

COVID-19 Impacts

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Background

- Since 2013, UMDI has monitored and reported on the economic and fiscal impacts of expanded gaming in Massachusetts as part of the SEIGMA team
- Since reprocurement in 2019, there has been an emphasis on producing more ad-hoc reports
- As a major economic event with an especially large impact on the service sector, COVID-19 provided a perfect opportunity for such a report

Summary of Findings

The research team analyzed casino operating data across three broad areas:

- **Workforce Impacts:** The shutdown lead to major layoffs, but many workers have been rehired. Layoffs fell most heavily on people of color, reflecting a broader trend.
- **Visitation and Revenue Impacts:** Revenue has recovered faster than visitation, and exceeded pre-pandemic levels by the end of the study period, suggesting shifts in patron behavior.
- **Business/Government Spending Impacts:** Throughout the pandemic, the casinos struggled to meet their commitments to women and minority vendors.

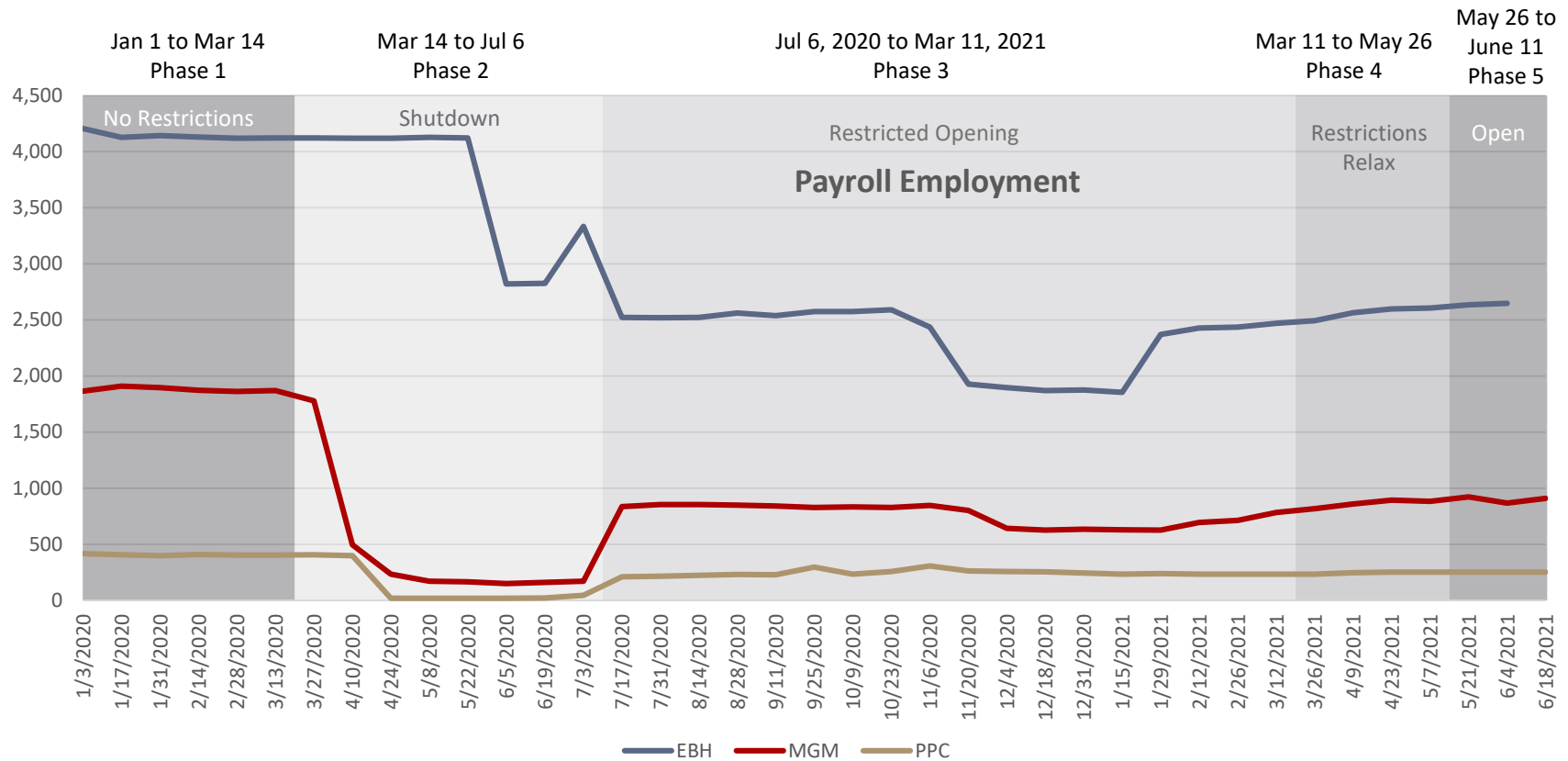
Casino Operations: Context

- By July 2019, all casinos were open for business
- In January 2020, when our analysis starts, the casinos:
 - Brought in \$80,256,038 of gross gaming revenue
 - Employed 6,520 workers
 - Payed \$ 35,959,051 in wages
- COVID-19 arrived in Massachusetts in February of 2020, and by March 2020 all three casinos were shut down
- Over the next year and a half, casinos went through various phases of restrictions and shut-downs
- June 2021 was the first month of full capacity operations

