



# The Potential Economic Impact of iGaming

## Supplement for Illinois

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April 2, 2024

The conclusions and opinions expressed are exclusively those of the authors and not of Analysis Group. Support for this study was provided by the Sports Betting Alliance.

## About the Authors



**Mickey Ferri, Vice President; Ph.D., economics.** Dr. Ferri specializes in applied business economics and has extensive experience in economic analysis, business strategy, and data analysis. His work includes market analyses, revenue projections, analysis of actual versus but-for scenarios, economic damages, and commercial success. Dr. Ferri has served as an economics expert or consultant in more than 60 engagements in U.S. federal and state courts and has submitted over 30 expert reports and declarations. He has consulted to clients in industries such as entertainment, consumer products, real estate, pharmaceuticals, finance, cybersecurity, natural resources, and sports. He has been recognized as a top patent expert in the IAM Patent 1000.



**Laura O'Laughlin, Vice President; M.Sc., economics.** Ms. O'Laughlin has developed, administered, and analyzed surveys in trademark, intellectual property (IP), antitrust, consumer protection, and false advertising litigation matters. She has served as an expert witness and manages case teams in support of academic and industry experts in a broad range of matters involving merger reviews, antitrust disputes, competition policy, labor relations, valuation, trademark, IP, and patent infringement. In the non-litigation context, Ms. O'Laughlin uses complex research methods and modeling and applies innovative analytical approaches to provide new insights on the competitive and market challenges that clients face in managing and expanding their businesses.

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## THE POTENTIAL ECONOMIC IMPACT OF IGAMING: SUPPLEMENT FOR ILLINOIS

April 2, 2024

### I. EXECUTIVE SUMMARY

**Summary of Revenue Analysis.** This supplement summarizes the results from the study conducted by Mickey A. Ferri and Laura O’Laughlin from Analysis Group, entitled “The Potential Economic Impact of Legalizing iGaming on Casino Revenues in Five States,” March 2024 (hereafter AG iGaming Report (2024)). Based on the projected increase in growth of Land-based casino and VGT revenues, projected contributions of four new permanent casinos, and new iGaming revenues, the projected impact on Land-based and total casino revenues in Illinois is as follows (Figure 12 here and Figure 82 in the AG iGaming Report (2024)<sup>1</sup>):

1. **Projected increase in VGT revenues.** Annual VGT revenues are projected to increase from \$2.7 billion in 2024 to \$3.7 billion in 2029 (a \$910 million increase, or 33%).<sup>2</sup> Of the projected \$910 million increase in VGT revenues, (1) \$577 million is projected based on Illinois’ current growth rate, and (2) an additional \$332 million is projected from the increased anticipated growth in Land-based revenues associated with iGaming.<sup>3</sup>
2. **Projected increase in Land-based casino revenues.** Annual Land-based casino revenues are projected to increase from \$1.5 billion in 2024 to \$2.4 billion in 2029 (a \$895 million increase, or 58%).<sup>4</sup> Of the projected \$895 million increase in casino revenues, (1) \$160 million is projected based on Illinois’ current growth rate, (2) an additional \$167 million is projected from the increased anticipated growth in Land-based revenues associated with iGaming, and (3) \$568 million is projected to come from the four new casinos in the Chicago metro area.
3. **Projected contribution from iGaming.** iGaming is projected to generate an additional \$1.3 billion in revenues in its first full year, which is projected to grow to \$2.3 billion by Year 5.
4. **Projected increase in total market size.** In total, Land-based and iGaming revenues combined are projected to grow from \$4.3 billion in 2024 to \$8.4 billion in 2029 (a 95% increase). This large increase is attributable to Illinois’ large population and its demonstrably large sports betting revenues.

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<sup>1</sup> AG iGaming Report (2024), at p. 151. See also AG iGaming Report (2024), Exhibit 54.

<sup>2</sup>  $(\$3,651 \text{ million} - \$2,741 \text{ million}) / \$2,741 \text{ million} = 33\%$ .

<sup>3</sup> The totals do not add up to \$910 million due to rounding. See also AG iGaming Report (2024), Exhibit 54. iGaming has been associated with increased Land-based casino revenues in the six states where iGaming is legal, with an average Land-based Treatment Effect of +1.9% (AG iGaming Report (2024), at p. 9). In other words, on average, the states that have implemented iGaming have seen Land-based revenues grow faster than they were trending before they implemented iGaming by 1.9 percentage points per year.

<sup>4</sup>  $(\$2,441 \text{ million} - \$1,546 \text{ million}) / \$1,546 \text{ million} = 58\%$ . The 2029 projection (\$2,441 million) includes estimated revenues from new casinos opening in Illinois.

**Summary of Jobs Analysis. Impact of iGaming on gambling jobs.**

1. iGaming is expected to create additional jobs among iGaming operators. These jobs include, for example, live dealers, customer service, customer retention, marketing, and operations. Census data support the notion that there are a substantial number of new gambling jobs in iGaming states in the category that includes iGaming jobs, which is labeled as “Other Gambling Industries.” When comparing the number of jobs in this category before iGaming was legalized to the most current data available, New Jersey showed an increase of 1,790 new jobs, Pennsylvania showed an increase of 773 new jobs, Michigan showed an increase of 112 new jobs, and West Virginia showed an increase of 98 new jobs.<sup>5</sup> To the extent live dealers operate in Illinois, based on data from one live dealer company and one casino operator, it is reasonable to expect at least 1,100 new jobs in Illinois from iGaming as a very conservative estimate, and likely substantially more jobs. See Section VI.A.
2. iGaming is unlikely to have a negative impact on jobs supported by the Land-based casino industry in Illinois, based on the observed changes in New Jersey, Delaware, Pennsylvania, West Virginia, Michigan, and Connecticut relative to all other states that have not legalized iGaming. From 2017 to 2022, during the time iGaming was being implemented and growing in the iGaming States, jobs supported by the Land-based casino industry in iGaming states grew by an annual average of 9.4%. Further, when comparing job growth in the iGaming states versus non-iGaming states as a control group, the iGaming states outperformed the non-iGaming states by 0.6% to 5.4% per year. See Section VI.B.
3. Based on observed trends in other states with legalized iGaming, including an overall increase in Land-based casino gross gaming revenues of 1.9% relative to pre-iGaming trends, iGaming legalization is expected to be associated with an increase in Land-based casino activity, which is expected to lead to additional jobs to service the additional activity. See Section VI.C.

Projected impact of VGT growth on jobs. Projections are made for VGT job growth based on projected VGT revenue growth and BLS census data on gambling jobs for “Other Gambling Industries,” the jobs category that contains VGTs. These jobs are new long-term jobs for the Illinois gambling industry (in addition to iGaming jobs). See Figure 16 and Figure 18.

4. Considering only the jobs corresponding to employees of “Other Gambling Industries” in Illinois, jobs associated with VGTs in Illinois are projected to increase from approximately 4,863 in 2023 to 6,785 in 2029 (an increase of 1,922 jobs, or 40%), driven by projected growth in VGTs throughout the state. See Section IV.D.
5. The additional direct impact of VGT jobs in Illinois (including catalytic spending and sustained capital investment over time) comes from the additional direct gaming jobs in Illinois that are projected to increase from 1,302 in 2023 to 1,817 in 2029 (an increase of 515 jobs, or 40%). See Section IV.E.
6. The total local market impact in Illinois (including additional supply chain jobs (indirect) and consumer spending induced effects) is projected to increase from 14,657 in 2023 to 20,448 in

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<sup>5</sup> Exhibit 1 in the Jobs Analysis Exhibit Deck.

2029 (an increase of 5,791 jobs, or 40%). These jobs are driven, for example, by additional jobs for businesses to support the spending of salaries earned by people working at the new jobs from anticipated VGT growth. See Section IV.E.

Projected impact of increased casino revenues and four new casinos on long-term gambling-related jobs. Projections are made for casino job growth based on the increased casino revenues and four new casinos in or around the Chicago area. These are new long-term casino jobs associated with the Illinois gaming industry (in addition to the iGaming jobs). See Figure 17 and Figure 19.

7. Considering only the jobs corresponding to employees of casinos and casino hotels, Land-based casino jobs in Illinois are projected to increase from 5,462 in 2023 to 8,797 in 2029 (an increase of 3,335 jobs, or 61%), driven primarily by 2,046 casino jobs associated with the four new casinos. See Section IV.D.
8. The additional direct impact in Illinois, including catalytic spending and sustained capital investment over time, stems from the projected increase in direct gaming jobs. These jobs are expected to increase from 1,463 in 2023 to 2,356 in 2029 (an increase of 893 jobs, or 61%). See Section IV.E.
9. The total local market impact in Illinois, including additional supply chain jobs (indirect) and consumer spending (induced) effects, is projected to increase from 16,462 in 2023 to 26,513 in 2029 (an increase of 10,051 jobs, or 61%). These jobs are driven, for example, by the additional jobs created by businesses to support the spending of salaries earned by people working at the new jobs from the four new casinos. See Section IV.E.
10. Impact of four new casinos on construction jobs. Based on public sources, the construction associated with these four new casinos is estimated to generate 7,800 jobs for around 1.5 to 2 years while all four casinos are constructed. See Section VII.

There are six additional sections in this supplement:

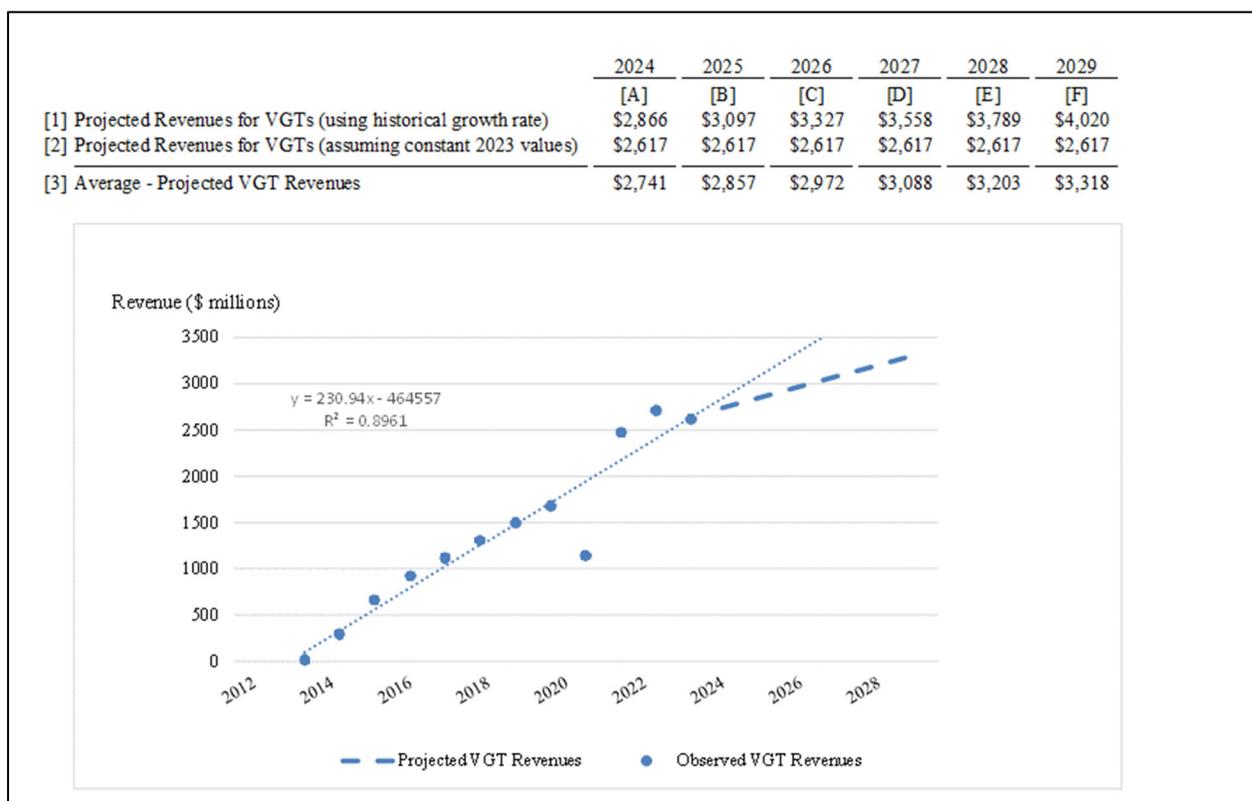
- II. Revenue Projections for VGTs and Existing Land-based Casinos
- III. iGaming Revenue Projections
- IV. Revenue Projections from Four New Casinos
- V. Total Revenue Projections
- VI. Analysis of Long-term VGT and Casino Related Jobs
- VII. Analysis of Construction Jobs for Four New Casinos

## II. REVENUE PROJECTIONS FOR VGTS AND EXISTING LAND-BASED CASINOS

**VGT revenue projections in Illinois.** The revenues for the VGTs in Illinois from 2025-2029 are calculated as follows:

1. Most cities in Illinois allow VGTs. In 2022, there were 45,008 VGTs throughout the state,<sup>6</sup> and they generated \$2.7 billion in revenue.<sup>7</sup> VGT revenues have grown linearly from 2012 through 2023. On average, VGT revenues have grown by \$230 million per year each year over this period. See Figure 1.
2. While this trend has continued linearly for the past ten years, it has been flattening from 2021 through 2023. To account for both scenarios of potential continued growth at the same linear rate and a flattening trend going forward, the revenues are projected as the average of the linear trend from 2012 through 2023 and a flat trend.
3. Using this approach, VGT revenues are projected to grow from \$2.7 billion in 2024 to \$3.3 billion in 2029 without the effects of iGaming. See Figure 1.

