertainment venues.

[15] The percentage of Rhode Island visitors to Lincoln Park who spent money on food increased from 52% in 2004 to 64% in 2006, although the percentage who spent money on retail and other entertainment decreased over the last two years. The percentage of Massachusetts visitors to Lincoln Park who spent money on food decreased from 76% in 2004 to 51% in 2006 and the percentage who spent money on lodging and retail also decreased over the last two years. The percentage of Massachusetts residents who spent money on other entertainment increased from 0% in 2004 to 12% in 2006 (for comparison, see Ibid., p. 24).

[16] The percentage of Rhode Island visitors to Newport Grand who spent money on food increased from 47% in 2004 to 54% in 2006, although the percentage who spent money on retail and other entertainment decreased over the last two years. The percentage of Massachusetts visitors to Newport Grand who spent money on food decreased from 67% in 2004 to 46% in 2006 and the percentage who spent money on retail and other entertainment also decreased over the last two years (for comparison, see Ibid., p. 24).

4) What attracts visitors to Rhode Island's two racinos?

Respondents who said they had visited Lincoln Park or Newport Grand in the last 12 months were also asked: "On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park [or Newport Grand] in the last 12 months? How about…." (see Appendix B).

Lincoln Park

- In contrast to patrons of Connecticut's resort casinos, most of Lincoln Park's patrons rated its location close to home (3.87) as the most import factor in their decision to visit the racino. The general atmosphere of the facility (2.97) and the availability of video lottery terminals (2.93) were secondary considerations (see Table 7).

Table 7

Importance of Various Amentities in Decision to Visit Lincoln Park

rage on a Scale of 1 to 5 with 5 Meaning Very Impor

	Average
location close to home	3.87
general atmosphere of the facility	2.97
video lottery terminals	2.93
physcial attractiveness of the facilit	2.89
bars & restaurants	2.57
live dog racing	2.16
music & dance venues	2.00
simulcast racing	1.71

Newport Grand

- Most of Lincoln Park's patrons rated its location close to home (3.65) as the most import factor in their decision to visit the racino. However, the general atmosphere of the facility (3.34) and the physical attractiveness of the facility (3.18) were also important considerations The (see Table 8).

Table 8

Importance of Various Amentities in Decision to Visit Newport Grand

rage on a Scale of 1 to 5 with 5 Meaning Very Impo

	Average
location close to home	3.65
general atmosphere of the facility	3.34
physcial attractiveness of the facility	3.18
bars & restaurants	2.90
video lottery terminals	2.71
music & dance venues	2.20
simulcast racing	1.99

5) The availability of table games, the availability of numerous non-gambling amenities, the physical attractiveness of the facilities, and the general atmosphere of the facilities differentiate New England's resort casino market from the convenience gambling (slot parlor/racino) market.

All 2,807 respondents were also asked whether they had visited Lincoln Park in Lincoln, Rhode Island or Newport Grand in Newport, Rhode Island in the last 12 months.

- It was found that 77% of those who visited Lincoln Park or Newport Grand had not visited Lincoln Park or Newport Grand in the last 12 months despite their closer proximity to most respondents' homes (see Table 9).

Table 9

Foxwoods & Mohegan Patrons Who Have Visited Lincoln or Newport	Percent
Have Visited LP/NG	23%
Have Not Visited LP/NG	77%

6) Racino/slot parlor gamblers are attracted primarily by convenience (i.e., location close to home).

The town or city of residence for all 2,807 respondents was determined by asking them "...in which town or city do you live?" The drive-time for each person visiting the two racinos in the last twelve months was determined using Mapquest.

- Nearly all visitors (97%) to Lincoln Park traveled less than 60 minutes to get to the racino and 61% traveled 30 minutes or less (see Table 10).

Table 10

Travel Time to Lincoln Park

	Percent
1 to 30 minutes	61%
31 to 60 minutes	36%
61 to 90 minutes	3%
91 to 120 minutes	0%
> 2 hours	0%

- More than three-fourths (76%) visitors to Newport Grand traveled less than 60 minutes to get to the racino and 97% traveled 90 minutes or less (see Table 11).[17]

Table 11

Travel Time to Newport Grand

	Percent
1 to 30 minutes	24%
31 to 60 minutes	52%
61 to 90 minutes	21%
91 to 120 minutes	2%
> 2 hours	1%

[17] The fact that Newport Grand is able to attract a substantial number of visitors from longer distances than Lincoln Park is consistent with the fact that its patrons rate the importance of the general atmosphere of the facility and physical attractiveness of the facility higher than at Lincoln Park patrons.

Demographic Profile of Racino Players

The demand for various types of games in the New England casino market is anchored in a number of different demographic groups, who each have an affinity for different types of games and facilities:

- The racinos in Rhode Island have a well-defined costumer demographic that is distinct from Connecticut's resort casinos. Racinos are the casinos of the lower middle class.

- Racino patrons are not poor, but are members of lower-middle to middle income groups ($25,000 to $75,000), who have also have mid-range levels of educational attainment (i.e., high school diploma, some college, or associate's degree).

- Racino patrons are interested primarily in gambling, particularly slot machine (or VLT) gambling, so they are not attracted to the table games or various non-gambling amenities offered by resort casinos.

- Racino patrons do not, for the most part, spend money on overnight lodging, since most come from with a 30 to 60 minute drive radius.

- Racino patrons are not, for the most part, seeking gourmet dining or high-end designer retail shopping. They are seeking convenient gambling, rather than a comprehensive entertainment or resort venue.

- Despite being attracted to racinos by their convenience (i.e., location close to home), most racino patrons visit those facilities only 1 to 4 times per year.

- Racino patrons constitute a secondary market for the slot machines at Connecticut's resort casinos, particularly females with annual incomes of $45,000 or higher, who rate the general atmosphere and physical attractiveness of gambling facilities as a more important consideration than other racino patrons.

APPENDIX A
Methodology

What is the New England Gaming Behavior Survey?

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hampshire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.[18] The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

18 This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 1.9 percentage points of the answer given in this poll.

All telephone interviewers are trained by Center for Policy Analysis senior staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis also monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a $3.4 billion industry in New England that employs approximately 23,000 people at Lincoln Park and Newport Grand resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate $1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly $1.6 billion in new capital investments to expand their operations, including a $700 million expansion at Lincoln Park Resort Casino, a $125 million expansion at Lincoln Park, and the construction of a new $90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Newport Grand announced a $740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Newport Grand's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a $25 million expansion that includes a new 120-room stand-alone hotel and refurbishment of its gaming space to house another 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Lincoln Park and Newport Grand generated more than $427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than $246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated $18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLTs at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a $1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, http://www.umassd.edu/cfpa/gaming.cfm

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The

Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to http://www.umassd.edu/cfpa

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: ________ ID #: _____ State: ________ Interviewer: ________________
Date: ____________

Hi, my name is _________ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. □ Yes □ No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? ________________________________

1. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?

□ Yes □ No

[If NO, please skip to question 3. If yes, continue.]