Workforce Impacts

- Young people, low-wage workers, women, and people of color bore the brunt of job losses and reduction in hours
- Food and beverage, gaming and recreation, and hotel departments, which are areas with high concentrations of workers of color, were heavily impacted by the casino layoffs
- Most previous employees who worked before the shutdown got rehired upon opening

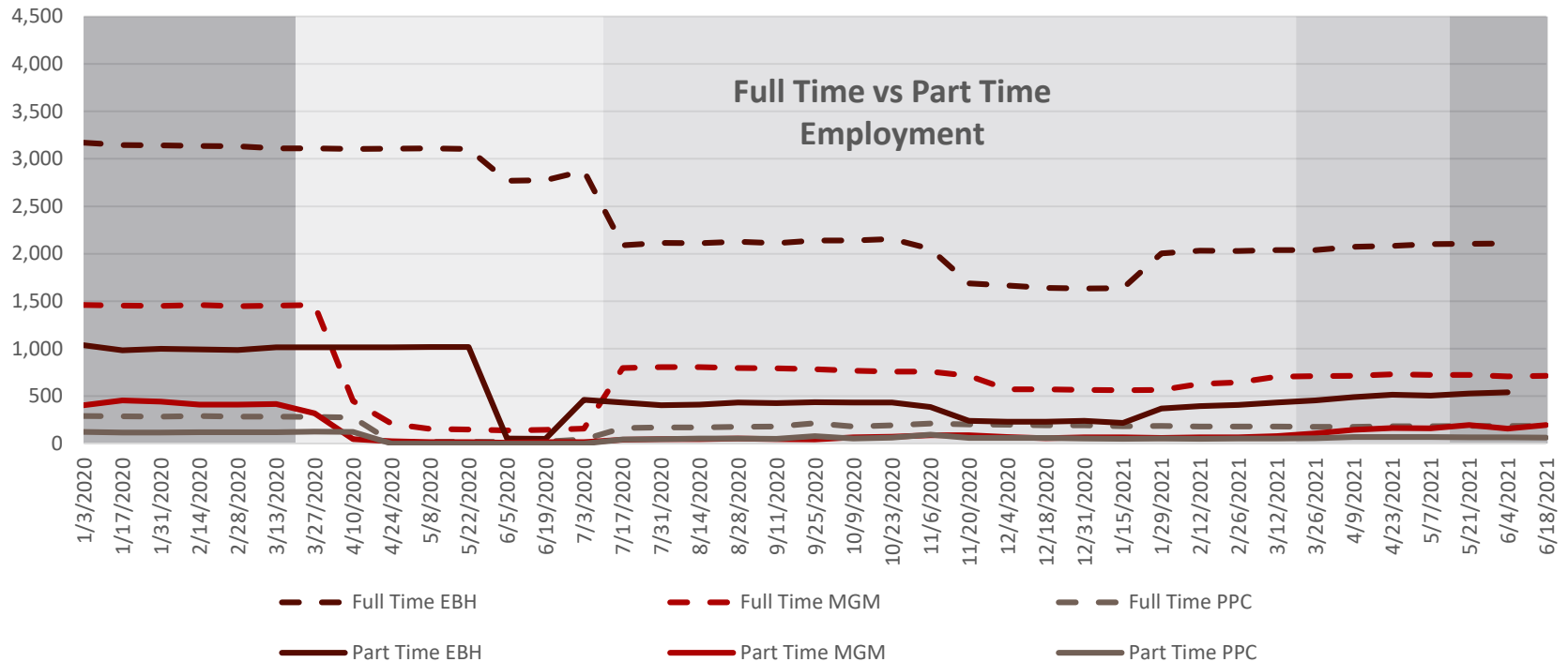
Beginning March 2020, Casinos in the State Began to Feel the Impacts of Covid...



Due to state mandates, the entertainment industry, including casinos, were closed according to the timeline above.

