

Encore Boston Harbor, First Three and a Half Years of Operation: Economic Impact Report

Thomas Peake, Senior Research Analyst
Dr. Mark Melnik, Director
Economic and Public Policy Research
UMass Donahue Institute

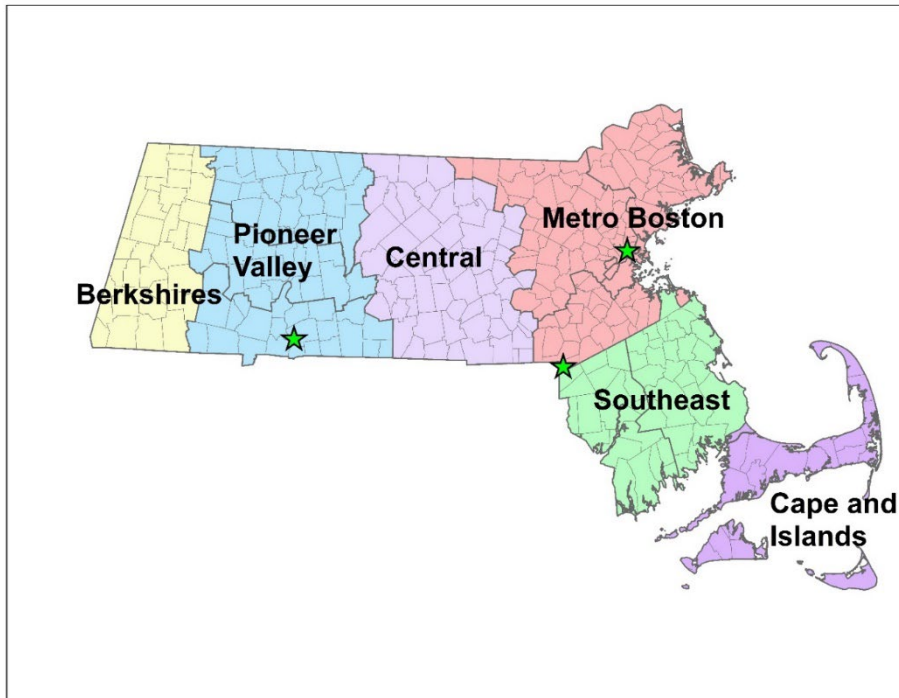
Overview

- The SEIGMA team analyzed operating data for Encore Boston Harbor from 2019-2022
- Encore Boston Harbor operated for about six months prior to the start of the COVID-19 pandemic
- 2022 was Encore's first full year of operation without any pandemic-related restrictions or shutdowns

Summary of Findings (2022)

- An average of 3,249 jobs at Encore Boston Harbor, paying \$206 million
- Total statewide economic impact of 9,917 net jobs, \$1.1 billion in personal income, and \$1.3 billion in value-added output.
- \$85.4 million in spending to vendors for intermediate goods and services
- \$197.4 million in payments to government entities
- \$137.9 million in new off-site spending from casino visitors
- \$305.5 million reallocated to casino-related spending from the rest of the economy
- 71 percent of patron spending was to be new to the state