2. Did you participate in any of the following forms of gambling in the last 12 months? How about:

Scratch Tickets	□ Yes	□ No	□ DK/Refused
Other Lottery games such as Megabucks or Powerball	□ Yes	□ No	□ DK/Refused
Keno	□ Yes	□ No	□ DK/Refused
Casino gambling	□ Yes	□ No	□ DK/Refused
Wagered on a dog or horse race	□ Yes	□ No	□ DK/Refused
Bingo	□ Yes	□ No	□ DK/Refused
Wagering over the Internet	□ Yes	□ No	□ DK/Refused

3. During the last 12 months, how many times did you visit Lincoln Park Resort Casino in Connecticut? _____

[If 0 times go to question 4]

3a. [If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months? How about:

	Not Important				Very Important
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

3c. When you visit Lincoln Park, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o bingo
- o do not gamble

4. During the last 12 months, how many times did you visit Newport Grand Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months? How about:

	Not Important			Very Important	
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

4b. On your last visit to Newport Grand, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

4c. When you visit Newport Grand, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o do not gamble

5. During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?

_____

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

6. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ___

[If 0 times go to question 7 below]

6a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. On your last visit to Newport Grand, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

7. During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?

- o yes
- o no

8. During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____

9. During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times?

____

10. During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- o yes
- o no
- o don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location 1	2	3	4	Great Location 5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. **Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?**

- o yes
- o no
- o don't know

15. **On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:**

	Strongly Disagree 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. **[For Maine residents only]**

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- o yes
- o no
- o don't know

17. Gambling Problem Questions:

		Yes	No
a	Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b	Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c	Have you ever tried to stop, cut down, or control your gambling?		
d	**[If yes]** Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e	Have you ever gambled as a way to escape from personal problems?		
f	Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g	Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h	Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i	Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j	Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? ________

19. Sex

- ❑ male
- ❑ female

20. What is the last grade of school that you completed? [Read Choices]

- ❑ less than high school
- ❑ high school diploma
- ❑ some college
- ❑ Associate's
- ❑ Bachelor's
- ❑ Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- ❑ Less than $25,000
- ❑ $25,000 to $45,000
- ❑ $45,000 to $75,000
- ❑ $75,000 to 150,000
- ❑ $150,00 or more
- ❑ don't know/refused

APPENDIX C

New England Gaming Behavior Survey:
Profile of New England Survey Sample

A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of all survey respondents, including age, income, education, age and state.

A. Sex

Sex	Percent
Male	46.8%
Femal€	53.2%

B. Income

Income	Percent
Less than $25,000	18.3%
$25,000 to $45,000	19.6%
$45,000 to $75,000	27.3%
$75,000 to $150,000	28.0%
More than $150,000	6.9%

C. Education

Education	Percent
Less than High School	4.8%
High School Only	29.2%
Some College/Associat€	30.0%
Bachelor's and Higher	36.0%

D. Age

Age	Percent
18 to 29	20.4%
30 to 39	20.6%
40 to 49	20.7%
50 to 59	15.0%
60 to 69	9.7%
70 and older	13.7%

TAKING THE GAMBLE V:

IS GAMBLING A PROBLEM IN NEW ENGLAND?

Executive Summary

Prepared

By

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

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UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CENTER FOR POLICY ANALYSIS

The University of Massachusetts Dartmouth Center for Policy Analysis is a multidisciplinary research unit that promotes economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and polling research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis strives to erode the walls between research and teaching by training students in the techniques of applied social science and by conducting university and community based educational programs. The Center for Policy Analysis does not pursue a predetermined research agenda, but is a flexible research organization responding on a timely basis to the problems and issues identified by client agencies.

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Polling & Program Evaluation Research Series No. 53

EXECUTIVE SUMMARY:

What is Pathological and Problem Gambling

The American Psychiatric Association's (APA) Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), which was adopted in 1994, classifies pathological gambling as an impulse control disorder and describes 10 criteria to guide diagnoses of the disorder (see Table 1). "Pathological gamblers" are defined as gamblers who experience at least five of the ten diagnostic criteria identified in the DSM-IV. "Problem gamblers" are defined as individuals who experience a range of adverse consequences from their gambling, but fall below the threshold for pathological gambling (i.e., they experience 3 or 4 of the ten DSM-IV criteria used to identify pathological gambling. "At-risk gamblers" are defined as individuals who meet one or two of the DSM-IV criteria for pathological gambling. At risk gamblers are considered at risk of becoming problem gamblers although they may also gamble recreationally throughout their lives without any negative consequences.[1] According to the national *Gambling Impact and Behavior Survey* (1999) submitted to the National Gambling Impact Study Commission: "Most researchers and treatment professionals working with gambling problems have expressed satisfaction with the new DSM-IV criteria…Internationally, researchers and treatment professionals have adopted the DSM-IV criteria as the new standard" for diagnosing and conducting research on problem and pathological gambling.[2]

Table 1

DSM-IV Criteria for Pathological Gambling	
Behavior	**Definition**
Preoccupation	Is preoccupied with gambling (e.g., preoccupied with reliving past gambling experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble)
Tolerance	Needs to gamble with increasing amounts of money in order to achieve the desired excitement
Withdrawal	Is restless or irritable when attempting to cut down or stop gambling
Escape	Gambles as a way of escaping from problems or relieving dysphoric mood (e.g., feelings of helplessness, guilt, anxiety, or depression)
Chasing	After losing money gambling often returns another day in order to get even ('chasing one's losses')
Lying	Lies to family members, therapists, or others to conceal the extent of involvement with gambling
Loss of control	Has made repeated unsuccessful efforts to control, cut back, or stop gambling
Illegal acts	Has comitted illegal acts (e.g., forgery, fraud, theft, or embezzlement in order to finance gambling)
Risked significant relationship	Has jeopardized or lost a significant relationship, job, or educational or careeer oppportunity because of gambling
Bailout	Has relied on others ot provide money to relieve a desperate situation caused by gambling

[1] *National Gambling Impact Study Commission: Final Report* (June 18, 1999), pp. 4-1 to 4-5.

[2] National Opinion Research Center (University of Chicago), *Gambling Impact and Behavior Survey: Report to the National Gambling Impact Study Commission* (April 1, 1999), pp. 15-16.

In 1998, the National Gambling Impact Study Commission (NGISC) asked the National Opinion Research Center (NORC) at the University of Chicago to design a survey questionnaire based on the DSM-IV criteria for identifying pathological gambling. The survey instrument was field tested with both an RDD pilot telephone survey and a patron intercept survey. The survey instrument was found to be a highly reliable measure of pathological and problem gambling based on the assessment of treatment specialists.[3] The final *Gambling Impact and Behavior Study* (1999) prepared by NORC for the National Gambling Impact Study Commission was based on RDD telephone interviews with 2,417 individuals nationwide and a patron intercept sample of 530 individuals at selected gambling venues.[4]

The *Gambling Impact and Behavior Study* (1999) estimated that "lifetime" pathological and problem gamblers comprised about 2.7% of the adult U.S. population and that "past year" (12-month period) pathological and problem gamblers comprised 1.3% of the adult U.S. population.[5] These figures include individuals whose problems are related to casino, lottery, video lottery terminal, and pari-mutuel gambling. In the patron intercept sub-sample of the NORC survey (530 respondents), it was found that among problem and pathological gamblers 42% frequented casinos (resort, riverboat, and Indian), 22% were frequent lottery players, 3% were VLT (racino) players, and 33% frequented pari-mutuel facilities.[6]

For comparison purposes, it is estimated that within any 12-month period (past year prevalence) about 1.3% of the U.S. population are pathological and problem gamblers, that 2.8% are drug dependent, and that 7.2% are alcohol dependent.[7]

The *Gambling Impact and Behavior Study* was linked to economic and other data, which yielded an estimate that pathological and problem gamblers cost American society approximately $5 billion per year and an additional $40 billion in estimated lifetime costs due to lost productivity, social services, and creditor losses (1999 dollars). NORC estimated that the annual average costs of job loss, unemployment benefits, welfare benefits, poor physical and mental health, and problem or pathological gambling treatment was approximately $1,200 per pathological gambler per year and approximately $715 per problem gambler per year.[8] NORC further estimated that *lifetime costs* (bankruptcy, arrests, imprisonment, legal fees for divorce, etc.) were $10,550 per pathological gambler, and $5,130 per problem gambler. These costs are borne primarily by private businesses, affected families, and to a lesser extent by government, although it is assumed that many of

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[3] National Opinion Research Center (University of Chicago), *Gambling Impact and Behavior Survey: Report to the National Gambling Impact Study Commission* (April 1, 1999), pp. 17-24.

[4] The patron intercept surveys were conducted to supplement the RDD telephone sample mainly to generate a larger N of problem and pathological gamblers, since it was known that the RDD sample would yield a low number of problem gamblers; hence making it difficult to generalize about the demographic and other characteristics of problem gamblers, see, Ibid., p. 22.

[5] *National Gambling Impact Study Commission: Final Report*, p. 4-5.

