



The Potential Economic Impact of iGaming

Supplement for New York

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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.

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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 NEW YORK**

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 revenues, new iGaming revenues, and the contributions of the three new casino licenses to new revenues, the projected impact on Land-based and total casino revenues in New York is as follows (Figure 9 here and Figure 80 in the AG iGaming Report (2024)¹):

1. **Projected increase in Land-based revenues.** Annual Land-based revenues are projected to increase from \$4.1 billion in 2024 to \$6.8 billion in 2029 (a \$2.7 billion increase, or 67.4%).² Of the projected \$2.7 billion increase in casino revenues, (1) \$402 million is projected based on New York’s current growth rate, (2) an additional \$438 million is projected from the increased anticipated growth in Land-based revenues associated with iGaming,³ and (3) \$1.9 billion is projected to come from the three new casino licenses.
2. **Projected contribution from iGaming.** iGaming is projected to generate an additional \$2.5 billion in revenues in its first full year, which is projected to grow to \$4.5 billion by Year 5.
3. **Projected increase in total market size.** In total, Land-based and iGaming revenues combined are projected to grow from \$4.1 billion in 2024 to \$11.3 billion in 2029 (a 177.4% increase). This large increase is attributable to New York’s large population, its demonstrated large sports betting revenues, and its low existing level of Land-based casino revenue per capita.

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

¹ AG iGaming Report (2024), at p. 149. See also AG iGaming Report (2024), Exhibit 52.

² The 2024 figure includes \$1.2 billion in estimated revenues from Tribal-owned casinos, and the 2029 projection includes estimated revenues from Tribal-owned casinos based on the same growth rate as commercial casinos.

³ 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.

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.⁴ Based on data from one live dealer company and one casino operator, it is reasonable to expect at least 1,660 new jobs in New York from iGaming as a conservative estimate. See Section VI.A.

2. iGaming is unlikely to have a negative impact on jobs supported by the Land-based casino industry in New York, 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 increased casino revenues and three new casino licenses on long-term gambling-related jobs. Projections are made for casino job growth based on the projected increased casino revenues, the granting of two new casino licenses to MGM Empire City and Resorts World Queens, and a third casino in New York City that is projected to be similar in scale to the other two establishments. These are new long-term casino jobs within the New York gaming industry, in addition to the anticipated iGaming jobs.

4. Considering only the jobs corresponding to employees of casinos and casino hotels, Land-based casino jobs in New York are projected to increase from 7,897 in 2023 to 13,475 in 2029 (an increase of 5,577 jobs (70.6% increase)), driven primarily by casino jobs associated with the three new casino licenses. See Section VI.D.
5. The additional direct impact in New York (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 2,115 in 2023 to 3,608 in 2029 (an increase of 1,494 jobs, or 70.5%). See Section VI.E.
6. The total local market impact in New York, including additional supply chain jobs (indirect) and consumer spending (induced) effects, is projected to increase from 23,802 jobs in 2023 to 40,612 jobs in 2029 (an increase of 16,810 jobs, or 70.6%). 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 three new casino licenses. See Section VI.E.

⁴ Exhibit 1 in the Jobs Analysis Exhibit Deck.

7. Impact of three new casino licenses on construction jobs. Based on an analysis using a market comparables approach and a cost approach, as well as preliminary estimated project budgets for the three casino licenses, the construction associated with these projects is estimated to generate 18,000 to 25,000 jobs for 1.5 years while all three casinos are constructed, including 10,000 to 12,000 jobs for the full 3-4 years for the third casino.

There are six additional sections in this supplement:

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

II. REVENUE PROJECTIONS FOR EXISTING LAND-BASED CASINOS

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 New York’s existing growth rate of Land-based revenues.

Figure 1: New York Projected Land-Based Revenue Growth Rate Before and After iGaming⁵

Description	Land-Based Before Treatment [J]	Land-Based After Treatment [K]
Initial Year	2018	2024
Final Year	2023	2029
Number of Years	5	5
Initial Value	\$3,623	\$4,057
Final Value	\$3,981	\$4,896
CAGR	1.9%	3.8%
Change in Land-Based CAGR	<i>n/a</i>	1.9%

New York’s existing growth rate of Land-based casino revenues has been 1.9% from 2018 to 2023. The “Land-based Treatment Effect” from the AG iGaming Report (2024) is 1.9%.⁶ Therefore, New York’s projected growth rate after iGaming is 3.8% (1.9% + 1.9%). Before accounting for any additional revenues due to the three new casino licenses, Land-based revenues (including

⁵ AG iGaming Report (2024), Exhibit 52.

⁶ AG iGaming Report (2024), at p. 9.

estimated tribal revenues) are projected to grow from \$4.1 billion in 2024 to \$4.9 billion in 2029.⁷ The supporting charts and tables are in the AG iGaming Report (2024), at Sections VIII.A and XI.A.

Explanations of the Land-Based Treatment Effect for Land-based casinos. There are multiple explanations for why iGaming is associated with increased Land-based revenues, 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 747 New York respondents about their gambling behaviors and intentions, with 219 (or 29.3%) of these respondents completing the survey and indicating 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.^{8, 9} Of these 219 respondents, 108 (or 49.3%) indicated that they had engaged in Land-based gaming in the past 12 months (See Figure), and 82 (or 37.4%) indicated that they had engaged in iGaming in the past 12 months.¹⁰ From the 82 respondents that have engaged in iGaming in the past 12 months, 27 also had *not* engaged in Land-based casino gaming in the past 12 months, making them prospective new Land-based casino visitors.¹¹ **From the 27 prospective visitors, 17 (or 63.0%) said they would consider Land-based casino gaming in the future.**¹² In this way, iGaming can introduce consumers into Land-based casino gaming, thus growing the number of overall participants in the market.

Among the 75 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, 50 (or

⁷ The 2024 figure includes \$1.2 billion in estimated revenues from Tribal-owned casinos. AG iGaming Report (2024), Exhibit 47A. The 2029 projection includes estimated revenues from Tribal-owned casinos based on the same growth rate as commercial casinos. AG iGaming Report (2024), Exhibit 52.

⁸ 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.

⁹ From the entire sample, 262 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 43 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?”).

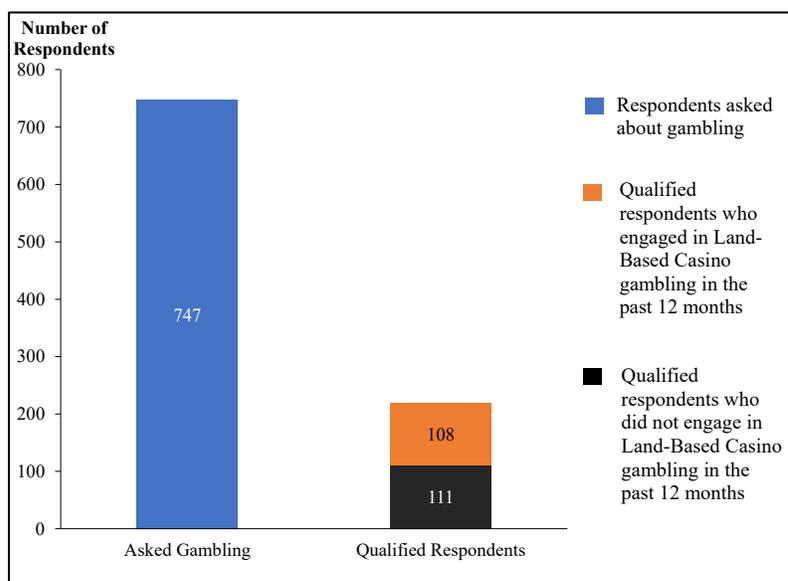
¹⁰ AG State Gambling Survey, Question S8.

¹¹ AG State Gambling Survey, Question S8.

¹² AG State Gambling Survey, Question S9.

66.7%) said that they would consider engaging in iGaming, 49 (or 65.3%) said that they would consider betting or wagering at a Land-based casino, and 25 (or 33.3%) said that they would consider betting or wagering through VGT's.¹³ 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.