Economic Modeling Exercise

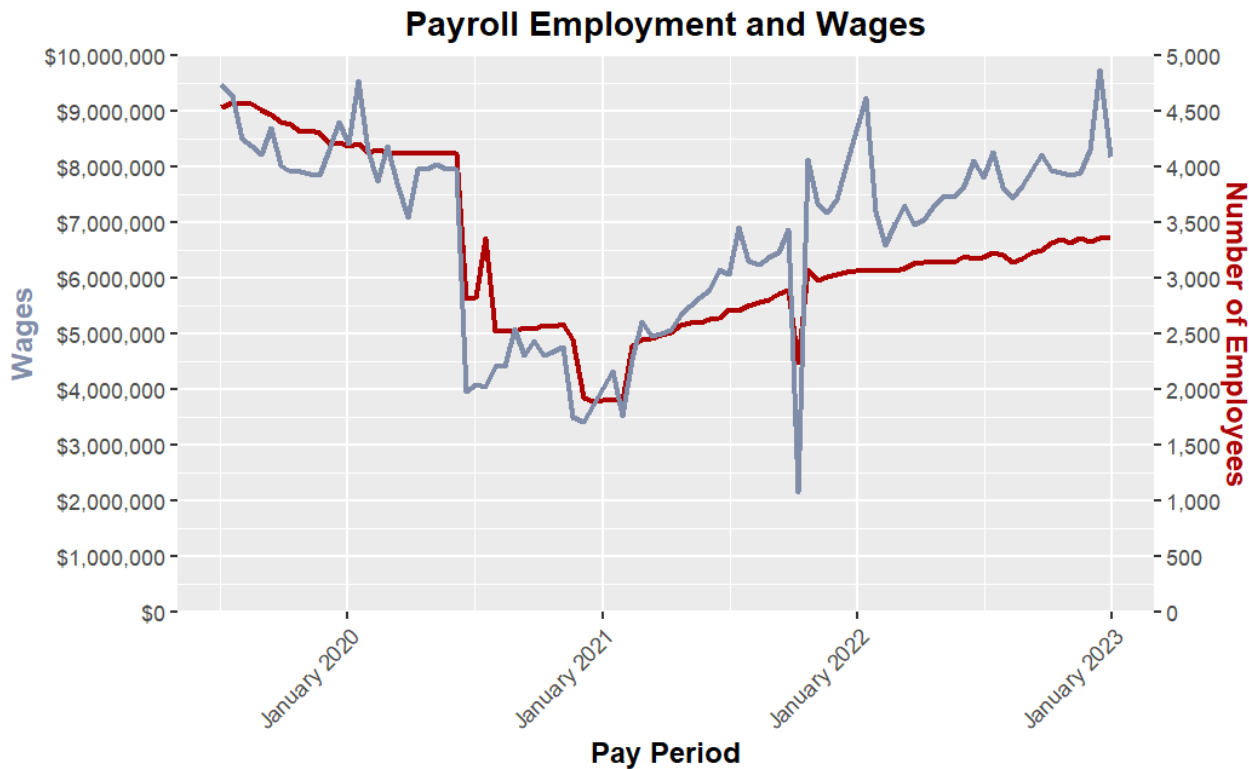


Data collected for the model include:

