

NEVADA STATEWIDE CASINO EMPLOYMENT

PRODUCTIVITY, REVENUES, AND PAYROLL: A STATISTICAL STUDY, 1990-2011

CENTER FOR GAMING RESEARCH, FEBRUARY 2012

Executive Summary

In the twenty-two years this study examines, total payroll and revenues increased in absolute terms, with the increase in payroll out-pacing the rise in revenues. In part, this is due to the recession; while total revenues have fallen more than 12 percent since their FY 2007 high, total payroll has only fallen about 6 percent. As a result, the percentage of revenue that payroll entails has risen slightly, mostly due to declining revenues.

This trend is best seen in the casino department, where a variety of labor-saving devices have made employees progressively more scarce on the floor. The financial results of the trend are evident; on a per capita basis, casinos have, on balance, reduced their labor costs by nearly twenty percent.

The decline in the total number of employees since FY 2007 (13.65%) has not matched the total decline in payroll; as a result, those employees that remain are better paid, both in absolute and relative terms, than they were before the recession.

Definitions

Casino: Any non-restricted gaming licensee with annual revenues of \$1 million or more

Year: Fiscal year, July 1 of the previous year to June 30 of the year in question

Emp: Total number of employees reported for the department

Pos: Gaming positions; number of slots plus number of table games times six

Rooms: Total number of hotel rooms for the year in question

Revenue: Total reported annual revenue for the department

Payroll: Total amounts of payroll taxes, benefits, officers' pay, and other employees pay for the year

Rev/Emp: Revenue divided by employees; used as a measure of productivity

Pay/Emp: Payroll divided by employees; measures how much, on average, each employee costs

Pay/Rev: Payroll divided by revenue; shows the portion of resort revenues that payroll comprises

% Δ: Percent change from 1990 to the present.

Statewide Casinos: All Departments

Year	Loc	Emp	Revenue	Payroll	Rev/Emp	Pay/Emp	Pay/Rev
1990	185	151,779	8,078,237,695	2,896,749,303	53,223.69	14,679	27.58%
1991	196	152,119	9,017,189,281	3,182,775,956	59,277.21	16,178	27.29%
1992	195	155,962	9,153,639,943	3,254,888,649	58,691.48	16,164	27.54%
1993	204	145,942	9,621,159,445	3,343,953,572	65,924.54	17,651	26.77%
1994	219	165,149	10,896,831,724	3,798,790,699	65,981.82	17,835	27.03%
1995	229	170,190	11,995,427,043	4,137,184,903	70,482.56	18,971	26.92%
1996	237	186,103	12,803,935,103	4,420,184,077	68,800.26	18,436	26.80%
1997	241	188,572	13,285,436,601	4,619,405,272	70,452.86	19,105	27.12%
1998	244	182,621	13,877,205,552	4,830,533,680	75,989.10	20,639	27.16%
1999	245	198,992	15,392,398,656	5,308,487,635	77,351.85	20,863	26.97%
2000	254	204,874	17,557,300,288	5,810,253,316	85,698.04	21,873	25.52%
2001	253	205,151	18,103,412,133	6,162,823,202	88,244.33	23,453	26.58%
2002	251	191,759	17,301,845,037	6,020,491,140	90,227.03	24,359	27.00%
2003	254	192,812	17,978,152,097	6,209,251,563	93,241.87	24,936	26.74%
2004	256	191,620	19,586,102,450	6,506,056,183	102,213.25	26,365	25.79%
2005	270	202,209	21,356,201,433	7,016,918,831	105,614.50	26,425	25.02%
2006	273	215,041	24,081,107,436	7,482,160,344	111,983.80	27,022	24.13%
2007	268	201,953	25,257,027,359	7,707,870,998	125,063.89	29,570	23.64%
2008	262	202,216	25,004,824,049	7,755,626,027	123,654.03	29,743	24.05%
2009	259	177,397	22,011,364,912	7,133,091,279	124,079.69	31,157	25.11%
2010	250	175,024	20,853,560,968	6,978,883,240	119,146.87	30,825	25.87%
2011	251	174,381	22,012,064,316	7,228,069,111	126,229.72	41,450	32.84%
%Δ	35.68%	14.89%	172.49%	149.52%	137.17%	182.37%	19.06%

Across all departments, revenue per employee has more than doubled, ND payroll per employee has largely kept pace. While the number of casinos has increased, the number of employees has not kept pace. Increases in revenue and payroll over the period far outpaced the average inflation rate (about 73% from 1990 to 2011).