**Figure 1: Projected VGT Revenues Without iGaming Using the Average of Estimates Based on the Historical Growth Rate and Constant 2023 Revenues**



<sup>6</sup> AG iGaming Report (2024), Exhibit 94.

<sup>7</sup> AG iGaming Report (2024), Exhibit 48A.

4. The Land-based Treatment Effect is applied to account for the overall market expanding effect of iGaming on VGT revenues. In each year, the Land-based Treatment Effect represents an incremental CAGR of 1.9% in the VGT growth attributable to iGaming.<sup>8</sup> See Figure 2.

**Figure 2: Illinois Projected VGT Revenue Growth Rate Before and After iGaming<sup>9</sup>**

Description	Projected VGT Revenues without iGaming [L]	Land-based VGT Revenues After iGaming [M]
Initial Year	2024	2024
Final Year	2029	2029
Number of Years	5	5
Initial Value	\$2,741	\$2,741
Final Value	\$3,318	\$3,651
Growth Rate	3.9%	5.8%
Change in Growth Rate	n/a	1.9%

Without iGaming, VGT revenues in Illinois are projected to grow at an implied CAGR of 3.9% annually from 2024 to 2029. The Land-based Treatment Effect from the AG iGaming Report (2024) is 1.9%.<sup>10</sup> Therefore, Illinois projected annual VGT growth rate after iGaming is 5.8% (3.9% + 1.9%). In other words, VGT revenues are projected to grow from \$2.6 billion in 2023 to \$3.7 billion in 2029.<sup>11</sup> Additional supporting charts and tables can be found in the AG iGaming Report (2024), at Sections VIII.B and XI.B.

**Land-Based Casino Revenues.** Land-based casino revenues are projected by applying the average Land-based Treatment Effect from the six iGaming states (*i.e.*, New Jersey, Delaware, Pennsylvania, Michigan, West Virginia, and Connecticut) to Illinois’ existing growth rate of Land-based Casino revenues.

**Figure 3: Illinois Projected Land-Based Casino Growth Rate Before and After iGaming**

Description	Land-based Casino Revenues Before iGaming [J]	Projected Land-based Casinos After iGaming [K]
Initial Year	2018	2024
Final Year	2023	2029
Number of Years	5	5
Initial Value	\$1,373	\$1,546
Final Value	\$1,516	\$1,873
Growth Rate	2.0%	3.9%
Change in Growth Rate	n/a	1.9%

Illinois’ existing growth rate of Land-based casino revenues has been 2.0% from 2018 to 2023. The “Land-based Treatment Effect” from the AG iGaming Report (2024) is 1.9%.<sup>12</sup> Therefore, Illinois’ projected growth rate after iGaming is 3.9% (2.0% + 1.9%). Before accounting for any additional revenues due to the four new casinos, Land-based revenues are projected to grow from

<sup>8</sup> AG iGaming Report (2024), Exhibit 54.

<sup>9</sup> AG iGaming Report (2024), Exhibit 54.

<sup>10</sup> AG iGaming Report (2024), at p. 9.

<sup>11</sup> AG iGaming Report (2024), Exhibit 54.

<sup>12</sup> AG iGaming Report (2024), at p. 9.

\$1.5 billion in 2024 to \$1.9 billion in 2029.<sup>13</sup> The supporting charts and tables are in the AG iGaming Report (2024).

**Explanations of the Land-Based Treatment Effect for both Land-based casinos and VGTs.**

There are multiple explanations for why iGaming is associated with increased Land-based revenues and VGTs, which are supported by a survey conducted by Analysis Group (“AG State Gambling Survey”), consumer research interviews conducted by AG, and external research. The explanations for increasing Land-based revenues from the demand side include:

1. iGaming can introduce or reintroduce people to the entertainment value of gaming, which grows the number of overall participants in the Land-based gaming market. For example, the AG State Gambling Survey asked a sample of 595 Illinois respondents about their gambling behaviors and intentions, with 215 (or 36.1%) of these respondents completing the survey and indicating that they had participated in a gambling activity of interest in the past 12 months and/or would consider doing so in the next 12 months.<sup>14, 15</sup> Of these 215 respondents, 76 (or 35.3%) indicated that they had engaged in Land-based gaming (excluding VGTs) in the past 12 months (See Figure 4), and 43 (or 20.0%) indicated that they had engaged in iGaming in the past 12 months.<sup>16</sup> From the 43 respondents that have engaged in iGaming in the past 12 months, 18 respondents (or 41.9%) also had *not* engaged in Land-based casino gaming in the past 12 months, making them prospective new Land-based casino visitors.<sup>17</sup> **From the 18 prospective visitors, 9 respondents (or 50.0%) said they would consider Land-based casino gaming in the next 12 months.**<sup>18</sup>

Additionally, 25 of the 43 iGaming respondents (or 58.1%) also had not used VGTs in the past 12 months, making them prospective new VGT users.<sup>19</sup> **From the 25 prospective users, 5**

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<sup>13</sup> AG iGaming Report (2024), Exhibit 54.

<sup>14</sup> Gambling activities of interest are defined as betting or wagering on casino games at a casino, betting or wagering on sports (excluding horse racing) at a casino’s sportsbook, betting or wagering on casino games using a licensed online casino, betting or wagering on casino games using an unlicensed (“offshore”) casino (considering this in the next 12 months not included), or betting or wagering on casino games using a VGT.

<sup>15</sup> From the entire sample, 257 respondents indicated that they had participated in a gambling activity of interest in the past 12 months or would consider doing so in the next 12 months, but 42 of these did not complete survey or were removed from the final sample due to data quality. The questions used to determine participation in a gambling activity are: AG State Gambling Survey, Question S6 (“In which of the following activities, if any, have you participated in the past 12 months, either online or in person?”); AG State Gambling Survey, Question S7 (“In which of the following activities, if any, would you consider participating in the next 12 months, either online or in person?”); AG State Gambling Survey, Question S8 (“You indicated you have bet or wagered money on casino games, sports, or horse racing in the past 12 months. Which of the following best describe your betting or wagering activity in the past 12 months?”); AG State Gambling Survey, Question S9 (“You indicated that you would consider betting or wagering money on casino games, sports, or horse racing in the next 12 months. Assuming all of the options below are available to you, which of the following activities would you consider doing in the next 12 months?”).

<sup>16</sup> AG State Gambling Survey, Question S8.

<sup>17</sup> AG State Gambling Survey, Question S8.

<sup>18</sup> AG State Gambling Survey, Question S9.

<sup>19</sup> AG State Gambling Survey, Question S8.

**respondents (or 20.0%) said they would consider using VGTs in the next 12 months.**<sup>20</sup> In this way, iGaming can introduce consumers into Land-based casino gaming and/or VGTs, thus growing the number of overall participants in these markets. Among the 112 respondents who indicated that they had not engaged in any gambling activity of interest in the past 12 months but would consider doing so in the next 12 months, 56 (or 50.0%) said that they would consider engaging in iGaming, 72 (or 64.3%) said that they would consider betting or wagering at a Land-based casino, and 15 (or 13.4%) said that they would consider betting or wagering through VGTs.<sup>21</sup>

For consumers who are not yet in the gambling market but are considering it, iGaming can provide a new entry channel into the overall gaming market. For instance, when asked about which iGaming site they would use, one respondent said, *“I would want one that is safe and has a good reputation. Possibly casino based. Like BetMGM.”*<sup>22</sup> As another example, when asked about the location where they would typically consider using a VGT, one respondent said, *“I don’t know any but if I came across one I would definitely go because I am already familiar with the online betting gigs.”*<sup>23</sup> In this way, iGaming can introduce consumers into Land-based casino gaming and/or VGTs, and vice versa, thus growing the number of overall participants in the market.

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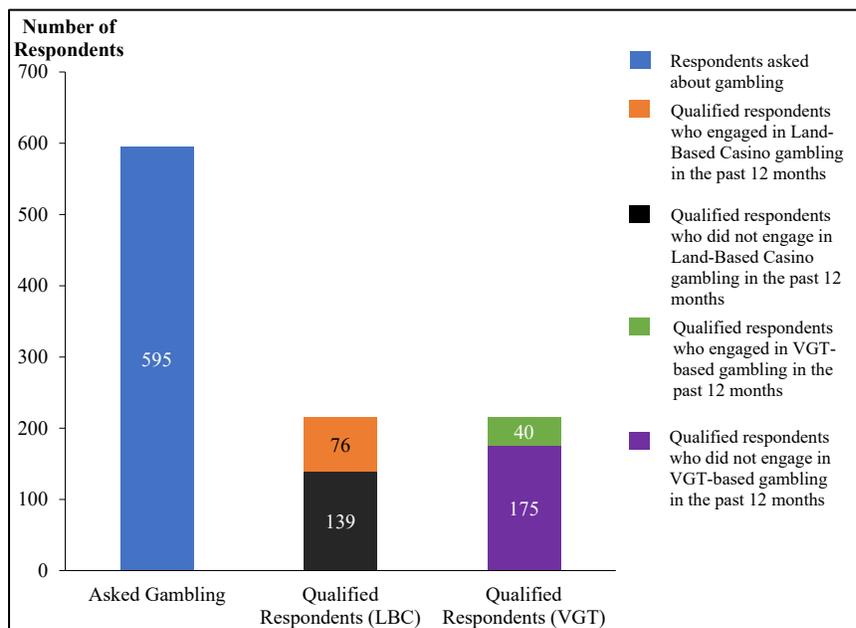
<sup>20</sup> AG State Gambling Survey, Question S9.

<sup>21</sup> AG State Gambling Survey, Question S9.

<sup>22</sup> AG State Gambling Survey, Question QF1 (“You mentioned that you would consider betting or wagering on casino games using a licensed online casino in the next 12 months. We would like to ask you a few questions about a potential session betting or wagering on licensed online casino games. If you know, which licensed online casino would you use to bet or wager? Why that one?”), Record #9807 (Female, 64).

<sup>23</sup> AG State Gambling Survey, Question QG1 (“You mentioned that you would consider betting or wagering on casino games using an electronic gambling machine (e.g., a machine situated at a licensed establishment that is not a casino, such as a bar, a restaurant, or a gas station) in the next 12 months. We would like to ask you a few questions about a potential visit to an establishment with an electronic gambling machine. If you know, what establishment would you visit? Why there?”), Record #9709 (Male, 21).