[6] NORC, *Gambling Impact and Behavior Survey,* pp. viii-ix, 26.

[7] *National Gambling Impact Study Commission: Final Report* (June 18, 1999), pp. 4-7.

[8] NORC, *Gambling Impact and Behavior Survey,* p. 53.

these costs are transferred to society as a whole in the form of higher prices or social service expenditures. Thus, if lifetime costs are amortized over 40 years ($1 billion per year) and added to annual costs ($5 billion), the NGISC figures indicate that problem and pathological gamblers generate a combined **cost to U.S. society of approximately *$6 billion annually*** – that is, $1,091 per pathological and problem gambler per year (1999 dollars) -- or about $1,382 per pathological and problem gambler per year in 2007 dollars.[9]

For comparison purposes, the U.S. Department of Labor estimates that alcohol and drug abuse cost American businesses about $81 billion per year in lost productivity (about thirteen times more than is attributable to pathological and problem gambling.[10]

For comparison purposes, the American Lung Association (2006) estimates that smoking costs business and government $167 billion annually -- $92 billion in lost productivity and $75 billion in direct health care expenses.[11]

For comparison purposes, more recently, it has been estimated that "internet abuse" costs private businesses $54 billion annually in lost productivity.[12]

The NORC survey instrument was implemented by the Center for Policy Analysis to measure lifetime pathological and problem gambling (see Appendix B, Question 17). The Center's survey assistants interviewed 2,806 individuals in Maine, Massachusetts, New Hampshire, and Rhode Island to determine the lifetime prevalence of pathological and problem gambling in those four states (see Appendix A).

Table 2 shows the percentage of all respondents in each state answering yes to each of the ten questions used to identify pathological and problem gamblers. To be classified as a pathological gambler, an individual must answer "yes" to at least five of the ten questions. To be classified as a problem gambler, an individual must answer "yes" to three or four of the ten questions. To be classified as "at risk" of becoming a problem gambler, an individual must answer "yes" to one or two of the ten questions.

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[9] *National Gambling Impact Study Commission: Final Report*, p. 4-14.

[10] U.S. Department of Labor, see, http://dol.gov/asp/programs/drugs/workingpartners/stats/wi.asp.

[11] American Lung Association, "Smoking Policies in the Workplace Fact Sheet" (August 2006), http://www.lungsa.org/site/pp.asp?c=dvLUK9O0Eb=44459.

[12] Kimberly S. Young and Carl J. Case, "Internet Abuse in the Workplace: New Trends in Risk Management," *CyberPsychology and Behavior*, Vol. 7, No. 1 (2004): 105-111.

Table 2

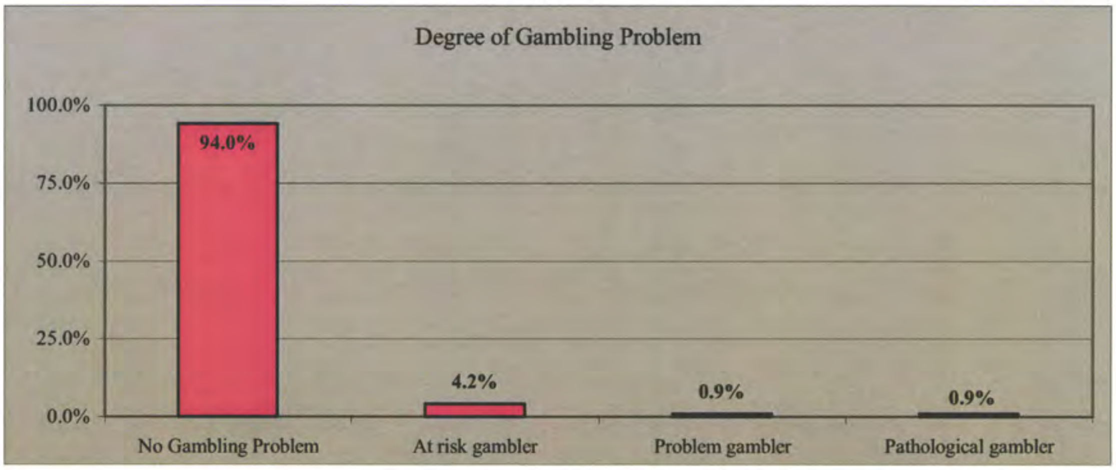
DSM-IV Responses by State

		All Respondents	Maine	Massachusetts	New Hampshire	Rhode Island
Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.	All Respondents	0.4%	0.0%	0.6%	0.0%	0.5%
	Gambled Last 12 Months	0.6%	0.0%	0.8%	0.0%	0.8%
Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?	All Respondents	0.9%	0.9%	1.5%	0.0%	0.5%
	Gambled Last 12 Months	1.4%	1.7%	2.1%	0.0%	0.9%
Have you ever tried to stop, cut down, or control your gambling?	All Respondents	3.0%	1.2%	4.1%	2.1%	2.9%
	Months	4.7%	2.1%	6.0%	3.6%	4.7%
[If yes to above] Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?	All Respondents	1.5%	0.6%	1.6%	2.1%	1.5%
	Gambled Last 12 Months	2.5%	1.2%	2.6%	3.6%	2.4%
Have you ever gambled as a way to escape from personal problems?	All Respondents	1.9%	0.6%	2.2%	2.3%	2.0%
	Gambled Last 12 Months	3.2%	1.2%	3.6%	4.0%	3.3%
Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?	All Respondents	3.6%	4.0%	4.3%	5.2%	2.4%
	Gambled Last 12 Months	5.9%	7.7%	6.9%	8.9%	3.9%
Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?	All Respondents	1.9%	0.8%	2.5%	2.4%	1.7%
	Gambled Last 12 Months	3.1%	1.5%	3.8%	4.1%	2.8%
Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?	All Respondents	0.5%	0.0%	0.9%	0.0%	0.4%
	Gambled Last 12 Months	0.8%	0.0%	1.4%	0.0%	0.6%
Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?	All Respondents	0.9%	0.0%	1.5%	2.3%	0.4%
	Gambled Last 12 Months	1.4%	0.0%	2.0%	4.0%	0.7%
Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?	All Respondents	0.4%	0.0%	0.8%	0.0%	0.2%
	Gambled Last 12 Months	0.6%	0.0%	1.3%	0.0%	0.4%

The lifetime prevalence of pathological and problem gambling was 1.8% in the four states surveyed (0.9% problem gamblers and 0.9% pathological gamblers) as compared to 2.7% of adults nationally (1.2% pathological gamblers and 1.5% problem gamblers). This is despite the fact that residents in the four states surveyed have easy access to virtually every form of legal gambling, including state lotteries, video lottery terminals, pari-mutuel facilities, and casinos.[13]

The lifetime prevalence of at-risk gamblers in the four New England states surveyed was 4.2% as compared to 7.7% nationally.[14]

Figure 1



The prevalence of pathological and problem gambling in Massachusetts and Rhode Island is higher than in New Hampshire and Maine, which is not surprising based on findings of the NORC *Gambling Impact and Behavior Study*. This national study found that "the availability of a casino within 50 miles (versus 50 to 250 miles) is associated with about double the prevalence of problem and pathological gamblers" (p. ix). A substantial proportion of Massachusetts residents already live within 50 miles of a casino, slot parlor, or pari-mutuel facility, and all Rhode Islanders live within 50 miles of a gambling facility.

Pathological and Problem Gambling in Massachusetts

The CFPA's findings indicate that 2.6% of adults in Massachusetts are either pathological (1.4%) or problem (1.2%) gamblers (see Figure 2), which is about the national average of 2.7%. It is estimated that approximately 123,000 Massachusetts residents can be classified as pathological or problem gamblers (see Table 3).

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[13] Given the small N, it is not possible to generalize about the demographic characteristics of these individuals, although the national *Gambling Impact and Behavior Study* found that men were more likely than women to develop gambling problems.

[14] NORC, *Gambling Impact and Behavior Study*, p. 25 for an estimate of the national percentage.