The decline in the total number of employees since FY 2007 (13.65%) has not matched the total decline in payroll; as a result, those employees that remain are better paid, both in absolute and relative terms, than they were before the recession.

There are three major conclusions:

- Nevada casino resort employees have become more productive over the last 20 years.
- Increases in payroll have not exceeded average increases in productivity.
- Over the past 20 years, payroll has remained roughly constant, as a share of revenues, for casinos.

Statewide Casinos: Casino Department

Year	Pos	Emp	Pos/Em	Revenue	Rev/Emp	Rev/Pos	Payroll	Py/Em	Pay/Rev
1990	138,010	52,307	2.64	4,952,978,992	94,690.56	35,888.55	1,026,029,649	19,616	20.72%
1991	153,397	52,324	2.93	5,513,297,150	105,368.42	35,941.36	1,109,535,331	21,205	20.12%
1992	158,165	53,052	2.98	5,584,559,864	105,265.77	35,308.44	1,118,540,900	21,084	20.03%
1993	159,469	49,544	3.22	5,880,592,442	118,694.34	36,876.09	1,133,598,917	22,881	19.28%
1994	175,234	54,707	3.20	6,504,348,451	118,894.26	37,118.07	1,245,500,913	22,767	19.15%
1995	185,944	54,338	3.42	7,030,994,404	129,393.69	37,812.43	1,337,572,041	24,616	19.02%
1996	197,060	58,603	3.36	7,390,435,180	126,110.19	37,503.48	1,400,234,400	23,894	18.95%
1997	205,965	57,908	3.56	7,493,752,537	129,407.90	36,383.62	1,433,142,163	24,749	19.12%
1998	207,292	55,614	3.73	7,743,934,793	139,244.34	37,357.62	1,493,595,897	26,856	19.29%
1999	214,526	57,759	3.71	8,426,224,115	145,885.91	39,278.34	1,576,888,232	27,301	18.71%
2000	220,309	58,474	3.77	9,308,916,419	159,197.53	42,253.91	1,573,781,139	26,914	16.91%
2001	224,881	59,908	3.75	9,310,594,712	155,414.88	41,402.32	1,784,980,685	29,795	19.17%
2002	219,906	54,144	4.06	8,911,540,280	164,589.62	40,524.32	1,720,207,297	31,771	19.30%
2003	215,872	52,036	4.15	9,250,496,837	177,771.10	42,851.77	1,723,704,688	33,125	18.63%
2004	212,333	51,437	4.13	9,883,510,737	192,147.88	46,547.22	1,746,423,365	33,953	17.67%
2005	209,528	52,529	3.99	10,662,454,467	202,982.25	50,887.97	1,761,628,575	33,536	16.52%
2006	209,530	55,644	3.77	11,809,095,031	212,225.85	56,359.92	1,846,166,424	33,178	15.63%
2007	208,546	52,341	3.98	12,480,790,793	238,451.52	59,846.70	1,908,249,204	36,458	15.29%
2008	204,257	52,807	3.87	12,040,879,888	228,016.74	58,949.66	1,917,906,672	36,319	15.93%
2009	201,934	46,322	4.36	10,514,718,393	226,991.89	52,070.07	1,753,571,644	37,856	16.68%
2010	197,975	44,470	4.45	9,906,558,446	222,769.47	50,039.44	1,676,694,411	37,704	16.93%
2011	194,734	43,846	4.44	10,168,621,415	231,916.74	52,218.01	1,694,893,796	38,656	16.67%
%Δ	41.10%	-16.18%	68.33%	105.30%	144.92%	45.50%	65.19%	97.07%	-19.54%

Nevada casinos increased both their gaming positions and their number of employees through 2001; after that, both numbers have declined. As a result, it's indisputable that casinos are less labor-intensive; in 1990, there were 2.64 gaming positions per employee; in 2011, that number had risen to 4.44. This is due to the introduction of labor-saving devices like bill validators and ticket in/ticket out slot machines, exacerbated by recession-related staffing cuts.

In what should be a danger sign for casinos, revenue per position has not kept pace with inflation. Despite huge investments in technology, on average gaming positions are less productive than they were twenty years ago.