Figure 2: New York 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 82 respondents who indicated that they had engaged in iGaming in the past 12 months, 31.7% said that since they started iGaming, their betting or wagering frequency at Land-based casinos has increased, compared with only 13.4% saying that it has decreased.¹⁴ The remaining 47.6% said that their betting frequency at Land-based casinos has stayed the same since they started iGaming (See Figure 3). In terms of willingness to spend for the 82 respondents who indicated that they had engaged in iGaming in the past 12 months, 30.5% reported that since they started iGaming, the total amount of money they play with at a Land-based casino has increased, compared to only 13.4% who said that it has decreased.¹⁵ 50.0% reported that it stayed the same (See Figure 4).

¹³ AG State Gambling Survey, Question S9.

¹⁴ 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?*”).

¹⁵ 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 3: New York Land-Based Casino Gambling Frequency

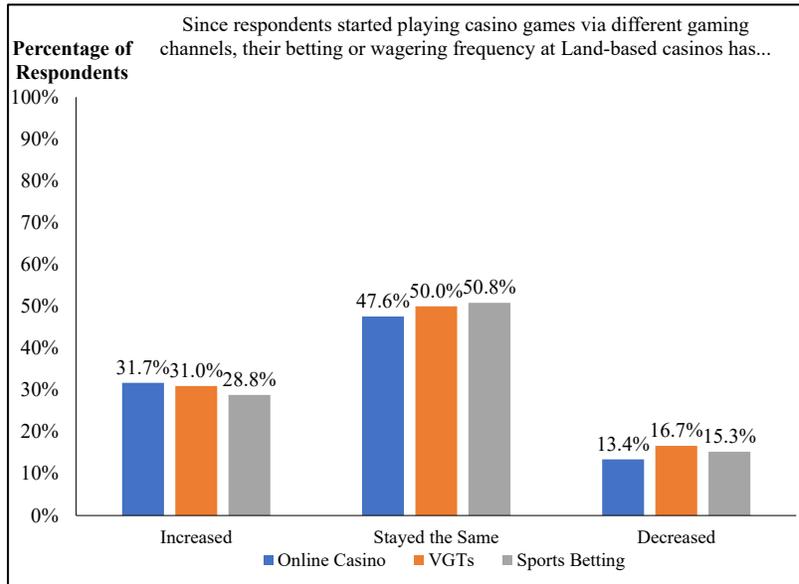
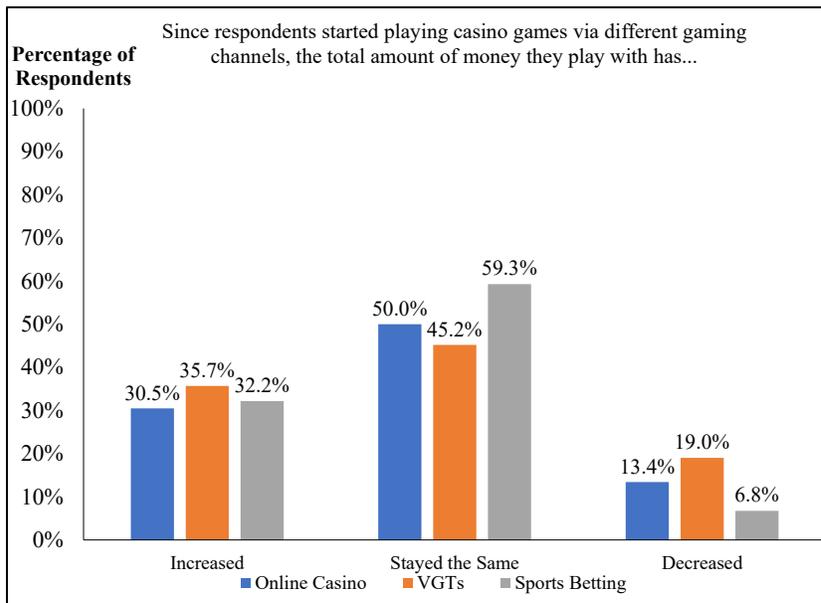


Figure 4: New York Land-Based Casino Gambling Total Amount of Money Played



- iGaming and Land-based gaming cater to different audiences and demographics, so iGaming introduces people with new demographic characteristics to the overall gaming market. For example, among the 219 New York respondents who completed the AG State Gambling Survey, the distribution of respondents who have participated in iGaming tends to skew more towards males than the distribution of respondents who have participated in Land-based casinos: 74.4% of the respondents who participated in iGaming in the past 12 months were males, while only 59.3% of the respondents who visited Land-based casinos in the past 12

months were male.¹⁶ Additionally, respondents who engaged in iGaming in the past 12 months are younger than those who engaged in Land-based casino gambling. The average age among New York males who have engaged in iGaming in the past 12 months is 39, while the average age for those males who have visited Land-based casinos in the past 12 months is 45.¹⁷ Female respondents who have engaged in iGaming in the past 12 months are also younger (average age of 39) than female respondents who have visited Land-based casinos in the past 12 months (average age of 50).¹⁸

4. iGaming and Land-based gaming are viewed by some users 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 57-year-old female interviewee from New York said that *“online, it kind of, in my opinion, it would take [that] away. [...] You win money [and] you count it right? You can feel it, [s]ee it, [t]ouch [it]. [...] ...online, [y]ou [go] see your account [and] think [o]r you have to cash it out. Not the same excitement, not the same level.”*¹⁹

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. Overall, 95 respondents (or 88.0%) of the 108 New York respondents in the AG State Gambling Survey who have visited a Land-based casino in the past 12 months indicated that they also typically participate in an activity other than gambling while visiting a casino.²⁰ For example, 63.0% of these 108 respondents indicated that they also have a meal at a restaurant during their typical casino visit, and 50.9% indicated they also order a drink at a bar (see Figure 5).²¹ Because of these differences, iGaming is in many ways a different product that does not compete directly with Land-based gaming.

¹⁶ AG State Gambling Survey, Questions S3 and S8.

¹⁷ AG State Gambling Survey, Questions S3 and S8.

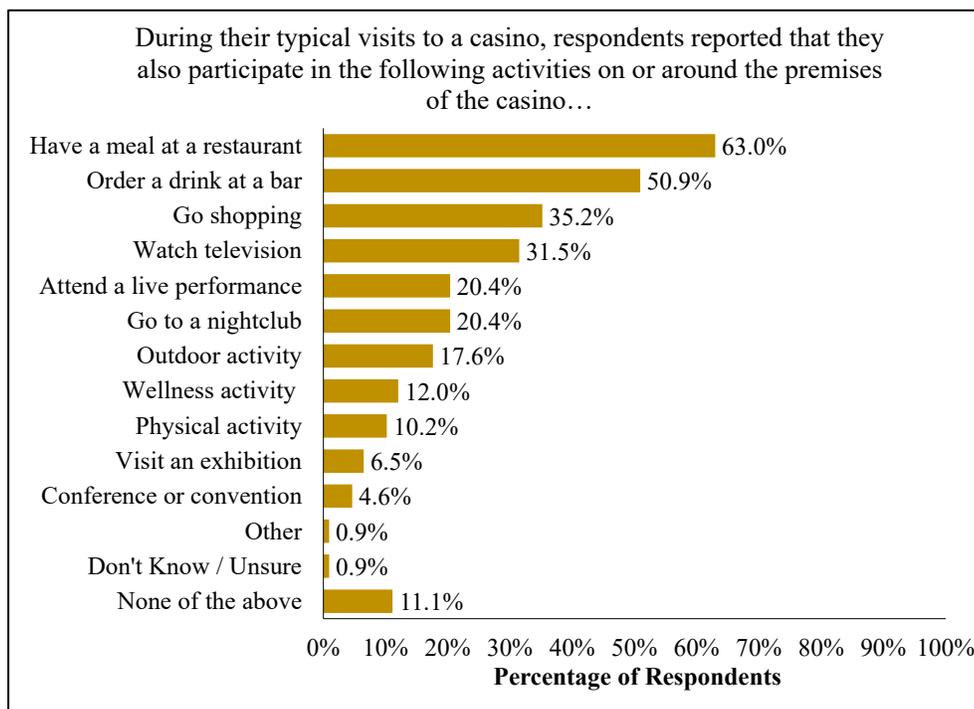
¹⁸ AG State Gambling Survey, Questions S3 and S8.