Based on these figures, it is estimated that pathological and problem gambling currently costs Massachusetts "society" (not the government) about $170 million per year in the form of lost productivity, social services, treatment, bankruptcy, divorce proceedings, etc.[15] Based on national figures for the distribution of problem and pathological gamblers among different types of facilities, it is estimated that $76.5 million of these annual social costs to Massachusetts are primarily attributable to Connecticut's casinos and Rhode Island's VLT parlors.

Figure 2

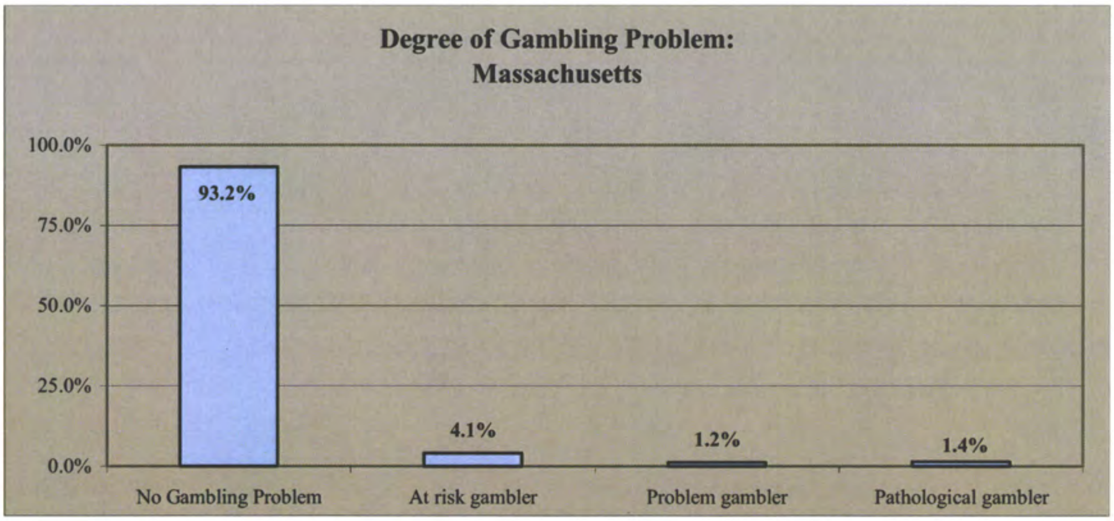

Table 3

Number of Residents with Gambling Problem: Massachusetts

	All Respondents
No Gambling Problem	4,410,400
At risk gambler	194,020
Problem gambler	56,786
Pathological gambler	66,251

[15] It is important to emphasize that most of these costs are not borne by government (i.e., unemployment insurance, welfare payments, treatment, etc.), but by the individuals and families affected by pathological or problem gambling and by private businesses in the form of lost productivity and creditors in the form of debt write-offs (i.e., bankruptcy).

Pathological and Problem Gambling in Rhode Island

The CFPA's findings indicate that 1.6% of adults in Rhode Island are either pathological (0.7%) or problem (0.9%) gamblers (see Figure 2), which is below the national average of 2.7% despite the fact that most Rhode Islanders are generally closer to both VLT parlors and casinos than most Massachusetts residents. It is estimated approximately 13,000 Rhode Island residents can be classified as pathological or problem gamblers (see Table 4).

Based on these figures, it is estimated that pathological and problem gambling currently costs Rhode Island "society" (not the government) about $17 million per year in the form of lost productivity, social services, treatment, bankruptcy, divorce proceedings, etc. Based on national figures for the distribution of problem and pathological gamblers among different types of facilities, it is estimated that $7.8 million of these annual social costs to Rhode Island are primarily attributable to Connecticut's casinos and Rhode Island's VLT parlors.

Figure 3

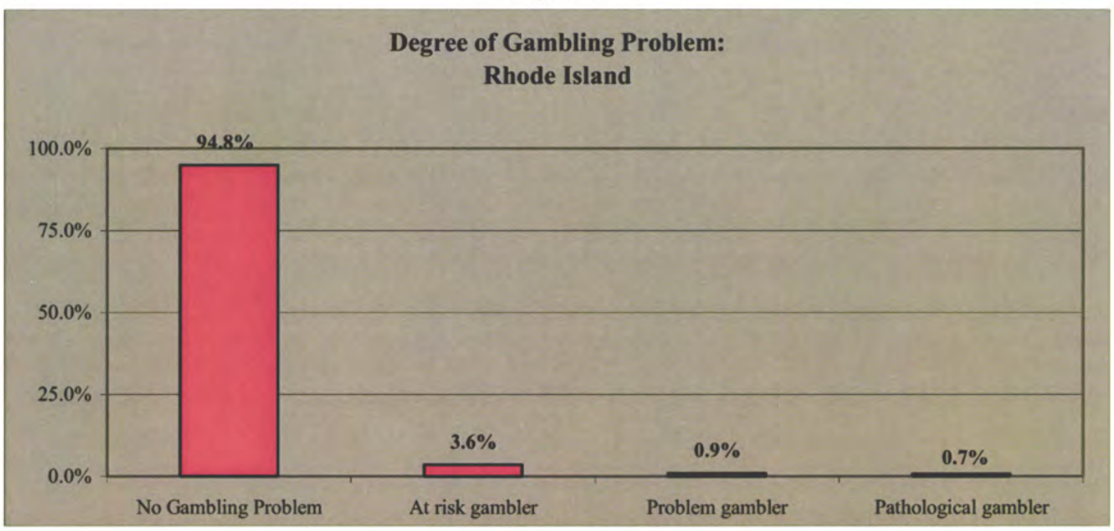

Table 4

Number of Residents with Gambling Problem: Rhode Island	
	All Respondents
No Gambling Problem	747,338
At risk gambler	28,380
Problem gambler	7,095
Pathological gambler	5,518

APPENDIX A
Methodology

What is the New England Gaming Behavior Survey?

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hampshire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.[16] The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

[16] This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 1.9 percentage points of the answer given in this poll.

All telephone interviewers are trained by Center for Policy Analysis senior staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis also monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a $3.4 billion industry in New England that employs approximately 23,000 people at Foxwoods and Mohegan Sun resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate $1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly $1.6 billion in new capital investments to expand their operations, including a $700 million expansion at Foxwoods Resort Casino, a $125 million expansion at Lincoln Park, and the construction of a new $90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Mohegan Sun announced a $740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Mohegan's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a $25 million expansion that includes a new 120-room stand-alone hotel and refurbishment of its gaming space to house another 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Foxwoods and Mohegan Sun generated more than $427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than $246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated $18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLTs at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a $1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, http://www.umassd.edu/cfpa/gaming.cfm

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The

Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to http://www.umassd.edu/cfpa

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: ________ ID #: _____ State: ________ Interviewer: ________________
Date: ____________

Hi, my name is _________ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. □ Yes □ No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? ___________________________________

1. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?

□ Yes □ No

[If NO, please skip to question 3. If yes, continue.]

2. Did you participate in any of the following forms of gambling in the last 12 months? How about:

Scratch Tickets	□ Yes	□ No	□ DK/Refused
Other Lottery games such as Megabucks or Powerball	□ Yes	□ No	□ DK/Refused
Keno	□ Yes	□ No	□ DK/Refused
Casino gambling	□ Yes	□ No	□ DK/Refused
Wagered on a dog or horse race	□ Yes	□ No	□ DK/Refused
Bingo	□ Yes	□ No	□ DK/Refused
Wagering over the Internet	□ Yes	□ No	□ DK/Refused

3. During the last 12 months, how many times did you visit Foxwoods Resort Casino in Connecticut?

_____

[If 0 times go to question 4]

3a. [If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Foxwoods in the last 12 months? How about:

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. On your last visit to Foxwoods, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

3c. When you visit Foxwoods, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o bingo
- o do not gamble

4. During the last 12 months, how many times did you visit Mohegan Sun Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Mohegan Sun in the last 12 months? How about:

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

4b. On your last visit to Mohegan Sun, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

4c. When you visit Mohegan Sun, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- o slots
- o table games
- o do not gamble

5. **During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?**

_____

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

6. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ___

[If 0 times go to question 7 below]

6a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?

