

MAJOR GAMING JURISDICTIONS: TEN-YEAR COMPARISON

SELECTED CASINO GAMING MARKETS, 2001-10

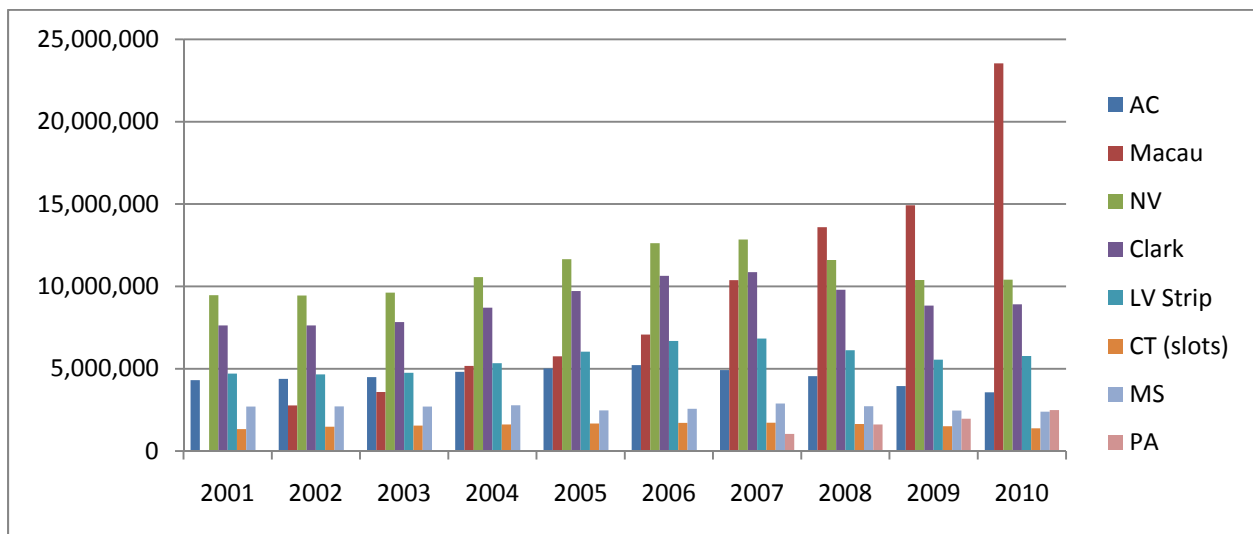
CENTER FOR GAMING RESEARCH, MARCH 2011

Summary

Casino gambling is a global business. Looking at how different jurisdictions have fared over the past ten years provides a reminder of just where the industry is heading.

This report looks at gaming revenues in eight jurisdictions, three of which overlap. They are: Nevada Statewide, Clark County, the Las Vegas Strip, Atlantic City, Mississippi, Connecticut (slots only), Macau, and Pennsylvania.

Macau is the big winner among this group. In 2002, it had roughly the same revenue total as Mississippi. In 2005, it passed Atlantic City, in 2006 it inched over the Las Vegas Strip, and in 2008 blew past all of Nevada. Today, it is clearly the undisputed leader in gaming revenue.