As a share of revenue, payroll dropped by nearly one-fifth. If casino departments had maintained their 1990 staffing levels and all other things would have remained constant, they would have had about 74,000 employees in 2011, nearly double their actual total, and payroll costs would have soared relative to revenues.

Statewide Casinos: Rooms Department

Year	Rooms	Emp	Revenue	Payroll	Rm/Emp	Rev/Rm	Rev/Emp	Pay/Emp	Pay/Rev
1990	68,312	19,467	1,106,894,261	349,998,729	3.51	16,203.51	56,860.03	17,979	31.62%
1991	79,501	20,751	1,229,942,369	398,198,792	3.83	15,470.78	59,271.47	19,189	32.38%
1992	82,513	20,882	1,267,776,843	415,175,987	3.95	15,364.48	60,711.47	19,882	32.75%
1993	81,939	19,784	1,339,427,941	428,878,585	4.14	16,346.71	67,702.58	21,678	32.02%
1994	89,942	23,227	1,586,137,853	505,094,372	3.87	17,635.08	68,288.54	21,746	31.84%
1995	98,306	24,356	1,859,662,260	558,099,060	4.04	18,917.02	76,353.35	22,914	30.01%
1996	102,826	26,690	2,031,245,547	601,321,310	3.85	19,754.26	76,105.12	22,530	29.60%
1997	110,462	26,707	2,221,197,908	646,182,134	4.14	20,108.34	83,169.13	24,195	29.09%
1998	114,841	27,225	2,321,374,479	682,799,486	4.22	20,213.80	85,266.28	25,080	29.41%
1999	118,321	29,777	2,620,334,244	755,799,012	3.97	22,145.90	87,998.60	25,382	28.84%
2000	127,440	31,887	3,164,911,960	859,911,675	4.00	24,834.60	99,253.99	26,967	27.17%
2001	128,691	31,587	3,467,373,027	908,787,760	4.07	26,943.48	109,772.15	28,771	26.21%
2002	128,493	29,757	3,176,595,811	886,542,283	4.32	24,721.97	106,751.21	29,793	27.91%
2003	129,690	30,077	3,336,388,124	925,638,934	4.31	25,725.79	110,928.22	30,776	27.74%
2004	133,050	30,683	3,822,385,406	1,015,431,014	4.34	28,729.01	124,576.65	33,094	26.57%
2005	134,009	32,444	4,284,610,141	1,078,091,073	4.13	31,972.50	132,061.71	33,229	25.16%
2006	137,041	33,248	4,886,472,087	1,181,805,160	4.12	35,656.90	146,970.41	35,545	24.19%
2007	136,607	31,015	5,129,980,388	1,139,638,745	4.40	37,552.93	165,403.20	36,745	22.22%
2008	135,061	32,103	5,113,021,178	1,211,664,761	4.21	37,857.14	159,269.26	37,743	23.70%
2009	138,731	29,275	4,264,647,800	1,154,789,040	4.74	30,740.43	145,675.42	39,446	27.08%
2010	140,975	29,300	3,938,031,442	1,155,713,134	4.81	27,934.16	134,403.80	39,444	29.35%
2011	144,319	30,011	4,345,019,868	1,232,646,621	4.81	30,107.05	144,780.91	41,073	28.37%
%Δ	111.26%	54.16%	37.04%	292.54%	154.63%	85.81%	252.19%	128.45%	-10.28%

Across the state, the number of hotel rooms in casino resorts more than doubled; the number of employees grew at about half that rate. Productivity—expressed as both the average number of rooms per employee and as the revenue per employee—grew over the period. Revenues, however, grew even faster, as rooms became a key money-maker for casinos.

The overall increases in room revenue come after a nearly 24 percent decline in room revenues since 2007, indicating that even though room rates have fallen, rooms are still a substantial profit center for casinos.

