[Live Webinar]

The Effects of Economic Recession on the Gaming Industry

TUESDAY, OCT 21, 2025, AT 1 P.M. (EST)

The gaming industry is undeniably influenced by the state of the larger economy. In this webinar, we will study how past recessions impact the gaming industry. Using the Spectrumetrix data set, we can follow nationwide trends, isolate regional differences, and examine the differences between destination casinos and those that cater to a more local clientele. Did certain casinos experience a greater decrease in GGR during the recession? Were there geographic areas that more quickly bounced back to pre-recession levels after the recession? Understanding the impact of historical events can help you better anticipate and adapt to future economic fluctuations.

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Webinar Agenda

01 Introduction

02 Geographic Differences

03 Differences within Nevada

04 The Advantages of Spectrumetrix

01 The Gaming Industry Does Not Exist in a Vacuum

As a casino operator, or a regulator, you get to make many choices that may lead to success (or failure) of the gaming under your supervision.

But gaming is also affected by the greater economy. If there is a recession, or some other economic disruption, you may want to anticipate:

- How bad is this going to be?
- How long is this going to last?

Nobody has a crystal ball, but by looking at similar historical situations we can learn something about future events.

01 The Great Recession of 2008

It’s difficult to pinpoint an exact day when the trouble began.

The U.S. was officially in recession from December 2007 through June 2009.

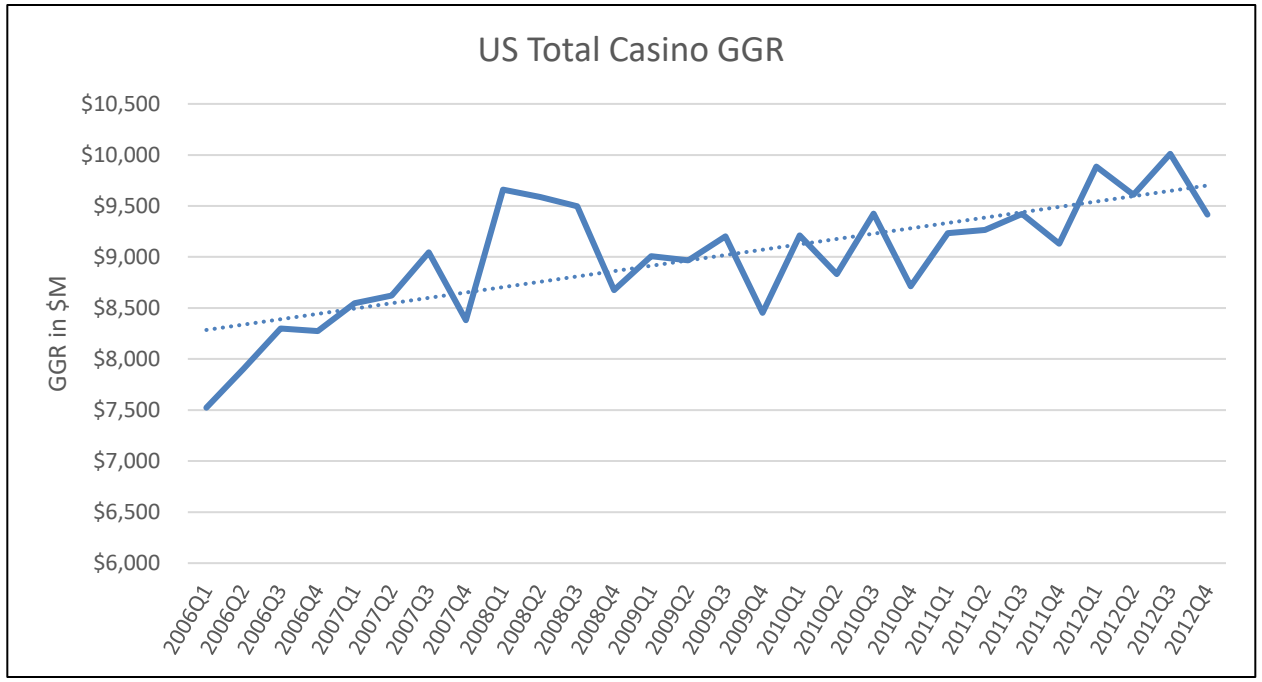
The Housing Economic & Recovery Act was passed in July 2008.

The Emergency Economic Stabilization Act was passed in October 2008, and followed by a 700 point drop in the Dow.

The DOW did not return to the levels of 2008 until spring 2011.