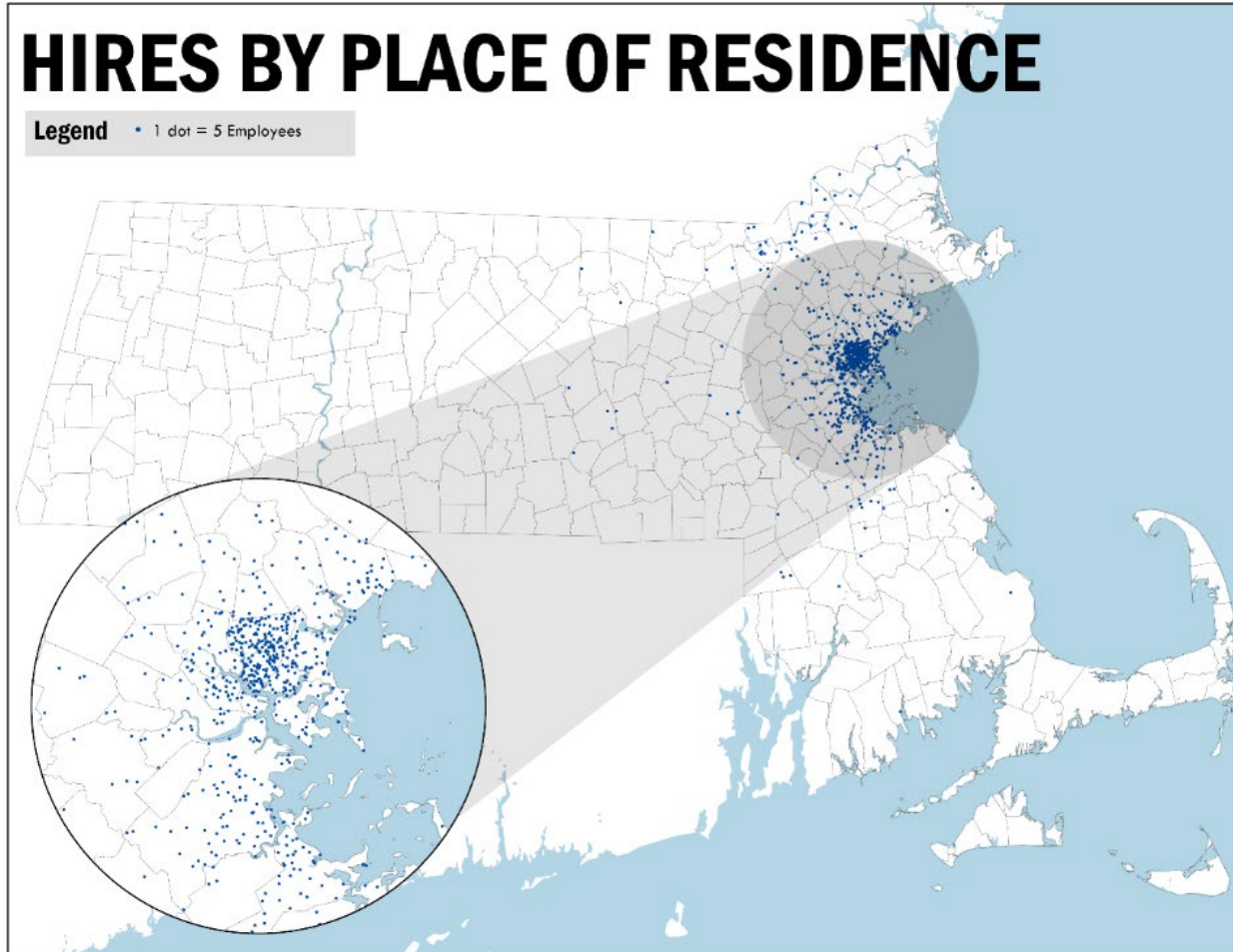
- Employment data from Encore (employees, wages, hours worked, places of residence)
- Expenditure data (vendor spending, payments to government entities, etc.)
- Gross gaming revenue (GGR) from the MGC
- Estimated change in consumer spending from SEIGMA Patron Survey

Employment at Encore Boston Harbor, 2020-2022

*Employment has gradually increased since January 2021.
Encore retained employees through much of 2020*