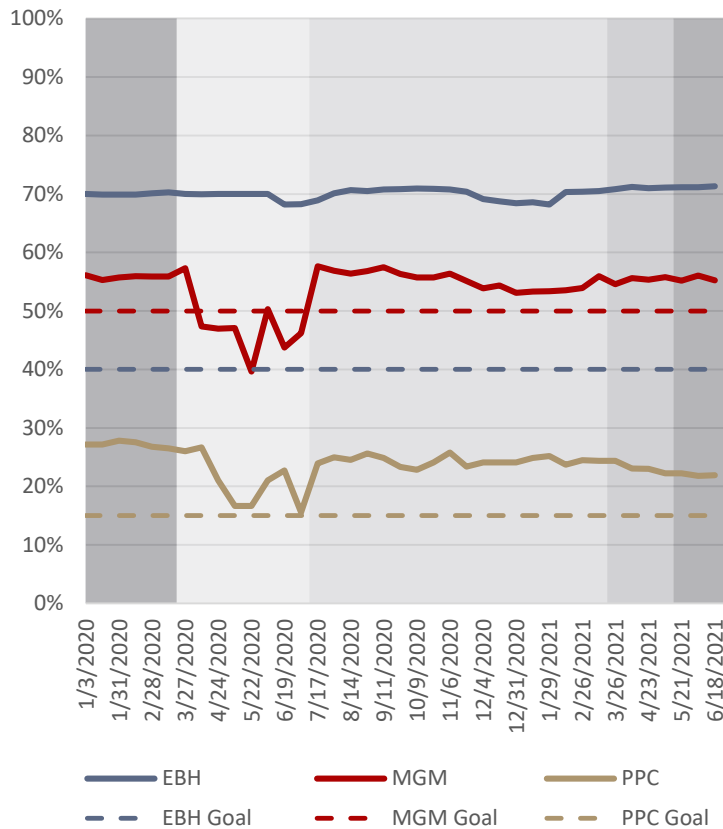
Employment fell quickly and was slow to recover after reopening

Casino	Pre-Pandemic	Trough	Post-Shutdown	Recovery
Encore Boston Harbor	4,206	1,854	2,648	63%
MGM Springfield	1,909	149	921	48%
Plainridge Park Casino	416	18	252	61%

