

PATRON AND LICENSE PLATE SURVEY REPORT: ENCORE BOSTON HARBOR 2022

This report presents the results of the first patron survey at Encore Boston Harbor, completed in 2022. Patron surveys have been an important part of the Massachusetts Gaming Commission's research agenda. These surveys provide the only data collected directly from casino patrons regarding their geographic origin and expenditures. These data are important to ascertain the influx of new revenues to the venue and the Commonwealth, and to measure any monies diverted from other sectors of the economy. The concurrent license plate survey assesses the accuracy of prior estimates of out-of-state casino expenditure and provides corroborating information about patron origins.

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Authorship

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Robert J. Williams, Professor, University of Lethbridge, Faculty of Health Sciences, is a Co-Principal Investigator on the SEIGMA project and provided oversight of the survey design, methods, implementation, and analysis of both the patron survey data and license plate survey data. He contributed to writing and editing the report.

Martha Zorn, SEIGMA Data Manager, University of Massachusetts Amherst, School of Public Health and Health Sciences, was responsible for data management, data cleaning, and data analysis and contributed to all sections of the report.

Thomas Peake, Senior Research Analyst, University of Massachusetts Donahue Institute, contributed to the design of the patron survey questionnaire, data analysis, and the expenditure portion of the report.

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Rachel A. Volberg, Research Professor, University of Massachusetts, Amherst School of Public Health and Health Sciences, is the study Principal Investigator and responsible for the overall leadership of the project as well as oversight of the patron survey design, implementation, and analysis.

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We want to thank the management and staff of Encore Boston Harbor for allowing our teams to be on-site and for their assistance with our logistical needs. Their cooperation and ability to supply us with needed information ensured smooth data collection during our eight visits to the casino. Additionally, we appreciate the time and effort of the patrons who agreed to participate in the survey.

SEIGMA members from both the social and economic teams collaborated closely on the project, working together to create and implement the survey, and later to analyze the data and report on the findings contained in this report. Special recognition goes to the economic team at the University of Massachusetts Donahue Institute who contributed to the patron survey questionnaire design and provided insight in the data analysis: Rod Motamedi, Assistant Director; Rebecca Loveland, Senior Research Manager; and Thomas Peake, Senior Research Analyst. Special thanks to SEIGMA social team member Álvaro J. Castro Rivadeneira, M.D., a doctoral student in epidemiology at University of Massachusetts Amherst, who assisted with project planning as well as supervising surveyors in the field.

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Executive Summary

The original research plan for the *Social and Economic Impacts of Gambling in Massachusetts* (SEIGMA) study identified the need for ongoing patron surveys at all of the newly licensed casinos in the state. These surveys serve several purposes. For one, they establish the demographic characteristics of people patronizing the casinos which speaks to whether certain subgroups of the population are impacted more than others. For another, they establish the geographic origin of patrons to identify whether the impacts are localized or regional and the extent to which out-of-state patrons contribute to casino revenue, an important economic benefit. Asking patrons directly about their gambling and non-gambling expenditures during casino visits also helps us understand their patterns of expenditure and the approximate amount of off-site spending contributing to the local economy. Questions about whether patrons would have gambled out-of-state if Encore Boston Harbor did not exist allow identification of the approximate amount of recaptured spending, which also represents an important economic benefit. Survey questions also establish the degree to which casino spending represents money that has been reallocated from other sectors of the economy. Finally, patron surveys are useful in understanding patrons' perceptions and experiences with the new venues and begin to track the impact of responsible gambling measures such as the GameSense program. Note that throughout this report, when we reference findings related to patrons, we are referring to findings related to the weighted information from and/or about the respondents to this survey.

Patron Surveys have now been done at all three Massachusetts casinos: Plainridge Park Casino (2016); MGM Springfield (2019); and Encore Boston Harbor (2022). Methodologically, a significant effort was made to capture a sample of patrons through venue exit surveys that was as representative as possible. This included: conducting the survey 6 to 12 months after the venue opened to allow patronage to settle; spreading each data collection period over a two week time period; sampling during both peak (Saturday) and non-peak (Monday) days, as well as during peak and non-peak times; and keeping track of the demographics of patron refusals to allow for corrective weighting. However, due to the pandemic, the Encore Boston Harbor Patron Survey was delayed and instead fielded in a two-week period in April 2022. It was self-administered and took an average of 5-10 minutes to complete. A total of 440 surveys were collected, which represents a response rate of 15.4%.

Now that patron surveys have been conducted at all three venues, it is unclear at this time if surveys will be repeated at these venues. We are investigating alternatives to the patron surveys due to their high cost, complex logistics, and limitations by reviewing their value relative to other methodologies (i.e., online panel surveys, smartphone surveys, and player card data) prior to implementing any new surveys of these venues and will release our findings as a technical report.