Place of Residence for Encore Boston Harbor Employees



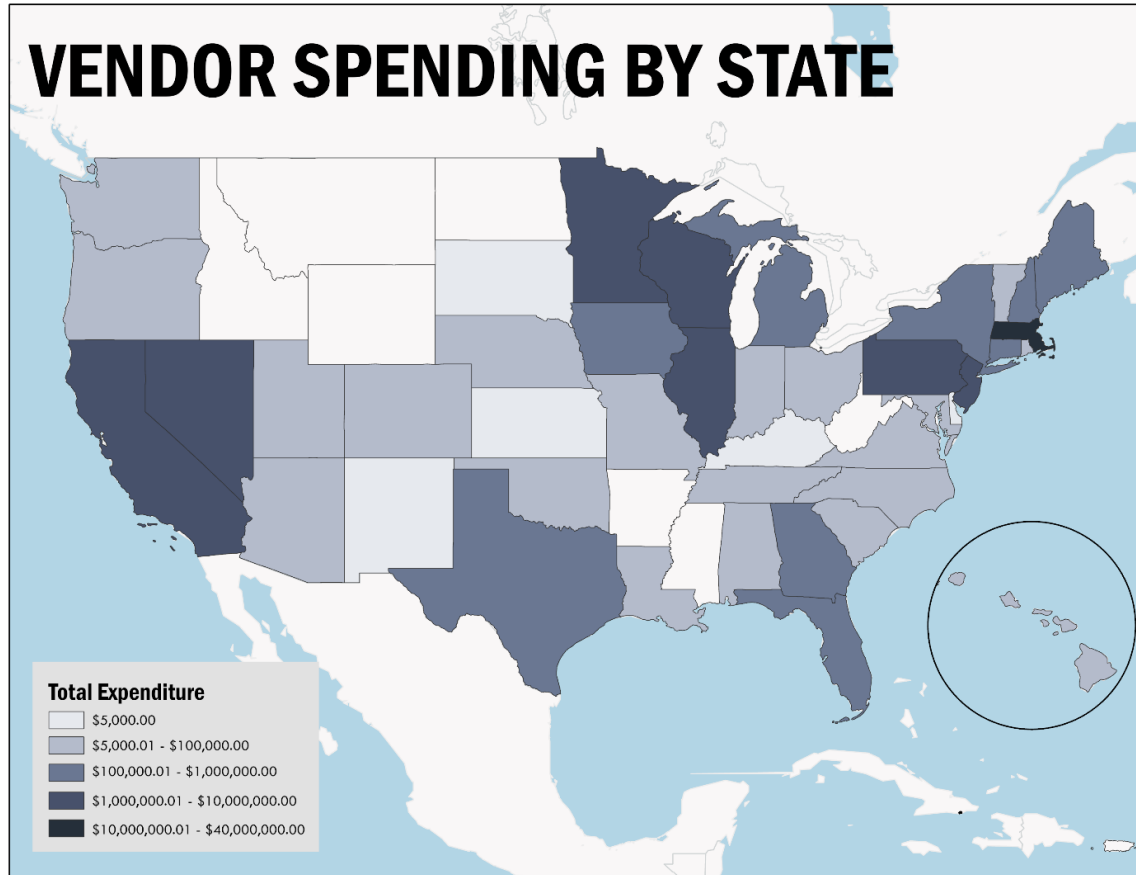
Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, City of Boston, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Payments to Third Parties

Most payments to outside entities went to private sector vendors, but payments to government entities (especially state and local governments) were also prominent