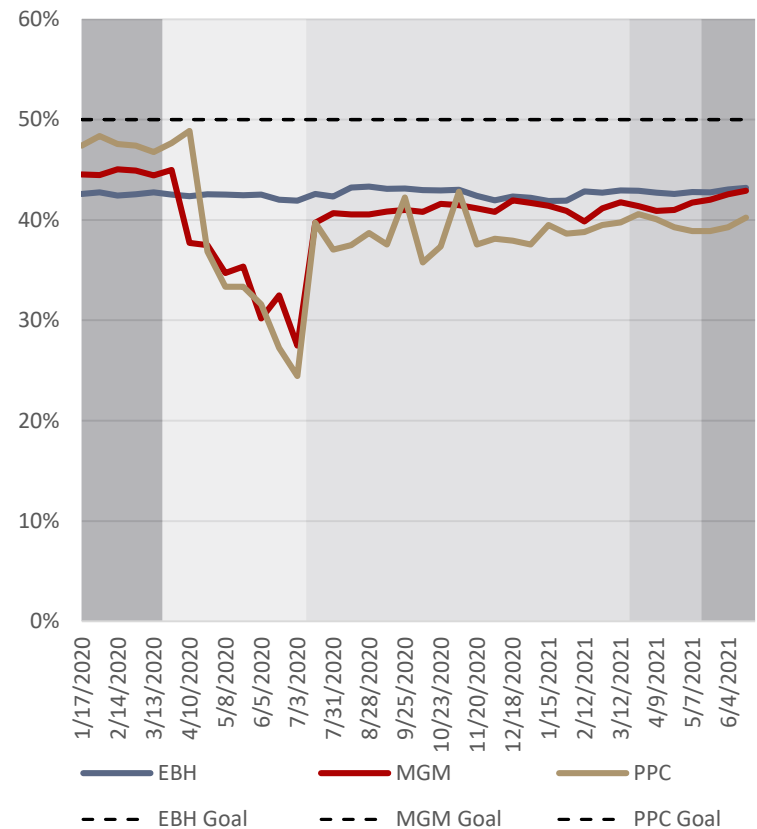


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Share of Minority vs Goal



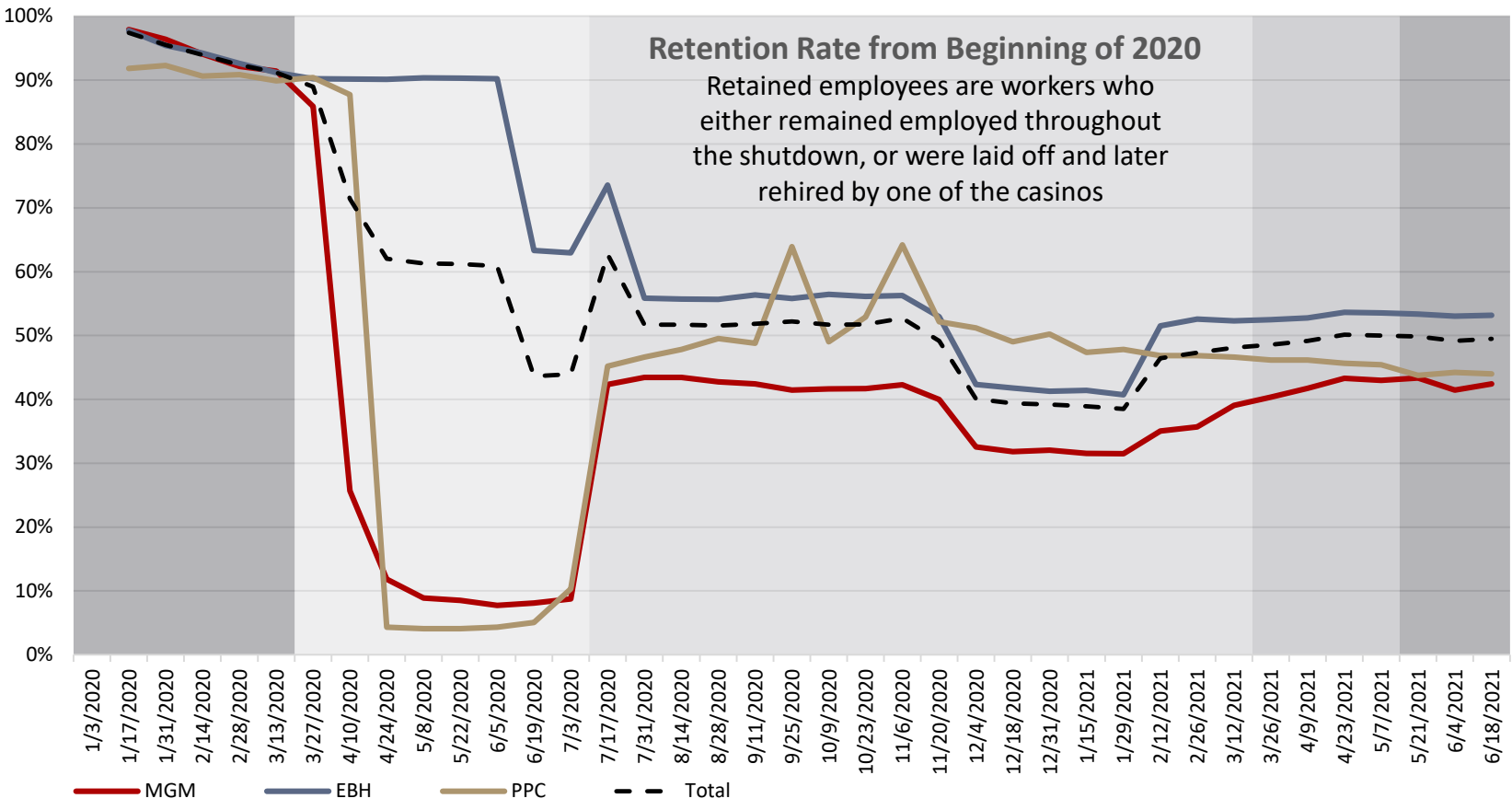
Share of Women VS Goal



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	EBH			MGM			PPC		
Department	Most Prevalent Races	White	Non-White	Most Prevalent Races	White	Non-White	Most Prevalent Races	White	Non-White
Entertainment	White, Hispanic, Black	56%	37%	White, Hispanic, Asian	31%	52%	*	*	*
Food & Beverage	White, Hispanic, Black	39%	53%	Asian, Hispanic, Not Specified	19%	58%	White, Black, Hispanic	53%	43%
Gaming & recreation	White, Asian, Hispanic	43%	54%	Asian, White, Not Specified	31%	52%	White, Black, Hispanic	86%	13%
General & Administrative	White, Black, Hispanic	52%	45%	White, Hispanic, Black	26%	56%	White, Black, Asian	79%	16%
Hotel	Hispanic, White, Black	16%	80%	Hispanic, White, Black	22%	59%	*	*	*
Retail	Hispanic, White, Black	35%	65%	White, Black, Hispanic	28%	52%	*	*	*
Other	White, Hispanic, Black	52%	44%	White, Black, Hispanic	47%	38%	White, Black, Hispanic	68%	32%

