

## *Executive Summary*

# The Economic Impacts of Plainridge Park Casino: Four Years of Operations

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## Executive Summary

### Background and Methods

In October of 2017, the UMass Donahue Institute’s Economic and Public Policy Research Unit (UMDI), as part of the [SEIGMA](#) research team, published a [report](#) of the first year of operation at Plainridge Park Casino (PPC)—the first casino to open in Massachusetts following the passage of the Expanded Gaming Act in 2011. That report utilized proprietary data from PPC provided to UMDI under PPC’s agreement with the Massachusetts Gaming Commission (MGC) on employment, wages, and spending, along with revenue data from the MGC. The report also included findings from a [survey of PPC patrons](#) conducted on-site during that first year of operation. The data from that survey, along with the operations data from PPC and the MGC, allowed UMDI to produce a full economic impact analysis using a REMI PI+ economic impact model.

In subsequent fiscal years, budgetary constraints have prevented the SEIGMA team from dedicating resources to additional patron surveys. Operating data from PPC and the MGC, however, have continued to be collected and tabulated. The long-term plan for the SEIGMA project is to conduct one patron survey at one casino every year, while collecting operating data for every casino every year. This report aims to illustrate how operations at PPC have changed in the last three fiscal years, but it does not employ a full economic impact analysis since we do not have information on how patron behavior has changed since the first year of operation.

Along with being the first casino in Massachusetts after the passing of the Expanded Gaming Act, PPC’s corporate owner, Penn National Gaming, holds the state’s slot-parlor license, as opposed to other resort-style licenses. The slots-parlor agreement was for a minimum capital investment of \$125 million, for a facility holding up to 1,250 slot machines, and a \$25 million license fee. The slots-parlor is taxed at 49 percent of its annual gross gaming revenue. The slots-parlor at PPC joined a preexisting racetrack, which opened in 1999 and remains the only live harness racing track in Massachusetts. The casino is located in the southwestern tip of Norfolk County, hosted by the town of Plainville, on the border with Rhode Island. For the purposes of our county-based economic impact model, it belongs to the Metro Boston region. Surrounding communities, as designated by the MGC, include Attleboro, Foxboro, Mansfield, North Attleboro, and Wrentham. Fiscal year 2018 was significant for PPC because it was the last full year where PPC was the sole casino operating in Massachusetts, as MGM Springfield opened in August of 2018 and Encore Boston Harbor, in Everett, opened in June of 2019, both of which are resort-style casinos. While it’s still early for us to draw formal conclusions on how the introduction of these new facilities will affect business at PPC, the SEIGMA research team looks forward to continuing its study of this emerging market in the coming years.

This report is presented as a time-series, as it analyzes the first four years of operation at PPC (FY 2016, FY 2017, FY 2018, and FY 2019) with a focus on Fiscal Years 2017, 2018, and 2019. In contrast to the first year operating report, this report leverages detailed payroll data collected and analyzed in preparation for this report, beginning with the very first paycheck cut in July of 2015, up until the last paycheck for Fiscal Year 2019. To analyze employment in the most accurate way, individual employment data was aggregated by payroll date, resulting in an official count of how many individuals were working at PPC on any given day for the purpose of this study. The level of granularity in this analysis provides accuracy that could not have been achieved through other measures. It is important to note that there may be small discrepancies in the exact number of workers from paycheck to paycheck, such as those who have begun working but have yet to receive their first paycheck or those who are no longer working but are still receiving their last paycheck. Nonetheless, using payroll data to analyze employment gives the

research team the ability to analyze areas of interest about employment at the casino, including positions, compensation, and places of residence. Since PPC opened so close to the start of the Massachusetts 2016 fiscal year, we have followed the convention of reporting these data in terms of fiscal years. As we begin to report on the operations of the other casinos, this convention may change.

### **Key Findings:**

- While average annual employment at PPC has remained relatively steady over the past four fiscal years, the number of hours worked by employees have been increasing, with a 23 percent jump between fiscal years 2018 and 2019.
- Payroll employment at Plainridge Park Casino has declined since its opening in the summer of 2015. The casino employed just over 450 employees at the end of fiscal year 2019, compared to its peak of 555 in Fiscal Year 2016.
- Most of PPC's employees live in close proximity to the casino, with the majority living in either Plainville or one of nine nearby municipalities. Pawtucket, Rhode Island, and North Attleborough and Attleboro, Massachusetts house the largest percent of these workers in Fiscal Year 2019.
- Most of PPC's out-of-state employees live in Rhode Island, and the towns of Pawtucket, Providence, Warwick and Woonsocket, Rhode Island make the list of the top 10 cities and towns in which employees live.
- Mean hourly wages are consistently higher for workers in the Metro Boston region, a trend much less prominent in median wages, suggesting that this region is home to the higher-wage workers within the casino.
- Full-time employees have constituted the majority of PPC's workforce in each of their first four fiscal years of operation. Median hourly wages for full time workers have increased faster than those of their part-time counterparts.
- PPC spent less money on private sector vendors in Fiscal Year 2019, while increasing its payments to charitable organizations. The major private sector industries that PPC spent money on in Fiscal Year 2019 are Wholesale Trade, Professional, Scientific, and Technical Services, Utilities, Miscellaneous Manufacturing, and Performing Arts and Spectator Sports.
- In terms of regional spending, most of PPC's private sector spending was on vendors outside of Massachusetts, making up just over half of total private sector spending (54.5 percent). Spending in the Metro Boston region follows next (26.3 percent), and these two regions together make up just over 80 percent of all of private sector spending in Fiscal Year 2019.
- In-state spending on private vendors dropped in Fiscal Year 2019, while out-of-state spending has seen a gradual increase. Spending in the Wholesale Trade industry has decreased in-state while simultaneously decreasing out of state, making up much of this discrepancy.
- While there is some variability in month-to-month visitation at PPC, each successive fiscal year from Fiscal Year 2016 to Fiscal Year 2019 has seen lower visitation than the previous year.
- Average annual gross gaming revenue brought in per PPC patron has increased by 27 percent from Fiscal Year 2016 to Fiscal Year 2019. This rise in revenue has come even as visitation has fallen, suggesting a change in patron behavior.
- PPC's average monthly employment has declined since its first year, but revenue is trending upwards.