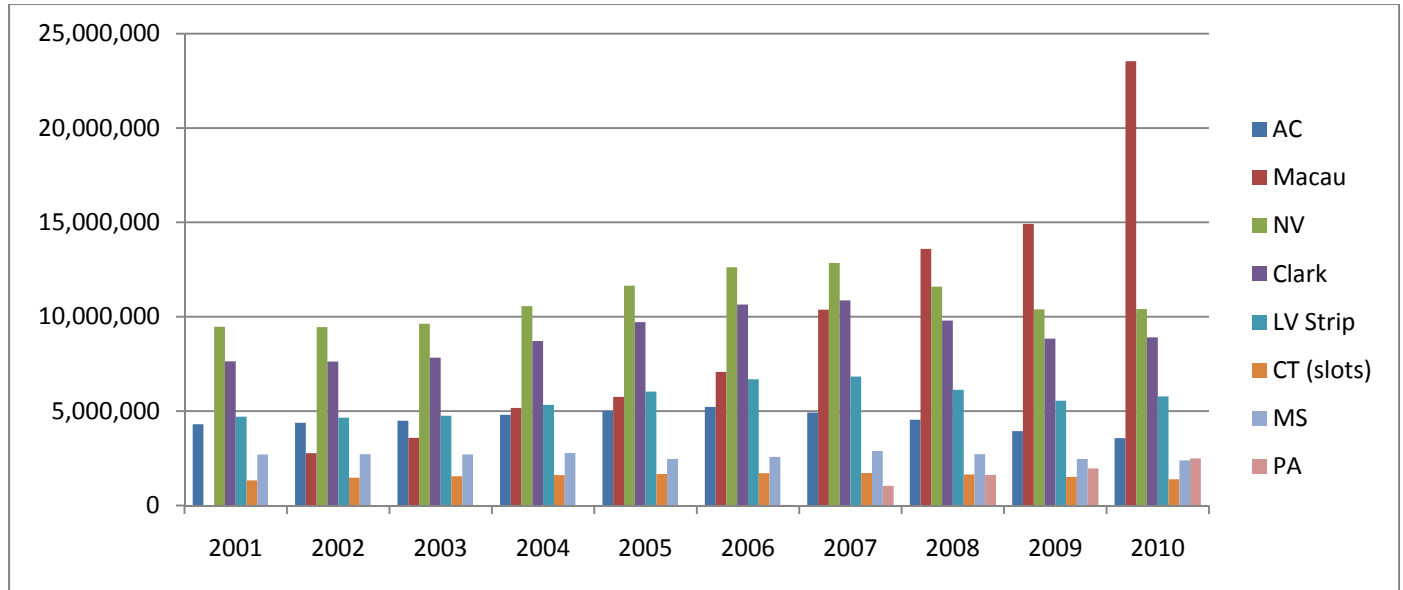


Tables follow comparing the jurisdictions, and analyzing them separately., with slot and table revenue (where available).

Comparison

Examining the year-over-year changes in total gaming win, or revenue, at the statewide level yields the following pattern:

Total Gaming Revenues, All Jurisdictions



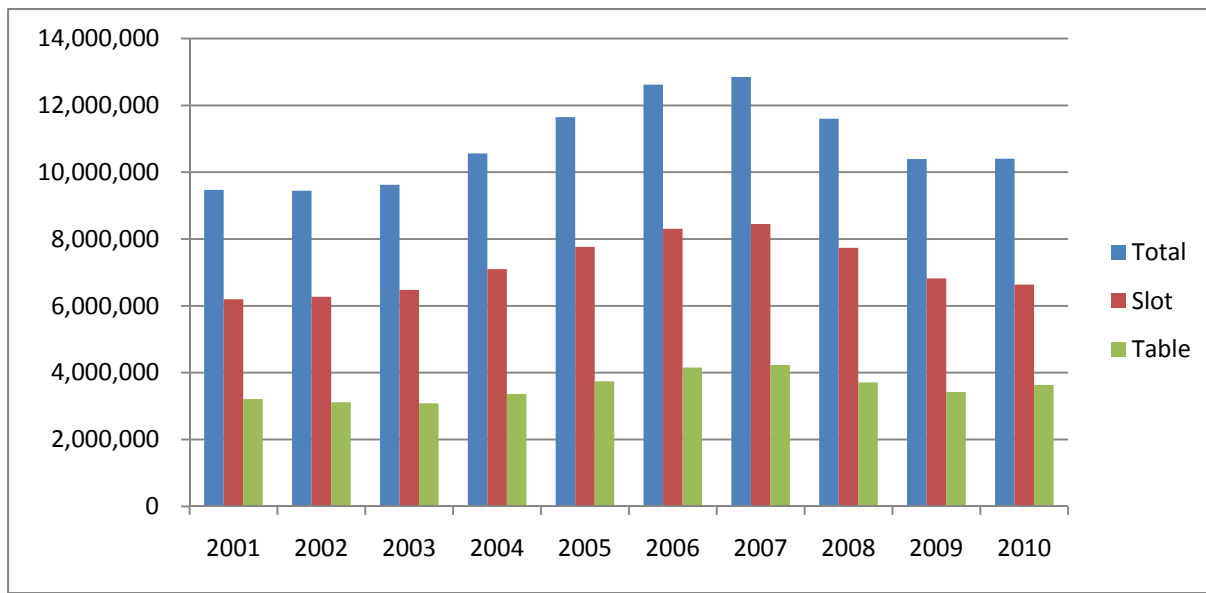
Year	AC	Macau	Nevada	Clark Co.	LV Strip	CT (slots)	MS	PA
2001	4,303,078	0	9,468,599	7,632,022	4,703,692	1,329,673	2,700,438	0
2002	4,381,406	2,772,500	9,447,660	7,630,273	4,654,808	1,475,817	2,717,259	0
2003	4,488,334	3,583,875	9,625,304	7,830,676	4,757,043	1,549,018	2,699,837	0
2004	4,806,698	5,172,250	10,562,247	8,711,244	5,333,508	1,610,936	2,776,970	0
2005	5,018,276	5,755,875	11,649,040	9,716,860	6,033,595	1,671,350	2,468,477	0
2006	5,217,613	7,077,875	12,622,044	10,643,824	6,688,903	1,710,106	2,570,884	31,568
2007	4,920,786	10,378,125	12,849,137	10,868,554	6,827,887	1,721,903	2,891,546	1,039,031
2008	4,544,961	13,596,500	11,599,124	9,796,723	6,126,292	1,645,243	2,721,139	1,615,566
2009	3,943,171	14,921,375	10,392,675	8,838,235	5,550,192	1,511,177	2,464,662	1,964,570
2010	3,565,047	23,542,875	10,404,731	8,908,630	5,776,570	1,385,179	2,389,779	2,486,408

