

There's No Financial Excuse for Casinos to Poison their Workers

- Studies show that smoke-free laws and policies do not have an adverse impact on the hospitality industry. (CDC)
- A comprehensive review of 97 studies from eight countries on the economic impact of smoke-free policies concluded that studies consistently have found that smoke-free policies do not harm business. (CDC)
- One 2011 study found that implementation of Illinois' smoke-free law- which applies to casinos- did not result in fewer people going to casinos. (CDC)
- 157 Indian casinos across the country chose to permanently keep COVID smoking bans in place, with no economic cost. (Casino Consultants Consortium, Evaluation of Post-Pandemic Non-Smoking Trends in U.S. Casinos, June 2022).
- Parx Casino, the only non-smoking casino in Pennsylvania, was the #1 casino in revenue generation in Pennsylvania in February 2024. Parx made \$29,738,421 in slot machine revenue in February 2024, more than \$5.5 million more than the casino in the number two slot. (Pennsylvania Gaming Control Board)
- For the same month, Parx was also number two in revenue for table games.(Pennsylvania Gaming Control Board)
- In 2021 when the casinos in New Jersey opened without smoking, their first quarter earnings were 11% higher than they were in the same quarter in 2019 when casinos had allowed smoking. (Parry, Wayne, Atlantic City 1st Quarter Casino Earnings More than Triple, AP, May 24, 2021).
- Thomas Reeg, CEO of Caesar's Entertainment (Caesars, Harrah's, Tropicana) has a total yearly compensation of \$31,349,920. (Simply Wallstreet).
- William Hornbuckle, CEO of MGM Resorts (owner of of the Borgata), had total annual compensation in 2021 of \$13,274,524. (ERI Economic Institute).

Casino Gaming Industry
Research Brief

Evaluation of Post-Pandemic
Non-Smoking Trends in U.S. Casinos

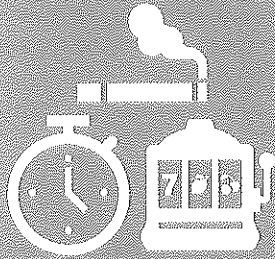
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LAS VEGAS NEW ORLEANS PHILADELPHIA SINGAPORE MACAU PERTH GOLD COAST

KEY TAKEAWAYS



SMOKERS' TIME ON DEVICE ANALYSIS GOES AGAINST RESPONSIBLE GAMING

Casinos throughout North America have made commitments to support responsible gambling initiatives. Virtually all operators have links to websites that provide additional information regarding playing responsibly. A recent study commissioned by the Casino Association of New Jersey projects gaming revenue losses based on smokers having to take breaks, **which is the antithesis of one of the principles of responsible gaming.**



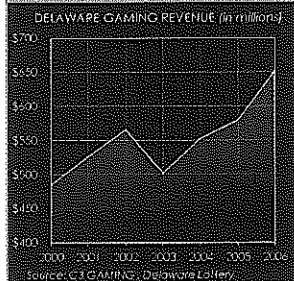
DEFECTING SMOKERS TO PA CASINOS DOES NOT HOLD WATER

With the conversion of The Rivers Philadelphia to a non-smoking property, the ongoing prohibition of smoking in Connecticut's two casinos, and the smoking prohibition in New York's commercial casinos, gamers in the region have few options left. Should the New Jersey Legislature close the smoking loophole and prohibit smoking in Atlantic City casinos, **gamblers from NY, NJ, and eastern PA will have only four options if they want to gamble in a smoking environment and none of them offers the same gaming/entertainment experience as Atlantic City.**



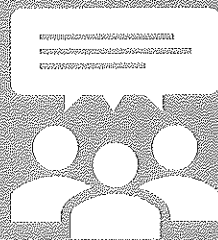
GGR NOT UNDER SEVERE THREAT, IMMEDIATE COST SAVINGS REPORTED

An examination of gaming revenues in commercial casinos post pandemic reveals that **those casinos that implemented smoking prohibitions did not experience any drop in revenues** or lost market share to nearby casinos that continued to offer smoking environments. COVID-19 caused a radical change in consumer attitudes towards smoking in casinos. Interviews with tribal casino management also revealed that profitability is increasing due to reduced maintenance costs. So far, 157 tribes were able to push smoking out of their casinos at no economic cost.



NEW PERFORMANCE DATA SHOWS POSITIVE TRENDS IN NON-SMOKING CASINOS

As legislators in NJ, PA, and RI debate the merits of closing their states' smoking loopholes, they should **not rely on forecasts predicated on data from 2002, 2008 or 2015, or consumer opinions from a survey conducted in 2008.** Headlines from this old data fails to mention other reasons for the decrease in gaming revenue. They need to look at current trends occurring in markets across the U.S. Data from multiple markets clearly indicate that banning smoking no longer causes a dramatic drop in gaming revenue. In fact, non-smoking properties appear to be performing better than their counterparts that continue to allow smoking.



LOCATION, LOCATION, LOCATION

In 2021, the gaming industry's foremost market research provider, Meczka Market Research/Consulting, presented the results of a research study conducted among gamblers in the Pacific Northwest to gauge their opinions regarding smoking, post-lockdown. The study revealed that the importance of smoking had diminished dramatically in light of the pandemic. **It found that "location, proximate to one's home" was the primary reason people chose a particular property (32%),** followed by "smoking is not allowed" (26%). "Smoking is allowed" was cited as a primary reason among only four percent of the sample.