**Figure 4: Illinois Respondents by Past Land-Based Casino Gaming and Non-Land-Based Casino Gaming**

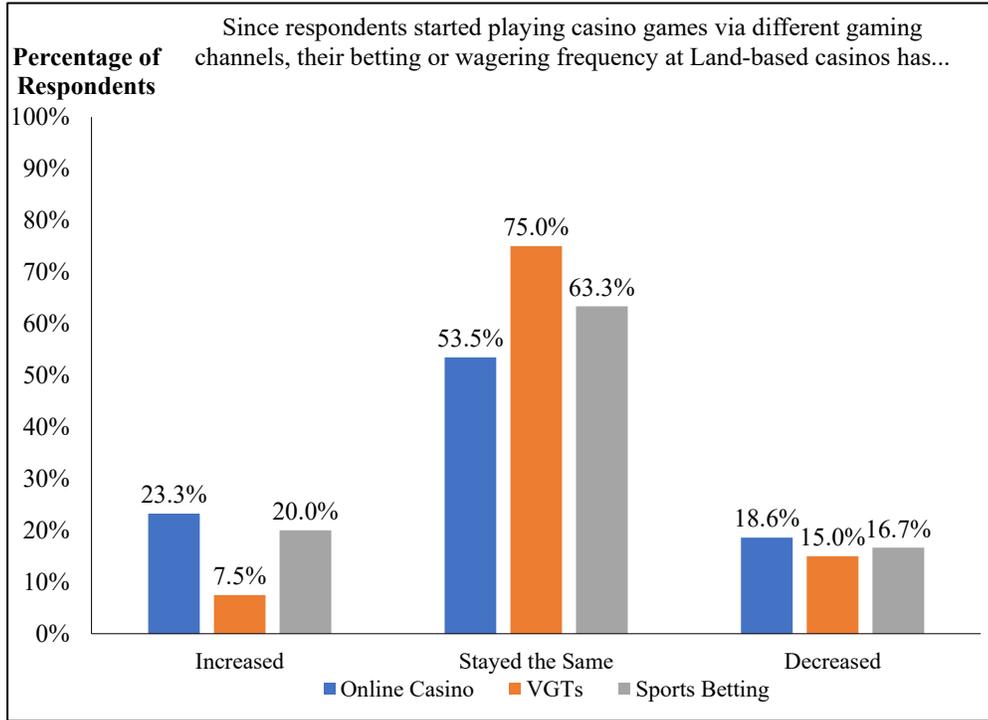


- iGaming can expand the dollars and economic activity in the gaming market rather than cannibalizing Land-based gaming. Among the 43 respondents who indicated that they had engaged in iGaming in the past 12 months, 23.3% said that since they started iGaming, their betting or wagering frequency at Land-based casinos has increased, compared with only 18.6% saying that it has decreased.<sup>24</sup> 53.5% said that their betting frequency at Land-based casinos has stayed the same since they started iGaming (See Figure 5). In terms of willingness to spend for the 43 respondents who indicated that they had engaged in iGaming in the past 12 months, 23.3% reported that since they started iGaming, the total amount of money they play with at a Land-based casino has increased, compared to only 16.3% who said that it has decreased.<sup>25</sup> 55.8% reported that it stayed the same (See Figure 6).

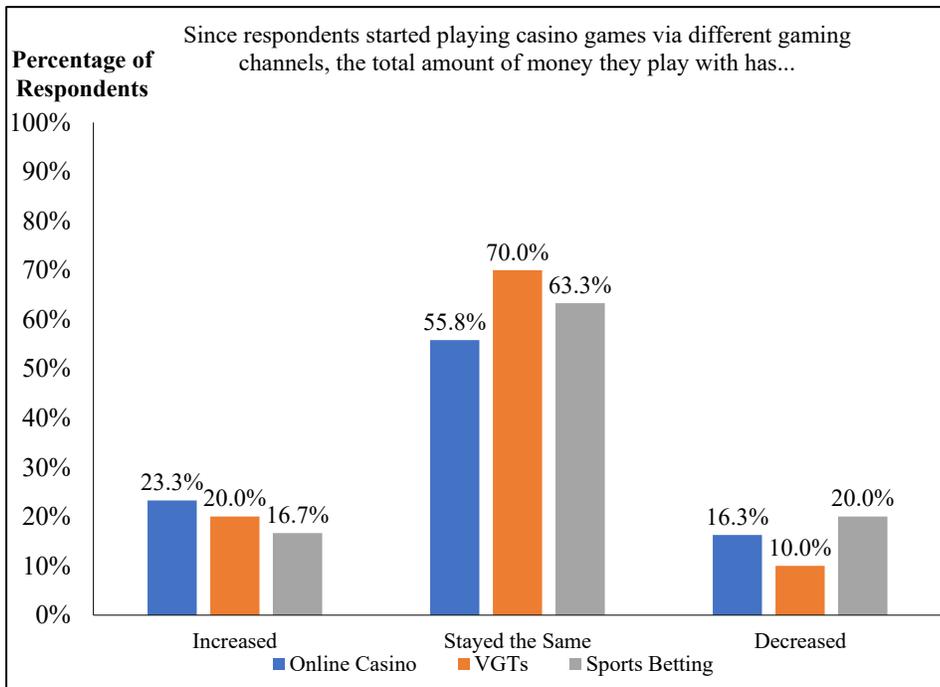
<sup>24</sup> AG State Gambling Survey, Question B15 (“Since you started to bet or wager on online casino games, would you say that your frequency of betting or wagering on casino games at a casino has *increased, decreased, or stayed the same?*”).

<sup>25</sup> AG State Gambling Survey, Question B16 (“Since you started to bet or wager on online casino games, would you say that the total amount of money that you play with (i.e., the maximum amount of money you are willing to risk across the entire visit) while betting or wagering on casino games at a casino has *increased, decreased, or stayed the same?*”).

**Figure 5: Illinois Land-Based Casino Gambling Frequency**



**Figure 6: Illinois Land-Based Casino Gambling Total Amount of Money Played**



- iGaming and Land-based gaming are viewed by consumers as two different products with different uses and benefits. For example, during AG’s consumer research interviews, some

interviewees suggested that visiting in-person casinos is a unique experience that cannot be replicated by iGaming. A 59-year-old male interviewee from Illinois who said he would play online casino games was asked whether he would still visit Land-based casinos if iGaming became available. He replied, “*Oh no I... I would still go in person. I mean, there's just, it's just too much fun. [...] Come on. It's Vegas. You know. [...] We look forward to it and we look forward to the good weather. [...]*”<sup>26</sup> Another Illinois interviewee, a 54-year-old female, stated that she “*would do online and in the casino,*” that Land-based casinos are “*a place to have fun [and] entertain yourself,*” and that visiting Land-based casinos are a “[s]pecial occasion type thing [...] like, you know, a night out type thing,” while she would play “*mobile games because I could like that in my pajamas and I [d]on't have to put makeup on or [an]ything. So I think it'd be [...] much more casual.*”<sup>27</sup>

In addition to the previous arguments for iGaming and Land-based casinos being complementary services, the AG State Gambling Survey provides evidence of additional reasons why the new revenues generated by iGaming are due to an overall market expansion effect, rather than potential cannibalization of existing Land-based gaming revenues.

1. There is an entertainment value in the additional activities and amenities available at Land-based casinos, which, for many users, cannot be replicated through the iGaming experience. Consumers who visit Land-based casinos often participate in activities adjacent to gambling. During AG’s consumer research interviews, a 54-year-old female interviewee from Illinois mentioned that she enjoyed “*cocktails*” and “*an environment where everyone’s doing the same thing*” as part of the Land-based casino experience.<sup>28</sup> Overall, of the 76 Illinois respondents in the AG State Gambling Survey who have visited a Land-based casino in the past 12 months, 67 (or 88.2%) indicated that they also typically participate in an activity other than gambling while visiting a casino.<sup>29</sup> For example, 53.9% of these 76 respondents indicated that they also have a meal at a restaurant during their typical casino visit, and 47.4% indicated they also order a drink at a bar (see Figure 7).<sup>30</sup> Because of these differences, iGaming is in many ways a different product that does not compete directly with Land-based gaming.

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<sup>26</sup> AG Consumer Research Interviews, December 4, 2023, at 10:00 a.m. (Male, 59).

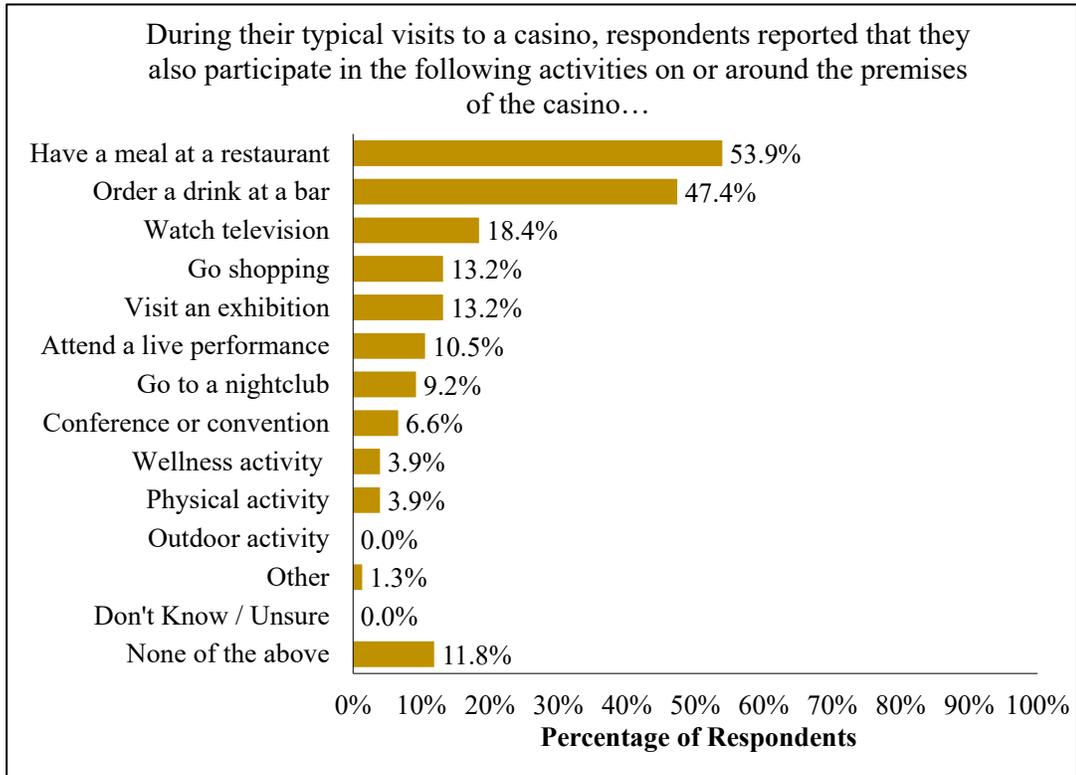
<sup>27</sup> AG Consumer Research Interviews, November 30, 2023, at 4:15 p.m. (Female, 54).

<sup>28</sup> AG Consumer Research Interviews, November 30, 2023, at 4:15 p.m. (Female, 54).

<sup>29</sup> AG State Gambling Survey, Question A20 (“Thinking again about your typical visit to a casino, what other types of activities, if any, did you do on or around the premises of the casino?”).

<sup>30</sup> AG State Gambling Survey, Question A20. Respondents could select more than one option for an activity; therefore, the percentages do not add up to 100%. “Don’t know / Unsure” and “None of the above” were exclusive options and, therefore, could not be selected in combination with any of the other options.