Nevada, Clark County, and Las Vegas each trend upward in the middle of the decade, with a fall-off since 2007. Overall, they finished the decade slightly ahead of where they started it. Atlantic City’s revenues actually declined, as did Mississippi’s to a lesser extent, which Connecticut remained about constant. Pennsylvania has seen rapid growth over the past five years, but it pales in comparison to Macau, which has seen astronomical growth.

In 2010, Pennsylvania displaced Mississippi as the nation’s third-largest commercial casino market.

Individual Jurisdictions

State of Nevada

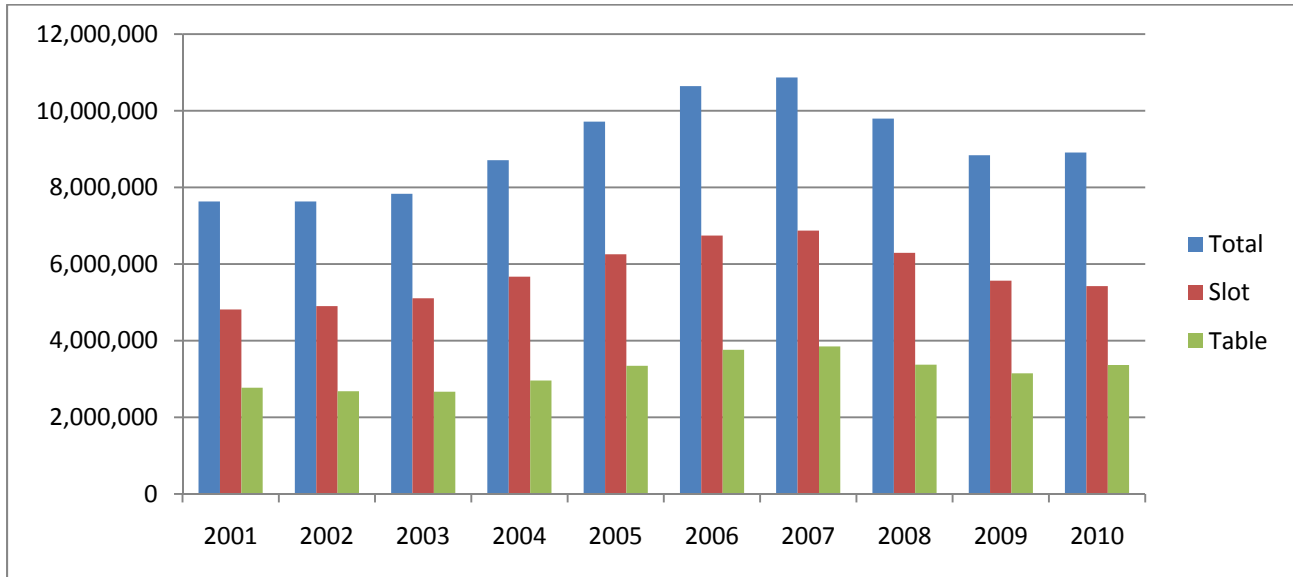


Year	Total	Slot	Table
2001	9,468,599	6,198,699	3,210,226
2002	9,447,660	6,273,531	3,116,339
2003	9,625,304	6,476,859	3,080,169
2004	10,562,247	7,098,524	3,364,861
2005	11,649,040	7,767,528	3,741,287
2006	12,622,044	8,306,103	4,155,012
2007	12,849,137	8,450,908	4,230,254
2008	11,599,124	7,736,005	3,707,372
2009	10,392,675	6,823,039	3,424,055
2010	10,404,731	6,636,753	3,632,777