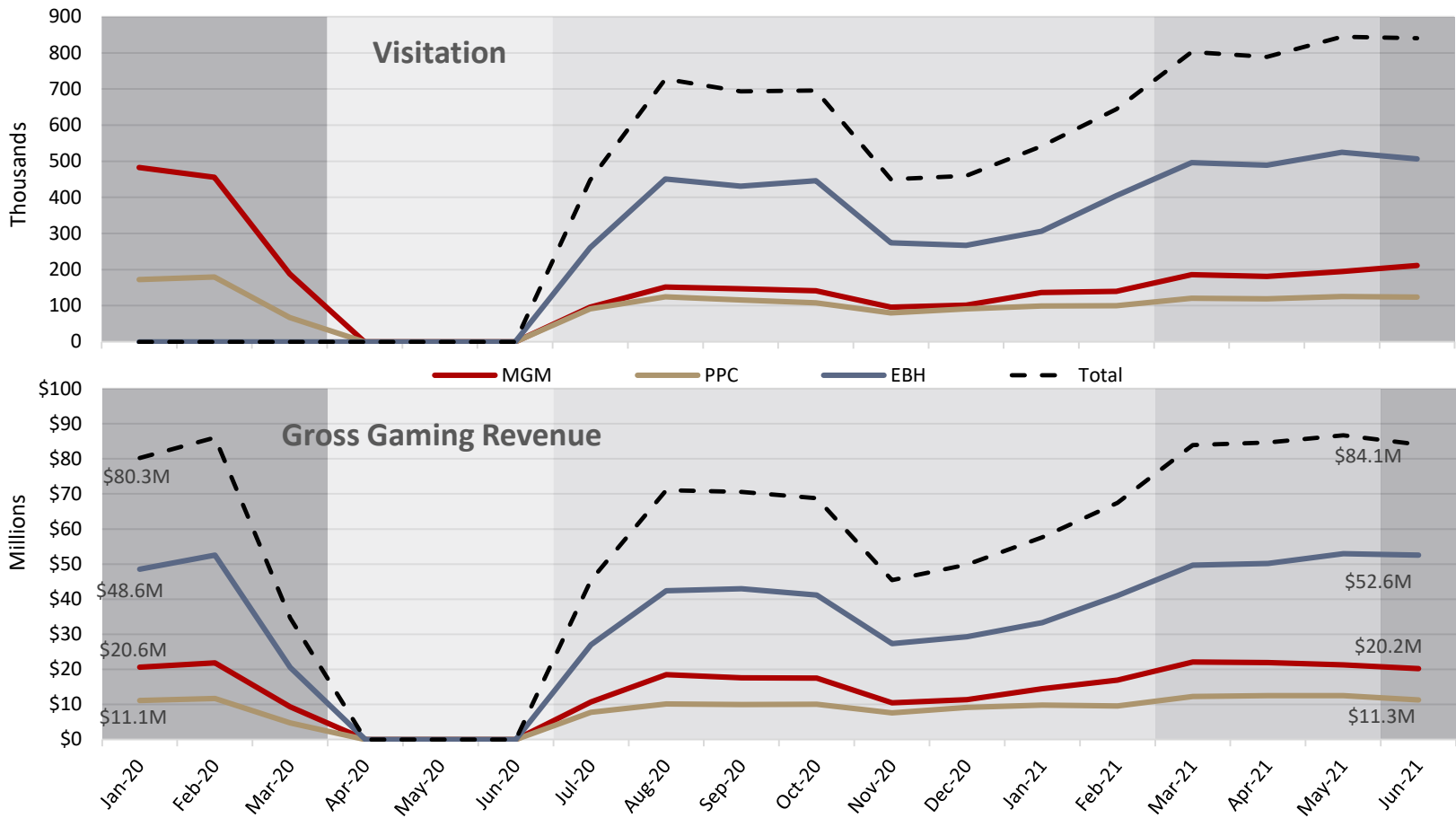
Most employees hired since reopening had been previous employees