Statewide Casinos: Food Department

Year	Emp	Revenue	Payroll	Rev/Emp	Pay/Emp	Pay/Rev
1990	36,511	954,405,944	565,310,901	26,140.23	15,483	59.23%
1991	36,083	1,058,347,100	635,024,347	29,330.91	17,599	60.00%
1992	37,297	1,101,621,195	656,312,204	29,536.46	17,597	59.58%
1993	34,343	1,138,766,207	674,753,013	33,158.61	19,647	59.25%
1994	39,490	1,299,990,707	784,268,293	32,919.49	19,860	60.33%
1995	40,764	1,421,170,434	859,729,858	34,863.37	21,090	60.49%
1996	45,639	1,538,647,478	932,921,498	33,713.44	20,441	60.63%
1997	45,925	1,624,850,886	993,181,216	35,380.53	21,626	61.12%
1998	46,041	1,749,854,499	1,039,402,009	38,006.44	22,576	59.40%
1999	51,057	1,948,532,037	1,190,295,567	38,163.86	23,313	61.09%
2000	50,641	2,244,386,384	1,341,904,797	44,319.55	26,498	59.79%
2001	52,177	2,380,945,057	1,396,965,542	45,632.08	26,774	58.67%
2002	48,866	2,333,328,751	1,353,822,794	47,749.53	27,705	58.02%
2003	48,528	2,444,599,343	1,422,336,367	50,375.03	29,310	58.18%
2004	50,499	2,680,721,746	1,523,913,576	53,084.65	30,177	56.85%
2005	54,776	2,929,535,277	1,649,826,159	53,482.10	30,120	56.32%
2006	59,620	3,305,638,824	1,839,410,054	55,445.13	30,852	55.64%
2007	55,380	3,401,217,422	1,902,341,259	61,415.99	34,351	55.93%
2008	55,636	3,518,856,739	1,897,216,229	63,247.84	34,101	53.92%
2009	47,635	3,191,256,499	1,702,545,380	66,993.94	35,741	53.35%
2010	47,184	3,040,918,370	1,646,000,525	64,448.08	34,885	54.13%
2011	46,243	3,252,131,103	1,711,721,704	70,326.99	37,016	52.63%
%Δ	26.65%	240.75%	202.79%	169.04%	139.07%	-11.14%

Casino restaurants enjoyed a boom in the period, with revenues rising far faster than inflation. Despite an increase in payroll per employee approximately double the inflation rate, payroll as a percentage of revenue declined over the period. Since revenue per employee has grown faster than payroll per employee, food department employees have become, on average, more productive. The greater investment in name-brand recognition (celebrity chef restaurants) is likely another reason that increases in revenue have out-stripped increases in payroll.

Statewide Casinos: Beverage Department

Year	Emp	Revenue	Payroll	Rev/Emp	Pay/Emp	Pay/Rev
1990	11,156	486,855,601	168,585,828	43,640.70	15,112	34.63%
1991	11,100	522,426,855	182,278,543	47,065.48	16,421	34.89%
1992	11,364	524,422,399	185,744,323	46,147.69	16,345	35.42%
1993	10,512	537,203,293	190,433,452	51,103.81	18,116	35.45%
1994	11,604	587,519,449	211,340,910	50,630.77	18,213	35.97%
1995	11,263	623,768,643	222,646,732	55,382.10	19,768	35.69%
1996	12,588	653,150,355	231,534,024	51,886.75	18,393	35.45%
1997	12,772	684,935,887	247,559,990	53,627.93	19,383	36.14%
1998	12,163	721,368,846	258,840,844	59,308.46	21,281	35.88%
1999	13,094	787,990,885	281,835,523	60,179.54	21,524	35.77%
2000	13,270	900,462,147	298,058,335	67,856.98	22,461	33.10%
2001	13,609	935,318,129	305,855,319	68,727.91	22,474	32.70%
2002	12,468	940,936,501	302,193,966	75,468.12	24,238	32.12%
2003	12,133	983,658,703	315,106,126	81,073.00	25,971	32.03%
2004	12,129	1,081,637,344	325,344,273	89,177.78	26,824	30.08%
2005	12,712	1,165,972,108	347,920,989	91,722.16	27,369	29.84%
2006	13,908	1,308,004,191	374,749,116	94,046.89	26,945	28.65%
2007	14,164	1,398,854,293	395,828,560	98,761.25	27,946	28.30%
2008	14,530	1,331,969,074	382,962,993	91,670.27	26,357	28.75%
2009	12,964	1,328,324,592	371,232,116	102,462.56	28,636	27.95%
2010	13,259	1,370,073,976	373,255,942	103,331.62	28,151	27.24%
2011	13,373	1,503,719,235	399,517,066	112,444.42	29,875	26.57%
%Δ	19.87%	208.86%	136.98%	157.66%	97.69%	-23.27%

Beverage departments in Nevada casinos saw the same patterns as other departments: revenue increased faster than payroll. In addition, revenue per employee rose at more than double the inflation rate, suggesting that the average beverage worker is more productive.