¹⁹ AG Consumer Research Interviews, November 30, 2023, at 1:00 p.m. (Female, 57).

²⁰ 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?”).

²¹ 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 5: New York Land-Based Casino Additional Activities



- 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.²² As of 2021, New York’s share of the total U.S. Land-based gaming industry was approximately 6.7%.²³ Based on this ratio, the illegal gaming industry in New York is estimated to be worth \$2.7 billion in 2021.²⁴

Among the 16 New York respondents in the AG State Gambling Survey who indicated they engaged in offshore gambling in the past 12 months, 13 respondents (or 81.3%) indicated they also engaged in iGaming in the past 12 months.²⁵ In terms of future intentions, among these 16 respondents, 11 respondents (or 68.8%) indicated that they would consider iGaming in the next 12 months.²⁶ Further, respondents who engaged in offshore gambling in the past 12

²² American Gaming Association, Sizing the Illegal and Unregulated Gaming Markets in the United States, November 2022, at p. 1.

²³ Calculated as \$3.5 billion for Land-based revenue in New York divided by \$51.4 billion. (\$3.46 billion / \$51.43 billion = 6.7%). Land-based revenue (excluding sports betting) is \$51.4 billion in 2021 for all states with data.

²⁴ Calculated as \$40.4 billion x 6.7% = \$2.7 billion.

²⁵ 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.

²⁶ AG State Gambling Survey, Question S9.

months exhibit age similarities when compared to respondents who engaged in iGaming in the past 12 months. For example, the average age of respondents who engaged in iGaming over the past 12 months is 39 for both males and females, and the average age for those who engaged in offshore gambling in the past 12 months is 37 for males and 40 for females, indicating a closer age alignment than the demographic participating in Land-based casinos in the past 12 months, which has a mean age of 45 for males and 50 for females.²⁷

3. iGaming presents an opportunity to increase the New York gaming market specifically for New York 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, out of the 44 New York respondents who visited Land-based casinos in the past 12 months and indicated that their typical visit to a casino is outside of their home state, 23 respondents (or 52.3%) indicated that they would consider iGaming in the next 12 months.²⁸
4. 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 games. The existing nine online sports betting operators in New York are expected to apply for iGaming licenses once iGaming is legalized in New York.²⁹ AG’s State Gambling Survey shows that some respondents are interested in playing online casino games on well-known iGaming sites that they are already likely familiar with from sports betting. When asked about which online casino they would use, one respondent said, “*I think I’d use Caesars Sportbook. I know they are a licensed casino and they do a lot of sports betting,*” while another said, “*BetMGM because they are a familiar brand and would be willing to try.*”³⁰ In addition, on the supply side, the Land-based casinos who also offer iGaming 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. See Section VI.A.
5. 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 82 New York respondents who indicated that they have bet or wagered through licensed online casinos in the past 12 months, 17 respondents (or 20.7%) indicated that they have done so using Solitaire Clash or

²⁷ AG State Gambling Survey, Questions S3 and S8.

²⁸ AG State Gambling Survey, Question A15 (“Which of the following best describes the location of your typical visit to a casino?”); AG State Gambling Survey, Question S9.

²⁹ See, “Breaking Down Major Players To Enter Market Once NY Online Casinos Go Live,” PlayNY, available at <https://www.playny.com/potential-ny-online-casinos-when-industry-launches> (accessed January 25, 2024).

³⁰ AG State Gambling Survey, Question F1 (“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 #13532 (Male, 39) and Record #9891 (Male, 35).

Bingo Cash.³¹ From AG’s consumer research interviews, one 70-year-old female interviewee from New York said that *“I play it for entertainment, cause most of the time, if there’s nothing on television or anything and [y]ou don’t want to clean, you just go on the game and just, you know, it passes time. Sometime[s] I play, I put money in, sometimes I don’t. I just play for the fun of it just to [k]ill some time.”*³²

6. Many Land-based casino consumers visit relatively infrequently. iGaming creates the opportunity to increase frequency of gaming, while Land-based casino visits can still remain different events that occur relatively infrequently. Out of the 108 New York respondents who indicated they have visited Land-based casinos in the past 12 months, only 38 (or 35.2%) reported they have visited at least once per month.³³ 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 82 respondents who indicated they had engaged in iGaming in the past 12 months, 55 (or 67.1%) said that they did so at least once per month.³⁴

³¹ 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?”).

³² AG Consumer Research Interviews, December 1, 2023, at 2:00 p.m. (Female, 79).

³³ 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?”). 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 selected time period and a drop-down list of “week”, “month”, or “year” to indicate the time period. For example, a respondent who wanted to indicate that they visited casinos 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.

³⁴ 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 calculated following the method described above for Land-based casinos.

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).³⁵ Based on the ratios observed in other states between sports betting revenues and iGaming revenues, New York’s iGaming revenues are projected to be \$2.5 billion in Year 1 of iGaming legalization (2025). They are projected to be \$4.5 billion in Year 5 of iGaming legalization (2029).³⁶ Including iGaming (but before accounting for any new casinos in New York), total gaming revenues are projected to grow from \$4.0 billion in 2023 to \$9.4 billion in 2029, based on the observed trends in the states that have already implemented iGaming.³⁷

IV. REVENUE PROJECTIONS FROM THREE NEW CASINO LICENSES

Background. In April 2023, elected officials in Albany authorized up to three additional commercial casino licenses for downstate New York.³⁸ This action will allow all seven commercial casino licenses in the state to be fulfilled, as four casinos have already been established upstate.³⁹

While the approval process for the new casino licenses is not yet finalized, many stakeholders believe that the companies who own Empire City Casino in Yonkers (“Empire City”) and Resorts World New York City in Queens (“Resorts World”) are the front-runners to get two of the three approved licenses.⁴⁰ Various articles discussing these casino licenses indicate it is likely that these casino licenses will be granted in or around New York City, the largest metro area in the U.S. and

³⁵ AG iGaming Report (2024), at pp. 138-142.

³⁶ AG iGaming Report (2024), at p. 149.

³⁷ AG iGaming Report (2024), Exhibit 52. \$9.4 billion = \$4.9 billion in Land-based revenues before new casinos + \$4.5 billion in iGaming revenues.

³⁸ <https://www.nytimes.com/article/nyc-casino-tracker.html> (accessed January 24, 2024).

³⁹ <https://www.nydailynews.com/2023/05/08/competition-is-fierce-for-new-nyc-casino-license-here-are-proposals-so-far/> (accessed January 24, 2024).

⁴⁰ Given that Empire City and Resorts World currently only operate video lottery terminal machines and are seeking to expand to full-scale commercial casinos with table games and sports betting, many stakeholders consider these two locations to be the front-runners to win two of the three approved licenses.

In November 2023, MGM Resorts International unveiled a plan to transition its Yonkers Empire City casino into a world-class entertainment destination called MGM Empire City. The first phase of this facility is designed to include a comprehensive casino floor redevelopment, a 5,000-person entertainment venue, a state-of-the-art BetMGM sportsbook, a food and beverage outlet by renowned chefs, cocktail bars and lounges, and state-of-the-art meeting spaces. As MGM is the third-largest seller for live performances in the U.S. and has the capacity to seat more than 100,000 people a night across its venues worldwide, the Empire City project is expected to boost the local economy.

<https://newsroom.mgmresorts.com/mgm-resorts-unveils-vision-for-mgm-empire-city.htm> (accessed December 16, 2023).

The Empire City facility is one of the largest gaming floors in the U.S. and is the largest casino floor of MGM’s U.S. properties, at 160,000 square feet and 4,671 slot machines (as of 2019).

<https://newsroom.mgmresorts.com/mgm-resorts-unveils-vision-for-mgm-empire-city.htm> (accessed December 16, 2023); MGM Resorts International, Form 10-K for the fiscal year ended December 31, 2019, at p. 4.

a major tourist destination. To the extent that these expansions (as well as the third brand-new casino) are granted in or around New York City, they are expected to lead to a significant increase in Land-based revenues within the state of New York.