How did all of these events affect gaming revenues?

01 NOT the Right Answer!



Simply looking at the total gaming revenue over the entire country is very misleading.

States were adding new casinos during this time, which more than offset any dampening effects of the recession.

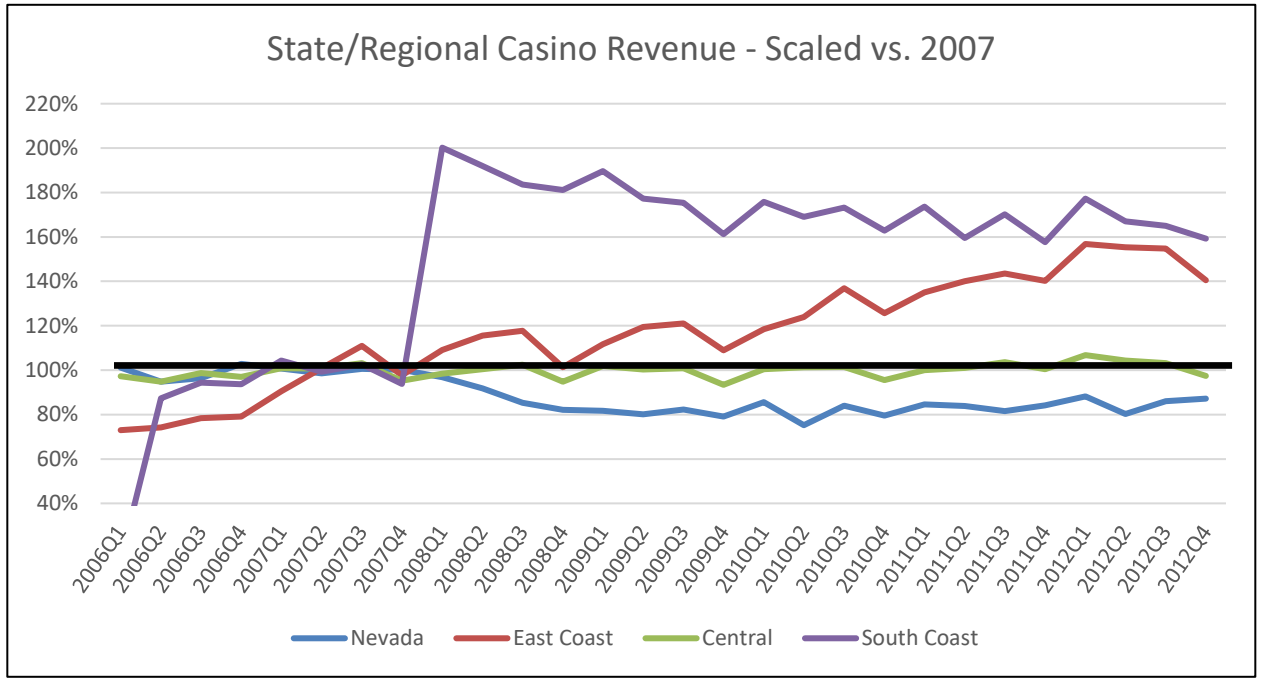
We can learn more by looking at specific markets . . .

01 Regional Groupings

There are several interesting groupings of states that we might study to determine whether the recession affected different regions more severely.

- East Coast – Connecticut, Delaware, New Jersey, New York, Pennsylvania, Rhode Island, West Virginia
  - New Jersey – Atlantic City is more of a destination, with very seasonal behavior
  - New York and Pennsylvania – Emerging markets during this period
- Central – Illinois, Indiana, Iowa, Missouri
- South Coast – Louisiana, Mississippi
  - Louisiana is heavily influenced by the recovery from Hurricane Katrina
- Nevada – Las Vegas is the most tourist-dependent gaming location