**Figure 7: Illinois Land-Based Casino Additional Activities**



2. iGaming and VGTs are perceived differently by consumers. VGTs are associated with a different type of experience, convenience, or entertainment value because of their location, which, for some users, cannot be replicated through the iGaming experience. For some consumers, VGTs are more comparable to Land-based casinos. Similar to Land-based casinos, consumers who use VGTs often do so while also enjoying time at an establishment that provides food, drinks, or a good atmosphere. Of the respondents who have used a VGT in the past 12 months, over half of them (55.0%) stated that they use VGTs because they enjoy the environment or because they were already regularly visiting establishments with those VGTs.<sup>31</sup> For instance, when asked about the main reason why they would typically consider using a VGT, one respondent said, *“I go [to a local bar or grill] to grab a drink after work sometimes and play the slot machines they have there,”*<sup>32</sup> while another mentioned that *“[t]here’s a local bar not far from my house. The location makes it appealing and they have good food.”*<sup>33</sup> Another respondent said: *“Checkpoint Charlie’s Bar because all my friends were there.”*<sup>34</sup> Additionally, some users use VGTs because they are conveniently located. For example, when asked about the main reason why they would typically consider using a VGT, one respondent said they visited a *“gas station in Arcola. A friend lives in thi[s] [t]own and also likes to gamble. It is their favorite place. I like to please the crowd.”*<sup>35</sup> Another said they went to a *“Mobil [gas station], [due to its] convenient location.”*<sup>36</sup> Further, some consumers appear to view VGTs and video-gaming style machines located in Land-based casinos as both being part of the same category of gaming. For example, one respondent in the AG State Gambling Survey mentioned Rivers Casino when asked about the most recent casino visited, and another mentioned Rivers Casino as the most recent VGT they had visited.<sup>37</sup>
3. iGaming presents a large opportunity to bring in some currently “offshore” or “illegal” gaming, which would generate revenues for casinos, increase employment opportunities, and create additional government taxes from activity that was previously offshore or illegal. A report from the American Gaming Association (“AGA”) estimated that as of 2021, total bets for illegal iGaming and unregulated machines were \$447.1 billion, and total potential gaming revenue from illegal iGaming and unregulated machines was estimated to be \$40.4 billion.<sup>38</sup> As of 2021, Illinois’s share of the total U.S. Land-based gaming industry (including both Land-based

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<sup>31</sup> AG State Gambling Survey, Question D12 (“You might have already mentioned this, but why do you bet or wager at an establishment with an electronic gambling machine?”).

<sup>32</sup> AG State Gambling Survey, Question D2 (“Next, we would like to ask you a few questions about your most recent visit to an establishment with an electronic gambling machine. What establishment did you visit? Why there?”), Record #10908 (Female, 30).

<sup>33</sup> AG State Gambling Survey, Question D2, Record #14890 (Male, 34).

<sup>34</sup> AG State Gambling Survey, Question D2, Record #10937 (Male, 40).

<sup>35</sup> AG State Gambling Survey, Question D2, Record #10974 (Female, 35).

<sup>36</sup> AG State Gambling Survey, Question D2, Record #9941 (Male, 37).

<sup>37</sup> AG State Gambling Survey, Question A4 (“Next, we would like to ask you a few questions about your most recent visit to a casino. Where did you go? Why there?”), Respondent 11279 (Male, 32); AG State Gambling Survey, Question D2, Record #9475 (Male, 26).

<sup>38</sup> American Gaming Association, Sizing the Illegal and Unregulated Gaming Markets in the United States, November 2022, at p. 1.

revenue and VGTs) was approximately 5.9%.<sup>39</sup> Based on this ratio, the illegal gaming industry in Illinois is estimated as \$2.4 billion in 2021.<sup>40</sup>

Among the 9 Illinois respondents in the AG State Gambling Survey who indicated they engaged in offshore gambling in the past 12 months, 2 respondents (22.2%) indicated they also engaged in iGaming in the past 12 months.<sup>41</sup> In terms of future intentions, among these 9 respondents, 5 respondents (or 55.6%) indicated that they would consider iGaming in the next 12 months.<sup>42</sup>

4. iGaming presents an opportunity to increase the Illinois gaming market specifically for state residents who have an interest in gaming and currently travel out-of-state to visit Land-based casinos. In the AG State Gambling Survey, 34 out of 76 (44.7%) respondents who visited Land-based casinos (excluding VGTs) in the past 12 months indicated that they typically visit casinos outside of Illinois.<sup>43</sup> Out of these 34 respondents whose typical visit to a casino is outside of the state, 14 respondents (or 41.2%) indicated that they would consider iGaming in the next 12 months.<sup>44</sup> During AG’s consumer research interviews, a 59-year-old male interviewee from Illinois said, “*My wife and I [...] live in Chicago and we head out to Vegas a couple times a year, sometimes a little more.*”<sup>45</sup>
5. iGaming presents a cross-marketing opportunity for companies that offer multiple products across sports betting, Land-based casinos, and iGaming products, including FanDuel, BetMGM, DraftKings, Fanatics, and others. This has the potential to increase interest and participation in casino games among people who bet on sports but do not yet participate in casino gaming. AG’s consumer research interviews show that interviewees are interested in playing online casino games through well-known brands that they may already use for sports betting or Land-based casino visits. One interviewee who mentioned visiting MGM and Caesars Land-based casinos said that if online casinos were available, they would look for “*the major brands that I’m familiar with, like Caesars, MGM, uh, you know, those are brands that I [t]rust.*”<sup>46</sup> In addition, on the supply side, the companies that offer multiple products across sports betting, Land-based casinos, and iGaming products can market their Land-based offerings through the iGaming platforms to increase awareness of Land-based casinos and inspire new activity at the Land-based casinos.

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<sup>39</sup> Calculated as \$3.7 billion for Land-based revenue in Illinois divided by \$62.1 billion. (\$3.66 billion / \$62.1 billion = 5.9%). Land-based revenue (excluding sports betting) is \$62.1 billion in 2021 for all states with data when including estimated tribal revenues.

<sup>40</sup> Calculated as \$40.4 billion x 5.9% = \$2.4 billion.

<sup>41</sup> AG State Gambling Survey, Question S8. Betting or wagering through an “offshore” casino was defined to respondents as betting or wagering through an “unlicensed” casino.

<sup>42</sup> AG State Gambling Survey, Question S9.

<sup>43</sup> AG State Gambling Survey, Question A15 (“Which of the following best describes the location of your typical visit to a casino?”).

<sup>44</sup> AG State Gambling Survey, Question S9.

<sup>45</sup> AG Consumer Research Interviews, December 4, 2023, at 10:00 a.m. (Male, 59).

<sup>46</sup> AG Consumer Research Interviews, December 4, 2023, at 10:00 a.m. (Male, 59).

6. iGaming presents an opportunity for some people who enjoy playing free casino-like games online to play similar games for money, which would expand gaming revenues. Some players have been playing casino-like games online in states where iGaming has not been legalized. For example, in AG’s consumer research interviews, some interviewees indicated they play similar games such as Solitaire Clash, and Bingo Cash. Among the 43 Illinois respondents who indicated they have bet or wagered through licensed online casinos in the past 12 months, 8 respondents (or 18.6%) indicated that they have done so using Solitaire Clash or Bingo Cash.<sup>47</sup>
7. It is common for consumers to prefer to gamble through VGTs more frequently than through iGaming or Land-based casinos. iGaming creates a potential opportunity to increase frequency of gaming relative to Land-based casinos, while VGT usage remains highly popular yet is often viewed similarly to Land-based casino usage. Of the 40 Illinois respondents in the AG State Gambling Survey who indicated that they have used VGTs in the past 12 months, 31 (or 77.5%) reported that they have visited at least once per month.<sup>48</sup> By way of comparison, of the 76 Illinois respondents who indicated they have visited Land-based casinos in the past 12 months, only 42 (or 55.3%) reported they have visited at least once per month.<sup>49</sup> Respondents who engaged in iGaming showed a greater frequency of use than those visiting Land-based casinos, suggesting the potential of iGaming to provide more frequent gambling opportunities for interested consumers. Among the 43 respondents who indicated they had engaged in iGaming in the past 12 months, 28 (or 65.1%) said that they did so at least once per month.<sup>50</sup>

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<sup>47</sup> Solitaire Clash and Bingo Cash are considered skill-based gameplay and thus are not categorized as iGaming. “Effortlessly play classic Klondike Solitaire and compete in Multiplayer Tournaments to win real cash and prizes! Download now and use your skill to earn those dollar bills!” See “Solitaire Clash: Win Real Cash,” App Store, available at <https://apps.apple.com/us/app/solitaire-clash-win-real-cash/id1589643727>; “Bingo Cash games offer an exciting opportunity to win real money through skill-based gameplay. The process is user-friendly and straightforward, catering to both beginners and seasoned players.” See “Bingo Cash FAQ’s,” Bingo Cash, available at <https://www.bingocash.com/faq>. AG State Gambling Survey, Question FE (“You indicated you have bet or wagered on casino games using a licensed online casino in the past 12 months. Which of the following apps or websites, if any, have you used in the past?”).

<sup>48</sup> AG State Gambling Survey, Question D1 (“To the best of your recollection, how many times have you bet or wagered using an electronic gambling machine in the past week, month or year?”). Respondents indicated their frequency through a drop-down list of integers from 1 to 20, as well as “More than 20,” to indicate the number of times within a drop-down list of “week”, “month”, or “year” to indicate the time period. For example, a respondent who wanted to indicate that they used VGTs 2 times a week would select “2” in the first drop-down list and “week” in the second drop-down list.

All respondents who selected any option in the first drop-down list and either “week” or “month” in the second drop-down list, or those who selected any integer equal to or greater than 12, including “More than 20,” and selected “year” in the second drop-down list were classified as at least once per month. All respondents who selected any integer greater than or equal to 4 and less than or equal to 11 in the first drop-down list and selected “year” in the second drop-down list were classified as at least once every 1-3 months. Respondents who selected an integer greater than or equal to 1 and less than or equal to 3 in the first drop-down list and “year” in the second drop-down list were classified as 1-3 times per year.

<sup>49</sup> AG State Gambling Survey, Question A3 (“To the best of your recollection, how many times have you visited a casino for the purpose of betting or wagering in the past week, month, or year?”). Frequency was calculated following the method described above for VGTs.

<sup>50</sup> AG State Gambling Survey, Question B1 (“To the best of your recollection, how many times have you bet or wagered using an online casino in the past week, month, or year?”). Frequency was calculated following the method described above for VGTs.

### III. IGAMING REVENUE PROJECTIONS

The iGaming revenues are projected based on a model utilizing data on sports betting revenues. A complete description of the model and the corresponding supporting tables can be found in the AG iGaming Report (2024).<sup>51</sup> Based on the ratios observed in other states between sports betting revenues and iGaming revenues, Illinois’ iGaming revenues are projected to be \$1.3 billion in Year 1 of iGaming legalization (2025). They are projected to be \$2.3 billion in Year 5 of iGaming legalization (2029). Including iGaming (but before accounting for any new casinos in Illinois), total gaming revenues are projected to grow from \$5.8 billion in 2025 to \$7.8 billion in 2029,<sup>52</sup> based on the observed trends in the states that have already implemented iGaming.

### IV. REVENUE PROJECTIONS FROM FOUR NEW CASINOS

Illinois is expected to have four new permanent casinos in the Chicago metro area, which would lead to additional Land-based revenues. The new casinos are located in Chicago, Rockford, and Waukegan, and are anticipated to be operational at full capacity between 2024 and 2026. Once operational, they would be expected to lead to a substantial increase in casino revenues and tax revenues for the state of Illinois.

While the opening dates are not finalized and subject to change, these four casinos are expected to open between late 2024 and 2026. Currently, some operations are running temporary casinos, which will remain operational until the transition to their permanent casinos is complete. Because the goal of this analysis is to project total potential revenues for the state of Illinois, revenues are projected using a top-down approach for all four casinos combined rather than for each casino individually. While the casinos are scheduled to open at different times, their opening dates are close, leading to a relatively simultaneous increase in revenues.

**Figure 8: Information on the Four New Casinos Opening in Illinois<sup>53</sup>**

New Casino	Open Year	Casino Square Footage	# of Slot Machines	# of Table Games	Other Facilities
[A]	[B]	[C]	[D]	[E]	[F]
Wind Creek Chicago Southland Casino	Summer 2024	73,000	1,300	56	3 Restaurants and 2 Bars
Hard Rock Rockford	August 2024	189,000	1,300	44	Live concert and Restaurants
Bally's Chicago	2026	168,000	3,400	173	6 Restaurants
Waukegan Casino	2025		1,640	100	Hotels and Event Center

Revenue projections for the four new casinos in the Chicago metro area are projected based on the estimated market potential for the Chicago metro area (*i.e.*, a top-down approach). The revenues for four new casinos in Chicago by Year 5 (*i.e.*, 2029, giving the four new casinos approximately five years to reach their market potential) are calculated as follows:

<sup>51</sup> AG iGaming Report (2024), at pp. 138-142.