Projection Methodology. Two of the three sites are modeled as expansions of the existing gaming locations: Empire City and Resorts World.⁴¹ These are already high-grossing gaming locations that have video lottery terminal machines (VLTs). If they were to get the licenses, they would be converting to full-scale casinos, including table games. For the third casino, the known candidates at the time of the publication of this study (arranged by borough and county) include:

1. Manhattan:
 - a. Wynn Resorts/Related Properties (Hudson Yards)
 - b. Caesars Entertainment/SL Green Realty Corp. (Times Square)
 - c. Hudson’s Bay Company (Midtown East)
 - d. Mohegan/Soloviev Group (Midtown East)
 - e. Parx/Silverstein Properties (Midtown West)
2. Bronx: Bally’s Corp (Throggs Neck)
3. Queens: Hard Rock/Steve Cohen (Willets Point)
4. Brooklyn: Saratoga Casino Holdings & Chickasaw Nation/Thor Equities Group (Coney Island)
5. Nassau County: Las Vegas Sands/RXR (Hempstead)

The schedule for the new casino licenses is not yet finalized and is subject to change based on New York’s application process.⁴² For the purposes of this analysis, a timeline of mid-2024 is utilized for when the licenses would be granted. The expansions of the two existing locations are estimated to take approximately 1.5 years to complete, opening in January 2026. Therefore, the first five years for these new casino licenses are 2026 through 2030. Construction of the third new casino project is estimated to take 3-4 years, opening in January 2028. If these dates change, the projections can be updated accordingly by shifting the start dates and revenue forecasts.

To estimate year-by-year revenue projections in the first five years after opening, the revenues and growth trajectory of the MGM National Harbor in Maryland are utilized. The MGM National Harbor is comparable to the New York casino locations for multiple reasons, including at least the following: (1) in 2022, MGM National Harbor was the highest-grossing casino in the U.S. outside

⁴¹ As discussed, many stakeholders consider these two locations to be the front-runners to win two of the three approved licenses.

⁴² The timeline estimates within this section are based on discussions with a casino operator.

of Nevada, followed by Resorts World in Queens;⁴³ (2) MGM National Harbor is in a major metropolitan area on the East Coast (Washington, D.C., metro area); (3) MGM National Harbor is operated by MGM, the largest casino operator in the U.S., which is also the operator of Empire City in Yonkers; (4) MGM National Harbor opened during a period relevant to making five-year projections as of 2024—relatively recently, at the end of 2016, but also sufficiently long that it has over five years of data from which to project revenues for the next five years for the New York casinos; and (5) MGM National Harbor is relatively as close to Atlantic City (another large gaming market) as New York City.⁴⁴

Projections for Empire City and Resorts World. The projections are calculated as follows:

1. Existing data are used to project VLT revenues through 2030 by holding them constant at their 2023 levels for each property. It is reasonable that VLT revenues will be constant going forward, considering they have been relatively constant (aside from during the COVID-19 pandemic) for the past few years. For Empire City, other than 2020, which was impacted negatively by the COVID-19 pandemic, VLT revenues have remained constant at around \$600 million per year from 2016 through 2023; and for Resorts World, VLT revenues were \$826 million in 2016, declined to \$702 million in 2017, and fell substantially during the COVID-19 pandemic but have trended back up to an estimated \$679 million in 2023 (equal to its 2019 level).⁴⁵ Holding VLT revenues flat and expecting no growth in the future is likely conservative because (1) if both these properties are converted into full-scale casinos with table games, guest rooms, and additional amenities, it is reasonable to expect more customers, and potentially customers with higher gaming budgets, to be drawn to these locations, which could lead to increased VLT revenues. Further, based on New York's low value of Land-based revenue per adult in 2023 compared to other nearby states,⁴⁶ New York has substantial room to grow.
2. Projected table games revenues in Year 5 (i.e., 2030) at Empire City and Resorts World are based on using MGM National Harbor as a benchmark. The ratio of table games to slots revenue is calculated for MGM National Harbor each year. In 2022 (i.e., the fifth full year (excluding 2020) after the opening of MGM National Harbor),⁴⁷ this ratio was 85.4%.⁴⁸ Projected table games revenue in Year 5 for Empire City and Resorts World is calculated by applying this ratio to each location's projected VLT revenues in Year 5. Doing so results in

⁴³ <https://www.casino.org/news/mgm-national-harbor-leads-regional-casino-revenue-in-2022/> (accessed January 19, 2024).

⁴⁴ With no traffic, National Harbor is approximately a three-hour drive to Atlantic City, and New York City is approximately a two-hour drive to Atlantic City.

⁴⁵ AG iGaming Report (2024), Exhibit 59.

⁴⁶ In 2023, New York's Land-based revenues per adult were \$262 as compared to New Jersey's \$411, Pennsylvania's \$358, and Maryland's \$432. AG iGaming Report (2024), See Exhibit 75.

⁴⁷ MGM National Harbor opened in 2016, so the fifth full year after its opening was 2021. However, 2020 was negatively affected by the COVID-19 pandemic, so 2020 is not considered for the purposes of modeling Empire City and Resorts World. Therefore, 2022 is the fifth full year (excluding 2020) after the opening of MGM National Harbor for the purposes of a benchmark in this analysis.

⁴⁸ AG iGaming Report (2024), Figure 62.

projected table games revenues in 2030 of \$513 million for Empire City and \$580 million for Resorts World.⁴⁹

- Projected table games revenues in Years 1 through 4 are calculated by using projected Year 5 revenues and then apportioning down each year to follow MGM National Harbor’s growth path. For example, as depicted below in Figure 62, MGM National Harbor’s total casino revenues in 2017 (i.e., the first year considered as a benchmark for Empire City and Resorts World) were 68.8% of its 2022 revenues. Applying this ratio results in projected table games revenues in Year 1 (2026) of \$353 million for Empire City and \$399 million for Resorts World.⁵⁰

Figure 6: MGM National Harbor Revenues in Years 1 through 5⁵¹

Casinos	2016	Year 1 2017	Year 2 2018	Year 3 2019	2020	Year 4 2021	Year 5 2022	2023
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Comparable Casino: MGM National Harbor								
Casino Revenue - VLTs	\$24	\$319	\$368	\$392	\$263	\$449	\$477	\$485
Casino Revenue - Table Games	\$18	\$290	\$337	\$315	\$221	\$321	\$407	\$349
Casino Revenue - Total	\$42	\$609	\$705	\$707	\$484	\$770	\$884	\$834
Ratio of Table Games to Slots	72.1%	91.0%	91.5%	80.2%	83.8%	71.4%	85.4%	71.9%
Share of Year 5 Revenue	4.7%	68.8%	79.7%	79.9%	54.7%	87.0%	100.0%	n/a

Figure 7: Projected Revenues for New Casinos in New York⁵²

Casinos	2016	Year 1 2017	Year 2 2018	Year 3 2019	2020	Year 4 2021	Year 5 2022	2023	2024	2025	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]
New Casinos															
Empire City Casino in Yonkers															
Casino Revenue - VLTs	\$590	\$599	\$601	\$609	\$252	\$600	\$606	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Casino Revenue - Table Games	-	-	-	-	-	-	-	-	\$600	\$600	\$353	\$409	\$410	\$446	\$513
Casino Revenue - Total	\$590	\$599	\$601	\$609	\$252	\$600	\$606	\$600	\$600	\$600	\$953	\$1,009	\$1,010	\$1,046	\$1,113
Resorts World New York City in Queens															
Casino Revenue - VLTs	\$826	\$702	\$693	\$679	\$271	\$608	\$631	\$679	\$679	\$679	\$679	\$679	\$679	\$679	\$679
Casino Revenue - Table Games	-	-	-	-	-	-	-	-	-	-	\$399	\$462	\$464	\$505	\$580
Casino Revenue - Total	\$826	\$702	\$693	\$679	\$271	\$608	\$631	\$679	\$679	\$679	\$1,079	\$1,142	\$1,143	\$1,184	\$1,260

⁴⁹ AG iGaming Report (2024), Figure 63.