02 Four Regions Compared

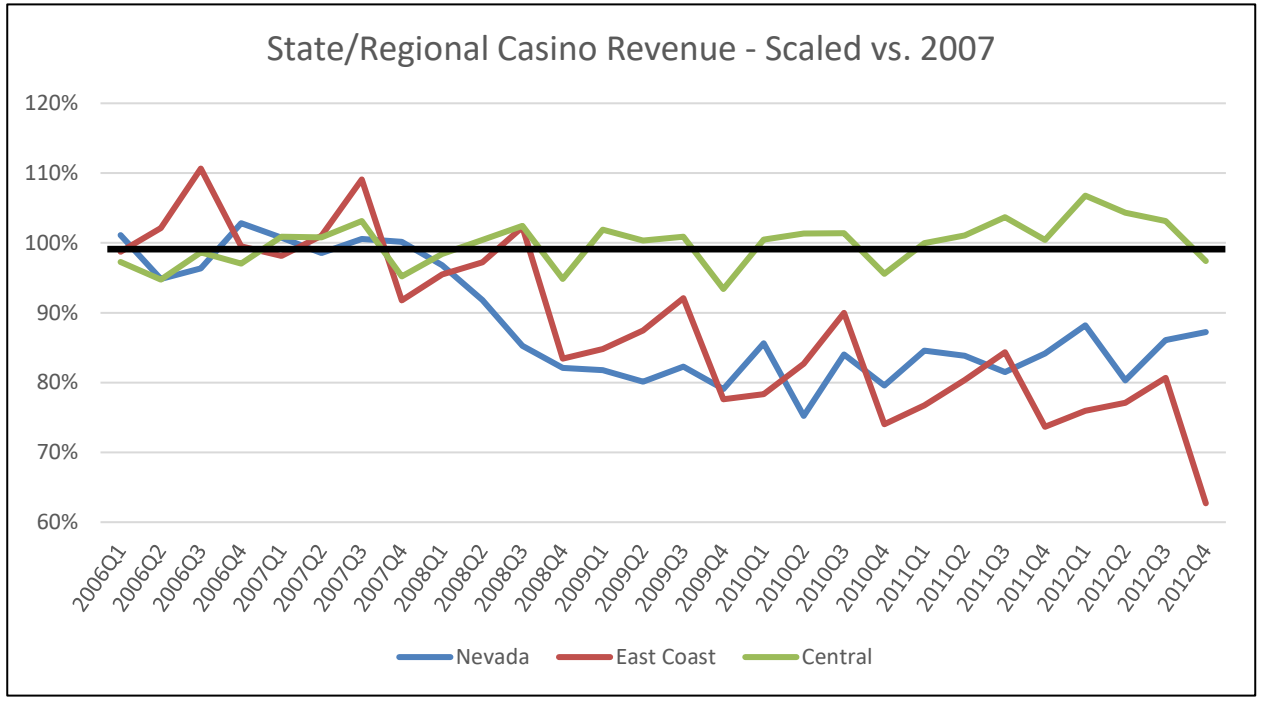


There are still some regions where we are not seeing the whole story.

The East Coast region is boosted by Pennsylvania and New York adding and expanding their gaming options during the period of recession.

The South Coast performance 2007 – 10 is boosted by the devastation of Katrina and the time it took to reopen the casinos.