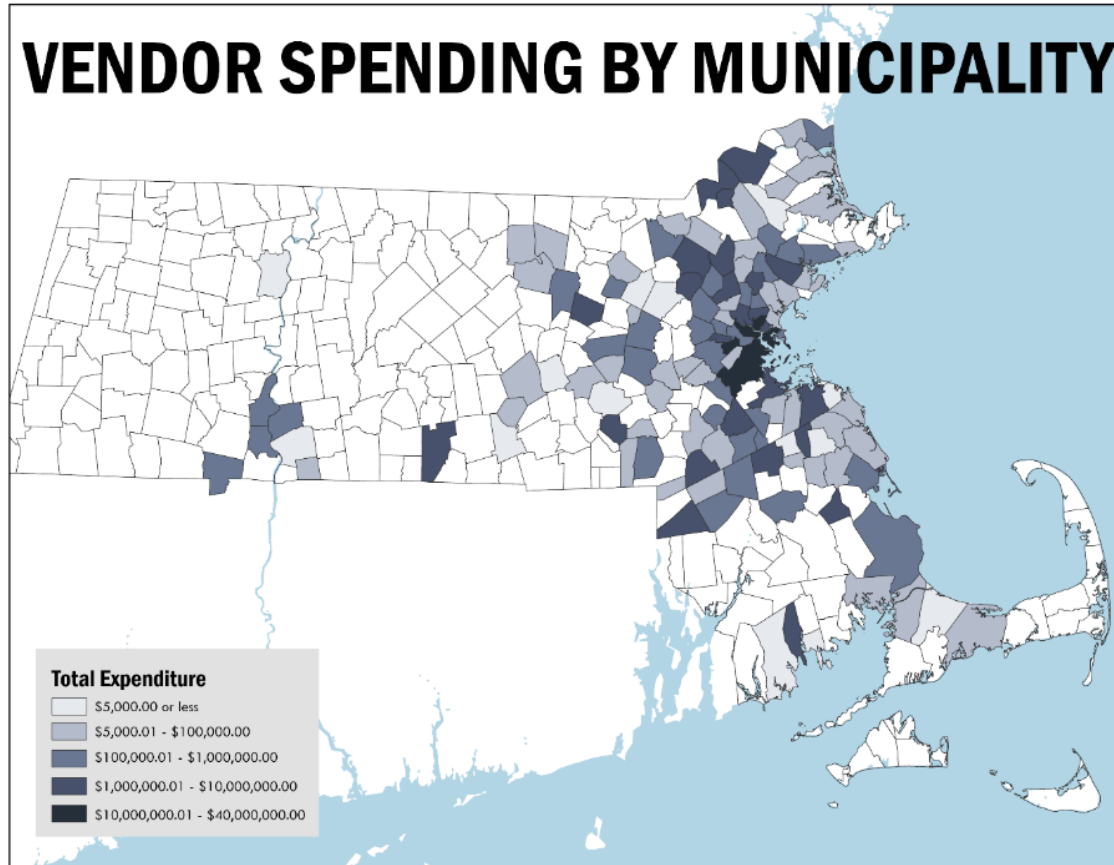
Industry	2019	2020	2021	2022	Total	Share
Wholesale trade	\$15.6	\$9.6	\$8.6	\$14.3	\$48.2	16.6%
Professional, scientific, and technical services	\$14.2	\$11.3	\$8.7	\$10.3	\$44.4	15.3%
Retail trade	\$7.6	\$3.4	\$8.2	\$12.0	\$31.1	10.7%
Transit and ground passenger transportation	\$6.6	\$7.9	\$7.8	\$6.6	\$28.8	9.9%
Construction	\$1.1	\$3.0	\$3.1	\$6.1	\$13.2	4.6%
Personal and laundry services	\$2.8	\$2.3	\$2.8	\$5.2	\$13.1	4.5%
Food manufacturing	\$3.6	\$2.4	\$3.1	\$3.9	\$13.1	4.5%
Motion picture and sound recording industries	\$3.6	\$2.4	\$3.0	\$3.7	\$12.7	4.4%
Insurance carriers and related activities	\$0.0	\$5.3	\$5.1	\$2.2	\$12.6	4.3%
Administrative and support services	\$4.3	\$2.4	\$2.1	\$3.3	\$12.2	4.2%
All Other Industries	\$16.6	\$12.3	\$14.2	\$17.8	\$61.0	21.0%
Total	\$75.9	\$62.3	\$66.7	\$85.4	\$290.4	100.0%

Encore Boston Harbor Vendors by State



Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, Esri, Garmin, FAO, NOAA, USGS, EPA. Basemap and Layout by Kazmiera Brest, 2023.

Encore Boston Harbor Vendors in MA by City/Town



Types of Patron Spending

- **New** - Spending which would not have occurred in Massachusetts if Encore Boston Harbor had never opened
 - Includes “recaptured” patrons and new tourists
- **Reallocated** - Spending which would have occurred in Massachusetts, but on other goods and services.
- **Incidental** - Spending which would have occurred whether or not Encore Boston Harbor opened
 - Only off-site spending can be incidental

Spending by Encore Boston Harbor Patrons

Most spending by Encore patrons was gambling spending, and most non-gambling spending occurred on-site