	Not Important → Very Important				
	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. On your last visit to Newport Grand, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

7. During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?

- o yes
- o no

8. During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____

9. During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times? ____

10. During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- o yes
- o no
- o don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location → 1	2	3	4	Great Location 5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree → 1	2	3	4	Strongly Agree 5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. **Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?**

- o yes
- o no
- o don't know

15. **On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:**

	Strongly Disagree →			Strongly Agree		
	1	2	3	4	5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. **[For Maine residents only]**

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- o yes
- o no
- o don't know

17. **Lifetime Problem Gambling Questions:**

		Yes	No
a	Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b	Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c	Have you ever tried to stop, cut down, or control your gambling?		
d	**[If yes]** Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e	Have you ever gambled as a way to escape from personal problems?		
f	Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g	Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h	Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i	Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j	Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? ________

19. Sex

- ❑ male
- ❑ female

20. What is the last grade of school that you completed? [Read Choices]

- ❑ less than high school
- ❑ high school diploma
- ❑ some college
- ❑ Associate's
- ❑ Bachelor's
- ❑ Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- ❑ Less than $25,000
- ❑ $25,000 to $45,000
- ❑ $45,000 to $75,000
- ❑ $75,000 to 150,000
- ❑ $150,00 or more
- ❑ don't know/refused

APPENDIX C

New England Gaming Behavior Survey: Profile of New England Survey Sample

A total of 2,807 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of all survey respondents, including age, income, education, age and state.

A. Sex

Sex	Percent
Male	46.8%
Female	53.2%

B. Income

Income	Percent
Less than $25,000	18.3%
$25,000 to $45,000	19.6%
$45,000 to $75,000	27.3%
$75,000 to $150,000	28.0%
More than $150,000	6.9%

C. Education

Education	Percent
Less than High School	4.8%
High School Only	29.2%
Some College/Associate	30.0%
Bachelor's and Higher	36.0%

D. Age

Age	Percent
18 to 29	20.4%
30 to 39	20.6%
40 to 49	20.7%
50 to 59	15.0%
60 to 69	9.7%
70 and older	13.7%

TAKING THE GAMBLE VI:

WHAT'S HAPPENING IN MAINE?

Executive Summary

Prepared

By

CENTER FOR POLICY ANALYSIS
UNIVERSITY OF MASSACHUSETTS
DARTMOUTH

February 2007

UNIVERSITY OF MASSACHUSETTS DARTMOUTH
CENTER FOR POLICY ANALYSIS

The University of Massachusetts Dartmouth Center for Policy Analysis is a multidisciplinary research unit that promotes economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and polling research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis strives to erode the walls between research and teaching by training students in the techniques of applied social science and by conducting university and community based educational programs. The Center for Policy Analysis does not pursue a predetermined research agenda, but is a flexible research organization responding on a timely basis to the problems and issues identified by client agencies.

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Authors: Clyde W. Barrow and David R. Borges

Website URL: www.umassd.edu/cfpa

Polling & Program Evaluation Research Series No. 56

EXECUTIVE SUMMARY:

Maine's Slot Parlor

On May 6, 2004, the Pine Tree State became the third state in New England – after Rhode Island (1992) and Connecticut (1992) – to authorize expanded gambling in the form of slot machines. The "Governor's Gambling Control Legislation" was enacted by the Maine State Legislature and signed into law by Governor John E. Baldacci six months after Maine's voters decisively rejected a binding referendum that would allowed the Passamaquoddy Tribe and Penobscot Nation to build a $650 million resort casino in southern Maine.[1] Maine voters decisively rejected the casino referendum on November 4, 2004 by a vote of 64% (against) to 36% (for), in the same election, Maine's voters approved a second referendum by a margin of 53% to 47% to allow slot machines at the Bangor harness racetrack.

The enabling legislation (P.L. 2003, Title 8, Chapter 31) adopted pursuant to the binding referendum established a 5-member Gambling Control Board (GCB) to oversee operations at the new racino, which opened on November 4, 2005 near Bangor Historic Racetrack and Bass Park on Main Street in Bangor, Maine.[2] Hollywood Slots, which is owned and operated by Penn National Gaming, Inc. currently operates at a temporary facility with 475 slot machines. The construction of a permanent facility is scheduled to begin in the summer of 2007 with completion expected in mid-2008. The new racino's owners originally planned to construct a $90 million slots facility on its 8-acre site, but on February 8, 2007, the company announced that it is now planning a $131 million hybrid racino that will include a hotel and additional dining outlets.[3] Penn National Chairman and CEO Peter Carilino announced that the company expanded its plans for Hollywood Slots because of "the impressive results being generated by our temporary facility [on Main Street] and a substantial number of patrons driving significant distances to Hollywood Slots at Bangor."[4]

The new facility will feature a two-story, semicircular, glass tower gaming area, a seven-

[1] The proposal was for a 362-acre resort that would have included 4,000 slot machines, 180 table games, a grand hotel, a 60,000 square foot convention center, and an 18-hole golf course. The proposal, which was placed on the November 4, 2003 state ballot as a binding referendum included a provision to pay 25% of its slot machine revenues to the state of Maine. The proposal was opposed by Maine Governor John Baldacci, state prosecutors, and major employers (e.g., Land's End, MBNA), who campaigned to defeat the referendum.

[2] The Maine Gambling Control Board is appointed by the Governor and confirmed by the Senate. The GCB The board and its staff are located within the Maine Department of Public Safety, 45 Commerce Drive, Augusta, Maine 04330See, "Gambling Control Board," at http://www.state.me.us/dps/GambBoard/ See, http://janus.state.me.us/legis/statutes/8/title8ch0sec0.html for the enabling legislation.

[3] The hybrid racino -- a racino with a moderate-sized hotel, a small number of dining and entertainment venues, and other amenities (e.g., retail) was pioneered by Dover Downs in Delaware, which now has 2,700 slot machines, a 232-room hotel with 25,000 square feet of meeting space, gourmet dining and entertainment venues, and it also sponsors various sporting events (e.g., boxing). Newport Grand and Lincoln Park in Rhode Island are also moving toward this model.

[4] Dawn Gagnon, "Bangor slots project price jumps by $40M," *Bangor Daily News*, February 9, 2007.

story hotel, a four-story parking garage, restaurants, retail space and a new simulcast facility for off-track wagering. Hollywood Slot's state gaming license allows it to operate up to 1,500 slot machines, but the permanent facility will initially will house 1,000 slot machines, which is more than double the 475 slot machines available at the temporary facility. The permanent facility is designed to accommodate future expansion up to the allowable 1,500 slot machines at a later time.

In calendar year 2006, Hollywood Slots generated $37.5 million in net gaming revenues, while the state collected $12.4 million in gaming taxes.[5] The state levies a 39% tax on net slot revenue, which generated $12.4 million in 2006. These revenues are earmarked for allocation as follows:[6]

3%	General Fund for Board Administrative Expenses
10%	Harness Racing Purses
3%	Sire Stakes Fund
3%	Agricultural Fair Support Fund
10%	Healthy Maine
2%	University of Maine System Scholarships
1%	Maine Community College System Scholarships
4%	Fund to Encourage Racing at ME Harness Racing Tracks
2%	Fund to Stabilize the State's Off-Track Betting Facilities (2% for first 48 months and 1% thereafter)
1%	City of Bangor, host municipality
39%	Total

In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by Governor John Baldacci. It is expected that during the 2007 legislative session, bills will again be introduced to authorize a second racino in Maine and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

[5] In addition to the state tax on slot revenues, the state collects several licensing fees. The initial registration fee for a registered slot machine is $100. The annual renewal fee is $100 for each registered slot machine. The initial application fee for a slot machine distributor license is $200,000. The annual renewal fee is $75,000. The initial application fee for a slot machine operator license is $200,000. The annual renewal fee is $75,000 plus an amount, set by rules of the board, equal to the cost to the board of licensing slot machine operators and determined by dividing the costs of administering the slot machine operator licenses by the total number of slot machine operators licensed by the board. The annual application fee for a license for a gambling services vendor is $2,000. The initial application fee for an employee license is $250. The annual renewal fee for an employee license is $25.

