

New Employee Survey at MGM Springfield: March 2018 through December 2019

Prepared by the UMass Donahue Institute's
Economic & Public Policy Research Group

EXECUTIVE SUMMARY

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Executive Summary

Through the establishment of the casino industry in Massachusetts, lawmakers provided avenues for the creation of new jobs, revenue, and economic growth in the state. The Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study, of which the Economic and Public Policy Research team at the University of Massachusetts Donahue Institute (UMDI) is a part, strives to understand the impact of the casinos on the people and economy of the Commonwealth. This report analyzes the results of a survey administered by the Massachusetts Gaming Commission with incoming employees and profiles the workforce at MGM Springfield. The New Employee Survey was designed to gather a range of information on work-related characteristics of new employees that could not be collected from any other source. Over time, survey data from all three casinos will help workforce development providers and policymakers understand the demographic characteristics of the casino workforce, types of employees applying to work at the casinos, how much pre-employment experience employees have, the extent to which they receive training, and the number of employees drawn from the local labor supply.

The purpose of the New Employee Survey is to document new employee characteristics as they are on-boarded into their casino jobs. This study examines new employee survey data through the first year and a half of MGM Springfield's operation (March 2018-December 2019). To gain insight into how casino jobs fulfill needs for work, the survey asks new employees about their previous employment, residency, experience, and other economic factors. These details give us a baseline view of the types of workers that are applying to MGM Springfield, so that we may properly explore the effects that casino employment might have on them and others in the Commonwealth. Survey data also provide insight into the economic choices that employees face when making the decision to work at a Massachusetts casino as well as the opportunities that they believe employment at the casino can afford them. While all employees were invited to take the survey, not all employees elected to participate in it. These findings reflect a sample of all employees at MGM Springfield.

In analyzing the survey data, it became clear that the casino provides opportunities for a wide range of workers. This includes workers, who, by virtue of their previous employment history, income, and residency, are vulnerable to economic hardship. For these workers, MGM Springfield offers economic opportunity beyond their current economic situation. With its downtown location, MGM Springfield employment has provided the following enhanced economic opportunities:

Stable work opportunities

- The top reasons why employees wanted to work at MGM Springfield included the opportunity for career advancement, excitement for working at a casino, and improved pay.
- Most employees who were hired in MGM Springfield's first year and a half of operations worked full time or more in their previous jobs. Of those who worked less than full-time in their previous jobs, 12 percent had multiple jobs and 10 percent had been unemployed.
- Most of those who had been previously unemployed experienced long-term unemployment and most worked in full-time positions at MGM Springfield.
 - More than half of employees who had been previously unemployed had been unemployed for 12 months or longer. Twenty percent of the previously unemployed had been unemployed for 36 months or more.
 - Out of all the formerly unemployed workers, 54 percent had a full-time job at MGM Springfield and 42 percent worked part-time at the casino.
- The majority of MGM Springfield's jobs were full-time, but those jobs were predominantly held by employees who had been full-time in their previous jobs.

- Of those workers who wanted full-time employment at the casino, 60 percent filled full-time positions, while almost 35 percent filled part-time positions.
- Nine percent of respondents expect to be working multiple jobs while employed at MGM Springfield.

Income opportunities and benefits

- Most employees were low-wage earners before joining the casino, and many still earned low wages at the casino.
 - More than 73 percent of survey respondents earned less than \$40,000 in their previous jobs. 78 percent of respondents earn less than \$40,000 at the casino, but some of them are using their positions at the casino as a second job. However, employees expected to earn more tips at MGM Springfield than they had in their previous jobs.
- In addition to income, most employees at MGM Springfield earn benefits, such as paid time off, retirement benefits, or health benefits.
 - The most common types of benefits that employees had at MGM Springfield were health benefits and paid time off.
 - Over 35 percent of respondents did not have any benefits in their previous jobs, but substantially more of them had benefits in their casino positions regardless of their employment status.
- Though most employees were full-time at MGM Springfield, very few of them were salaried.
- Most employees at MGM Springfield earned an hourly wage, regardless of their full-time or part-time employment status.
 - Nearly 90 percent of employees were hourly workers at MGM Springfield, while only 17 percent of respondents reported earned salaried wages in their previous jobs. This may be explained by more employees accepting tips in addition to wages, employees foregoing higher wages for more benefits, or employees using their casino job for supplementary income while they keep their previous jobs.

Opportunities for local workers

- Jobs at MGM Springfield were filled primarily by Massachusetts residents. Most employees lived in Massachusetts though a substantial proportion commuted from Connecticut.
 - Three quarters of survey respondents reported that their current residence was in Massachusetts, but 21 percent of employees lived in Connecticut.
- Of those employees who lived in Massachusetts, the majority lived in either Springfield or the Surrounding Communities and within a short commuting distance from the casino.
 - Thirty-nine percent of survey respondents lived in Springfield and another 22 percent lived in the Surrounding Communities.
 - The vast majority of employees who lived in Springfield indicated they were established residents of Springfield, living there one year or more prior to working at the casino.
 - Among those who lived in Springfield or the Surrounding Communities, many tended to live in neighborhoods that were within a 10-minute driving distance from the casino and in areas where the median rent was lower than the Springfield or state median rent.
- Sixteen percent of survey respondents moved to take their jobs at the casino and previously worked for MGM Resorts International or another casino operator. The most common states of origin for movers were states with well-established casino industries, including Maryland, New York, Nevada, and Connecticut.

Educational opportunities and training

- Most employees did not have direct previous experience working at a casino, but it appears that this incoming workforce may have been well prepared by virtue of their prior experience that related to positions throughout the casino.
 - Over 75 percent of respondents reported that they did not have experience working at a casino prior to hire.
 - Even though this suggests that the workforce is new to this industry, the majority of employees previously worked in industries that related to their positions at MGM Springfield, including food services, retail, transportation and warehousing, and security services.
- More than three quarters of respondents claimed to have already received training or expected to receive training prior to hire, and the most common source of casino training was MGM Springfield itself.
- Most employees at MGM Springfield saw training as a way to build a career in the casino industry, but many people sought training in areas that were not specifically related to the casino.
 - Employment at MGM Springfield was concentrated in its casino operations and food and beverage operations departments. Many casino employees at MGM Springfield wanted training in their own departments as well as other departments at the casino.
 - Beyond the casino, 48 percent of respondents reported having interest in leadership or management training, 20 percent sought higher education, and another 16 percent were interested in adult basic work skills.

Overall, most employees sought jobs at MGM Springfield for career advancement and improved pay. Casino employment offered more opportunities for full-time work and greater access to benefits to a lot of different people in or around Springfield. Casino jobs were more likely to be hourly than salaried positions and most employees earned low wages but more tips. Massachusetts' casino industry has low barriers to entry because people can work at the casino without needing high levels of educational attainment, specialized training, or experience. Casino employees also probably utilized transferable skills from their previous experiences in similar industries such as food and beverage, retail, and hotel and accommodations. Employees expressed interest in building careers at MGM Springfield, training in casino-related functions, and non-casino-related training, all of which suggests that casino employment offered workers the potential to gain skills that they could use in the casino industry and beyond.