⁵⁰ AG iGaming Report (2024), Figure 63. \$353 million = 68.8% x \$513 million for Empire City; \$399 million = 68.8% x \$580 million for Resorts World.

⁵¹ AG iGaming Report (2024), Exhibit 59.

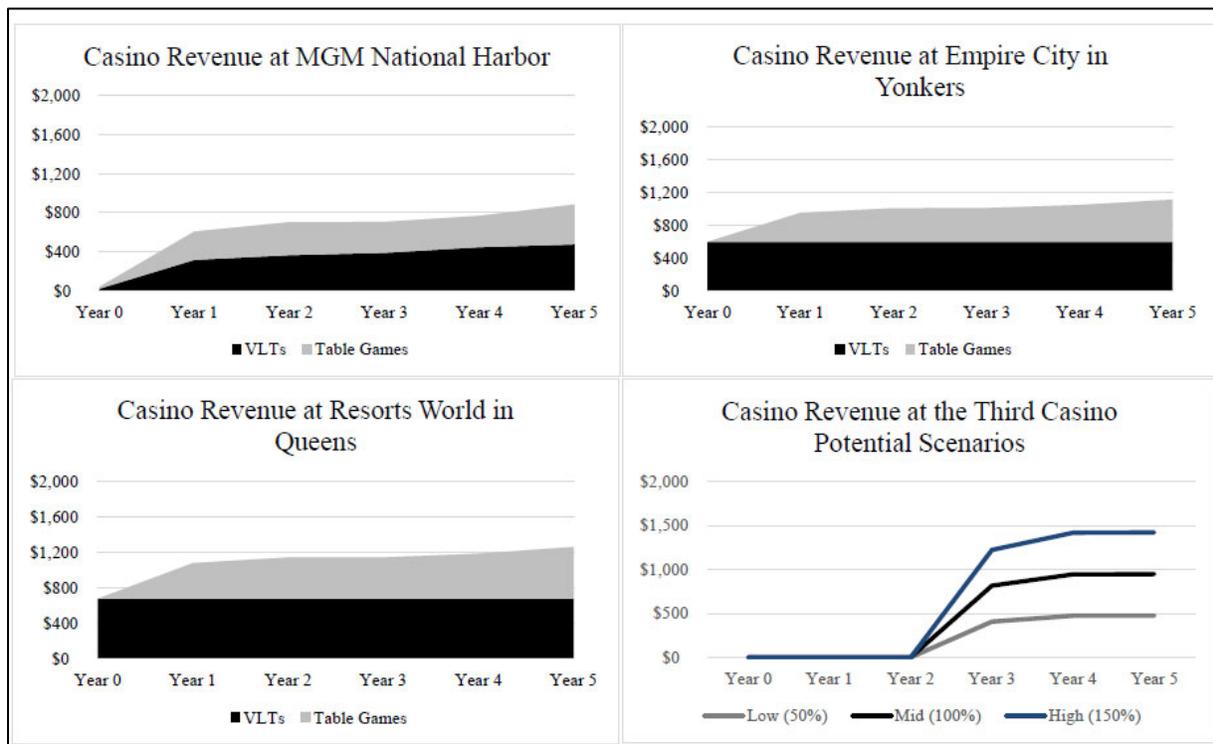
⁵² AG iGaming Report (2024), Exhibit 59.

Projections for the New Casino. Three projections (Low, Mid, and High) are calculated as follows:

1. This casino is expected to open two years after the two existing casino expansions. Revenue for 2032, the fifth year after the full operation of this casino, is calculated based on three scenarios: (1) a Low scenario using 50% of the average of Empire City and Resorts World revenues in 2030, i.e., the fifth year after their openings; (2) a Mid scenario using 100% of the average of Empire City and Resorts World revenues in 2030; and (3) a High scenario using 150% of the average of Empire City and Resorts World revenues in 2030. In this way, the projections allow for the third casino to be either smaller than, equal to, or larger than the two other casinos, with a growth path shifted by two years after the two other casinos.
2. After projecting 2032 revenues, revenues for 2028 through 2031 are projected by following the growth path of MGM National Harbor using a similar methodology as discussed above. For example, MGM National Harbor’s share from Year 1 (2017) is applied to the projected new casino revenues for Year 5 (2032) to scale the revenues down to Year 1 (2028) such that it follows the same proportional growth path as MGM National Harbor, which would lead to its eventual projected 2032 size.

Figure 8 shows the projected growth for each of the three casinos, compared to National Harbor.

Figure 8: Chart of Projected Revenues for New Casinos in New York⁵³



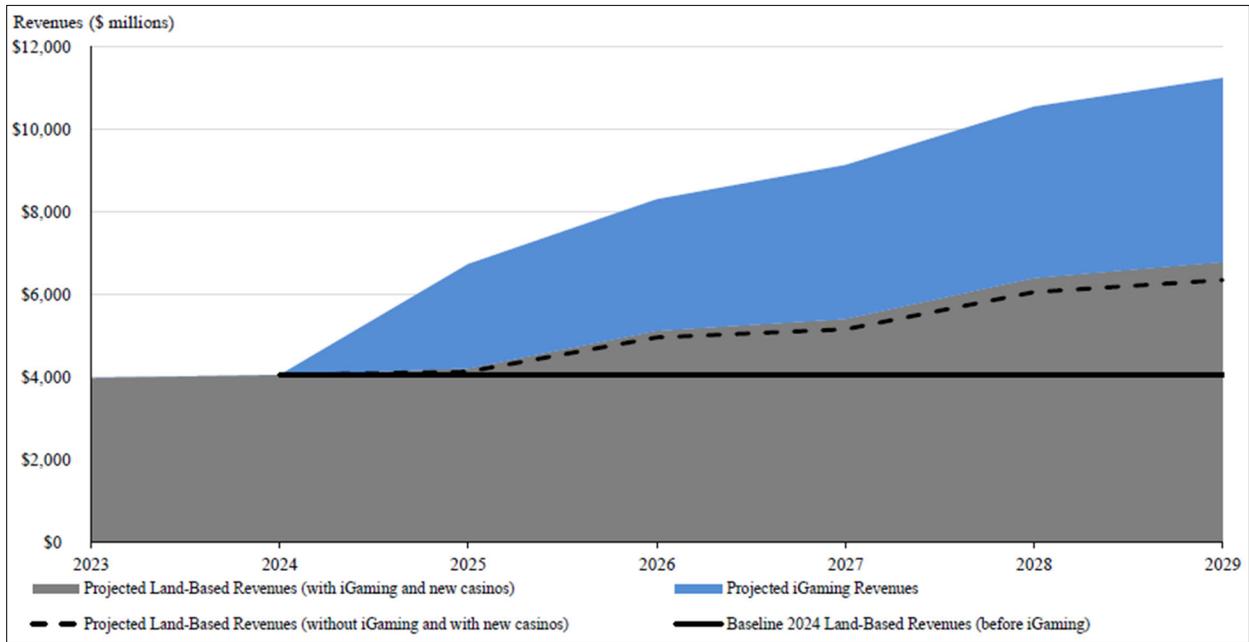
⁵³ AG iGaming Report (2024), Exhibit 60.

Even with the additional revenues from the new casinos, New York’s Land-based casino revenue per adult is within the range of other large nearby states (New Jersey, Maryland, and Pennsylvania), confirming that these projections are within a reasonable range. By 2029, New York’s projected Land-based casino revenue per adult is \$431,⁵⁴ compared to the 2023 values for New Jersey (\$411), Pennsylvania (\$358), and Maryland (\$432).⁵⁵ Further, by 2029, these values in other states may grow due to inflation and/or new casino openings or expansions, making New York’s projected revenues even more reasonable relative to other states.

V. TOTAL REVENUE PROJECTIONS

The total projected Land-based revenues including revenues from existing casinos, revenues from the three new casino licenses, and iGaming revenues for New York are calculated to be \$6.7 billion in Year 1 (2025), and they are projected to grow to \$11.3 billion in Year 5 (2029).⁵⁶ Figure 9 shows the shares of projected profits between Land-based revenues (including new casinos) and iGaming revenues, respectively.