Visitation and Revenue Impacts

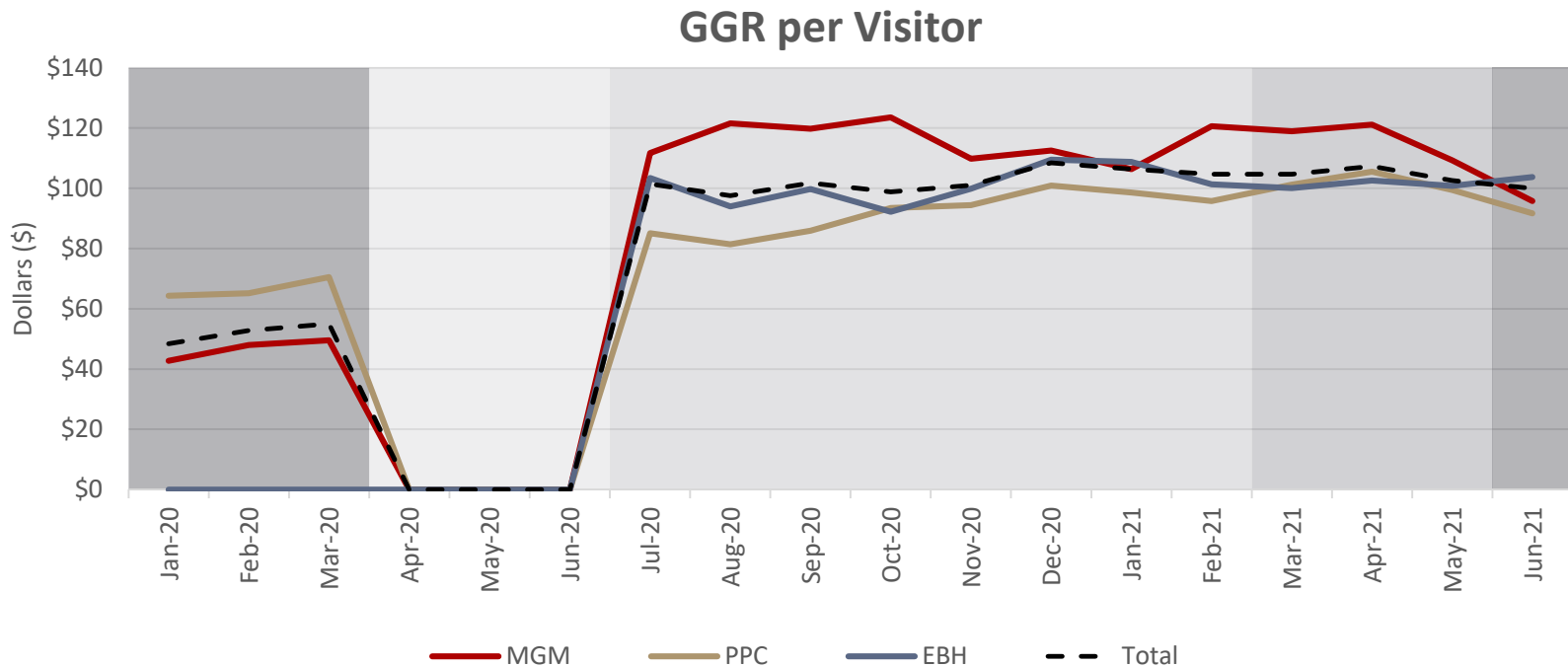
- Visitation levels at the casinos have not returned to pre-pandemic levels, but patrons appear to have spent more on average than pre-pandemic patrons
- Gross gaming revenues (GGR) have increased since the beginning of 2020, despite the decline in visitation

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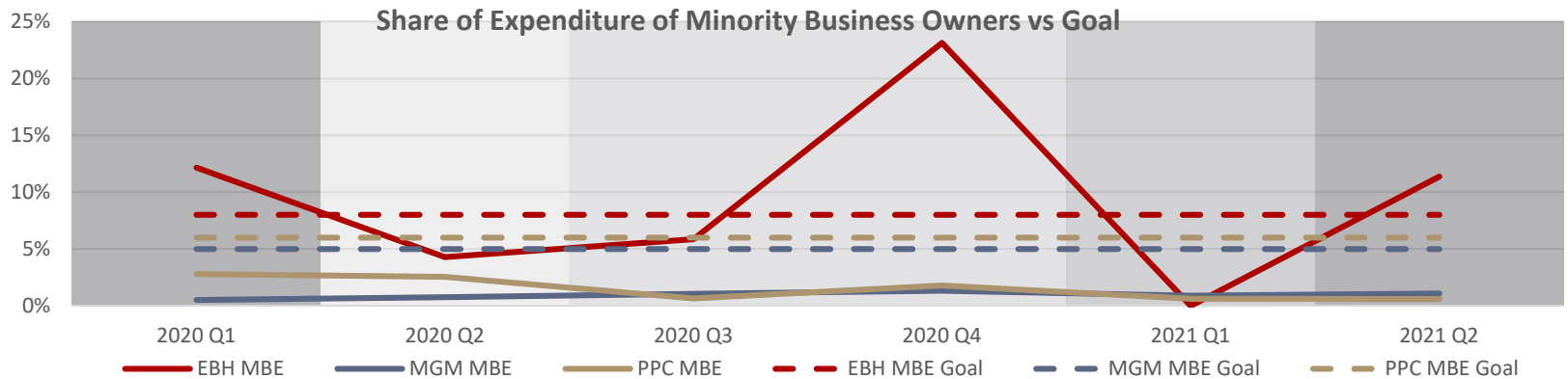
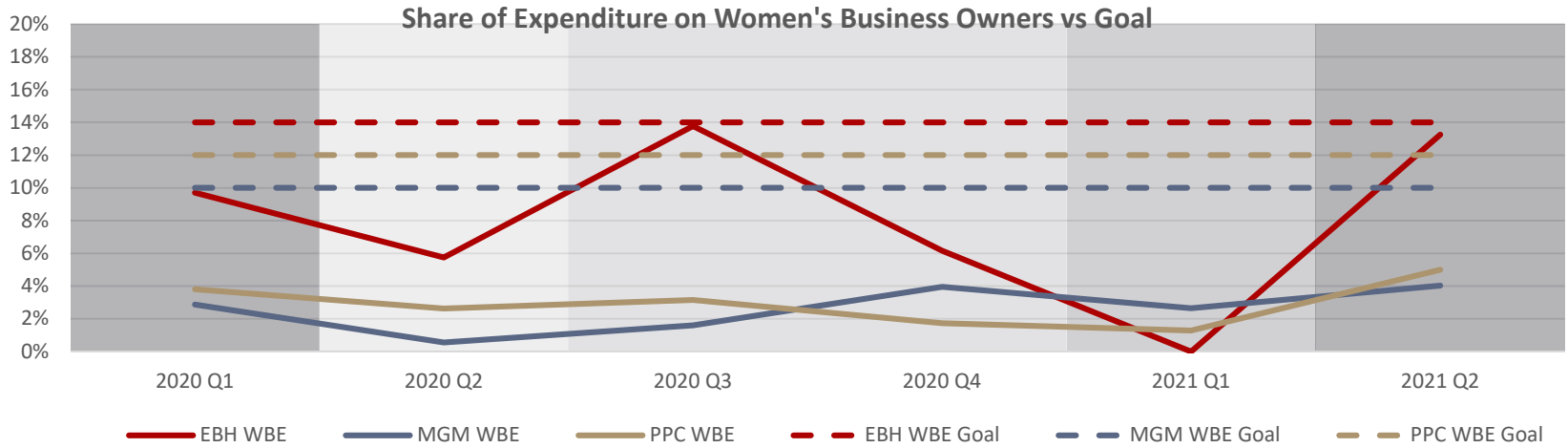
Spending per visitor has increased dramatically since the shutdown surpassing the pre-pandemic baseline. On average, patrons are spending as much as double the amount at the casino than they were prior to the pandemic.