Statewide Casinos: Other Departments

Year	Emp	Revenue	Payroll	Rev/Emp	Pay/Emp	Pay/Rev
1990	7,179	577,102,897	118,105,032	80,387.64	16,451	20.47%
1991	6,595	693,175,807	135,954,851	105,106.26	20,615	19.61%
1992	7,316	675,259,642	145,211,999	92,299.02	19,849	21.50%
1993	7,371	725,169,562	148,377,256	98,381.44	20,130	20.46%
1994	9,549	918,835,264	199,299,107	96,223.19	20,871	21.69%
1995	12,137	1,059,831,302	250,631,256	87,322.35	20,650	23.65%
1996	9,337	1,190,456,543	264,944,192	127,498.83	28,376	22.26%
1997	12,111	1,260,699,383	282,677,151	104,095.40	23,341	22.42%
1998	11,646	1,340,672,935	294,401,650	115,118.75	25,279	21.96%
1999	14,343	1,609,317,375	346,839,440	112,202.29	24,182	21.55%
2000	18,976	1,938,623,378	407,617,380	102,161.86	21,481	21.03%
2001	14,640	2,009,181,208	414,877,680	137,239.15	28,339	20.65%
2002	14,771	1,939,443,694	408,336,176	131,300.77	27,644	21.05%
2003	14,448	1,963,009,090	421,238,727	135,867.19	29,156	21.46%
2004	12,699	2,117,847,217	440,966,278	166,772.76	34,724	20.82%
2005	15,301	2,313,629,440	505,959,361	151,207.73	33,067	21.87%
2006	16,807	2,771,897,303	568,773,184	164,925.17	33,841	20.52%
2007	17,429	2,846,184,463	625,770,860	163,301.65	35,904	21.99%
2008	16,065	3,000,097,270	604,762,863	186,747.42	37,645	20.16%
2009	13,434	2,712,417,628	544,992,777	201,906.92	40,568	20.09%
2010	13,426	2,597,978,734	543,441,308	193,503.56	40,477	20.92%
2011	12,843	2,742,572,695	570,194,957	213,546.11	44,397	20.79%
%Δ	78.90%	375.23%	382.79%	165.65%	169.87%	1.59%

“Other” departments, which include mostly entertainment and retail employees, enjoyed astronomical growth in both revenues and payroll—both increased, by far, more than any other department. In the years when this growth was particularly explosive, Nevada casinos added many labor-intensive entertainment offerings and expanded their retail operations. That revenue slightly outpaced the increase in payroll indicates that, in regards to staffing, this expansion was well-executed.

Statewide Casinos: G&A Departments

Year	Emp	Payroll	Pay/Emp
1990	25,159	668,719,164	26,580
1991	25,266	721,784,092	28,567
1992	26,051	733,903,236	28,172
1993	24,388	767,912,349	31,487
1994	26,572	853,287,104	32,112
1995	27,332	908,505,956	33,240
1996	33,246	989,228,653	29,755
1997	33,149	1,016,662,618	30,669
1998	29,932	1,061,493,794	35,464
1999	32,962	1,156,829,861	35,096
2000	31,626	1,328,979,990	42,022
2001	33,230	1,351,356,216	40,667
2002	31,753	1,349,388,624	42,496
2003	35,590	1,401,226,721	39,371
2004	34,173	1,453,977,677	42,548
2005	34,447	1,673,492,674	48,582
2006	35,814	1,671,256,406	46,665
2007	31,624	1,736,042,370	54,896
2008	31,075	1,741,112,509	56,029
2009	27,767	1,605,960,322	57,837
2010	27,385	1,583,777,920	57,834
2011	28,065	1,619,094,967	57,691
%Δ	11.55%	142.12%	117.05%

Producing no direct revenue, the general and administration departments nevertheless followed the same trends that other departments did; payroll increased, as did payroll per employee.

Preferred citation:

David G. Schwartz and Tracy Liao. *Nevada Statewide Casino Employment: Productivity, Revenues, and Payrolls, a Statistical Study, 1990-2011*. Las Vegas: Center for Gaming Research, University Libraries, University of Nevada Las Vegas, 2012.