02 Four Regions Compared (More Accurately)

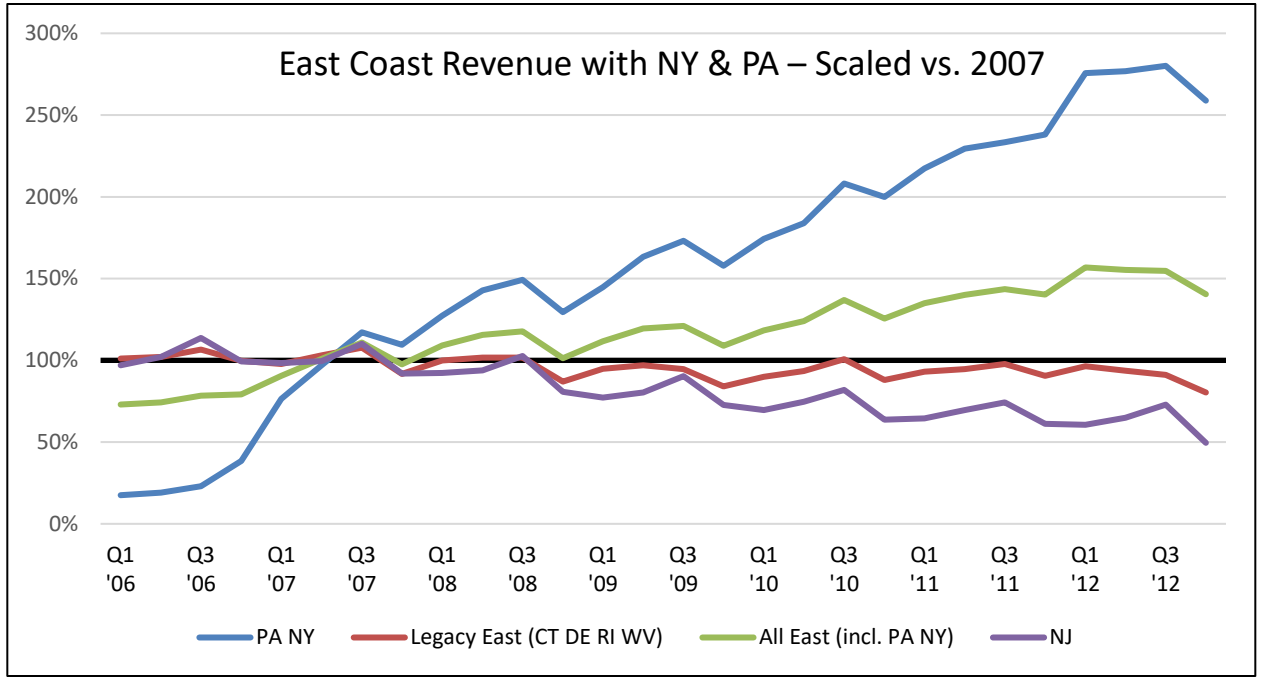


Removing the South, NY and PA we get a better picture of the effects of the recession.

Nevada and the East Coast region show a significant decline in gaming revenue during 2008 and the subsequent years. The impact of NY and PA is still seen in the decreasing revenue of some of their neighbors, most notably NJ.

The Central region weathered the recession years more successfully.

02 East Coast – New vs. Established Gaming

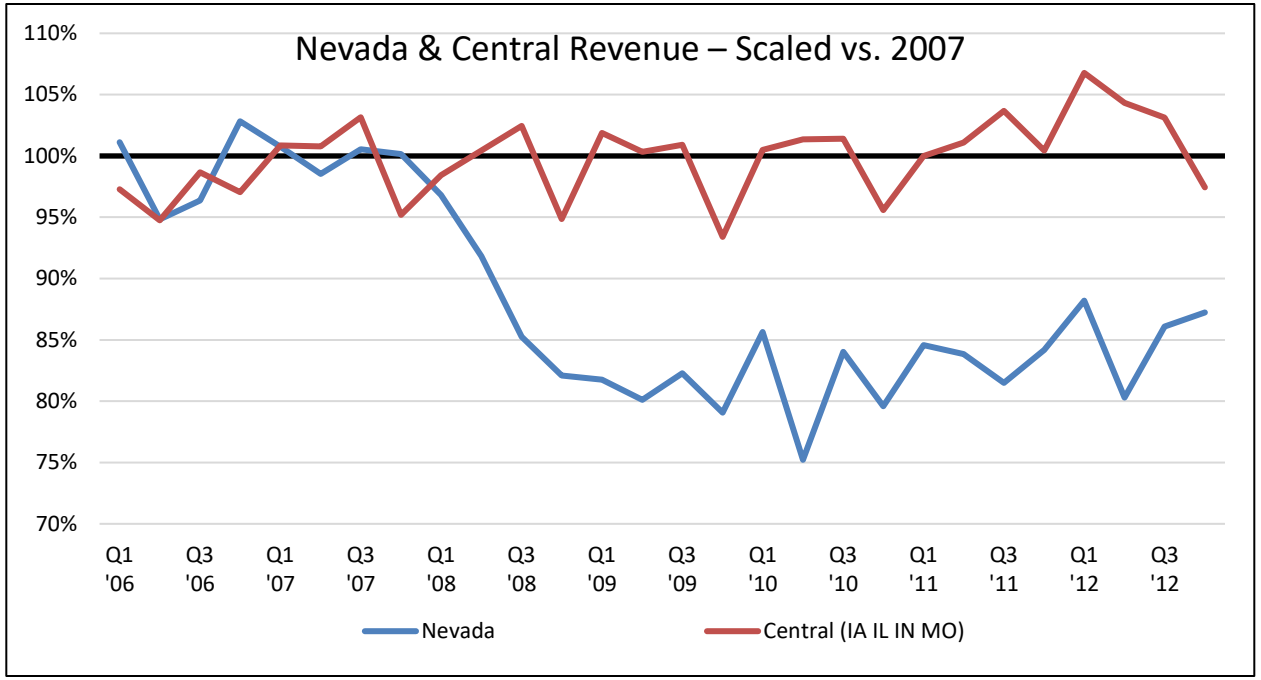


Relative to their 2007 average quarter, the four states with established gaming dropped to a low of 84% in Q4 of 2009. By Q3 of 2010, they had rebounded to their earlier levels.