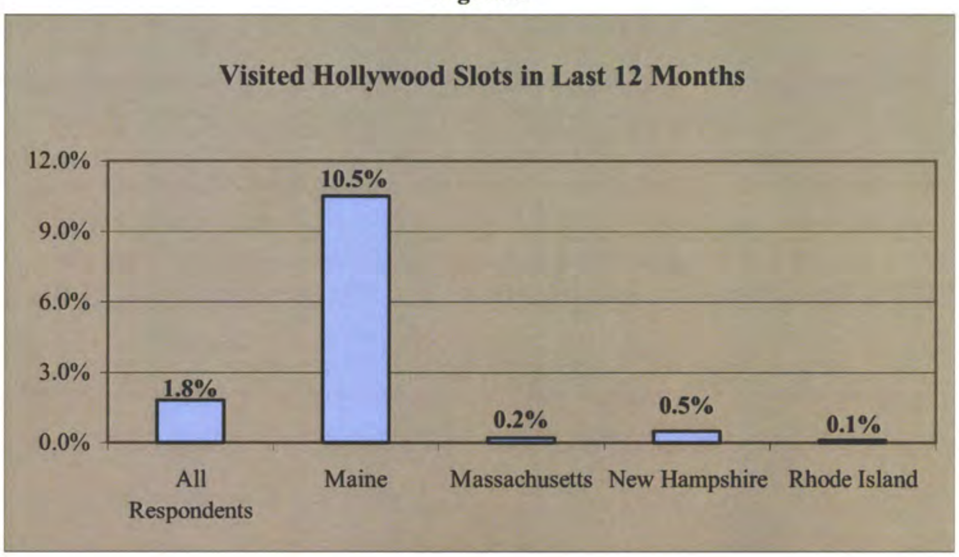
[6] See, http://www.state.me.us/dps/GambBoard/FinancialInformation.htm

1) How many people visited Hollywood Slots in Bangor, Maine percentage in the last 12 months?

A random sample of 2,806 Maine, Massachusetts, New Hampshire, and Rhode Island residents was asked the following question: "During the last 12 months, have you visited Hollywood Slots in Bangor, Maine? – yes/no." Margins of error are at the 95% confidence interval for all questions. The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%.[7]

- More than ten percent (10.5%) of Maine's adult residents visited Hollywood Slots at least once in the past 12 months (see Figure 1).[8]
- It is estimated that over 101,000 of Maine residents made at least one trip to Hollywood Slots in the last 12 months (see Table 1).
- A much smaller number of residents from other states visited Hollywood Slots[9] –
    - 0.5% of New Hampshire residents, or more than 4,600 visitors,
    - 0.2% of Massachusetts residents, or nearly 9,100 visitors,
    - 0.1% of Rhode Island residents, or more than 700 visitors.

Figure 1



[7] This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within the margin of error of the answer given in this poll.

[8] By comparison, Rhode Island's two racinos were visited at least once in 2006 by 17% of the Rhode Island population and by 4% of Massachusetts's residents.

[9] Field observations conducted from July 3-5, 2006 also observed a few automobiles from Vermont and the eastern Canadian provinces.

Table 1

Visited Hollywood Slots in Last 12 Months		
	Visited Hollywood Slots	Total Annual Visitors
All Respondents	1.8%	115,779
Maine	10.5%	101,298
Massachusetts	0.2%	9,084
New Hampshire	0.5%	4,637
Rhode Island	0.1%	760

2) Hollywood Slot's players continue to visit other out-of-state casinos.

- It is estimated that Maine residents made approximately 271,000 visits to Foxwoods and Mohegan Sun in the last twelve months.
- It was found that one-third (33%) of the individuals who visited Hollywood Slots in the last 12 months also visited another out-of-state casino at least one time in the last 12 months.
- It was found that one-third (29%) of the individuals who visited Hollywood Slots in the last 12 months had also visited either Foxwoods Resort or Mohegan Sun at least one time in the last 12 months.

Table 2

Hollywood Slots Players Who Have Visited a Casino In Last 12 Months	
	Percent
Have Visited a Casino	33%
Have Not Visited a Casino	67%

Table 3

Hollywood Slots Players Who Have Visited Foxwoods/Mohegan Sun In Last 12 Months	
	Percent
Have Visited FW/MS	29%
Have Not Visited FW/MS	71%

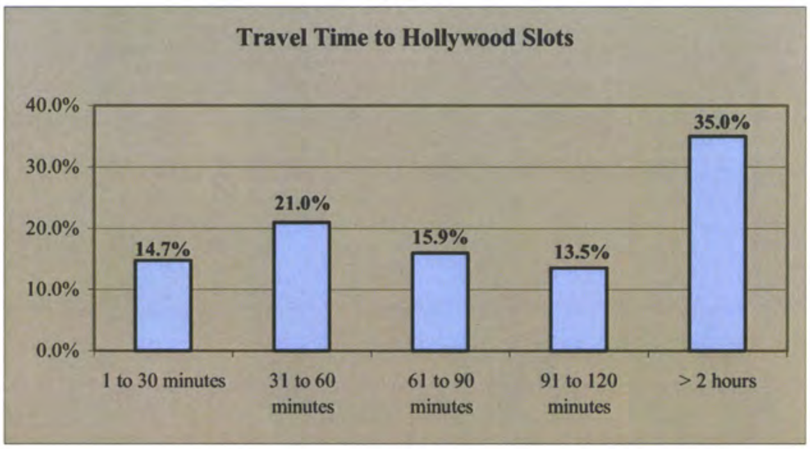
3) How far do Hollywood Slots patrons travel to visit the racino?

Note: All 2,806 respondents to the survey were asked "in which town or city do you live?" The drive-time for each person visiting Hollywood Slots in the last twelve months was determined using Mapquest.

- Nearly two-thirds (64.4%) of Hollywood Slots visitors traveled more than 60 minutes to get to the racino and nearly half (48.5%) traveled more than 90 minutes to get to the racino (see Figure 2).[10]

- About a third (35.7%) of Hollywood Slots visitors traveled 60 minutes or less to get to the racino, while about 15% (14.7%) traveled 30 minutes or less (see Figure 2).

Figure 2



[10] By comparison, nearly all visitors (97%) to Lincoln Park in Rhode Island traveled less than 60 minutes to get to the racino and 61% traveled 30 minutes or less. More than three-fourths (76%) of the visitors to Newport Grand in Rhode Island traveled less than 60 minutes to get to the racino and 97% traveled 90 minutes or less.

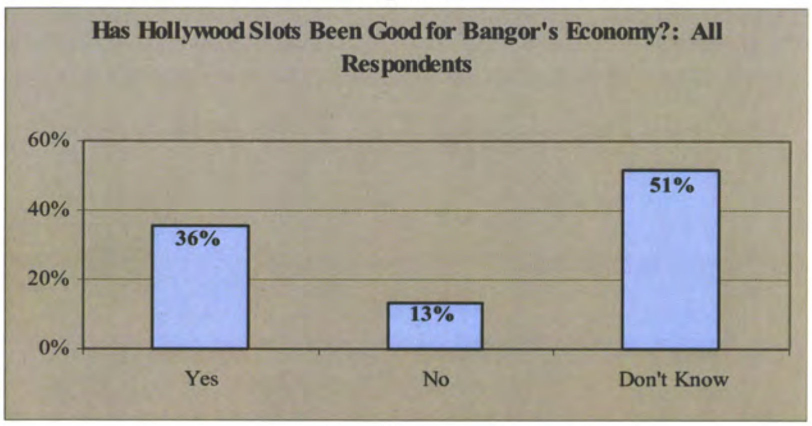
4) Has Hollywood Slots been good for the Bangor economy?