<sup>52</sup> AG iGaming Report (2024), Exhibit 54. \$5.8 billion = \$4.5 billion in Total Land-based Revenues + \$1.3 billion in iGaming. \$7.8 billion = \$5.5 billion in Total Land-based Revenues + \$2.3 billion in iGaming.

<sup>53</sup> AG iGaming Report (2024), Exhibit 61.

1. The market potential for the Chicago metro area is estimated by considering its current share of a larger area – the entire states of both Illinois and Indiana combined. This is relevant for two reasons. First, the Chicago metro area includes populations in both Illinois and Indiana. Second, there are already several established casinos in Illinois and Indiana, both within the Chicago metro area and throughout the two states outside the Chicago metro area.<sup>54</sup> Considering the combined figures for Illinois and Indiana as of 2022, the population across the two states was approximately 19 million people and total combined casino revenues are \$3.9 billion across about 27 commercial casinos. The Casino Revenue per Capita is calculated as the total population divided by the total casino revenues across Illinois and Indiana, yielding a value of \$200.93. See Figure 9.
2. Considering the current distribution of the populations of the two states and percentage of casino revenues generated by casinos within the Chicago metro area relative to those outside the metro area, the casinos in Illinois within the Chicago metro area far underperform those in other areas within the two states, especially those in Indiana within the Chicago metro area. The Casino Revenue per Capita in the Illinois portion of the Chicago metro area is only \$135.83. By comparison, the Casino Revenue per Capita in the Indiana portion of the Chicago metro area is \$1,377.50. See Figure 9.
3. This large difference between the Illinois portion of the Chicago metro area (“Chicago metro (IL)”) relative to the Indiana portion of the Chicago metro area indicates substantial potential for growth in terms of Revenue per Capita in the Chicago metro (IL). The additional market potential of the Chicago metro (IL) is calculated as the revenue in the area required for the Chicago metro (IL) to reach the current average level of the entire region on Illinois and Indiana. The additional Revenue per Capita in Chicago Metro Area in Illinois is \$65.10,<sup>55</sup> which is then multiplied by the population in Chicago metro area (IL) to get the market potential for the four new casinos opening in Illinois. The Year 5 revenues for the four new casinos are projected to be \$568 million.<sup>56</sup>

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<sup>54</sup> There are eight casinos within the Chicago metro area that are located in Illinois: Bally’s Chicago, River’s Chicago, Hollywood Casino Joliet, Hollywood Casino Aurora, Hard Rock Rockford, Grand Victoria Casino, Harrah’s Joliet, and American Place.

There are four casinos within the Chicago metro area that are located within Indiana: Ameristar Casino, Horseshoe Hammond, Hard Rock Casino Northern Indiana, and Blue Chip Casino.

<sup>55</sup> Calculated as the \$200.93 - \$135.83.

<sup>56</sup> If anything, this is a conservative assumption, for multiple reasons. First, if the additional revenue from Chicago metro (IL) were to come from market expansion rather than cannibalization of existing Indiana revenues, this would bring up the average within both states combined. Second, the ratios utilized are from 2022 revenue, while they are applied to 2029 projections for the four new casinos. To the extent the revenues of other casinos in Illinois and Indiana may grow from 2022 through 2029, would bring up the average from the entire region. The conservative projection is used for this report to account for the potential of these new casinos gaining market share from other casinos in Illinois and VGTs in Illinois, based on the scenario that all new casino revenues from these new casinos are not purely market expanding.

**Figure 9: Projected Market Potential for New Chicago Casinos in Year 5 (2029)<sup>57</sup>**

	Population (2022)	Number of Commercial Casinos	Casino Revenues (in \$ millions)	Casino Revenues per Capita
	[A]	[B]	[C]	[D]
<b>Illinois</b>				
Chicago Metro Area - Illinois Part Only	8,722,257	8	\$1,185	\$135.83
Illinois Outside of Chicago Metro Area	3,859,775	7	\$331	\$85.74
Illinois - Entire State	12,582,032	15	\$1,516	\$120.47
<b>Indiana</b>				
Chicago Metro Area - Indiana Part Only	719,700	4	\$991	\$1,377.50
Indiana Outside of Chicago Metro Area	6,113,337	8	\$1,394	\$228.03
Indiana - Entire State	6,833,037	12	\$2,385	\$349.10
<b>Illinois and Indiana Combined</b>	<b>19,415,069</b>	<b>27</b>	<b>\$3,901</b>	<b>\$200.93</b>
<b>Chicago Metro Area</b>				
Chicago Metro Area - Illinois Part Only	8,722,257			
Chicago Metro Area - Indiana Part Only	719,700			
Chicago Metro Area - Total	9,441,957			
Additional Revenue per Capita in Chicago Metro Area in Illinois (in USD)	\$65.10			
Market Potential for the four new casinos in Illinois in Chicago Metro Area	\$567.83			

**Comparison of the Chicago Metro Area to other major metro areas.** As a robustness check, a second method is considered to estimate the market potential of the Chicago metro area, compared to other comparable cities, as follows:

1. The casino revenues in four comparable metropolitan areas are collected:<sup>58</sup> Philadelphia, Washington, D.C.,<sup>59</sup> Detroit,<sup>60</sup> and New York City.<sup>61</sup> These four metro areas are comparable to Chicago because all five cities have large populations, they are located in the Northern and/or Eastern parts of the U.S., and they have similar population growth rates.<sup>62</sup>
2. The Casino Revenue per Capita in each of the metro areas is calculated as the casino revenues in a metro area divided by the population of that metro area. These figures are all comparable

<sup>57</sup> AG iGaming Report (2024), Exhibit 62.

<sup>58</sup> To determine which casinos are located within the metro areas, the home state and the driving distance are both used to filter casinos. Casinos that are in Pennsylvania and within one hour driving distance are considered in the metropolitan area. For example, in Pennsylvania there are 17 casinos in 2023. But only (1) Parx Casino, (2) Harrah’s Philadelphia, (3) Rivers Philadelphia, (4) Valey Forge, Live! Casino Philadelphia, and (5) Hollywood Casino Morgantown are located in the Philadelphia metropolitan area.

<sup>59</sup> Revenues for (1) MGM National Harbor and (2) Live! Casino & Hotel in 2023 are included in the casino revenues in Washington, D.C. metro area.

<sup>60</sup> Revenues for (1) MGM Grand Detroit, (2) Motorcity Casino, and (3) Greektown Casino in 2023 are included in the casino revenues in Detroit metro area.

<sup>61</sup> Revenues for the three new anticipated casinos opening in New York projected in Year 5 (2030), and Jake’s 58 casino located in Islandia, are included in the casino revenues in New York metro area. Jake’s 58’s revenue in 2030 is assumed to be constant as that in 2023.

<sup>62</sup> Philadelphia has a compound annual growth rate of 0.0% from 2020 to 2022. Washington, D.C. has a compound annual growth rate of 0.1% from 2020 to 2022. Detroit has a compound annual growth rate of -0.4% from 2020 to 2022. New York has a compound annual growth rate of -1.1% from 2020 to 2022. Chicago has a compound annual growth rate of -0.8% from 2020 to 2022.

in magnitude: \$227 per capita in Philadelphia, \$242 per capita in Washington, D.C., \$283 per capita in Detroit, and \$200 in New York City. The figures used for New York City are based on the values projected by the AG iGaming Report (2024) after the opening of the three New York City casinos under the assumption that they are operating at their full capacity, plus the revenues in the Jake’s 58 casino. Notably, Detroit has the highest casino revenue per capita among the cities considered. By contrast, Philadelphia, Washington, D.C., and New York are all close to each other, and they are all close to Atlantic City, New Jersey.

3. The average value of the Casino Revenue per Capita across the four comparable cities is calculated to be \$238. This figure is applied to the projected population of the Chicago metro area to estimate the entire casino market potential in Chicago in Year 5 (2029). The projected entire casino market in Chicago in Year 5 is \$2.1 billion.
4. The estimated \$2.1 revenue projection using this metro areas method highlights the fact that the market potential projections using the Indiana metro area as a comparison produces a conservative estimate of the future revenues for the four new casinos. The predicted revenues of the four new casinos using Indiana metro area as a comparison account for 27% of the estimated total market potential in Chicago metro area using other comparable metro areas as a comparison in Year 5.<sup>63</sup>

**Figure 10: Alternate Projection of Market Potential in Chicago Metro Area**

	Comparable Metro Areas				Chicago Metro (IL) (Estimate)
	Philadelphia (2023)	DC (2023)	Detroit (2023)	New York (Year 5)	
	[A]	[B]	[C]	[D]	[E]
Casino Revenues (In \$ millions)	\$1,414	\$1,544	\$1,223	\$3,594	<i>n/a</i>
Population in Metro Area	6,240,976	6,377,297	4,326,453	17,984,492	8,722,257
Casino Revenue per capita in Metro Area	\$227	\$242	\$283	\$200	\$238
Projected Revenue for Chicago Market (IL) (in \$ millions)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	\$2,074
Projected Casino Revenue in Chicago Metro Area (IL) Attributable to Existing Casinos (In \$ millions)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	\$1,334
Projected Revenue in 2029 Attributable to New Casinos (in \$ millions)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	\$741

5. To estimate year-by-year revenue projections for casinos in the first five years based on the projected value in Year 5, the growth trajectory of the MGM National Harbor in Maryland is utilized. The MGM National Harbor is comparable to the Chicago casino locations for multiple reasons. First, MGM National Harbor is in a major metropolitan area in the Northern / Eastern part of the United States (Washington, D.C. metro area), which is comparable to the Chicago metropolitan area. Second, it opened at the end of 2016, which is a period relevant to making five-year projections as of 2024 because it provides over five years of data from which to project revenues for the next five years for Illinois Casinos. Third, MGM National Harbor’s square footage is comparable to the average square footage of the four new casinos. The square footage for MGM National Harbor is 147,000 while the average square footage across the four new casinos is 143,000.<sup>64</sup> MGM National Harbor’s Growth Path from Year 1 through Year 4 is modeled by dividing its revenues each year by its Year 5 revenues. 2020 is skipped because of COVID-19.

<sup>63</sup> Calculated as \$567.8 million / \$2.1 billion.

<sup>64</sup> AG iGaming Report (2024), at p. 137.

6. Casino revenues for Years 1 through 4 are projected following MGM National Harbor’s Growth path. For Years 1 through 4, the Year 5 projected revenue is multiplied by the “MGM National Harbor Share of Year 5 Revenue” figures.

**Figure 11: Projected Revenues for Four New Casinos in Chicago**

	Year 1	Year 2	Year 3	Year 4	Year 5
	[E]	[F]	[G]	[H]	[I]
MGM National Harbor Share of Year 5 Revenue	68.8%	79.7%	79.9%	87.0%	100.0%
Projected Casino Revenues for New Casinos in Chicago (in \$ million)	\$390.74	\$452.53	\$453.89	\$494.19	\$567.83

The projected annual revenues are conservative given that Illinois has substantial room to grow based on its relatively low Land-based casino revenue per adult in 2023 (\$160) compared to other states (New Jersey = \$411, Pennsylvania = \$358, Maryland = \$432).<sup>65</sup> Illinois VGT revenue per adult (\$277) partially explains this disparity, but the evidence in West Virginia (\$380 casino revenue per adult *and* \$360 VGT revenue per adult) suggests that casinos and VGTs in Illinois can both still expand.<sup>66</sup> As another example, Louisiana has \$810 in casino revenue per adult and \$225 in VGT revenue per adult.<sup>67</sup> The previous arguments are consistent with the AG State Gambling Survey results, which indicate that although casinos and VGTs have some similarities, VGTs generally offer additional gambling opportunities that grow the overall market beyond what other non-VGT states can achieve.

<sup>65</sup> AG iGaming Report (2024), at p. 137.