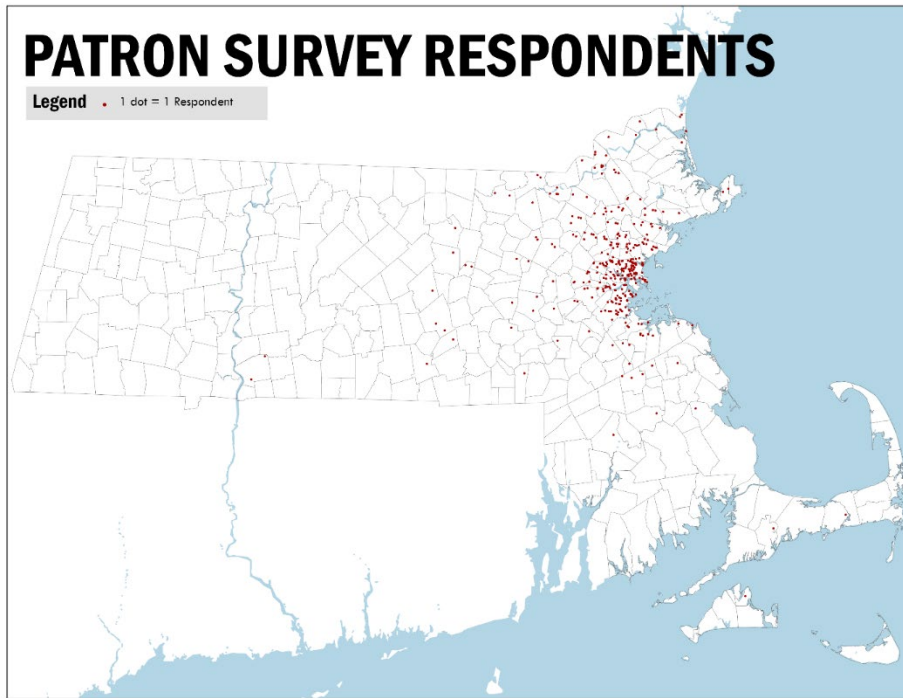
Spending Type	Share	2019	2020	2021	2022
Gambling	65.15%	\$313,943,179	\$331,716,870	\$634,395,490	\$729,724,773
Non-Gambling	21.37%	\$120,062,054	\$74,141,445	\$139,458,759	\$239,400,335
Off-Site	13.48%	\$75,735,791	\$46,768,823	\$87,971,337	\$151,015,021
Total	100%	\$509,741,024	\$452,627,138	\$861,825,586	\$1,120,140,129

Most spending at or around Encore Boston Harbor came from patrons who reported they would have spent money out-of-state without in-state casino gambling

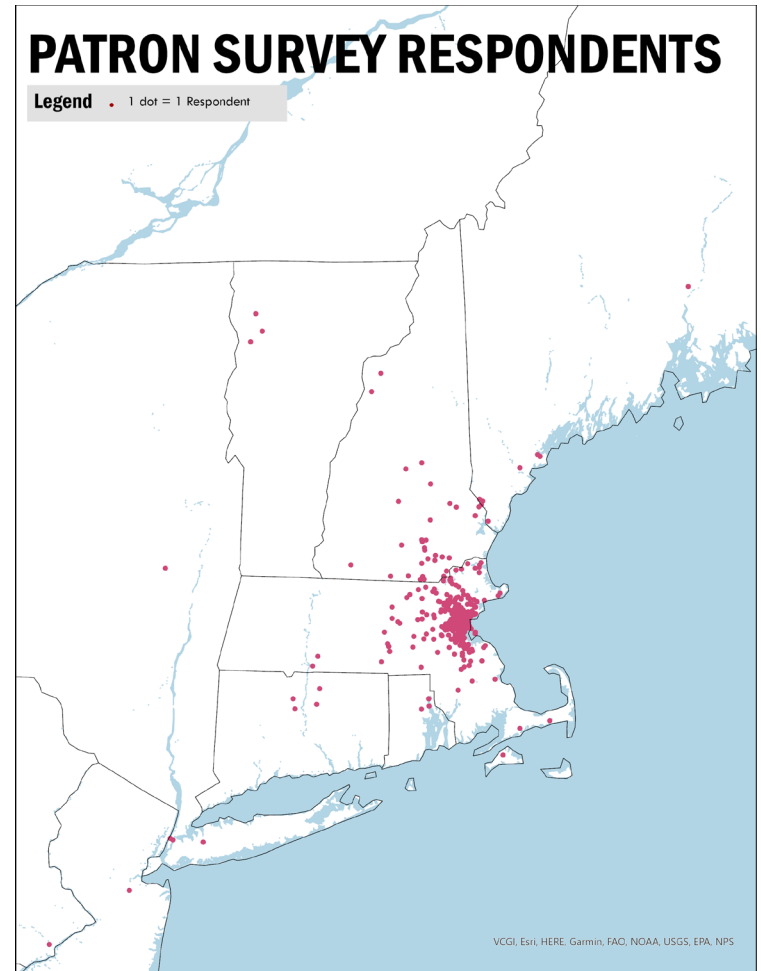
Spending Type	Share	2019	2020	2021	2022
New	69.72%	\$357,616,187	\$311,016,315	\$591,847,183	\$780,936,091
Reallocated	29.11%	\$145,557,604	\$137,555,385	\$262,350,196	\$326,109,162
Incidental	1.17%	\$6,567,233	\$4,055,438	\$7,628,207	\$13,094,878
Total	100.00%	\$509,741,024	\$452,627,138	\$861,825,586	\$1,120,140,131

