

# What happened to lottery sales during the first year of operation of MGM Springfield?

Given the importance of lottery revenue to state local aid, the Commonwealth is committed to protecting the state lottery. The UMASS Donahue Institute's Economic and Public Policy Research team, as part of the SEIGMA research team, is monitoring lottery revenues in Massachusetts, Springfield, and the communities surrounding MGM Springfield and identifying potential impacts associated with expanded casino gambling. MGM Springfield opened August 24, 2018. Lottery sales statewide increased in the first year of operation of MGM Springfield while decreasing over the same period in Springfield and surrounding communities (Agawam, Chicopee, East Longmeadow, Holyoke, Longmeadow, Ludlow, West Springfield, and Wilbraham), indicating a potentially negative local economic effect. The volatility of lottery sales data and relatively brief period of time since MGM Springfield opened leaves the link between the decline in revenue and the casino unclear. Subsequent reports with additional years of data will examine these important trends and allow a clearer distinction between longer-term change in lottery sales and year-to-year variation. Detailed findings are available from [Lottery Revenue and MGM Springfield: Statewide and Local Analysis](#).

## Massachusetts

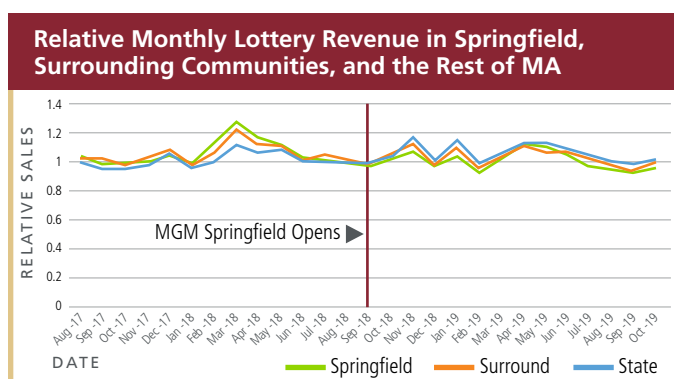
- Total lottery sales in MA increased 6.50% in the first year after MGM Springfield opened versus the year before.
- The Lottery generated \$1.1 billion in profit (the key source of local aid) in fiscal year 2019; an all-time record.

## Springfield

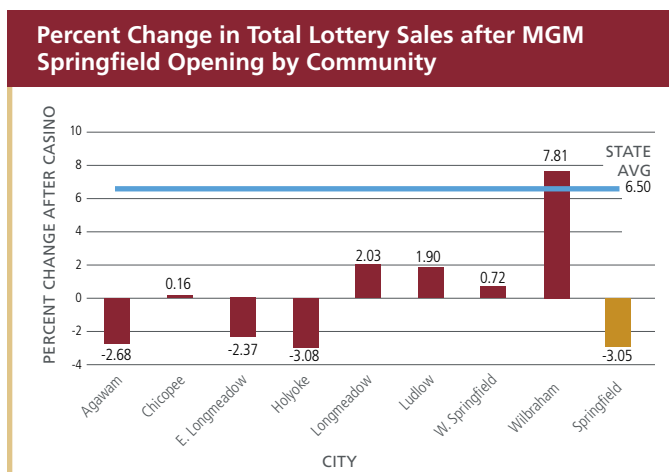
- Total lottery sales in Springfield decreased 3.05% in the first year after MGM Springfield opened versus the year before.
- This decline in sales may reflect random annual fluctuation in lottery sales or unusually high sales in Springfield in the year just prior to the casino opening.

## Surrounding Communities

- Total lottery sales in the surrounding communities decreased 0.38% in the first year after MGM Springfield opened compared to the year before.
- Lottery sales increased in five and decreased in three of the surrounding communities in the first year after MGM Springfield opened compared to the year before.



Source: MA Lottery, monthly sales relative to the month prior to opening (July 22, 2018 – August 18, 2018), not adjusted for inflation.



Source: MA Lottery, bi-weekly sales data August 19, 2018 to August 24, 2019 compared to same period the year before (August 20, 2017 to August 18, 2018).

## SEIGMA PROJECT OVERVIEW

SEIGMA is a project that uses experts from several disciplines to carry out the different parts of the Massachusetts Gaming Commission's research effort. The project team is dedicated to working closely with many other groups throughout the Commonwealth. The study uses a state-of-the-art design, rigorous data collection and research methods, and a careful analytic approach to establish the effects of casino gambling at state, regional, and local levels. The SEIGMA team collects its own data as well as using data gathered by other organizations. The SEIGMA study is funded by the Massachusetts Gaming Commission.