The State of Nevada saw a moderate overall increase in revenues during the 2000s.

Table gaming is, proportionally, more important to the state in 2010 than it was in 2001.

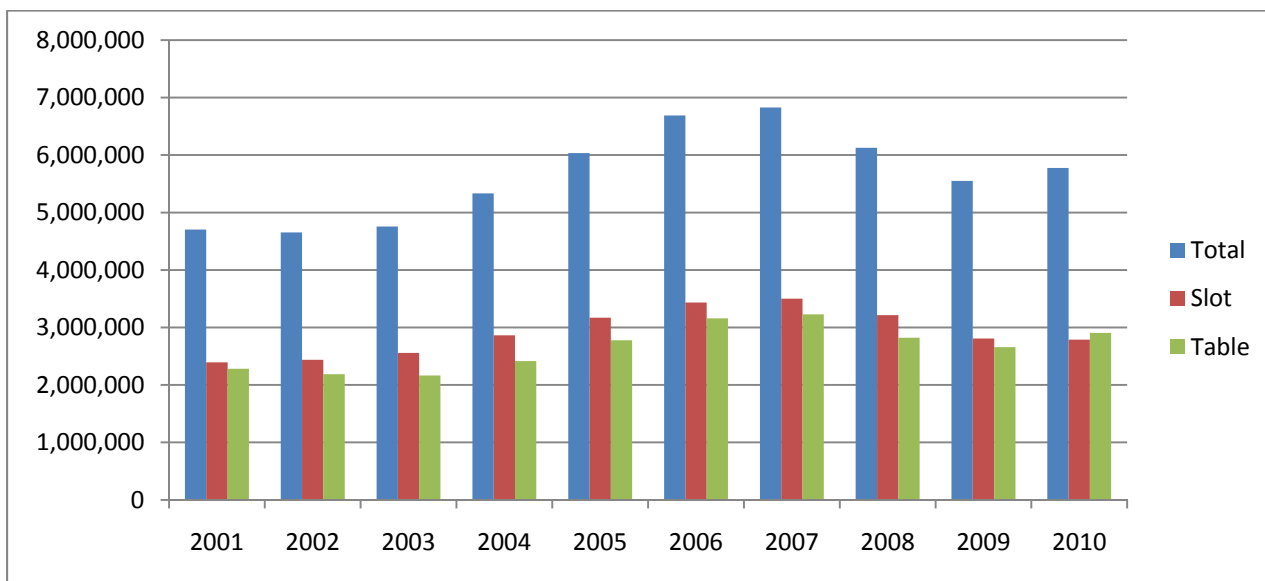
Clark County



Year	Total	Slot	Table
2001	7,632,022	4,812,005	2,770,361
2002	7,630,273	4,902,723	2,679,190
2003	7,830,676	5,106,363	2,666,892
2004	8,711,244	5,668,962	2,959,634
2005	9,716,860	6,253,798	3,342,369
2006	10,643,824	6,740,763	3,762,803
2007	10,868,554	6,871,895	3,850,197
2008	9,796,723	6,289,677	3,370,938
2009	8,838,235	5,564,711	3,145,442
2010	8,908,630	5,423,959	3,365,467

Clark County includes the Las Vegas Strip, which is the state’s biggest gaming market (about 55% of total Nevada gaming revenue). It also includes the locals market, which boomed and then rapidly contracted during the decade. As can be seen, thanks to the Strip’s high-end buoyancy late in the decade, table play has become a more significant part of the overall revenue picture than it was earlier.