Figure 9: New York – Revenue Projections (Including iGaming and New Casinos)⁵⁷



⁵⁴ Calculated as \$6.8 billion / 15,124,606. See AG iGaming Report (2024), Figure 66, Exhibit 52 and Exhibit 104.

⁵⁵ AG iGaming Report (2024), Exhibit 73.

⁵⁶ AG iGaming Report (2024), Exhibit 52.

⁵⁷ AG iGaming Report (2024), Exhibit 52A.

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.⁵⁸ A casino operator indicated that “iGaming operations have resulted in 183 jobs in New Jersey and 182 jobs in Pennsylvania.”⁵⁹ New York’s population is greater than that of New Jersey and Pennsylvania, so this would imply New York’s iGaming operations would be at least 183 jobs 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.⁶⁰ 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.”⁶¹

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.⁶²

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,”⁶³ 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.⁶⁴ 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

⁵⁸ “Market and Policy Analysis: Prospective Internet Casino Gaming in Indiana,” *Spectrum Gaming Group* (2023) (“Spectrum Indiana 2023 Study”), at 41.

⁵⁹ Spectrum Indiana 2023 Study, at 41.

⁶⁰ Spectrum Indiana 2023 Study, at 41.

⁶¹ Spectrum Indiana 2023 Study, at 42.

⁶² Spectrum Indiana 2023 Study, at 42.

⁶³ 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>.

⁶⁴ Exhibit 1 in the Jobs Analysis Exhibit Deck.

1,338 jobs in this category, an increase of 773 jobs.⁶⁵ Similarly, West Virginia showed an increase of 98 new jobs and Michigan showed an increase of 112 new jobs after iGaming legalization.⁶⁶

New York's adult population is approximately 56.4% of the combined adult populations of New Jersey, Michigan, Pennsylvania, and Connecticut, where large live dealer iGaming operations exist.⁶⁷ Applying a 56.4% factor to the 2,620 people employed by Evolution AB in those states results in an estimate of 1,477 jobs that could be employed by a similar company in New York. In other words, based on the observed employment data from the four iGaming states and New York's population ratio relative to them, it is reasonable that iGaming could generate approximately 1,477 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,⁶⁸ 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.⁶⁹ According to their website, the company "has strong ambitions to further extend Authentic Gaming's product offering across the U.S. Market."⁷⁰

In addition, some of the largest iGaming companies have significant presences in New York already and/or plans to expand their New York presences upon iGaming legalization in New York. For example:

1. FanDuel (an estimated 30% market share within the U.S. online sports betting and iGaming market as of Q3 in 2023), has been based in New York City since 2009.⁷¹
2. DraftKings (estimated 32% market share) owns headquarters in Boston, MA, but operates a location in New York with 4,500 total employees.⁷²

⁶⁵ Exhibit 1 in the Jobs Analysis Exhibit Deck.

⁶⁶ Exhibit 1 in the Jobs Analysis Exhibit Deck.

⁶⁷ $15,214,606 / (6,930,046 + 9,817,879 + 7,526,958 + 2,702,594) = 56.4\%$. See AG iGaming Report (2024), Exhibit 104.

⁶⁸ <https://igamingnext.com/news/onair-entertainment-us-rollout/> (accessed January 25, 2024).

⁶⁹ <https://igamingbusiness.com/casino/light-wonder-authentic-gaming/> (accessed January 25, 2024).

⁷⁰ <https://explore.lnw.com/newsroom/scientific-games-enters-live-casino-market-with-authentic-gaming-acquisition/> (accessed January 25, 2024).

⁷¹ All Market share estimates in this section are according to estimates from Eilers & Krejcik Gaming (EKG) from: <https://next.io/news/draftkings-overtakes-fanduel-us-market-leader/> (accessed January 25, 2024); Headquarter information: <https://www.cbinsights.com/company/fanduel> (accessed January 25, 2024).

⁷² Headquarter information: <https://www.builtinnyc.com/company/draftkings> (accessed January 25, 2024).

3. BetMGM (estimated 16% market share), operates headquarters on the border of New York in Jersey City, and MGM has announced plans to expand its existing racino location in Yonkers, New York to become a full-scale commercial casino.⁷³
4. Caesars (estimated 5% market share) was one of the first operators to go live in New York's current regulated online market.⁷⁴ The company recently expanded its operations to include mobile horse racing as well, and they are expected to pursue iGaming in New York should legalization occur.⁷⁵
5. BetRivers (estimated 5% market share) launched sports betting in New York in the beginning of 2022, and the company is expected to be an instant contender in New York's iGaming market given its quick entry into states such as Illinois and Pennsylvania.⁷⁶
6. Fanatics is a relatively new company in the online gambling market, having only launched iGaming in West Virginia in November 2023 and Pennsylvania in January 2024.⁷⁷ The company has already started operations in New York, as they were recently approved for a mobile sports betting license to operate in the state in October 2023.⁷⁸ Fanatics has a 125,000-square-foot Manhattan office located in the West Village. Fanatics's New York office, which opened in February 2023, brings together over 300 employees across Fanatics' 3 distinct businesses of commerce, collectibles, and betting and gaming, and it is the first home of Fanatics, Inc., its larger parent company.⁷⁹

The legislation as proposed requires the live dealers to be located in the state of New York. With an estimated 1,477 new jobs based on data from Evolution AB and 183 jobs from one iGaming operator alone, it is reasonable to expect at least 1,660 new jobs in the state of New York due to iGaming as a conservative estimate.⁸⁰

⁷³ Headquarter information: <https://www.betmgm.com/who-we-are/> (accessed January 25, 2024); Plans for expansion: <https://www.prnewswire.com/news-releases/mgm-resorts-unveils-vision-for-mgm-empire-city-302001400.html> (accessed January 25, 2024).

⁷⁴ Sports betting information: <https://igamingbusiness.com/sports-betting/online-sports-betting/caesars-extends-online-racebook-to-new-york/> (accessed January 25, 2024).

⁷⁵ <https://ny.bet/casino/betrivers-ny-casino/#betrivers-ny-casino-welcome-bonus> (accessed January 25, 2024).

⁷⁶ Sports Betting information: <https://www.businesswire.com/news/home/20220106005774/en/BetRivers-to-Launch-Online-and-Mobile-Sportsbook-in-New-York-State-This-Saturday-Morning-January-8th> (accessed January 25, 2024); BetRivers' iGaming history: <https://ny.bet/casino/betrivers-ny-casino/#betrivers-ny-casino-welcome-bonus> (accessed January 25, 2024).

⁷⁷ Fanatics' iGaming history: <https://sbcamericas.com/2024/01/22/fanatics-sportsbook-casino-pa-launch/> (accessed January 25, 2024).

⁷⁸ Sports Betting information: <https://nypost.com/sports/fanatics-sportsbook-new-york-promo-code/> (accessed January 25, 2024).

⁷⁹ <https://americanbuildersquarterly.com/2023/michael-hudson-fanatics/> (accessed February 8, 2024).

⁸⁰ 1,477 + 183 = 1,660.

- B. iGaming is unlikely to have a negative impact on jobs supported by the Land-based casino industry in New York, 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”).⁸¹ 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.⁸² Indirect and induced jobs are jobs generated by the casinos’ supply chain or jobs created through the casino employees’ direct spending.⁸³ 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

⁸¹ “Economic Impact of the U.S. Gaming Industry,” *American Gaming Association* (2023); “Economic Impact of the US Gaming Industry,” *American Gaming Association* (2018).

⁸² “Economic Impact of the U.S. Gaming Industry,” *American Gaming Association* (2023), at p. 3.

⁸³ “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 2022.⁸⁴ Figures 10 and 11 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 10: Number of Jobs Supported by the U.S. Gaming Industry For the iGaming States in 2017 and 2022⁸⁵

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%

⁸⁴ States with a missing datapoint in 2017 were excluded from the control group.

⁸⁵ AG iGaming Report (2024), Exhibit 3 in the Jobs Analysis Exhibit Deck.