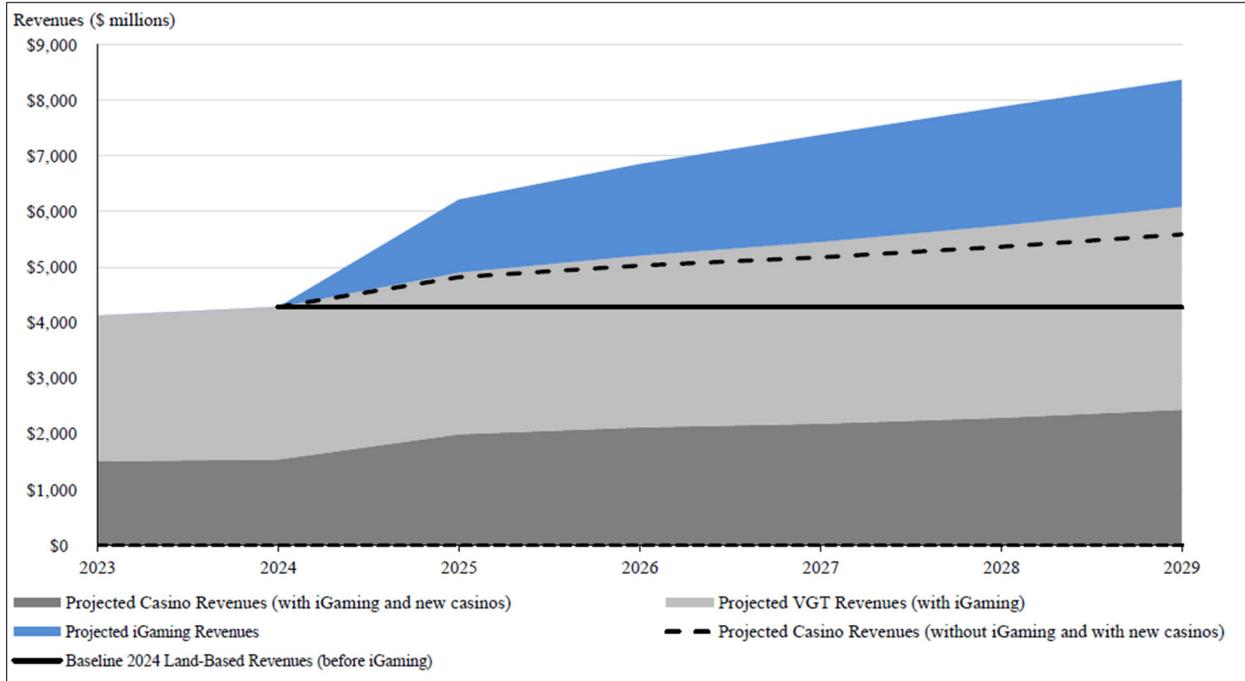
<sup>66</sup> AG iGaming Report (2024), Exhibit 24A and Exhibit 104.  $\$380 = (\$1,010 \text{ million} - \$491 \text{ million}) / 1,362,475$ ;  $\$360 = \$491 \text{ million} / 1,362,475$ .

<sup>67</sup> AG iGaming Report (2024), Exhibit 49A and Exhibit 104.  $\$810 = \$2,735 \text{ million} / 3,375,534$ .  $\$225 = \$761 \text{ million} / 3,375,534$ .

## V. TOTAL REVENUE PROJECTIONS

The total projected Land-based revenues including revenues from existing VGTs and casinos, revenues from new permanent casinos, and iGaming revenues for Illinois are calculated to be \$6.2 billion in Year 1 (2025), and they are projected to grow to \$8.4 billion in Year 5 (2029).<sup>68</sup> Figure 12 shows the shares of projected profits between Land-based revenues (including new casinos), VGT revenues, and iGaming revenues, respectively.

**Figure 12: Illinois–Revenue Projections (Including New Casinos, iGaming and VGTs)<sup>69</sup>**



<sup>68</sup> AG iGaming Report (2024), Exhibit 54 and Exhibit 54A.

<sup>69</sup> AG iGaming Report (2024), Exhibit 54A.

## VI. ANALYSIS OF LONG-TERM CASINO RELATED JOBS

### A. iGaming is expected to create additional jobs among iGaming operators.

Market research and analysis indicates that the introduction of iGaming would create additional jobs in iGaming operations.<sup>70</sup> A casino operator indicated that iGaming operations have resulted in 183 jobs in New Jersey and 182 jobs in Pennsylvania.”<sup>71</sup> Illinois’ population is similar to Pennsylvania’s and higher than New Jersey’s, so this would imply Illinois’ iGaming operations would be approximately 183 jobs or more for just one iGaming operator.

Market research also indicates that when operators launch live-dealer gaming as part of their iGaming platforms, states realize substantial employment impacts, typically through third-party providers.<sup>72</sup> As one example, as of November 2023 “Sweden-based Evolution AB currently employs about 2,620 people – including 2,260 dealers – at five purpose-built live-dealer studios it has developed and operates in Connecticut, Michigan, New Jersey and Pennsylvania.”<sup>73</sup>

Moreover, aside from dealers, such gaming studios also create jobs in card shuffling, card inspection, equipment management, training, floor supervision, service support, surveillance, physical security, human resources, recruitment, technical operations (video and sound engineering), construction and maintenance (carpentry), facilities operations, office management, team management, management, studio compliance, and scheduling, among other positions.<sup>74</sup>

Census data from the Bureau of Labor Statistics (“BLS”) support the notion that there are a substantial number of new gambling jobs in iGaming states in the category that includes iGaming operations, but not Land-based casinos. While the iGaming jobs data are included within a broader category called “Other Gambling Industries,”<sup>75</sup> these numbers have grown in the iGaming states since iGaming was legalized. In New Jersey, there were 139 jobs in “Other Gambling Industries” in the year prior to when iGaming was active. As of March 2023, there were about 1,929 jobs in this category, an increase in 1,790 jobs.<sup>76</sup> In Pennsylvania, there were 564 jobs in “Other Gambling Industries” in the year prior to when iGaming was active. As of March 2023, there were

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<sup>70</sup> “Market and Policy Analysis: Prospective Internet Casino Gaming in Indiana,” *Spectrum Gaming Group* (2023) (“Spectrum Indiana 2023 Study”), at 41.

<sup>71</sup> Spectrum Indiana 2023 Study, at 41.

<sup>72</sup> Spectrum Indiana 2023 Study, at 41.

<sup>73</sup> Spectrum Indiana 2023 Study, at 42.

<sup>74</sup> Spectrum Indiana 2023 Study, at 42.

<sup>75</sup> Other Gambling Industries corresponds to NAICS code 713290, which includes industries engaged in operating gambling facilities (except casinos or casino hotels) or providing gambling services. Examples include betting information services, card rooms, gambling control boards, online gambling sites, online sports betting sites, slot machine concession operators, video gaming device concession operators, and more.

See <https://www.census.gov/naics/?input=713290&year=2022&details=713290>.

<sup>76</sup> Exhibit 1 in the Jobs Analysis Exhibit Deck.

1,338 jobs in this category, an increase of 773 jobs.<sup>77</sup> Similarly, West Virginia showed an increase of 98 new jobs and Michigan showed an increase of 112 new jobs after iGaming legalization.<sup>78</sup>

Illinois' adult population is approximately 35.0% of the combined adult populations of New Jersey, Michigan, Pennsylvania, and Connecticut.<sup>79</sup> Applying a 35.0% factor to the 2,620 people employed by Evolution AB in those states results in an estimate of 445 jobs that could be employed by a similar company in Illinois. In other words, based on the observed employment data from the four iGaming states and Illinois' population ratio relative to them, it is reasonable that iGaming could generate approximately 917 jobs for a company like Evolution AB alone.

Many live dealer companies and operators are increasingly focusing on expanding into iGaming markets to grow their live dealer services. For example, the live casino supplier OnAir Entertainment has a strategy to launch studio in five regulated live casino states with more to come pending legislation,<sup>80</sup> indicating the company's strategy on building studios in iGaming markets once it becomes legalized. Additionally, Light & Wonder, a large-scale American gambling corporation, has also expanded into the live-dealing market, having acquired Authentic Gaming in 2021 to begin studio operations in Michigan.<sup>81</sup> According to their website, the company "has strong ambitions to further extend Authentic Gaming's product offering across the U.S. Market."<sup>82</sup>

To the extent live dealers are located in the state of Illinois, this could lead to substantial iGaming jobs within the state. With an estimated 917 new jobs based on data from Evolution AB and 183 jobs from one iGaming operator alone, it is reasonable to expect at least 1,100 new jobs in the state of Illinois due to iGaming as a conservative estimate.<sup>83</sup>

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<sup>77</sup> Exhibit 1 in the Jobs Analysis Exhibit Deck.

<sup>78</sup> Exhibit 1 in the Jobs Analysis Exhibit Deck.

<sup>79</sup>  $9,445,887 / (6,930,046 + 9,817,879 + 7,526,958 + 2,702,594) = 35.0\%$ . See AG iGaming Report (2024), Exhibit 104.

<sup>80</sup> <https://igamingnext.com/news/onair-entertainment-us-rollout/> (accessed January 25, 2024).

<sup>81</sup> <https://igamingbusiness.com/casino/light-wonder-authentic-gaming/> (accessed January 25, 2024).

<sup>82</sup> <https://explore.lnw.com/newsroom/scientific-games-enters-live-casino-market-with-authentic-gaming-acquisition/> (accessed January 25, 2024).

<sup>83</sup>  $917 + 183 = 1,100$ .

- B. iGaming is unlikely to have a negative impact on jobs supported by the Land-based casino industry in Illinois, based on the observed changes in New Jersey, Delaware, Pennsylvania, West Virginia, Michigan, and Connecticut relative to all other states that have not legalized iGaming. From 2017 to 2022, during the time iGaming was being implemented and growing in the iGaming states, jobs supported by the Land-based casino industry in iGaming states grew by an annual average of 9.4%. Further, when comparing job growth in the iGaming states versus non-iGaming states as a control group, the iGaming states outperformed the non-iGaming states by 0.6% to 5.4% per year.**

**Overview.** An approach motivated by the Difference-in-Differences (DiD) technique is used to evaluate whether the introduction of iGaming has been associated with a positive, negative, or neutral impact on Land-based casino jobs in New Jersey, Delaware, Pennsylvania, West Virginia, Michigan, and Connecticut (the six iGaming states), compared to all other states that have not legalized iGaming. This study uses data provided by the American Gaming Association (AGA) and Oxford Economics that is related to their report: “Economic Impact of the U.S. Gaming Industry” (“AGA Economic Report”).<sup>84</sup> The AGA Economic Report quantifies the number of direct, indirect, and induced jobs supported by the U.S. gaming industry. Direct jobs include on-site jobs at casinos, corporate offices, gaming manufacturers, as well as businesses supporting casino patrons or involved in casino construction and renovation.<sup>85</sup> Indirect and induced jobs are jobs generated by the casinos’ supply chain or jobs created through the casino employees’ direct spending.<sup>86</sup> By including not only direct jobs but also indirect and induced employment opportunities, this study accounts for *all* jobs that are generated and maintained by presence of Land-based casinos.

Importantly, the AGA and Oxford Economics has developed two versions of their economic report – one with data from 2017 and the other with data from 2022. Using the timing of the two reports, this study employs an approach motivated by the DiD technique to evaluate whether the introduction of iGaming has been associated with a positive, negative, or neutral impact on jobs supported by the Land-based casino industry in the iGaming states. The intuition behind this methodology is that if the legalization of iGaming in a state has an impact on jobs, the employment growth rates would be different in states that have legalized iGaming compared to those that have not. To the extent the growth rates in iGaming states are higher than those in non-iGaming states, this indicates that the presence of iGaming in a state can accelerate job growth, for example via an overall increase in the total casino market. Observing the opposite, *i.e.*, slower growth in iGaming states compared to non-iGaming states could provide evidence that iGaming legalization negatively impacts jobs supported by Land-based casinos.

To implement the approach motivated by DiD, this study divides states into a treatment and a control group. In this specific setting, treatment is the legalization of iGaming, and the treatment states are the states which have legalized iGaming. The control group consists of all states that have

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<sup>84</sup> “Economic Impact of the U.S. Gaming Industry,” *American Gaming Association* (2023); “Economic Impact of the US Gaming Industry,” *American Gaming Association* (2018).

<sup>85</sup> “Economic Impact of the U.S. Gaming Industry,” *American Gaming Association* (2023), at p. 3.