Las Vegas Strip

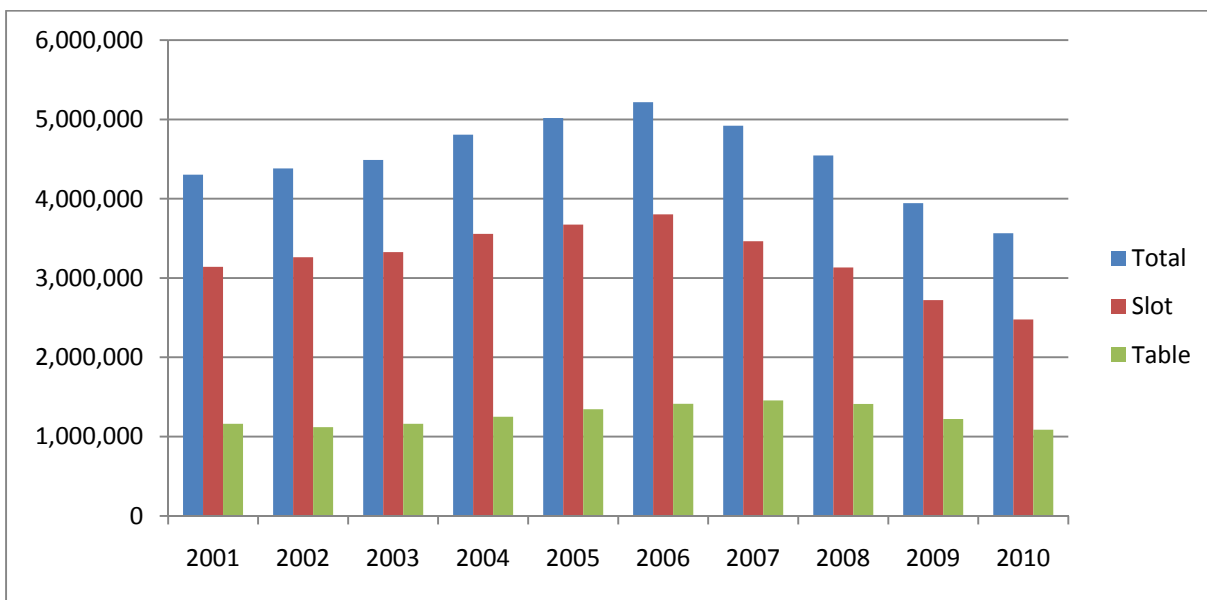


Year	Total	Slot	Table
2001	4,703,692	2,393,837	2,280,570
2002	4,654,808	2,439,002	2,186,144
2003	4,757,043	2,557,445	2,163,591
2004	5,333,508	2,864,537	2,414,300
2005	6,033,595	3,171,258	2,777,651
2006	6,688,903	3,435,441	3,159,584
2007	6,827,887	3,502,333	3,228,487
2008	6,126,292	3,214,871	2,821,047
2009	5,550,192	2,808,617	2,656,451
2010	5,776,570	2,789,753	2,904,826

The Las Vegas Strip has had a turbulent decade. Until 2007, it was the story of a post-9/11 recovery, but since then it’s gotten more complicated. Two years of falling revenues (2008-2009) shook investor and operator confidence, but in 2010 the Strip rebounded—sort of.

Slot revenue continued to fall in 2010, and it was only an upsurge in high-end play—the “baccarat-based recovery”—that ended the two-year revenue slide.