New Jersey continued to decline, probably related to growth in its two populous neighbors.

Many East Coast states have a very seasonal pattern to their gaming revenues (Q3 typically higher, and Q4 lower).

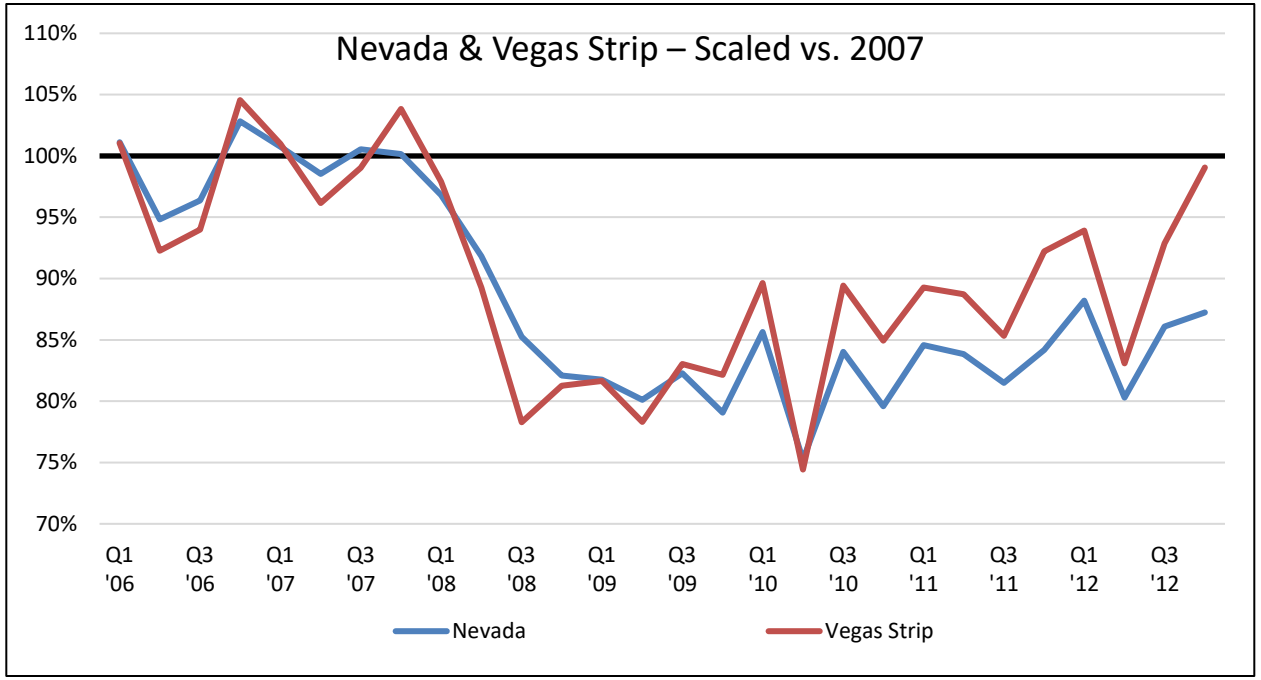
02 Central vs. Nevada



In contrast to the Central region, Nevada dropped off much more sharply in 2008, hitting a low of 75% in 2010.

Nevada showed signs of improvement in 2011 and 2012, but had still not rebounded to 2007 levels.