<sup>86</sup> “Economic Impact of the U.S. Gaming Industry,” *American Gaming Association* (2023), at p. 19.

not legalized iGaming. The methodology then calculates the compound annual growth rate (CAGR) of employment for both the treatment and control groups between the years 2017 and 2022.<sup>87</sup> Figures 13 and 14 show the number of jobs supported by the Land-based casino industry for the iGaming and the control states along with the CAGR calculated from the changes in the number of jobs in 2017 and 2022 in each state.

Notably, all of the iGaming states experienced positive growth in jobs supported by the Land-based casino industry between 2017 and 2022, with an average growth of 8.4% across all iGaming states, and 9.4% across the states that legalized iGaming after 2017 (Pennsylvania, West Virginia, Michigan, and Connecticut).

**Figure 13: Number of Jobs Supported by the U.S. Gaming Industry For the iGaming States in 2017 and 2022<sup>88</sup>**

State	Jobs Supported in 2017	Jobs Supported in 2022	Total % Increase	CAGR from 2017 to 2022
[A]	[B]	[C]	[D]	[E]
[1] New Jersey	39,007	51,834	32.9%	5.9%
[2] Delaware	5,299	6,924	30.7%	5.5%
[3] Pennsylvania	33,171	64,933	95.8%	14.4%
[4] West Virginia	8,347	10,663	27.7%	5.0%
[5] Michigan	37,911	60,669	60.0%	9.9%
[6] Connecticut	24,245	26,336	8.6%	1.7%
[7] Sum of iGaming States	147,980	221,360	49.6%	8.4%
[8] Sum of iGaming States that Legalized After 2017	103,674	162,601	56.8%	9.4%

<sup>87</sup> States with a missing datapoint in 2017 were excluded from the control group.

<sup>88</sup> AG iGaming Report (2024), Exhibit 3 in the Jobs Analysis Exhibit Deck.

**Figure 14: Number of Jobs Supported by the U.S. Gaming Industry For All Other States in 2017 and 2022<sup>89</sup>**

State	Jobs Supported in 2017	Jobs Supported in 2022	Total % Increase	CAGR from 2017 to 2022
[A]	[B]	[C]	[D]	[E]
[9] Alabama	12,270	11,640	(5.1%)	(1.0%)
[10] Alaska	27	582	2055.8%	84.8%
[11] Arizona	38,069	51,753	35.9%	6.3%
[12] Arkansas	<i>na</i>	9,044	<i>na</i>	<i>na</i>
[13] California	124,274	184,701	48.6%	8.2%
[14] Colorado	10,842	19,129	76.4%	12.0%
[15] Florida	54,142	72,892	34.6%	6.1%
[16] Georgia	<i>na</i>	6,646	<i>na</i>	<i>na</i>
[17] Hawaii	<i>na</i>	772	<i>na</i>	<i>na</i>
[18] Idaho	3,305	5,292	60.1%	9.9%
[19] Illinois	15,396	28,562	85.5%	13.2%
[20] Indiana	22,133	38,051	71.9%	11.4%
[21] Iowa	17,420	24,418	40.2%	7.0%
[22] Kansas	7,457	13,924	86.7%	13.3%
[23] Kentucky	<i>na</i>	2,670	<i>na</i>	<i>na</i>
[24] Louisiana	40,919	44,110	7.8%	1.5%
[25] Maine	1,468	3,232	120.1%	17.1%
[26] Maryland	15,364	27,380	78.2%	12.2%
[27] Massachusetts	1,646	17,413	957.9%	60.3%
[28] Minnesota	29,160	31,440	7.8%	1.5%
[29] Mississippi	37,277	41,950	12.5%	2.4%
[30] Missouri	19,987	24,986	25.0%	4.6%
[31] Montana	484	1,474	204.5%	24.9%
[32] Nebraska	105	1,980	1785.7%	79.9%
[33] Nevada	410,456	330,074	(19.6%)	(4.3%)
[34] New Hampshire	<i>na</i>	1,487	<i>na</i>	<i>na</i>
[35] New Mexico	17,393	22,268	28.0%	5.1%
[36] New York	25,784	69,743	170.5%	22.0%
[37] North Carolina	15,034	15,175	0.9%	0.2%
[38] North Dakota	4,275	3,415	(20.1%)	(4.4%)
[39] Ohio	19,953	33,834	69.6%	11.1%
[40] Oklahoma	75,885	89,402	17.8%	3.3%
[41] Oregon	10,770	15,609	44.9%	7.7%
[42] Rhode Island	5,215	9,533	82.8%	12.8%
[43] South Carolina	<i>na</i>	2,902	<i>na</i>	<i>na</i>
[44] South Dakota	4,238	4,969	17.2%	3.2%
[45] Tennessee	<i>na</i>	6,909	<i>na</i>	<i>na</i>
[46] Texas	3,111	20,316	553.0%	45.5%
[47] Utah	<i>na</i>	2,199	<i>na</i>	<i>na</i>
[48] Vermont	<i>na</i>	436	<i>na</i>	<i>na</i>
[49] Virginia	<i>na</i>	8,098	<i>na</i>	<i>na</i>
[50] Washington	35,044	56,580	61.5%	10.1%
[51] Wisconsin	26,882	26,720	(0.6%)	(0.1%)
[52] Wyoming	974	2,588	165.7%	21.6%
[53] Sum of All Other States with Full Data	1,106,759	1,345,133	21.5%	4.0%
[54] Sum of All Other States, Excluding Nevada	696,303	1,015,069	45.8%	7.8%

Figure 15 shows the results of the analysis motivated by DiD. The difference in CAGR between the treatment and control groups is called the “Treatment Effect.” Observing a positive “Treatment Effect” is an indication that the legalization of iGaming is associated with an increase in the total number of jobs supported by Land-based casinos, including direct, indirect, and induced jobs. Within the iGaming States, the number of jobs supported by the Land-based casino industry increased by 49.6% from 2017 to 2022—nearly two times larger than the growth rate for the control group that includes Nevada. It is worth noting, however, that Nevada’s reduction in jobs supported by Land-based casinos was abnormally low when compared with other states in the control group. As a robustness check, Figure 15 presents a second calculation which excludes Nevada from the control group. The results excluding Nevada still generate a positive but smaller “Treatment Effect” where the iGaming states continue to outperform the control states in terms of Land-based casino employment growth by 0.6%

<sup>89</sup> AG iGaming Report (2024), Exhibit 3 in the Jobs Analysis Exhibit Deck.

**Figure 15: Summary of Jobs Supported by the U.S. Gaming Industry by State Grouping in 2017 and 2022<sup>90</sup>**

State Grouping	Jobs Supported in 2017	Jobs Supported in 2022	Total % Increase	CAGR from 2017 to 2022
[A]	[B]	[C]	[D]	[E]
[1] iGaming States	147,980	221,360	49.6%	8.4%
[2] iGaming States that Legalized After 2017	103,674	162,601	56.8%	9.4%
[3] All Other States with Full Data	1,106,759	1,345,133	21.5%	4.0%
[4] All Other States, excluding Nevada	696,303	1,015,059	45.8%	7.8%
<b>Difference in CAGR Between Treatment And Control Groups</b>		<b>Treatment Effect</b>		
[5] iGaming States vs. All Other States with Full Data			+4.4%	
[6] iGaming States vs. All Other States, excluding Nevada			+0.6%	
[7] iGaming States that Legalized After 2017 vs. All Other States with Full Data			+5.4%	
[8] iGaming States that Legalized After 2017 vs. All Other States, excluding Nevada			+1.6%	

As another robustness check, a second Treatment Effect is calculated removing New Jersey and Delaware, to account for the fact that New Jersey and Delaware legalized iGaming in 2013 (before 2017, the first year of available data).<sup>91</sup> This Treatment effect isolates only the states that legalized iGaming between 2017 and 2022. The Treatment effect results for these states also suggests that iGaming states have experienced a faster growth in jobs supported by the Land-based casino industry relative to the control states, with a 5.4% higher annual job growth rate compared to All Other States and a 1.6% higher job growth compared to All Other States, excluding Nevada. See Figure 15.

Overall, these results present strong evidence indicating that the legalization of iGaming does not have a negative impact on job growth, but rather it is associated with an improvement in the growth rates of jobs supported by the Land-based casino industry.

**C. Based on observed trends in other states that have legalized iGaming, including an overall increase in Land-based casino gross gaming revenues of 1.9% relative to pre-iGaming trends, iGaming legalization is expected to be associated with an increase in Land-based casino activity, which is expected to lead to additional jobs to service the additional activity.**

iGaming has been associated with an increase in Land-based casino gross gaming revenues in the six states where iGaming is active, with an average Land-based Treatment Effect of +1.9%.<sup>92</sup> In other words, on average, the states that have implemented iGaming have seen Land-based revenues grow by 1.9% faster per year than they were trending before they implemented iGaming. Additional gross gaming revenues are reasonably associated with additional activity at the casinos in terms of more frequent visits from casino attendees, as well as new visitors who are drawn to

<sup>90</sup> AG iGaming Report (2024), Exhibit 4 in the Jobs Analysis Exhibit Deck.

<sup>91</sup> While New Jersey legalized iGaming in 2013, the iGaming revenues were small in New Jersey until they started to grow substantially faster beginning around 2018. Therefore, even though New Jersey legalized iGaming in 2013, its impact (if any) would have been more present beginning around 2018. While Delaware legalized iGaming in 2013, iGaming revenues in Delaware have not grown like in other states, and they only make up about 3% of total casino revenues as of 2023. Both of these states are discussed in more detail in the AG iGaming Report (2024).

<sup>92</sup> AG iGaming Report (2024), Exhibit 52.

Land-based casinos. The additional activity would reasonably lead to additional employees at the Land-based casinos to service the new gaming activity. In addition, the additional activity would reasonably lead to additional employees to service other activities related to the casinos, including hotels, food & beverage, other entertainment, and transportation.

Market research and analysis indicate that the introduction of iGaming would lead to additional jobs at Land-based casinos, or at least the number of existing jobs would not be negatively impacted.<sup>93</sup> For example, one casino operator has indicated that “iGaming has increased visits to [their] casino, which “positively impacts” staffing levels.”<sup>94</sup> One explanation for this phenomenon is that iGaming operators “use marketing incentives to drive iGaming players to [the] casino,” which results in both increased casino and marketing-related employment.<sup>95</sup> Indeed, a casino operator that operates in multiple states indicated that iGaming not led to a reduction in casino employment in the states in which it operates.<sup>96</sup>

In addition, iGaming is expected to be associated with cross-marketing efforts between Land-based casinos and iGaming. These cross-marketing efforts can also create additional jobs at Illinois land-based casinos.

**D. VGT jobs in Illinois are projected to increase from 4,863 in 2023 to 6,785 in 2029 (a 40% increase). Land-based casino jobs in Illinois are projected to increase from 5,462 in 2023 to 8,797 in 2029 (a 61% increase), driven primarily by the four new casinos.**

The projected increase in jobs associated with increased Land-based revenues, increased VGT revenues, and the four new casinos is modeled as follows.

**VGT jobs.** VGT jobs in the state of Illinois are projected as follows. First, the ratio of total VGT revenues to jobs (revenue per VGT employee), is calculated using state reported revenue figures and census data for Illinois “Other Gambling Industries” jobs<sup>97</sup> from 2023. This ratio of VGT revenue per employee is then applied to the projected VGTs revenues from 2024 through 2029 to estimate the growth in jobs due to additional anticipated VGT revenues throughout the state in cities where they are currently legal. The results show that total jobs are projected to increase from 4,863 in 2023 to 6,785 in 2029 (a 40% increase).

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<sup>93</sup> “Market and Policy Analysis: Prospective Internet Casino Gaming in Indiana,” *Spectrum Gaming Group* (2023) (“Spectrum Indiana 2023 Study”), at 41.

<sup>94</sup> Spectrum Indiana 2023 Study, at 41.

<sup>95</sup> Spectrum Indiana 2023 Study, at 41.

<sup>96</sup> Spectrum Indiana 2023 Study, at 41.