Atlantic City

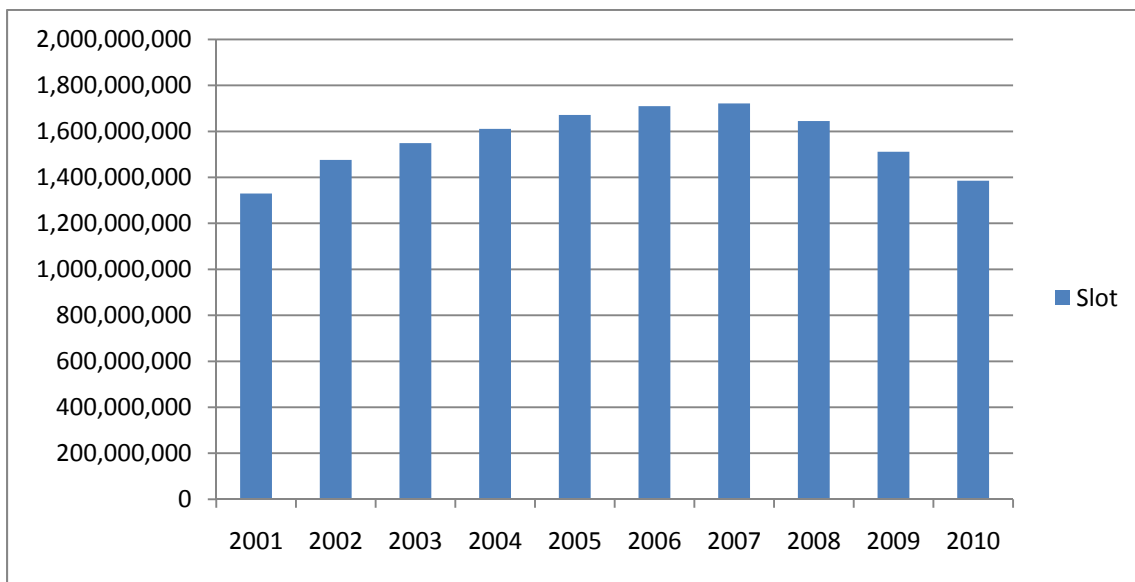


Year	Total	Slot	Table
2001	4,303,078	3,141,272	1,161,805
2002	4,381,406	3,261,516	1,119,890
2003	4,488,334	3,327,277	1,161,057
2004	4,806,698	3,556,412	1,250,285
2005	5,018,276	3,673,959	1,344,317
2006	5,217,613	3,803,615	1,413,998
2007	4,920,786	3,464,470	1,456,316
2008	4,544,961	3,132,501	1,412,460
2009	3,943,171	2,721,774	1,221,397
2010	3,565,047	2,477,350	1,087,696

By any interpretation, Atlantic City is a market in the throes of a significant revenue decline.

Total revenues have actually fallen over the decade, with a particular weakness in slot revenues. For a market that traditionally garnered more than 70% of its revenues from slots, this is a sign of a city in crisis.