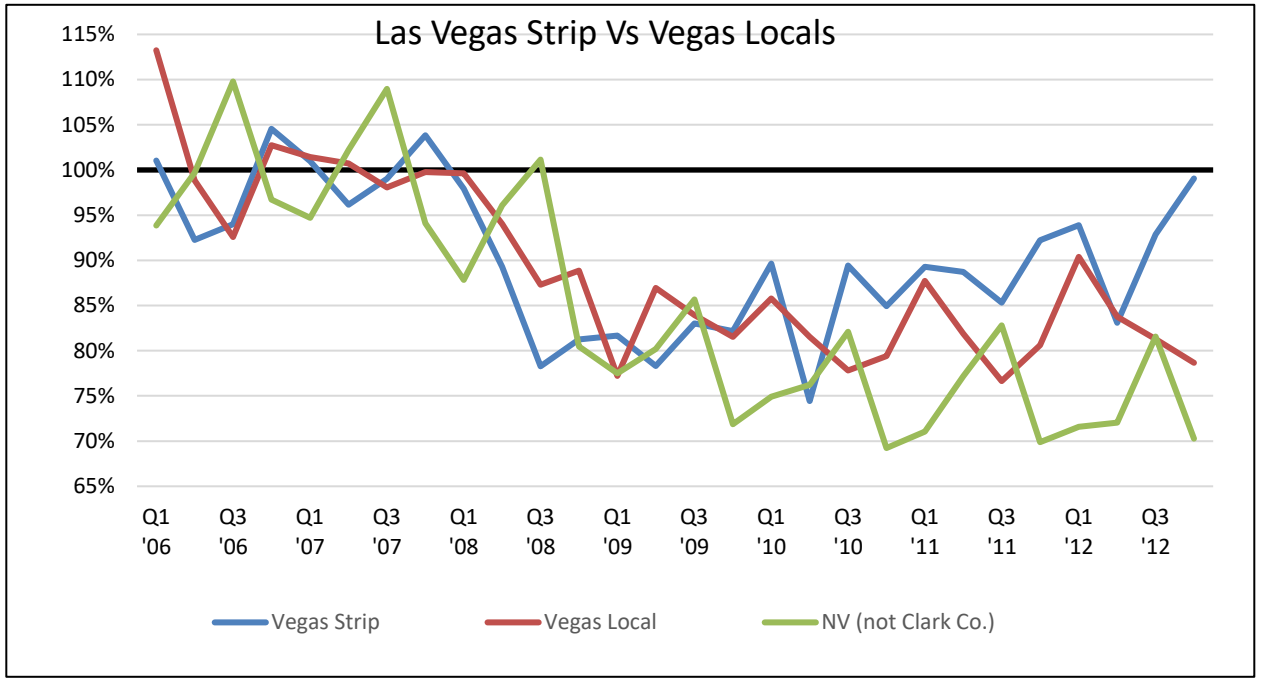
03 Las Vegas vs. All Nevada



Looking specifically at the Las Vegas Strip, the drop off was similar to all of Nevada through 2008 and 2009. Starting in Q3 of 2010, the Strip began to recover more aggressively than the rest of the state.

The Strip accounts for slightly more than half of NV gaming revenue during this period.

03 Sub-Dividing Nevada



Nevada outside of Clark County declined more steeply and recovered even more slowly.

03 Conclusions

The 2008 Recession affected different regions of the country very differently.

Markets heavily tourist dependent seemed to drop off most steeply.

The areas of Nevada outside of Las Vegas suffered a greater decrease than the Las Vegas Strip.

Events other than a recession affecting the gaming industry in many areas of the country.

There's no guarantee that the next recession will look like the last recession.

04 Spectrumetrix Supports these Analyses

You have plenty of data about your own property or market. Drawing on the data available through Spectrumetrix allows you to:

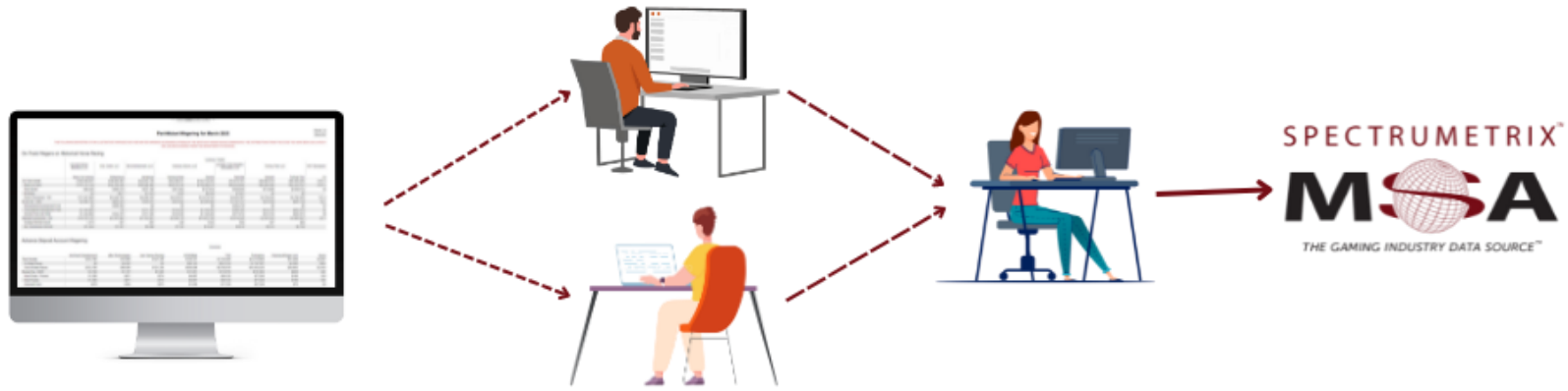
- Track regional trends
- Track national trends
- Study similar markets
- Study historical markets

