

MGC Research Snapshot

Patron and License Plate Survey Report: Encore Boston Harbor 2022

April 2023

What you need to know

This report presents the results of the first patron survey at Encore Boston Harbor (EBH), completed in 2022. Findings include insights on demographics of casino visitors, behavior, and expenditures. Spending of MA residents that has been recaptured from out of state appears to constitute a major share of EBH's revenues, though not all represents new economic activity. An important social issue concerns whether people with lower incomes contribute disproportionately more to gambling revenues than people with higher incomes; this does not appear to be the case at EBH.

What is this research about?

The original research plan for the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study identified the need for ongoing patron surveys at all of the newly licensed casinos in the state. Patron surveys establish the demographic characteristics of people patronizing the casinos, which speaks to whether certain subgroups of the population are impacted more than others; establish the geographic origin of patrons to identify whether the impacts are localized or regional and the extent to which out-of-state patrons contribute to casino revenue; and helps in understanding patrons' patterns of expenditure and the approximate amount of off-site spending contributing to the local economy.

Asking patrons whether they would have gambled out-of-state if Encore Boston Harbor did not exist allows identification of the approximate amount of recaptured spending. Survey questions also establish the degree to which casino spending represents money that has been reallocated from other sectors of the economy. Finally, patron surveys are useful in understanding patrons' perceptions and experiences with the new venues and begin to track the impact of responsible gambling measures. The license plate survey assesses the accuracy of prior estimates of out-of-state casino expenditure and provides corroborating information about patron origins.

What did the researchers do?

Researchers from the SEIGMA team attempted to capture as representative a sample as possible by conducting the survey 6 to 12 months after the venue opened to allow

patronage to settle; spreading each data collection period over a two-week time period; sampling during peak and non-peak days and times; and keeping track of the demographics of patron refusals to allow for corrective weighting. However, due to the pandemic, the Encore Boston Harbor Patron Survey was delayed and instead fielded in a two-week period in April 2022. It was self-administered and took an average of 5-10 minutes to complete. A total of 440 surveys were collected, which represents a response rate of 15.4%. The sample was weighted to be as representative as possible of regular gamblers who contribute to casino patronage and revenue.

A two-person team conducted license plate counts of all guest parking areas during the same time periods and days that the patron survey was being administered. The survey was done exclusively in the attached raised parking garage structure at the casino, and no counts were made for buses, as none were parked on site. The data were then weighted according to the day of the week data was collected.

What did the researchers find?

Findings include insights on demographics of casino visitors, gambling and non-gambling behavior, and expenditures:

Demographics

- Of those surveyed, 78.3% of the respondents were from Massachusetts (MA), with 41.8% coming from the host (Everett) and surrounding (Boston, Cambridge, Chelsea, Saugus, Lynn, Malden, Medford, Melrose, and Somerville) communities, and 21.8% from out of state.
- A higher percentage of MA respondents were from certain



groups (males, people ages 35-54, people with yearly household incomes \$50,000-\$100,000 per year) compared to the general population in MA.

- Overall, the survey found that 55.0% of patrons were white, 24.9% were Asian, 8.3% were black, and 7.6% were Hispanic. Notably, the number of Asian patrons from Massachusetts (24.3%) was higher compared to their prevalence in the adult population of Massachusetts (7.1%).
- A lower percentage of MA respondents were from certain groups (females, people with less than a high school education, people with household income >\$100,000 per year) than in the MA population overall. Those who did not report gender may impact this analysis.
- Fewer respondents from the host and surrounding communities reported incomes of >\$100,000/year (35.3%) than patrons from elsewhere in MA (43.8%) or those outside of MA (44.9%).

Gambling and Non-Gambling Behavior

- Of those surveyed, 57.2% were regular visitors (defined as visiting 2-3 times a month or more), with 43.3% visiting once a week or more. The percentage for visiting once a week or more was higher (58.1%) for those coming from the host and surrounding communities.
- Almost one-third of respondents (30.1%) had not visited another casino in the past year, which is much higher than seen in prior patron surveys (MGM Springfield 11.7% and Plainridge Park Casino 10.8%); at least part of this difference may have been due to the COVID-19 pandemic.
- EBH was the motivator for 66.9% of all respondents (70.2% of respondents from MA) to visit the area, and the motivator for 54.7% of respondents from out of state to visit the state.
- Almost 9 in 10 respondents (89.2%) participated in some sort of gambling activity during their visit. Slot machines were the most popular game (62.7%) although 37.7% reported playing table games. Just over one in 10 (10.8%) of respondents overall, 6.7% from the host and surrounding communities, 13.6% from other MA municipalities, and 13.8% respondents from outside of the state did not gamble during this visit.
- Just over one in five (20.6%) of the respondents did not report any spending on non-gambling activities at EBH, and 29.5% did not report any spending on non-gambling activities outside of EBH.

Expenditures

- Relative to their prevalence in the population, the highest-income group contributes proportionally more gambling revenue with the lower middle-income groups contributing proportionally less.
- Spending of MA residents that has been recaptured from out of state appears to constitute a major share of EBH's revenues, though not all represents new economic activity.
- An important social issue concerns whether people with lower incomes contribute disproportionately more to gambling revenues than people with higher incomes. This does not appear to be the case at Encore Boston Harbor:
 - Of the MA respondents who spent money gambling at EBH, the 14% with the lowest household incomes (less than \$30,000 per year) was roughly the same as their prevalence in the general adult population of MA (13%), and they represented just 10% of the gambling spending.

About the researchers

Laurie Salame, Robert J. Williams, Martha Zorn, Thomas Peake, Valerie Evans, and Rachel Volberg are with the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study. For more information about this report, please contact Laurie Salame at lsalame@isenberg.umass.edu.

- The 39.3% of Massachusetts respondents with the highest incomes (over \$100,000) accounted for 56% of the gambling spending and similarly represent 53.6% of the state's adult population.

When looking at all strategies employed to keep gambling within personal affordable limits, avoiding the on-site ATM was the most frequently reported (43.1%), followed by thinking of gambling as fun and not a way to make money (31.0%), and staying within a limit of how much to lose during a visit (29.5%). Almost two in three (64.8%) respondents reported a strong or modest impact of these strategies on their ability to play within their limits (72.0% for respondents in the host and surrounding communities).

The License Plate Survey found that estimates of patron residency corresponded quite closely to the patron survey estimates and produced an even closer match for estimated expenditure.

Conclusions and Next Steps

The survey provides important data on patron demographics, expenditures, and gambling behavior, but does not lend itself to major conclusions. The findings presented here are critical to inform future more substantive and integrative SEIGMA reports.

Citation

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<https://massgaming.com/about/research-agenda-search/?cat=economic-impact>

Key Words

Economic Impact; Everett

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About this Snapshot

MGC Snapshots are intended to translate lengthy and sometimes technical reports into an easily understandable overview of the research. The findings and recommendations in the Snapshot are those of the researchers and do not necessarily reflect the position of the MGC.