Connecticut

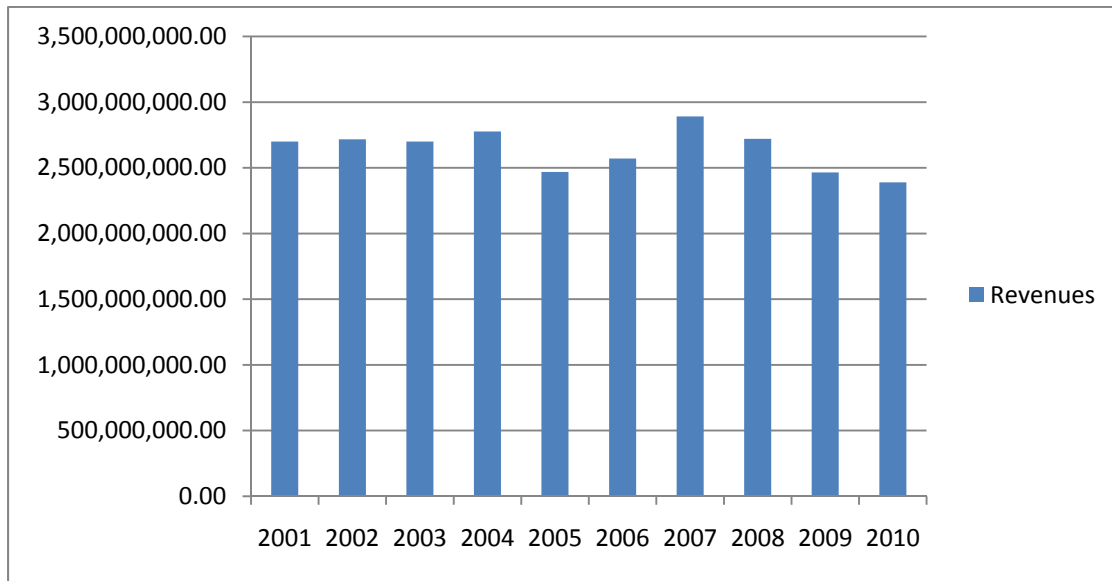


Year	Slots
2001	1,329,673,259
2002	1,475,816,662
2003	1,549,017,888
2004	1,610,935,918
2005	1,671,349,977
2006	1,710,106,445
2007	1,721,902,844
2008	1,645,242,581
2009	1,511,177,351
2010	1,385,178,575

For Connecticut, only slot revenue data is currently available. This data reveals that the pressures that have hurt Atlantic City—increased regional competition and the overall recession—also hurt business at Connecticut’s two Indian casinos, Foxwoods and Mohegan Sun.

These casinos, however, finished the decade with a slight net gain, though its slide, like Atlantic City, seems to be on-going.

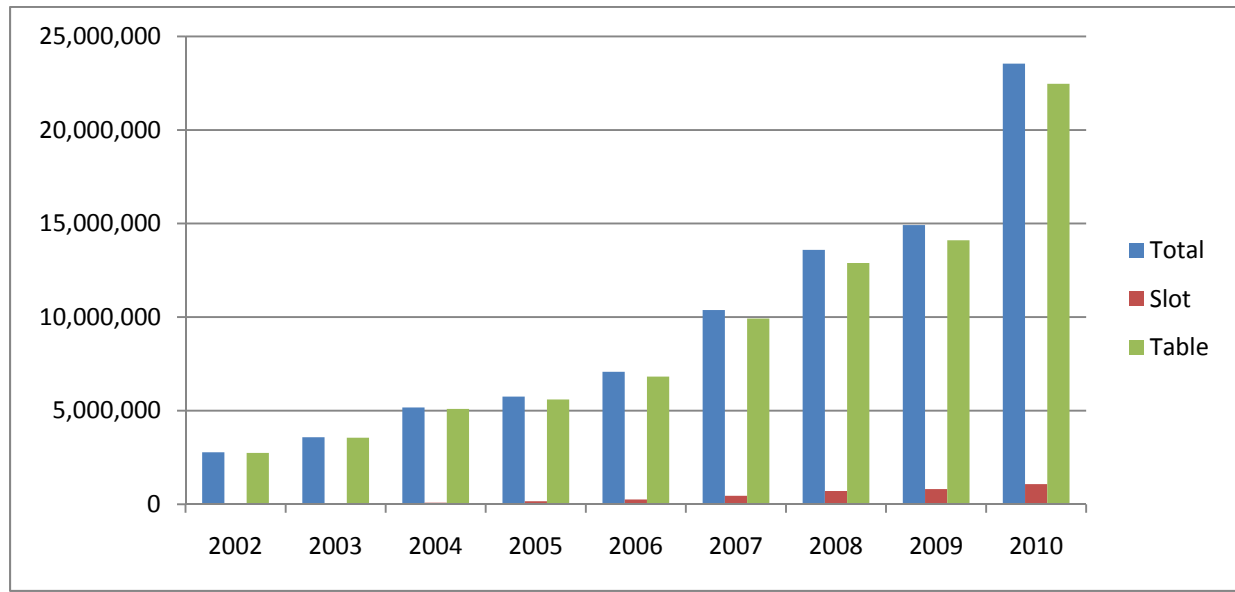
Mississippi



Year	Revenues
2001	2,700,437,805.00
2002	2,717,258,681.75
2003	2,699,837,235.96
2004	2,776,970,311.97
2005	2,468,476,870.89
2006	2,570,883,585.73
2007	2,891,546,426.94
2008	2,721,139,216.34
2009	2,464,662,149.40
2010	2,389,779,178.17

Like most other jurisdictions, Mississippi was adversely affected by the recession, though earlier in the decade Hurricane Katrina significantly impacted revenues. Just as the state’s gaming industry was beginning to recover, the recession struck, causing a slide.