Business Spending Impacts

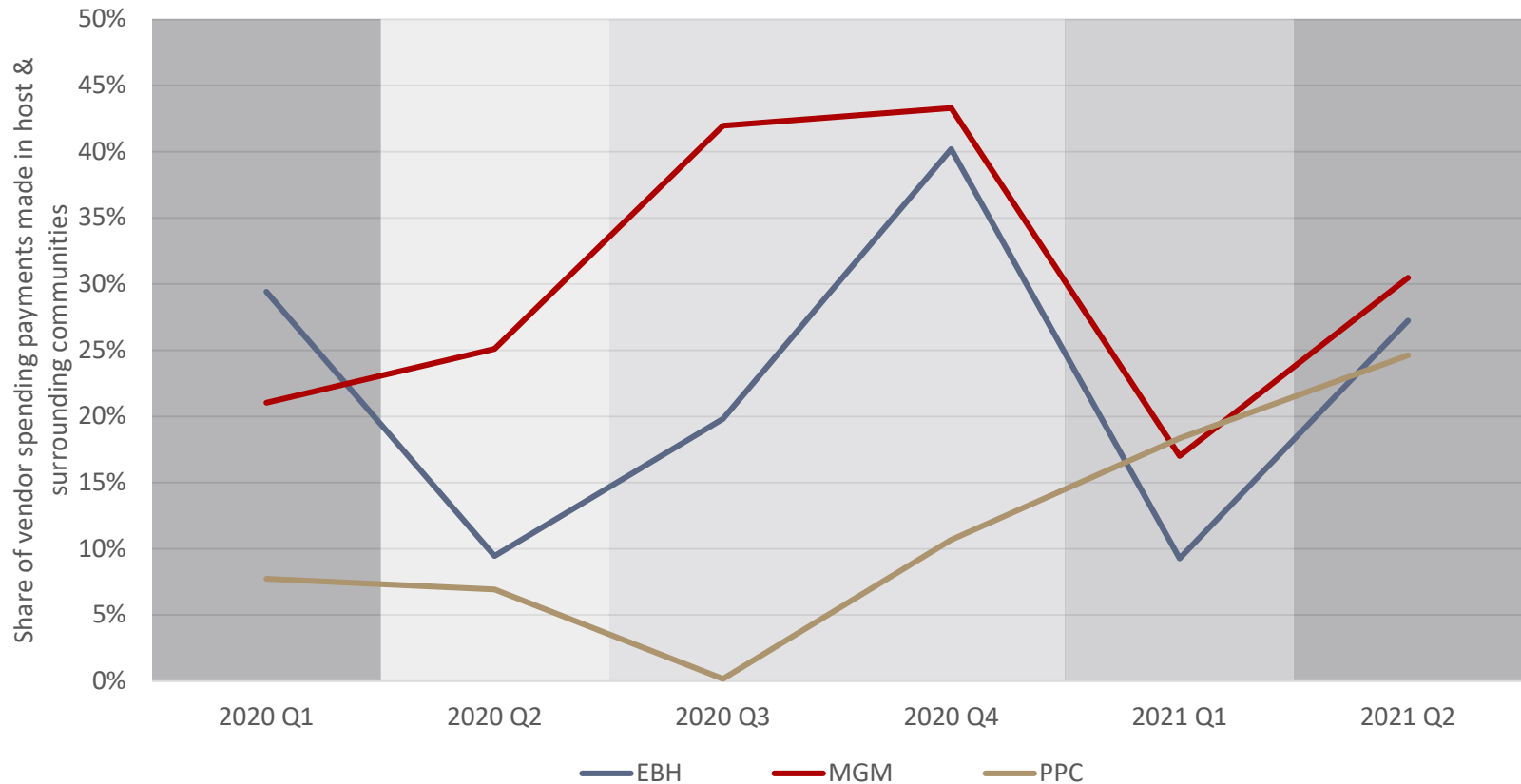
- With many casino activities restricted, the casinos have struggled to achieve their spending goals on minority and women-owned businesses
- Though operations slowed in the beginning of pandemic, the casinos continued to do business with firms in their host and surrounding communities