This report provides a *brief* comparison between the Patron Survey results of Plainridge Park Casino (2016), MGM Springfield (2019), and Encore Boston Harbor (2022). It is not intended to provide a complete comparison of all three Massachusetts casinos; a *detailed* comparison of the differences in the demographic characteristics, gambling behavior, and expenditures of patrons will be included in our future report, *Socioeconomic Impacts of Expanded Gambling in MA: 2024*. Still, this report does contain several comparisons of interest. For example, patrons at Encore Boston Harbor were somewhat younger, more likely to be employed, less likely to be retired, and had higher levels of education than patrons at MGM Springfield and Plainridge Park Casino.

Demographics

Geographically, 78.3% of the patrons were from Massachusetts, with 41.8% coming from the host (Everett) and surrounding (Boston, Cambridge, Chelsea, Saugus, Lynn, Malden, Medford, Melrose, and Somerville)

communities, and the remainder from other Massachusetts municipalities. Out of state patrons accounted for 21.8%, and less than 1% were international patrons.

In looking at race/ethnicity, overall, the survey found that 55.0% of patrons were white, 24.9% were Asian, 8.3% were black, and 7.6% were Hispanic. Notably, the number of Asian patrons from Massachusetts (24.3%) is higher compared to their prevalence in the adult population of Massachusetts (7.1%).

Gender distribution at Encore Boston Harbor showed that 55.2% of the patrons were male and 38.3% of the patrons were female. If we look at patrons from Massachusetts only, we see a slightly higher percentage of males compared to the general population in Massachusetts (55.4% vs. 52.0%), with a significantly lower percentage of females (39.7% vs. 48.0%). The 6.5% of all patrons, and 4.9% of Massachusetts patrons, who preferred not to disclose their gender may impact this analysis. For patrons from Massachusetts, the greatest number of Encore Boston Harbor patrons were in the 35-54 age range (39.5%), a higher number than in the Massachusetts general population (31.1%). The number of patrons with less than a high school education (6.3%) was less than the Massachusetts general population (8.5%).

In terms of total yearly household income, 24.6% of all patrons reported incomes under \$50,000, which was similar for patrons from Massachusetts (24.2%) and the Massachusetts population (22.2%). The proportion of Massachusetts patrons earning \$50,000-\$100,000 (36.5%) was similar to all patrons (35.0%), but much higher when compared to the Massachusetts population (24.2%). The opposite was found for Massachusetts patrons earning over \$100,000 (39.3% and 40.4% of all patrons), a group that represents 53.6% of the Massachusetts population. When we further compare patron income by geographical origin, we see even fewer patrons from the host and surrounding communities reporting incomes of >\$100,000/year (35.3%) than patrons from other municipalities in Massachusetts (43.8%) or those outside of Massachusetts (44.9%).

Gambling and Non-gambling Behavior

When looking at visitation, we found that almost two-thirds (57.2%) of those surveyed were regular visitors (defined as visiting 2-3 times a month or more), with nearly half (43.3%) visiting once a week or more. The percentage for visiting once a week or more is even higher (58.1%) for those coming from the host and surrounding communities.

When looking at casino visitation among patrons, generally, it is interesting to note that almost a third of them (30.1%) had not visited another casino in the past year. This number is much higher than seen in prior patron surveys (MGM Springfield 11.7% and Plainridge Park Casino 10.8%). It is fair to assume that at least part of this difference may have been due to the COVID-19 pandemic. We also see a difference in other states where patrons visited casinos in the past year.

Most of the patrons got to Encore Boston Harbor by car (i.e. own or someone else's car, ride share) (94.3%), and experienced no problem getting there (90%), though many (63.7%) reported dealing with traffic. Nearly all patrons had an enjoyable visit and indicated they would return. Encore Boston Harbor was the motivator for 66.9% of patrons to visit the area, with a higher number for Massachusetts patrons (70.2%). Interestingly, just over half of patrons visiting from outside the state (54.7%) indicated the casino prompted their visit to Massachusetts.

A majority of the patrons (89.2%) participated in some sort of gambling activity during their visit. While overall 10.8% of patrons did not gamble during this visit, the number was lower for patrons from the host and surrounding communities (6.7%), and higher for those from other Massachusetts municipalities (13.6%) and patrons from outside of the state (13.8%).

Not surprisingly slot machines were the most popular game (62.7%) although just over a third of the patrons (37.7%) reported playing table games. Only 5.3% of the patrons reported purchasing lottery tickets while on site. Nearly three-quarters of the patrons (74.0%) reported having a casino loyalty or rewards card. Notably 69.9% indicated they had gambled at other casinos in the past year, with the most frequent locations being Connecticut (42.9%), Rhode Island (25.2%), and other gambling venues in Massachusetts (19.3%).

Although 20.6% of the patrons did not report any spending on non-gambling activities at Encore Boston Harbor, the majority bought food and beverage on site (68.1%). Other spending activities included staying in the hotel (17.8%), buying items in the retail or gift shops (16.1%), and other entertainment (13.8%). Nearly a third (29.5%) of the patrons did not report any spending on non-gambling activities outside of Encore Boston Harbor. The largest off-site spending was seen in attendance at an event, show, or exhibit (33.6%), with additional spending for off-site food or beverage (21.0%), bars, pubs, or nightclubs (11.3%), and retail shopping (9.8%).