Macau

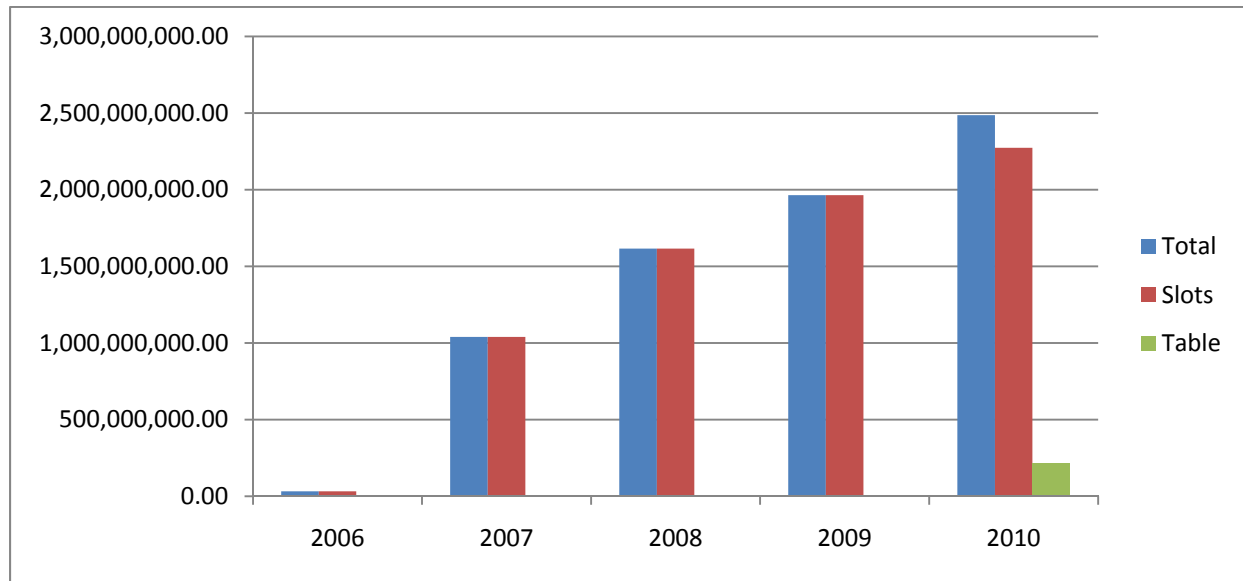


Year	Total	Slot	Table
2001	unkn	unkn	unkn
2002	2,772,500	28,875	2,743,625
2003	3,583,875	29,500	3,554,375
2004	5,172,250	80,000	5,092,250
2005	5,755,875	156,250	5,599,625
2006	7,077,875	256,625	6,821,250
2007	10,378,125	449,250	9,928,875
2008	13,596,500	706,625	12,889,875
2009	14,921,375	812,875	14,108,500
2010	23,542,875	1,077,250	22,465,625

Macau has been the world’s greatest gaming success story of the past decade. Driven by astronomical levels of VIP baccarat play, Macau is bar far the world’s most lucrative gaming jurisdiction; in 2010, its 33 casinos took in more than twice the total revenue of every casino in the state of Nevada.

Slot play, while a minor part of the overall revenue picture, continues to grow impressively, but the real story of Macau is its table gaming.

Pennsylvania



Year	Total	Slot	Table
2006	31,567,925.76	31,567,925.76	0
2007	1,039,030,722.62	1,039,030,722.62	0
2008	1,615,565,757.56	1,615,565,757.56	0
2009	1,964,570,480.15	1,964,570,480.15	0
2010	2,486,408,060.78	2,273,934,190.47	212,473,870.00

Five just over four years of legal gaming, Pennsylvania has come on strong, displacing Mississippi as the 3rd-highest revenue producing commercial casino jurisdiction in the United States. The recent addition of table games promises to make the Keystone State an even more formidable market.

All data taken from Gaming Revenue Reports for their respective months; accessible at http://gaming.nv.gov/gaming_revenue_rpt.htm

Preferred citation:

David G. Schwartz. *Major Gaming Jurisdiction: Ten-Year Comparison*. Las Vegas: Center for Gaming Research, University Libraries, University of Nevada Las Vegas, 2011.

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