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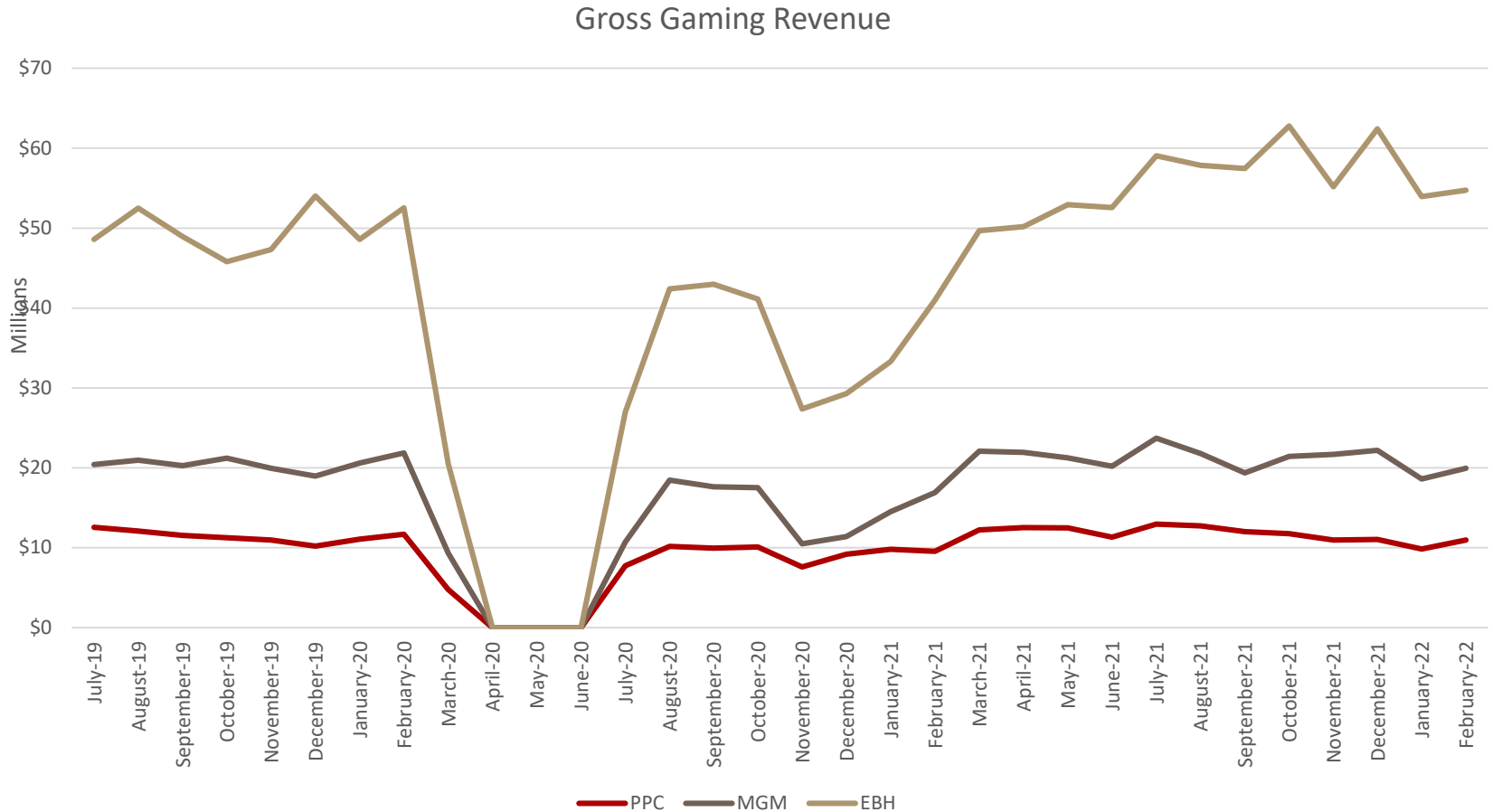


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Share of Non-Government Expenditure for Host and Surrounding Communities



Final Remarks: Recent Data



Recap

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- **Visitation and Revenue Impacts**
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 - Gross gaming revenues (GGR) have increased since the beginning of 2020, despite the decline in visitation.
- **Business/Government Spending Impacts**
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Thank You!

EPPR Team