04 Advantages to using Spectrumetrix

- Over 18 years of data is available for analysis
- Archived reports are available from 2008 on
- All data is available in one place
- Regional reports delivered as soon as the last jurisdiction reports
- Superior data accuracy
- Always up to date as the gaming landscape changes
  - Never miss a casino's first month of data!
- Data organized in an intuitive way
  - Just open a report and analyze!

04 Spectrumetrix Data Collection

- Spectrumetrix employs a double-blind data entry method
  - Two data entry personnel enter the same data into the system separately.
  - If the data matches, it is deemed correct and moved into the Spectrumetrix database
  - If the data doesn't match, a manager is notified and that person compares the entries, checks the raw data and selects the correct value
  - Leveraging this approach, since MSA took over data collection in Jan 2012, there has never been an incorrect value published in Spectrumetrix.



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04 Spectrumetrix Monthly Reports

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SPECTRUMETRIX™ *East Coast Slot Analysis*
Current Month

NOVEMBER 2024	Handle	Prior Year	Var. %	Win	Prior Year	Var. %	Units	Daily Win Per Unit
Foxwoods	$354,445,408	$336,986,597	5.2%	$30,706,895	$28,127,328	9.2%	3,150	$325
Mohegan Sun	$488,487,835	$443,683,946	10.1%	$41,494,462	$38,433,100	8.0%	3,383	$409
Connecticut Total	**$842,933,243**	**$780,670,543**	**8.0%**	**$72,201,357**	**$66,560,428**	**8.5%**	**6,533**	**$368**
Bally's Dover	$127,773,299	$136,337,655	(6.3%)	$10,462,768	$10,619,077	(1.5%)	2,154	$173
Delaware Park	$144,048,160	$140,108,528	2.8%	$12,106,633	$11,952,012	1.3%	1,957	$221
Harrington Raceway	$94,126,042	$97,354,506	(3.3%)	$7,404,515	$7,713,520	(4.0%)	1,315	$201
Delaware Total	**$365,947,501**	**$373,800,689**	**(2.1%)**	**$29,973,916**	**$30,284,609**	**(1.0%)**	**5,426**	**$197**
Big Easy	$57,286,316	$50,940,772	12.5%	$3,261,160	$2,939,651	10.9%	711	$153
Calder	$109,861,703	$108,608,229	1.2%	$7,622,230	$7,381,792	3.3%	1,044	$243
Casino Miami	$112,169,844	$115,741,106	(3.1%)	$7,517,878	$8,096,486	(7.1%)	908	$276
Dania	$70,107,697	$66,039,683	6.2%	$4,171,339	$3,556,740	17.3%	708	$196
Gulfstream Park	$70,507,403	$75,670,591	(6.8%)	$4,087,373	$4,568,538	(10.5%)	505	$270
Hialeah Park	$113,312,477	$116,950,141	(3.1%)	$8,775,128	$7,995,336	9.8%	775	$377
Isle Pompano	$122,777,502	$122,187,469	0.5%	$10,130,959	$10,284,376	(1.5%)	1,191	$284
Magic City	$163,696,246	$155,531,736	5.2%	$10,914,263	$9,799,090	11.4%	1,032	$353
Florida Total	**$819,719,188**	**$811,669,727**	**1.0%**	**$56,480,330**	**$54,622,009**	**3.4%**	**6,874**	**$274**

Geographic areas:

- Atlantic City
- Mid-Atlantic
- East Coast
- Mid-America
- Entire US

Types of gaming:

- Sports Betting
- I-Gaming

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04 Spectrumetrix State Summaries

State summaries give quicker updates from individual states.