<sup>97</sup> For the purposes of this analysis, jobs under “Other Gambling Industries” are utilized for jobs coming from VGTs. Among others, “video gaming device concession operators” is included in the “Other Gambling Industries” reported in the census data. While there may be some other jobs not specific to VGTs in this sector, it is reasonable that VGTs would make up the majority of jobs in this category, considering that the VGT market in Illinois is even larger than the market for Land-based casino revenues. VGT revenue in Illinois in 2022 was \$2.7 billion, and the number of VGTs in Illinois in 2022 was 45,008. See AG iGaming Report (2024), Exhibit 48A and Exhibit 94.

**Figure 16: Projected VGT Jobs in Illinois: 2023 – 2029<sup>98</sup>**

	2023	2024	2025	2026	2027	2028	2029
	[A]	[B]	[C]	[D]	[E]	[F]	[G]
[1] Projected Revenue for VGTs in Illinois	\$2,617	\$2,741	\$2,912	\$3,088	\$3,269	\$3,457	\$3,651
[2] Observed Employment Level	4,863	n/a	n/a	n/a	n/a	n/a	n/a
[3] Total VGT Revenue per Employee	\$538,072	\$538,072	\$538,072	\$538,072	\$538,072	\$538,072	\$538,072
[4] Projected Employment Level from VGTs	4,863	5,094	5,411	5,738	6,076	6,425	6,785

**Casino jobs.** For the four new casinos, first, the ratio of total casino revenues to jobs (revenue per casino employee), using state reported revenue figures and census data for Illinois casino-related jobs in 2023 is calculated. This ratio of casino revenue per employee is then applied to the projected Land-based revenues associated with the four new casinos from 2024 through 2029 to estimate the growth in jobs due to new casinos. The results show that total jobs are projected to increase from 5,462 in 2023 to 8,797 in 2029 (a 61% increase).

**Figure 17: Projected New Casino Jobs Resulting From Four New Casinos: 2023-2029<sup>99</sup>**

	2023	2024	2025	2026	2027	2028	2029
	[A]	[B]	[C]	[D]	[E]	[F]	[G]
[1] Projected Casino Revenues (with iGaming and new casinos)	\$1,515,717,180	\$1,545,891,046	\$1,997,182,362	\$2,121,899,094	\$2,188,647,362	\$2,296,887,995	\$2,441,138,425
[2] Revenue from New Casinos	-	-	\$390,740,041	\$452,533,755	\$453,894,363	\$494,186,155	\$567,826,244
[3] Observed Employment Level	5,462	n/a	n/a	n/a	n/a	n/a	n/a
[4] Total Casino Revenue per Employee	\$277,506	\$277,506	\$277,506	\$277,506	\$277,506	\$277,506	\$277,506
[5] Projected Casino Employment Level	5,462	5,571	7,197	7,646	7,887	8,277	8,797
[6] Projected Employment Level from New Casinos	-	-	1,408	1,631	1,636	1,781	2,046

### E. Direct, Indirect, and Induced Impact on Jobs

Building on the analysis from a report issued by the AGA: “Economic Impact of the U.S. Gaming Industry” (“AGA 2023 Economic Report”), this analysis estimates the direct, indirect, and induced impacts that the increased gaming revenues (largely attributable to the four new casinos) are projected to have on jobs.<sup>100</sup>

The direct impact on new jobs includes additional jobs created that are a direct result of casinos beyond the casino’s employees. It includes, for example, employees that provide products and services to casino patrons during their casino trips, employees at off-site hotels and restaurants that benefit from catalytic spending by casino patrons, employees associated with casino renovations, as well as employees of gaming manufacturers.<sup>101</sup> Because the employers are located in and around Chicago, the majority of these jobs and economic benefits can be expected to occur in Chicago.

<sup>98</sup> AG iGaming Report (2024), Exhibit 5 in the Jobs Analysis Exhibit Deck.

<sup>99</sup> AG iGaming Report (2024), Exhibit 6 in the Jobs Analysis Exhibit Deck.

<sup>100</sup> American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 21.

<sup>101</sup> American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 2, 21.

From the AGA 2023 Economic Report, the ratio of direct jobs to commercial casino jobs across the United States in 2022 is calculated to be 0.27. In other words, each additional casino job is associated with an additional 0.27 jobs related to catalytic spending and capital investment.

This 0.27 ratio is applied to the projected VGT jobs for Illinois from 2024 through 2029 to generate projections for the number of additional direct jobs over this period.<sup>102</sup> The additional direct impact of the VGTs in Illinois (including the additional impact of catalytic spending and sustained capital investment over time) is that additional direct gaming jobs in Illinois are projected to increase from 1,302 in 2023 to 1,817 in 2029 (a 40% increase).

**Figure 18: Projected Directed and Total Impact Jobs Resulting from Illinois VGT Jobs: 2023 – 2029<sup>103</sup>**

	Commercial Casino Operations	Catalytic Spending	Capital Investment	Commercial Casinos Total			
<b>Ratio of Direct and Total Impact Jobs to Casino Jobs</b>	[A]	[B]	[C]	[D]			
Direct Impact - Employment (number of jobs)	331,547	75,668	13,114	420,329			
Total Impact - Employment (number of jobs)	838,611	132,584	28,074	999,268			
Direct Impact Jobs / Casino Jobs:	0.27						
Indirect and Induced Jobs / Casino Jobs	1.75						
Total Impact Jobs / Casino Jobs:	3.01						
	2023	2024	2025	2026	2027	2028	2029
	[E]	[F]	[G]	[H]	[I]	[J]	[K]
<b>Direct and Total Impact Jobs</b>							
Projected VGTs Employment Level	4,863	5,094	5,411	5,738	6,076	6,425	6,785
Number of Direct Impact Jobs	1,302	1,364	1,449	1,537	1,627	1,720	1,817
Number of Indirect and Induced Jobs	8,492	8,896	9,449	10,020	10,610	11,219	11,847
Number of Total Impact Jobs	14,657	15,354	16,309	17,295	18,313	19,364	20,448

This ratio is applied to the projected casino jobs for Illinois from 2024 through 2029 to generate projections for the number of additional direct jobs over this period.<sup>104</sup> The additional direct impact of the new Land-based casinos in Illinois (including the additional impact of catalytic spending and sustained capital investment over time) is that additional direct gaming jobs in Illinois are projected to increase from 1,463 in 2023 to 2,356 in 2029 (a 61% increase).

<sup>102</sup> In this context, the word “additional” means direct jobs beyond direct VGT employees.

<sup>103</sup> AG iGaming Report (2024), Exhibit 7 in the Jobs Analysis Exhibit Deck.

<sup>104</sup> In this context, the word “additional” means direct jobs beyond direct casino employees.

**Figure 19: Projected Directed and Total Impact Jobs Resulting From Illinois Casino Jobs: 2023 – 2029<sup>105</sup>**

	Commercial Casino Operations	Catalytic Spending	Capital Investment	Commercial Casinos Total			
Ratio of Direct and Total Impact Jobs to Casino Jobs	[A]	[B]	[C]	[D]			
Direct Impact - Employment (number of jobs)	331,547	75,668	13,114	420,329			
Total Impact - Employment (number of jobs)	838,611	132,584	28,074	999,268			
Direct Impact Jobs / Casino Jobs:	0.27						
Indirect and Induced Jobs / Casino Jobs	1.75						
Total Impact Jobs / Casino Jobs:	3.01						
	2023	2024	2025	2026	2027	2028	2029
	[E]	[F]	[G]	[H]	[I]	[J]	[K]
<b>Direct and Total Impact Jobs</b>							
Projected Casino Employment Level	5,462	5,571	7,197	7,646	7,887	8,277	8,797
Number of Direct Impact Jobs	1,463	1,492	1,927	2,048	2,112	2,216	2,356
Number of Indirect and Induced Jobs	9,537	9,727	12,567	13,352	13,772	14,453	15,361
Number of Total Impact Jobs	16,462	16,790	21,691	23,046	23,771	24,946	26,513

The supply chain indirect impact on new jobs includes additional jobs created that are associated with supply chain effects that follow on from direct impacts, for example, jobs associated with purchases of goods and services required for the supply chain of casinos and other related businesses of goods and services from other businesses.<sup>106</sup> Because these casinos are based in and around Chicago, the majority of these jobs can be expected to occur in and around Chicago.<sup>107</sup>

The consumer spending induced impact on new jobs includes the income effect and flow on to household consumption, as casino employees spend a portion of their wages.<sup>108</sup> Because these casinos are based in Chicago, the majority of these jobs related to the consumer spending induced impact can be expected to occur in and around Chicago.<sup>109</sup>

From the AGA 2023 Economic Report, the ratio of commercial casino jobs to additional indirect and induced jobs across the United States in 2022 is calculated to be 1.75.<sup>110</sup> In other words, each additional casino job is associated with an additional 1.75 jobs related to the supply chain indirect impact and consumer spending induced impact.

<sup>105</sup> AG iGaming Report (2024), Exhibit 8 in the Jobs Analysis Exhibit Deck.

<sup>106</sup> American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 2.

<sup>107</sup> To the extent some of the services are provided by companies in other states, some of these jobs may appear in other states. For example, to the extent the Illinois casinos purchase inputs and use service providers with employees outside of Illinois, these jobs would benefit states and countries outside of Illinois as well.

<sup>108</sup> American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 21.

<sup>109</sup> To the extent the casino employees live in and/or travel to other states, some of these jobs may benefit other states. For example, to the extent a portion of the Illinois Casino employees live in other states, some of this effect would benefit other states as well.

<sup>110</sup> In this context, the word “additional” means indirect and induced jobs beyond direct employees of casinos and VGT operators.

This ratio is applied to the projected casino jobs and VGT jobs for Illinois from 2024 through 2029 to generate projections for the additional indirect and induced jobs over this period. The indirect and induced impacts of the new Land-based casino jobs in Illinois (including the impact of supply chain and consumer spending) is that the number of additional indirect and induced jobs in Illinois are projected to increase from 9,537 in 2023 to 15,361 in 2029 (a 61% increase), driven primarily by the four new casinos. The indirect and induced impacts of the new VGT jobs in Illinois (including the impact of supply chain and consumer spending) is that the number of additional indirect and induced VGT jobs in Illinois are projected to increase from 8,492 in 2023 to 11,847 in 2029 (a 40% increase).

Adding the direct, indirect, and induced impacts together, the results are as follows:

For Land-based casinos, the number total impact jobs in Illinois are projected to increase from 16,462 in 2023 to 26,513 in 2029 (a 61% increase).

For VGTs, the number total impact jobs in Illinois are projected to increase from 14,657 in 2023 to 20,448 in 2029 (a 40% increase).

## VII. ANALYSIS OF CONSTRUCTION JOBS FOR FOUR NEW CASINOS

In general, the number of construction jobs required for large projects can be dependent on several project specific details, including project timelines, labor costs as a share of total construction expenses, and union status of the workers.

To provide a preliminary range of estimated figures, this analysis relied on publicly available information on the four new casinos that will open in Illinois. News articles indicate that each of the casinos, located under 90 minutes driving distance from the center of Chicago, are projected to cost between \$300 million and \$1.7 billion. In turn, these projects are projected to generate 7,800 new construction jobs. These projections have the caveat that the budget estimates for the Waukegan Casino are preliminary, and they may vary significantly along with the resulting number of construction jobs.

**Figure 20. Estimated Construction Jobs Generated by New Casinos in Illinois<sup>111</sup>**

New Casino	Year Started	Year Completed	City	Est. Driving Time From Chicago	Type of Project	Total Project Cost	Construction Jobs Created
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
[1] Wind Creek Chicago Southland Casino	2024 (est.)	2026 (est.)	Chicago, IL	~30 mins	Casino	\$1.7 billion	3,000
[2] Hard Rock Rockford	2023 (est.)	2024 (est.)	Rockford, IL	~90 mins	Casino	~\$440 million	600
[3] Bally's Chicago	2023 (est.)	2024 (est.)	Chicago, IL	~10 mins	Casino	~\$358 million	1,200
[4] Waukegan Casino	2022 (est.)	2025 (est.)	Waukegan, IL	~50 mins	Casino	~\$300 million	3,000
[5] Total Construction Jobs							7,800

<sup>111</sup> AG iGaming Report (2024), Exhibit 9 in the Jobs Analysis Exhibit Deck.