Expenditures

During their visit, Encore Boston Harbor patrons reported a median expenditure of \$131 on gambling at the casino (mean of \$309), \$53 on non-gambling activities at the casino (mean of \$253), and \$95 on non-gambling activities outside the casino (mean of \$285). When looking at the expenditures by household income, income groups below the median household income in Massachusetts (i.e., \$70,000) account for 29.0% of Encore Boston Harbor gambling revenue, 27.0% of non-gambling revenue at Encore Boston Harbor, and 27.0% of non-gambling revenue outside of Encore Boston Harbor. The highest income group contributes proportionally more gambling revenue relative to their prevalence in the population, with the lower middle-income groups contributing proportionally less.

Two important goals of the Massachusetts casino law were to recapture Massachusetts residents' spending at out-of-state casinos and capture new spending from out-of-state casino patrons. Based on the survey results, recaptured in-state patrons accounted for nearly half (45.2%) of gambling spending and nearly two-thirds (64.4%) of estimated non-gambling spending at Encore Boston Harbor. Therefore, this group does appear to constitute a major share of Encore Boston Harbor's revenues. However, not all of this spending represents new economic activity to the state since the survey also found that nearly a quarter (24.3%) of Massachusetts residents' gambling spending was reallocated as casino patrons shifted their spending patterns from purchasing other goods and services in Massachusetts to spending money at Encore Boston Harbor.

An important social issue concerns whether people with lower incomes contribute disproportionately more to gambling revenues than people with higher incomes. This does not appear to be the case at Encore Boston Harbor. A fine-grained analysis of the Massachusetts patrons who spent money gambling at Encore Boston Harbor showed that the 14% of the patrons with the lowest household incomes (less than \$30,000 per year) was roughly the same as their prevalence in the general adult population of Massachusetts (13%), and they represented just 10% of the gambling spending. The 39.3% of Massachusetts patrons with the highest incomes (over \$100,000) accounted for 54% of the gambling spending and similarly represent 53.6% of the state's adult population.

Patrons were asked about strategies used to keep their gambling within personal affordable limits and how effective those strategies were. Avoiding the on-site ATM was the most frequently reported (43.1%), followed by thinking of gambling as fun and not a way to make money (31.0%), and staying within a limit of how much to lose during a visit (29.5%). When looking at all strategies employed, 64.8% of patrons reported a strong or modest impact (72.0% for patrons in the host and surrounding communities).

License Plate Survey

A license plate survey was conducted concurrently with the patron survey. Prior to casinos in Massachusetts, a similar survey was conducted biennially over many years at the Connecticut casinos and reported by the Northeastern Gaming Research Project. That information was used by Massachusetts policy makers and others to support the notion that Massachusetts lost significant gambling revenues to Connecticut. The current License Plate Survey found that estimates of patron residency corresponded quite closely to the patron survey estimates (i.e., 80.3% Massachusetts for license plates and 84.9% for patron survey). There was an even closer match for estimated expenditure (i.e., 80.3% for Massachusetts for license plates and 80.0% for patron survey). Thus, the Encore Boston Harbor license plate survey results provide a reasonable approximation to the patron survey and lend support to the estimates of out-of-state casino expenditures reported by the Northeastern Gaming Research Project. However, the patron survey also provides detailed spending information and patron demographics which cannot be obtained by a simple license plate survey.

The patron survey represents a major point of primary data collection for the SEIGMA project. However, as a stand-alone report, it should be viewed as just that: data collection. The survey provides important data on patron demographics, expenditures, and gambling behavior but does not lend itself to major conclusions. Nevertheless, the findings presented here are critical to inform other more substantive and integrative SEIGMA reports. This includes the “Economic Impacts” operating reports, which estimate the full economic impact of casino operations on the Massachusetts economy, a unique opportunity for SEIGMA to conduct economic modeling utilizing both primary data (from the patron survey and the casino operators) and secondary data (from multiple sources). Additionally, the patron survey data is one of many data points (primary and secondary) used to inform the “Social and Economic Impacts of Expanded Gambling in Massachusetts” reports, a series of reports that document changes in the social and economic landscape in Massachusetts that can potentially be attributed to the introduction of these new gambling venues. For that reason, the patron surveys serve an important function in the overall research agenda.

Interpretation of research data requires consideration of a variety of issues, including but not limited to decisions around sampling methods, weighting, statistical modeling, and appropriate comparisons. To ensure comparability across venues, the same analytic procedures were used to analyze Encore Boston Harbor patron survey data as were used to analyze Plainridge Park Casino and MGM Springfield patron survey data. There are inherent limitations to these applications that readers need to take into account in relation to any given study or report. For additional information, see the Methodology and Limitations sections in the full report.