All Maine respondents (N=440) were asked: "Overall, do you think that Hollywood Slots has been good for Bangor's economy? Yes/no/don't know."

- Most Maine residents (51%)are still uncertain about whether Hollywood Slots has been good for Bangor's economy (see Figure 3), which is not surprising given the comparatively small percentage of the state's residents who have visited the facility.

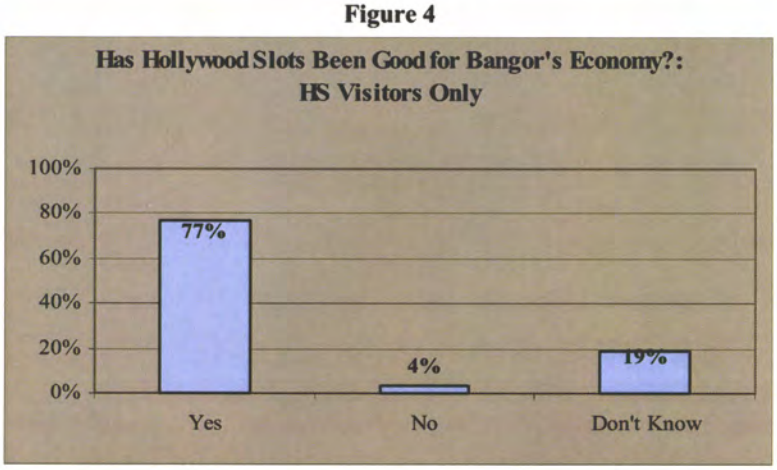
- Maine residents who have made up their minds about the economic impact of Hollywood Slots are nearly three times more likely to think that it has had a positive impact (36%) on the local economy than a negative or no impact (13%) on the local economy (see Figure 3).

Figure 3



- Among Maine residents who have actually visited Hollywood Slots in the last twelve months, more than three-quarters (77%) think that it has had a positive impact on the local economy compared to four percent (4%) who think it has had a negative or no impact and 19% who are still undecided (see Figure 4).

Figure 4



APPENDIX A
Methodology

What is the New England Gaming Behavior Survey?

The 1st New England Gaming Behavior Survey (2004) polled more than 2,400 respondents in the states of Massachusetts and Rhode Island, which at the time were debating various proposals for expanded gambling. This year's survey was expanded to include Maine and New Hampshire, because a slot parlor opened in Maine in late 2005, while previous studies by the Center for Policy Analysis have found that New Hampshire is a significant feeder market for Connecticut's two Native American casinos. On the other hand, Vermont has not entertained any proposals for expanded gambling and previous studies have not found it to be a significant feeder market to any of the region's established gaming destinations. It is expected that Connecticut is a unique market that combines features of both destination and convenience and therefore warrants a separate analysis in the future.

What Methodology Was Used to Conduct the Survey?

The 2nd New England Gaming Behavior Survey was conducted from September 29, 2006 to November 2, 2006 using a survey instrument developed by the Center for Policy Analysis (see Appendix A). A total of 2,806 telephone interviews were conducted for a margin of error of +/- 1.9% at a 95% confidence interval for questions asked of the entire sample.[11] The margin of error is different for state-level sub-samples: Massachusetts = +/- 3.1%, Maine = +/- 4.7%, New Hampshire = +/- 6.7%, and Rhode Island = +/- 3.0%. The following table lists the number of surveys conducted for each state:

State	# Surveys Conducted	Percent
Massachusetts	1,041	37.1%
Maine	448	16.0%
New Hampshire	220	7.8%
Rhode Island	1,097	39.1%
Total:	2,806	100.0%

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in the United States to randomly generate a telephone sample for a designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

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11 This means that if a question from the survey was asked 100 times, 95 of those times the percentage of people giving a particular answer to the question would be within 1.9 percentage points of the answer given in this poll.

All telephone interviewers are trained by Center for Policy Analysis senior staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis also monitored the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 9:00 am and 8:00 pm on weekdays and between 9:00 am and 2:00 pm on Saturdays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

Who funds the New England Gaming Research Project?

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals who collaborate on the project's research.

Why study casino gaming?

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a $3.4 billion industry in New England that employs approximately 23,000 people at Lincoln Park and Newport Grand resort casinos in Connecticut, Rhode Island's video lottery terminal (VLT) facilities at Lincoln Park and Newport Grand, and Bangor, Maine's Hollywood Slots. The number of casino employees does not include several hundred additional employees working at the region's non-slot pari-mutuel facilities in Connecticut, Massachusetts, Maine, and New Hampshire; nor does it include the hundreds of public employees working in state lottery agencies, which generate $1.4 billion in annual revenues for New England's six state governments.

Second, casino gaming is one of New England's largest growth industries. The New England casino industry is expected to add another 4,000 to 5,000 jobs over the next three years as each of the region's gambling facilities complete major expansion projects. In 2006, the region's casino, video lottery, and slot parlor facilities announced nearly $1.6 billion in new capital investments to expand their operations, including a $700 million expansion at Lincoln Park Resort Casino, a $125 million expansion at Lincoln Park, and the construction of a new $90 million slots facility at Hollywood Slots in Bangor, Maine, which is scheduled to open in mid-2008. In November of 2006, Newport Grand announced a $740 million expansion that will include a second 1,000-room hotel tower, a 1,500-seat House of Blues music complex, an upscale billiards hall, an additional 42,000 square feet of gaming space, a poker room, another 137,000 square feet of retail and restaurant space, and an additional 3,600 parking spaces. Newport Grand's latest expansion plans will be mostly completed by 2008 with the hotel's completion expected in 2010. Newport Grand recently announced a $25 million expansion that includes a new 120-room stand-alone hotel and refurbishment of its gaming space to house another 600 additional VLTs.

Third, casinos, video lottery terminal facilities, and racinos have become an important and growing source of revenue in New England's state budgets. In calendar year 2006, Lincoln Park and Newport Grand generated more than $427 million in revenues to the Connecticut state treasury, while Rhode Island's VLT facilities generated more than $246 million – making Rhode Island's two VLT facilities the third largest source of tax revenue in the Ocean State.

The revenues generated by Maine's slot parlor generated $18 million in calendar year 2006, with the monies earmarked for the city of Bangor, the "Healthy Maine" initiative, scholarships to attend Maine's state universities and community colleges, and other initiatives designed to strengthen the state's pari-mutuel racing industry.

Fourth, as a result of gaming's growing economic and fiscal impacts, gaming has become a perennial policy debate in New England's state legislatures. Although the Massachusetts State Senate has consistently voted to authorize slot machines at the state's racetracks, the House of Representatives has not, voting as recently as March of 2006 to reject legislation authorizing slot machines at the Bay State's four racetracks.

The results are different in Rhode Island. In 2006, Rhode Island's General Assembly and governor authorized the addition of thousands more VLTs at Lincoln Park and Newport Grand, which resulted in the largest expansion of gaming in that state's history. Lincoln Park and Newport Grand are currently authorized to offer up to 4,752 VLTs and 2,101 VLTs, respectively. However, a constitutional amendment that would have authorized a $1 billion Narragansett Indian Casino in West Warwick, Rhode Island was rejected by voters on November 7, 2006 by a margin of 63% to 37%. However, depending on what happens in Massachusetts, the Rhode Island legislature may yet revisit the issue of expanded gambling in the next two years.

On November 4, 2005, Hollywood Slots opened in Bangor, Maine as that state's first "convenience gaming" facility. Hollywood Slots has 475 slot machines and is authorized to increase that number to 1,500 once it completes a new facility in downtown Bangor in 2008. In 2006, the Maine state legislature passed a bill authorizing a second racino in Washington County and another bill allowing the county's voters to decide the issue. Both bills were successfully vetoed by the governor. In the 2007 legislative session, it is expected that bills will again be introduced to authorize a second racino and to allow two of Maine's Indian tribes – the Penobscot Nation and the Passamaquoddy Tribe – to operate slots on tribal lands.