Figure 11: Number of Jobs Supported by the U.S. Gaming Industry For All Other States in 2017 and 2022⁸⁶

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	na	9,044	na	na
[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	na	6,646	na	na
[17] Hawaii	na	772	na	na
[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	na	2,670	na	na
[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	na	1,487	na	na
[35] New Mexico	17,399	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	na	2,902	na	na
[44] South Dakota	4,238	4,969	17.2%	3.2%
[45] Tennessee	na	6,909	na	na
[46] Texas	3,111	20,316	553.0%	45.5%
[47] Utah	na	2,199	na	na
[48] Vermont	na	436	na	na
[49] Virginia	na	8,098	na	na
[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	46.8%	7.8%

Figure 12 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 12 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%

⁸⁶ AG iGaming Report (2024), Exhibit 3 in the Jobs Analysis Exhibit Deck.

Figure 12: Summary of Jobs Supported by the U.S. Gaming Industry by State Grouping in 2017 and 2022⁸⁷

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%
Difference in CAGR Between Treatment And Control Groups		Treatment Effect		
[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).⁸⁸ 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 12.

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%.⁸⁹ 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

⁸⁷ AG iGaming Report (2024), Exhibit 4 in the Jobs Analysis Exhibit Deck.

⁸⁸ 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).

⁸⁹ 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.⁹⁰ For example, one casino operator has indicated that “iGaming has increased visits to [their] casino, which “positively impacts” staffing levels.”⁹¹ 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.⁹² 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.⁹³

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 New York land-based casinos.

D. Land-based casino jobs in New York are projected to increase from 7,897 in 2023 to 13,475 in 2029 (a 70.6% increase), driven primarily by the three new casino licenses.

The projected increase in jobs associated with increased Land-based revenues and the three new casino licenses is modeled as follows.

First, the ratio of total casino revenues to jobs (revenue per casino employee) is calculated using state reported revenue figures and census data for New York casino-related jobs in 2023. This ratio of casino revenue per employee is then applied to the projected Land-based revenues from 2024 through 2029 to estimate the growth in jobs due to new casinos. The results from this analysis show that total jobs are projected to increase from 7,897 in 2023 to 13,475 in 2029 (a 70.6% increase).

This method provides a conservative estimate, because table games require more employees than slots, so the expansions of Empire City and Resorts World in Queens would be more labor intensive than they currently are.⁹⁴

⁹⁰ “Market and Policy Analysis: Prospective Internet Casino Gaming in Indiana,” *Spectrum Gaming Group* (2023) (“Spectrum Indiana 2023 Study”), at 41.

⁹¹ Spectrum Indiana 2023 Study, at 41.

⁹² Spectrum Indiana 2023 Study, at 41.

⁹³ Spectrum Indiana 2023 Study, at 41.

⁹⁴ A potential alternate method would be to evaluate the growth in casino-related jobs in Maryland after the opening of MGM National Harbor in its first three years (2016-2019). This growth could be adjusted accordingly for each of the three casinos (accounting for the fact the two casinos already have slots, are adding tables, and they are comparable, but different sizes than National Harbor). Another alternate method would be to calculate the Land-based Revenue per employee in other states with higher shares of Table Games relative to Slots and adjust New

Figure 13: Projected New Casino Jobs Resulting from Three New Casino Licenses: 2023 – 2029⁹⁵

	2023	2024	2025	2026	2027	2028	2029
	[A]	[B]	[C]	[D]	[E]	[F]	[G]
Projected Land-based Revenues (with iGaming and new casinos)	\$3,981,087,764	\$4,056,955,241	\$4,212,412,999	\$5,125,958,275	\$5,412,504,152	\$6,405,394,111	\$6,792,727,701
Revenue from New Casinos	-	-	-	\$752,130,559	\$871,076,496	\$1,689,944,284	\$1,896,587,377
Observed Employment Level	7,897	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Total Land-based Revenue per Employee	\$504,111	\$504,111	\$504,111	\$504,111	\$504,111	\$504,111	\$504,111
Projected Employment Level	7,897	8,048	8,356	10,168	10,737	12,706	13,475
Projected Employment Level from New Casinos	-	-	-	1,492	1,728	3,382	3,762

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 three new casino licenses) are projected to have on jobs.⁹⁶

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.⁹⁷ Because the employers are located in New York, the majority of these jobs and economic benefits can be expected to occur in New York.

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 ratio is applied to the projected casino jobs for New York from 2024 through 2029 to generate projections for the number of additional direct jobs over this period.⁹⁸ The additional direct impact of the new Land-based casinos in New York (including the additional impact of catalytic spending and sustained capital investment over time) is that additional direct gaming jobs in New York are projected to increase from 2,115 in 2023 to 3,608 in 2029 (a 70.6% increase), driven primarily by additional new jobs created as a result of the three new casino licenses.

York’s revenue per employee figure based on the projected changes in ratio of table games to slots from 2024 through 2029.

⁹⁵ AG iGaming Report (2024), Exhibit 10 in the Jobs Analysis Exhibit Deck.

⁹⁶ American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 21.

⁹⁷ American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 2, 21.

⁹⁸ In this context, the word “additional” means direct jobs beyond direct casino employees.

Figure 14: Projected Directed and Total Impact Jobs Resulting From New York Casino Jobs: 2023 – 2029⁹⁹

	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]
Direct and Total Impact Jobs							
Projected Casino Employment Level	7,897	8,048	8,356	10,168	10,737	12,706	13,475
Number of Direct Impact Jobs	2,115	2,155	2,238	2,723	2,875	3,403	3,608
Number of Indirect and Induced Jobs	13,790	14,053	14,591	17,756	18,748	22,187	23,529
Number of Total Impact Jobs	23,802	24,256	25,185	30,647	32,360	38,296	40,612

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.¹⁰⁰ Because these casinos are based in New York, the majority of these jobs can be expected to occur in New York.¹⁰¹

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.¹⁰² Because these casinos are based in New York, the majority of these jobs related to the consumer spending induced impact can be expected to occur in New York.¹⁰³

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 1.75.¹⁰⁴ 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.

⁹⁹ AG iGaming Report (2024), Exhibit 11 in the Jobs Analysis Exhibit Deck.

¹⁰⁰ American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 2.

¹⁰¹ 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 New York casinos purchase inputs and use service providers with employees outside of New York, these jobs would benefit states and countries outside of New York as well.

¹⁰² American Gaming Association, Economic Impact of the U.S. Gaming Industry, 2023, at 21.

¹⁰³ 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 New York Casino employees live in other states, some of this effect would benefit other states as well.

¹⁰⁴ In this context, the word “additional” means indirect and induced jobs beyond direct casino employees.

This ratio is applied to the projected casino jobs for New York 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 New York (including the impact of supply chain and consumer spending) is that the number of additional indirect and induced jobs in New York are projected to increase from 13,790 in 2023 to 23,529 in 2029 (a 70.6% increase), driven primarily by the three new casino licenses.

Adding the direct, indirect, and induced impacts together, the results are as follows: the number total impact jobs in New York are projected to increase from 23,802 in 2023 to 40,612 in 2029 (a 70.6% increase).

VII. ANALYSIS OF CONSTRUCTION JOBS FOR THE THREE NEW CASINO LICENSES

A. Overview

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, two approaches are used to estimate the impact of the three new casino licenses on construction jobs: (1) a Market Comparables Approach and (2) a Cost Approach.

The analysis is based on two of the licenses going to MGM Empire City in Yonkers and Resorts World in Queens, with a third casino as new construction. The two expansions are estimated to last 1.5 years, with budgets of approximately \$1 billion. The new casino construction is estimated to last for 3.5 years, with a budget of approximately \$4 billion.

The Market Comparables Approach implies 18,150 to 25,364 jobs created for 1.5 years while all three casinos are being constructed, including 10,400 to 12,364 jobs that would last for the full 3-4 years for the third casino. Rounding these numbers down implies **18,000 to 25,000 jobs created for 1.5 years and 10,000 to 12,000 jobs for the full 3-4 years.**

The Cost Approach (with some preliminary inputs based on public sources) implies 12,504 to 21,241 jobs created for 1.5 years while all three casinos are being constructed, including 5,771 to 9,804 jobs that would last for the full 3-4 years for the third casino.