Patrons by Place of Residence

*Most patrons surveyed lived in the Metro Boston region.
Relatively few came from out-of-state.*



Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS. Basemap and Layout by Kazmiera Breest, 2023.



VCGI, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS

Inputs to Economic Impact Model

Impacts from Encore Boston Harbor operations

Measure	Units	2019	2020	2021	2022
Average Employment	Jobs	1,963	3,303	2,675	3,282
Total Wages	Millions of Dollars	\$142.7	\$162.3	\$157.2	\$206.2
Intermediate (e.g., B2B) Spending	Millions of Dollars	\$75.9	\$62.3	\$66.7	\$85.4
Government Revenue	Millions of Dollars	\$86.0	\$87.6	\$167.6	\$197.4

Impacts from shifts in consumer spending

Measure	Units	2019	2020	2021	2022
New Off-Site Spending by Casino Visitors	Millions of Dollars	\$69.2	\$42.7	\$80.3	\$137.9
Reallocated In-State Consumer Spending	Millions of Dollars	-\$135.9	-\$129.8	-\$247.7	-\$305.5
Net Off-Site Consumer Spending	Millions of Dollars	-\$66.7	-\$87.1	-\$167.3	-\$167.6

Total Economic Impacts of Encore Boston Harbor

Encore's 2019 impacts were smaller for having only operated part of the year. All impacts increased substantially in 2022.

Component	2019	2020	2021	2022
Total Employment	5,823	8,081	8,028	9,917
Private Non-Farm Employment	4,736	6,877	5,967	7,533
Output (Millions of Dollars)	\$791.3	\$1,569.3	\$1,250.3	\$1,696.0
Value Added (Millions of Dollars)	\$576.4	\$1,030.5	\$1,005.3	\$1,334.4
Personal Income (Millions of Dollars)	\$504.4	\$727.3	\$802.0	\$1,063.5

Regional Employment Impacts of Encore Boston Harbor

Most economic impacts are concentrated in Metro Boston, but some activity, such as vendor spending and fiscal impacts, supports employment in all regions

Component	2019	2020	2021	2022
Metro Boston	4,482	6,632	5,944	7,434
Southeast	520	586	735	896
Pioneer Valley	291	290	510	592
Central	412	448	655	771
Berkshires	31	31	54	63
Cape and Islands	86	95	130	161
Total	5,823	8,081	8,028	9,917

Employment Impacts by Employment Source

Only about 1/3 of Encore's employment impact is jobs at the casino itself. Business-to-business impacts, induced spending, and new government revenue make up there rest.

Employment Source	2019	2020	2021	2022
Private Non-Farm	4,736	6,877	5,967	7,533
Casino Employment	1,963	3,303	2,675	3,282
Business to Business	935	1,005	965	1,295
Induced	1,838	2,570	2,327	2,956
<i>Consumption-Based</i>	917	1,154	799	1,188
<i>Other Induced</i>	921	1,416	1,528	1,768
Government	1,087	1,204	2,061	2,384
Total	5,823	8,081	8,028	9,917

Thank You!

EPPR Team