

# U.S. casino revenue up as economy strengthens

By Stephen Singer, AP

HARTFORD, Conn. – Revenue at U.S. casinos jumped more than 6 percent in 2012, the first significant increase in three years as economic growth picked up speed and more casinos opened in several markets.

But revenue generated by Indian casinos rose less than 2 percent the same year, Casino City's North American Gaming Almanac found. Growth is limited due to regulations restricting tribal casino expansion beyond reservations and differences between tribes over how best to expand, said Vin Narayanan, editor in-chief of Casino City.

"There's a giant political question about that," he said.

Total gambling revenue in 2012 was \$94.47 billion, with the largest share, \$40.38 billion, from casinos and card rooms. Tribal casinos generated \$28.14 billion followed by lotteries (\$23.41 billion) and racing and sports gambling (\$2.55 billion) in 2012.

Casino revenue grew by a fraction of 1 percent in 2011 and 2010 and fell nearly 6 percent in 2009 as the steepest economic downturn since the Depression took hold.

Year-to-year revenue changes are vastly different from one state to another. In Ohio, for example, total gambling revenue jumped by one-third from 2011 to 2012 as casino gambling ramped up.

But in New Jersey, seventh largest among the states in overall gambling revenue in 2012, casino revenue fell from \$3.69 billion in 2009 to \$2.71 billion in 2012 as three Atlantic

City casinos shut. Nevada, California and New York are the top three states in casino revenue.

Narayanan said saturation is the culprit for the decline of Atlantic City's casinos, but it's not an issue elsewhere.

"Are there too many casinos in the market? As far as Atlantic City is concerned, there are too many casinos on the market," he said.

But casinos opening in Ohio are satisfying "pent-up demand," he said.

Similarly, the legalization of casino gambling in Maryland in 2008 and the opening of the state's first casino in 2010 generated tremendous revenue. Casino and card room revenue increased from \$27.6 million in 2010 to \$377.8 million in 2012. Total gambling revenue jumped to \$1.15 billion in 2012 from \$760.6 million in the same period.

"Maryland is a place that's just taking off," Narayanan said.

The opening of casinos in Massachusetts in the next few years is expected to lead to a significant new source of revenue, possibly at the expense of neighboring Connecticut's Mohegan Sun and Foxwoods Resort casinos.

Narayanan questioned if gamblers who check out a Massachusetts casino will still be comfortable traveling to Connecticut's tribal casinos.

"That's a real good question," he said.