Figure 15: Summary of Estimated Construction Jobs Due to New Casino Construction in New York¹⁰⁵

Casino Project [A]	Using Market Comparable Approach		Using Cost Approach	
	Low [B]	High [C]	Low [D]	High [E]
[1] MGM Empire City (expansion)	3,875	6,500	3,366	5,719
[2] Resorts World Queens (expansion)	3,875	6,500	3,366	5,719
[3] Third New Casino	10,400	12,364	5,771	9,804
[4] Total	18,150	25,364	12,504	21,241

B. Market Comparables Approach

Casino expansions (MGM Empire City and Resorts World Queens). Eight projects were located with a degree of comparability to the casino expansion projects for the purpose of this analysis. The selected projects have total estimated costs of \$700 million to \$1.7 billion and reported construction jobs figures. Further, the projects met at least one of the following criteria: (1) they were casinos or other projects centered around large buildings that entertain guests, and/or (2) they were in New York City metro area or another large urban metro area.

Sources indicate that the construction jobs created range from 2,000 to 6,500, with an average of 3,875. These projects generally took two-to-four years. There is not a consistent relationship between total project costs and project budget. For example, the highest budget project (Bally’s Casino Chicago) has only 3,000 jobs, while the lowest budget project: Live! Casino and Hotel, had 5,000 jobs.

The anticipated expedited timelines of the New York casino projects would reasonably require a greater number of people working for a shorter amount of time, so with an expedited timeline and a budget of \$1 billion, construction jobs for each of the two New York casino expansion projects would likely be toward the high-end of that range. Therefore, each project would reasonably generate 3,875 to 6,500 jobs over 1.5 years.

Figure 16: Jobs Generated by Comparable Large Construction Projects (budgets from \$700 million to \$1.7 billion)¹⁰⁶

Project Name [A]	Year Started [B]	Year Completed [C]	City [D]	Type of Project [E]	Total Project Cost [F]	Construction Jobs Created [G]	Timing of Estimate [H]
[1] Yankee Stadium Replacement	2006	2009	New York City, NY	Baseball Stadium	~\$1.2 billion	6,500	Pre-Project
[2] MGM National Harbor	2014	2016	Oxon Hill, MD	Casino Hotel & Resort	~\$1.4 billion	6,000	Post-Project
[3] Live! Casino & Hotel	2019	2021	Philadelphia, PA	Casino & Hotel	~\$700 million	5,000	Post-Project
[4] Jacob Javits Convention Center Expansion	2017	2021	New York City, NY	Convention Center	~\$1.5 billion	3,000	Post-Project
[5] Seminole Hard Rock Hotel & Casino	2017	2019	Hollywood, FL	Casino & Hotel	~\$1.5 billion	3,000	Post-Project
[6] Bally’s Casino Chicago	2024 (est.)	2026 (est.)	Chicago, IL	Casino	\$1.7 billion	3,000	Pre-Project
[7] Encore Boston Harbor	2015	2019	Boston, MA	Casino Hotel & Resort	~\$1.6 billion	2,500	Post-Project
[8] Graton Resort & Casino Expansion	2023	2025 (est.)	Rohnert Park, CA	Casino & Resort	~\$1.0 billion	2,000	Pre-Project
[9] Average Construction Jobs Created						3,875	

¹⁰⁵ AG iGaming Report (2024), Exhibit 12 in the Jobs Analysis Exhibit Deck.

¹⁰⁶ AG iGaming Report (2024), Exhibit 13 in the Jobs Analysis Exhibit Deck.

Third New Casino Construction. Two projects were located with a degree of comparability to the new casino project, with total costs of \$5.0 billion to \$5.5 billion. The number of casino and sports stadium projects with budgets in the range of \$4.0 million is limited. Sources indicate that the construction jobs created range from 13,000 to 17,000, and each project was completed over four years. With a similar 3.5-year timeline and an estimated budget of \$4 billion, the construction jobs from the two other projects are scaled down by the ratio of project budget: e.g., 80% (\$4 billion / \$5 billion). This results in 10,400 to 12,364 jobs over 3.5 years.

Figure 17: Jobs Generated by Comparable Large Construction Projects (budgets from \$5.0 billion to \$5.5 billion)¹⁰⁷

[10] SoFi Stadium	2016	2020	Inglewood, CA	Football Stadium	~\$5.5 billion	17,000	Post-Project
[11] Estimated Jobs for 3rd NY Casino based on \$4.0 billion budget						12,364	
[12] Apple Park	2013	2017	Cupertino, CA	Apple Headquarters	~\$5.0 billion	13,000	Post-Project
[13] Estimated Jobs for 3rd NY Casino based on \$4.0 billion budget						10,400	

C. Cost Approach

The Cost Approach uses the following methodology, based on very preliminary estimates:

1. Estimated Labor costs are calculated by multiplying the “Estimated Project Budget” by “% of Budget that is Labor Costs.”
 - a. Labor costs as a % of total construction project budget is a range estimated from public sources.
2. Estimated # of Labor Hours Required is calculated as “Estimated Labor Costs” divided by “NY average hourly wage with benefits.”
 - a. NY average hourly wage of a construction worker is a range estimated from public sources.
 - b. A 40% markup is applied to estimate total compensation cost, accounting for benefits, bonuses, etc.
 - c. The average hourly wage is marked up by the 40% markup to determine the “NY average hourly wage with benefits.”
3. # of Labor Hours Required By Year is calculated as “Estimated # of Labor Hours Required” divided by “Timeline (in Years).”
4. # of Jobs Required Per Year is calculated as “# of Labor Hours Required By Year” divided by 2,000.

The Cost Approach is meant to provide a flexible model for policymakers, casino companies, construction companies, and other interested parties to calculate the tradeoff between project budget, percentage of labor cost, hourly wages, and the other parameters to see the number of jobs created. Based on the preliminary inputs, the range for each of the two casino expansion projects is that they would generate 3,366 to 5,719 jobs over 1.5 years. Based on the preliminary inputs, the range for the new casino project is that it would generate 5,771 to 9,804 jobs over 3.5 years.

¹⁰⁷ AG iGaming Report (2024), Exhibit 13 in the Jobs Analysis Deck.

Figure 18: Estimated Construction Jobs Created by New Casinos in New York Using Cost Approach¹⁰⁸

Project Title	Estimated Project Budget	% of Budget that is Labor Costs	Estimated Labor Costs	Estimated # of Labor Hours Required	# of Labor Hours Required by Year	# of Jobs Required Per Year
[A]	[B]	[C]	[D]	[E]	[F]	[G]
Expansion of Existing NY Casino						
[1] Low	\$1,000,000,000	40.0%	\$400,000,000	10,099,480	6,732,987	3,366
[2] Mid	\$1,000,000,000	50.0%	\$500,000,000	13,408,780	8,939,187	4,470
[3] High	\$1,000,000,000	60.0%	\$600,000,000	17,156,582	11,437,722	5,719
Construction of New Casino						
[4] Low	\$4,000,000,000	40.0%	\$1,600,000,000	40,397,920	11,542,263	5,771
[5] Mid	\$4,000,000,000	50.0%	\$2,000,000,000	53,635,120	15,324,320	7,662
[6] High	\$4,000,000,000	60.0%	\$2,400,000,000	68,626,330	19,607,523	9,804
Project Parameters						
	Project Budget	Timeline (in Years)				
	[H]	[I]				
[7] Expansion of Existing NY Casino	\$1,000,000,000	1.5				
[8] Construction of New Casino	\$4,000,000,000	3.5				
Model Parameters						
	Low	Mid	High			
	[J]	[K]	[L]			
[9] Labor costs as a % of construction budget	40.0%	50.0%	60.0%			
[10] NY average hourly wage of a construction worker	\$28.29	\$26.64	\$24.98			
[11] % of hourly wage compensated as benefits	40.0%	40.0%	40.0%			
[12] NY average hourly wage with benefits	\$39.61	\$37.29	\$34.97			
[13] # of hours worked per job per year	2,000	2,000	2,000			

¹⁰⁸ AG iGaming Report (2024), Exhibit 14 in the Jobs Analysis Exhibit Deck.