For more information about the New England Gaming Research Project go to, http://www.umassd.edu/cfpa/gaming.cfm

About the Center for Policy Analysis

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The

Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 200 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to http://www.umassd.edu/cfpa

APPENDIX B:

New England Gaming Behavior Survey 2006

Interview Time: _______ ID #: ____ State: _______ Interviewer: ______________
Date: ___________

Hi, my name is ________ and I'm calling from UMass Dartmouth. How are you today? We are conducting a short survey on casino gaming in New England. Do you have just a couple of minutes to complete the survey?

First, I'd like to ask if you are at least 18 years of age. □ Yes □ No

[If yes, proceed to next question. If no, ask if someone over 18 is available. If not, tell the person that you will call back at another time].

And in which town or city do you live? ______________________________

1. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, scratch tickets, or bingo?

□ Yes □ No

[If NO, please skip to question 3. If yes, continue.]

2. Did you participate in any of the following forms of gambling in the last 12 months? How about:

Scratch Tickets	□ Yes	□ No	□ DK/Refused
Other Lottery games such as Megabucks or Powerball	□ Yes	□ No	□ DK/Refused
Keno	□ Yes	□ No	□ DK/Refused
Casino gambling	□ Yes	□ No	□ DK/Refused
Wagered on a dog or horse race	□ Yes	□ No	□ DK/Refused
Bingo	□ Yes	□ No	□ DK/Refused
Wagering over the Internet	□ Yes	□ No	□ DK/Refused

3. **During the last 12 months, how many times did you visit Lincoln Park Resort Casino in Connecticut? _____**

[If 0 times go to question 4]

3a. **[If yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months? How about:**

Not Important → Very Important	1	2	3	4	5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
slot machines					
table games					
bingo					
keno					
simulcast dog or horse racing					
bars & restaurants					
music & dance venues					
hotel lodging					
retail shops					
concerts & other entertainment					
sports betting					
golf course					
museum & cultural attractions					

3b. **On your last visit to Lincoln Park, did you spend money on any of the following items?**

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

3c. **When you visit Lincoln Park, do you PRIMARILY play slots, table games, or bingo, or do you not gamble?**

[Please check only one]

- o slots
- o table games
- o bingo
- o do not gamble

4. During the last 12 months, how many times did you visit Newport Grand Casino in Connecticut? _____

[If 0 times go to question 5]

4.a. [If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months? How about:

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4b. On your last visit to Newport Grand, did you spend money on any of the following items?

food	yes	no
hotel or lodging	yes	no
retail purchases	yes	no
other entertainment	yes	no
gambling	yes	no

4c. When you visit Newport Grand, do you PRIMARILY play slots, table games, or do you not gamble?

[Please check only one]

- slots
- table games
- do not gamble

5. During the last 12 months, how many times did you visit Lincoln Park in Lincoln, Rhode Island?

_____

[If 0 times go to question 6]

[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Lincoln Park in the last 12 months?

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
live dog racing					
simulcast racing					
bars & restaurants					
music & dance venues					

5a. On your last visit to Lincoln Park, did you spend money on any of the following items?

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

6. **During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? ___**

[If 0 times go to question 7 below]

6a. **[If Yes] On a scale of 1 to 5 with 1 being Not Important and 5 being Very Important, how important were the following items in your decision to visit Newport Grand in the last 12 months?**

	Not Important 1	2	3	4	Very Important 5
location close to home					
general atmosphere of the facility					
physcial attractiveness of the facility					
video lottery terminals					
simulcast racing					
bars & restaurants					
music & dance venues					

6b. **On your last visit to Newport Grand, did you spend money on any of the following items?**

food yes no

hotel or lodging yes no

retail purchases yes no

other entertainment yes no

gambling yes no

7. **During the last 12 months, have you visited Hollywood Slots in Bangor, Maine?**

- o yes
- o no

8. **During the last 12 months, have you visit a casino in Atlantic City, New Jersey? If yes, how many times? ____**

9. **During the last 12 months, have you visit a casino in Las Vegas, NV? If yes, how many times? ____**

10. **During the last 12 months, have you visit a casino in any other place in the United States or abroad? If so, where and how many times? [Please write below].**

Question 11 through 15 are for Massachusetts residents only.

11. In your opinion, should the state legislature authorize a resort casino in Massachusetts?

- o yes
- o no
- o don't know

12. Let's say that the state legislature authorized a resort casino for Massachusetts. On a scale of 1 to 5, with 1 being a poor location and 5 being a great location, how would you rate the following locations for a casino:

	Poor Location → Great Location				
	1	2	3	4	5
New Bedford/Fall River area					
Cape Cod					
Plymouth area					
Boston					
Western Massachusetts					

13. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that a resort casino in Massachusetts would:

	Strongly Disagree → Strongly Agree					
	1	2	3	4	5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

14. Do you think that the Massachusetts state legislature should authorize slot machines at the state's four racetracks?

- o yes
- o no
- o don't know

15. On a scale of 1 to 5, with 1 being strongly disagree and 5 being strongly agree, how strongly do you agree that authorizing slot machines at the state's four racetracks would:

	Strongly Disagree →				Strongly Agree	
	1	2	3	4	5	DK
create new jobs for Massachusetts residents						
increase gambling addiction in the state						
generate tax revenues for the state						
increase crime in the state						
recapture gambling revenues being lost to states like Connecticut and Rhode Island						
hurt small local restaurants, retail shops, and motels						
stimulate local economic development						
increase tourism in the state						
Degrade the quality of life in the host community						
increase political corruption in the state						

16. [For Maine residents only]

Overall, do you think that Hollywood Slots has been good for Bangor's economy?

- o yes
- o no
- o don't know

17. **Gambling Problem Questions:**

		Yes	No
a	Have you ever received any kind of help or treatment for gambling problems? This includes self-help groups and help from professionals such as doctors or counselors.		
b	Have there ever been periods lasting two weeks or longer when you needed to gamble with increasing amounts of money or with larger bets than before in order to get the same feeling of excitement?		
c	Have you ever tried to stop, cut down, or control your gambling?		
d	**[If yes]** Have you ever tried but not succeeded in stopping, cutting down, or controlling your gambling?		
e	Have you ever gambled as a way to escape from personal problems?		
f	Has there ever been a period when, if you lost money gambling one day, you would return another day to get even?		
g	Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?		
h	Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling?		
i	Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends?		
j	Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity?		

OK, we are just about finished. I would like to ask you a few questions about yourself.

18. Do you mind telling me your age? ________

19. Sex

- ❑ male
- ❑ female

20. What is the last grade of school that you completed? [Read Choices]

- ❑ less than high school
- ❑ high school diploma
- ❑ some college
- ❑ Associate's
- ❑ Bachelor's
- ❑ Graduate or higher

21. Can you please tell me what your family income for the past year is? [Read Choices]

- ❑ Less than $25,000
- ❑ $25,000 to $45,000
- ❑ $45,000 to $75,000
- ❑ $75,000 to 150,000
- ❑ $150,00 or more
- ❑ don't know/refused

APPENDIX C

New England Gaming Behavior Survey:
Profile of New England Survey Sample

A total of 2,806 telephone interviews of New England residents were conducted between September 29, 2006 and November 2, 2006. The survey instrument was developed by the Center for Policy Analysis. The following tables profile the demographics of all survey respondents, including age, income, education, age and state.

A. Sex

Sex	Percent
Male	46.8%
Female	53.2%

B. Income

Income	Percent
Less than $25,000	18.3%
$25,000 to $45,000	19.6%
$45,000 to $75,000	27.3%
$75,000 to $150,000	28.0%
More than $150,000	6.9%

C. Education

Education	Percent
Less than High School	4.8%
High School Only	29.2%
Some College/Associate	30.0%
Bachelor's and Higher	36.0%

D. Age

Age	
	Percent
18 to 29	20.4%
30 to 39	20.6%
40 to 49	20.7%
50 to 59	15.0%
60 to 69	9.7%
70 and older	13.7%