



UNIVERSITY OF MASSACHUSETTS SCHOOL OF PUBLIC HEALTH AND HEALTH SCIENCES

## *Executive Summary*

# **Social and Economic Impacts of Plainridge Park Casino: 2018**

Report to the Massachusetts Gaming  
Commission & the Massachusetts Department  
of Public Health

**June 13, 2019**

# RESEARCH TEAM

## *Executive Team*

**Dr. Rachel A. Volberg** is a Research Professor in the School of Public Health and Health Sciences at the University of Massachusetts Amherst. She is the Principal Investigator for SEIGMA as well as the lead for the Social Impacts Team.

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## *Economic Impacts Team*

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**Dr. Mark Nichols** is a Professor of Economics in the College of Business at the University of Nevada at Reno. He is a consultant to the Economic Impacts Team.

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## ***Suggested Citation***

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**A PDF OF THIS REPORT CAN BE DOWNLOADED AT: [www.umass.edu/seigma](http://www.umass.edu/seigma)**

# EXECUTIVE SUMMARY

In September 2018, a comprehensive report on the [\*Social and Economic Impacts of Expanded Gambling in Massachusetts: 2018\*](#) (SEIGMA Research Team, 2018) was produced that described both the regional and statewide impacts of expanded gambling in Massachusetts as of mid-2018. The present report is an extraction of information from that report specific to the impacts of the construction and operation of Plainridge Park Casino (PPC).

In general, it can be said that the impacts of PPC to date have largely been positive, with clear positive economic impacts along with relatively minor negative social impacts. The profile of specific impacts is described below.

## Social and Health Impacts

- There has been no significant change in the prevalence of problem gambling or related indices (treatment seeking, bankruptcy, divorce/separation, suicides) in the PPC Host and Surrounding Communities (H&SC). This is likely due to the fairly high population level of casino gambling that existed prior to the introduction of PPC that is related to the close proximity of Rhode Island and Connecticut casinos, which have been in operation since the early 1990s.
- There has been no significant change in the overall amount of crime in the PPC H&SC. However, there has been an increase in credit card fraud and reports of lost property, suspicious activity, and traffic complaints in the Town of Plainville that can likely be attributed to PPC. These increases, in turn, are largely attributable to an increased volume of visitors to the area.
- There has been a significant change in the PPC H&SC attitudes toward gambling. A greater portion of people in the region now report being satisfied with the availability of gambling. However, there has also been a decrease in the percentage of people who believe casinos will be beneficial to Massachusetts and an increase in the percentage of people with more neutral opinions about PPC (i.e., more people believing it will be neither beneficial nor harmful).
- There has been no significant change in population health (health, happiness, stress, substance use, addictions) in the PPC H&SC that can be attributed to casino introduction. There has also been no change in overall gambling involvement in the PPC H&SC or the percentage of people who consider gambling to be an important leisure activity.
- There has been no change in the broader population demographics in the PPC H&SC that can be attributed to casino introduction.
- There has been an increase in traffic volume, traffic complaints, and noise complaints (during construction) in the Town of Plainville that is attributable to PPC.

## Economic and Fiscal Impacts

- The building of PPC has had significant economic benefits. Penn National spent \$150.2 million building PPC and employing a large local workforce in the construction. A total of 87% of this direct spending was within Massachusetts as was 81% of the construction workforce, with the majority of spending and employment occurring in Bristol and Norfolk Counties (where PPC is located). Economic modelling suggests that PPC construction created 1,286 net new jobs, \$104.4 million in net new personal income, and \$121.8 million in net new economic activity in the state, with most of this occurring within Bristol and Norfolk Counties.
- The operation of PPC is also creating significant economic benefits as most of the \$176 - \$186 million annual revenue appears to represent new money from 'recaptured' Massachusetts casino patrons (i.e.,

Massachusetts residents who reported they would have gambled out-of-state if not for PPC) and out-of-state patrons. Furthermore, the large majority of this revenue stays in the state. Of the \$129.5 million in operational expenses (taxes, wages, supplies) in PPC's first year of operation, 87% were spent within Massachusetts. Also, slightly more than 500 people have ongoing employment at the casino, with approximately 71% being in-state employees. A significant portion of these are 'new' jobs as people taking the positions were either unemployed or working part-time prior to beginning work at the casino. After accounting for losses to other sectors of the economy due to reallocated consumer spending to PPC, economic modelling projects 2,417 net new jobs were created in the first year of operation, as well as \$143.7 million in net new personal income and \$362.4 million in net new economic activity, with most of this occurring within the Metro Boston region.

- There is no strong direct evidence that the overall number of businesses has significantly changed as a direct result of PPC or that the construction and/or operation of PPC has differentially impacted certain types of businesses. That said, economic modelling does project \$72.4 million in additional economic activity in Bristol and Norfolk Counties due to PPC construction and \$326.3 million in additional economic activity in the Metro Boston and Southeastern regions associated with PPC operation prior to considering reallocation. In addition, there is an unambiguous rejuvenation of racing at Plainridge Racecourse, which is primarily due to the funds provided from the Race Horse Development Fund (which is funded by PPC slot revenue).
- There has been a slight increase in wages and a slight decrease in the poverty rate in Plainville, but it is uncertain whether this is attributable to the casino. However, economic modelling does show significant increases in personal income in Bristol and Norfolk Counties due to PPC construction and to the Metro Boston and Southeast regions due to PPC operation.
- It is unlikely that PPC has impacted local property values or rental costs.
- Government impacts from casino gambling have not been extensively analyzed. There are some financial costs in Plainville due to the strain on infrastructure and local government services as well as the fact that the local populace disproportionately contributes to PPC revenue. However, this is offset by revenue from Host and Surrounding Community agreements with PPC, PPC property taxes, and Local Aid from the state government from taxes on casino gross gaming revenue.

## Summary of Impacts

SOCIAL and HEALTH IMPACTS		Change from baseline to follow up
<b>Problem Gambling and Related Indices</b>	Prevalence and Incidence of Problem Gambling; Treatment Seeking for Problem Gambling	↔
	Financial Problems, Bankruptcy, Employment Problems	↔
	Divorce, Separation, Domestic Violence, Child Abuse and Neglect; Suicide	↔
<b>Crime</b>	Overall Crime Rates; Illegal Gambling	↔
<b>Attitudes</b>	Attitudes Towards Gambling	↓ ↑
<b>Population Health &amp; Leisure</b>	Physical and Psychological Health; Substance Use and Addictions; Leisure Activity	↔
<b>Demographics</b>	Population; Educational System	↔
<b>Environment</b>	Traffic (accidents, volume); Noise	↑
ECONOMIC AND FISCAL IMPACTS		Change from baseline to follow up
<b>Direct Casino Expenditure and Revenue</b>	Plainridge Park Casino	↑
<b>Business Establishments</b>	Number of Business Establishments; Impacts on Other Types of Gambling	↑
<b>Employment</b>	Employment Levels, Labor Force Participation	↑
<b>Personal Income</b>	Wages	↑
	Poverty Rate	↓
	Gambling Participation in Relation to Income	TBD
<b>Real Estate and Housing</b>	Property Values; Residential Building Permits; Rental Costs	↔
<b>Government and Fiscal</b>	Expenditure	↑
	Revenue	↑