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SPECTRUMETRIX™ State Summary
Illinois

February 2025	Total GGR			Slot Win				Table Win				SportsBook Win		
	February 2025	Chg vs. LM	Chg vs. LY	February 2025	Daily WPU	Chg vs. LM	Chg vs. LY	February 2025	Daily WPU	Chg vs. LM	Chg vs. LY	February 2025	Chg vs. LM	Chg vs. LY
Argosy (Alton)	$2,753,871	7%	1%	$2,383,188	$169	2%	-6%	$190,428	$756	-16%	12%	$180,256	1360319%	4885%
Bally's Casino Chicago	$8,759,384	-4%	-11%	$5,326,135	$260	-4%	-12%	$3,433,248	$2,271	-4%	-10%	$0		
Bally's Quad Cities	$4,943,571	4%	-3%	$4,698,250	$217	5%	-1%	$220,370	$492	-12%	-37%	$24,952	73%	
Casino Queen (E. St. Louis)	$48,823,324	-10%	28%	$5,287,815	$207	6%	-4%	$984,747	$1,213	-40%	-20%	$42,550,761	-11%	35%
Fairmount Park	$49,153,338	-21%	54%	$0	$0			$0	$0			$49,153,338	-21%	54%
Golden Nugget Danville	$2,885,181	5%	-23%	$2,555,374	$195	8%	-27%	$329,808	$841	-15%	35%	$0		
Grand Victoria (Elgin)	$13,455,134	-7%	-3%	$8,222,929	$392	-1%	-15%	$1,748,606	$1,388	-9%	-22%	$3,483,600	-18%	68%
Hard Rock Casino Rockford	$12,590,311	-2%	103%	$9,754,967	$269	2%	72%	$1,419,795	$1,014	-20%	172%	$1,415,549	-8%	
Harrah's (Joliet)	$8,661,138	-2%	-18%	$7,457,939	$359	-3%	-17%	$1,203,198	$2,046	5%	-21%	$0		

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04 Report Portal Analytical Tool

- Over 60 different measures including the following (where reported):
  - Slots – wager, win, promo credits, number of machines
  - Table games and poker – wager, win, number of tables
  - Sports betting – wager, win, online vs. retail, breakdown by sport
  - Internet gaming – wager and win
- Group properties by state, market, operator, or your own criteria
- Look at historical data by month, quarter, or year
  - Data back to 2005

04 Report Portal Analytical Tool

A sample from the Report Portal Tool showing different time periods, and different measures.

Year - Quarter - Month	State
2007, 2008, 2009	Multi-Select

	All		Illinois		Indiana		Iowa		Missouri	
Year - Quarter - Month	Total Win	No. positions	Total Win	No. positions	Total Win	No. positions	Total Win	No. positions	Total Win	No. positions
⊟ 2007	34,592,170,312	460,239	1,983,385,000	11,247	2,623,939,178	21,666	1,372,594,151	19,769	1,364,305,897	17,076
⊞ 2007Q1	8,545,593,206	452,857	493,673,000	11,272	682,335,782	21,848	330,236,676	18,504	345,764,425	16,866
⊞ 2007Q2	8,620,797,722	460,059	498,526,000	11,253	666,715,372	21,845	340,469,172	19,320	344,852,439	17,033
⊟ 2007Q3	9,044,456,686	463,738	512,276,000	11,219	670,283,148	21,590	366,341,545	20,765	345,016,109	16,875
JULY 2007	3,164,445,319	464,644	173,339,000	11,232	237,325,340	21,659	125,314,083	20,740	117,842,747	16,893
AUGUST 2007	2,965,972,150	463,577	172,263,000	11,198	221,494,300	21,666	123,178,234	20,762	115,888,943	16,830
SEPTEMBER 2007	2,914,039,217	462,994	166,674,000	11,228	211,463,508	21,444	117,849,228	20,792	111,284,419	16,901
⊞ 2007Q4	8,381,322,698	464,300	478,910,000	11,242	604,604,876	21,381	335,546,758	20,487	328,672,924	17,531
⊟ 2008	37,419,877,618	488,540	1,568,724,000	11,252	2,631,968,410	24,201	1,419,545,149	19,866	1,653,560,379	21,526
⊞ 2008Q1	9,661,001,734	481,796	409,899,000	11,230	628,001,307	20,916	353,583,947	19,904	415,787,571	21,638
⊞ 2008Q2	9,586,980,357	486,756	408,609,000	11,221	651,944,005	22,784	362,473,796	19,868	421,200,713	21,547
⊞ 2008Q3	9,495,437,720	491,649	396,541,000	11,214	695,075,949	26,500	371,160,560	19,921	418,108,173	21,460
⊞ 2008Q4	8,676,457,806	493,960	353,675,000	11,341	656,947,149	26,605	332,326,846	19,770	398,463,922	21,460
⊞ 2009	35,628,598,702	502,109	1,428,925,000	11,484	2,764,819,011	26,855	1,380,724,368	19,983	1,706,122,475	21,182

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