

# The Economic & Fiscal Ramifications of Gaming Expansions

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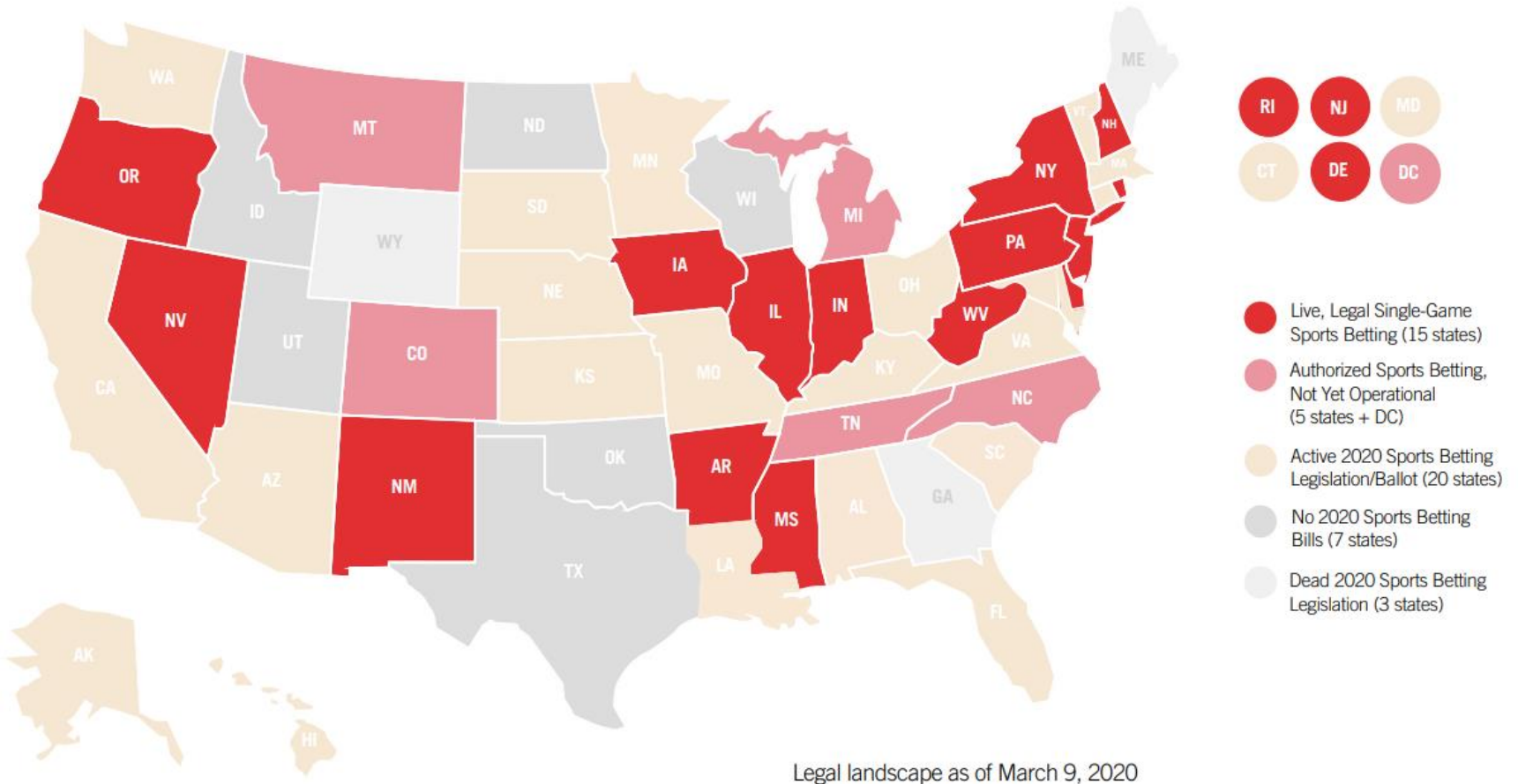
# Introduction

- UMass Donahue Institute is a policy research group and think tank affiliated with the University of Massachusetts.
- Our expertise includes
  - Industry and market studies
  - Population forecasting and estimates
  - Economic impact analysis
  - Economic development
  - GIS services and data visualization

# The economy, fear, and gaming

- Will the impact of coronavirus be more like SARS or 9/11?
- What kind of recession should we expect?
- Are there new challenges around problem gaming that will arise?
- How will we know when we can go back to normal?

# Legal Sports Betting in the U.S.



Legal landscape as of March 9, 2020

# How does sports betting differ from casino games?

- No mathematically-certain outcomes
- Odds makers are crucial to the functioning of a sportsbook.
- Handle vs. hold: what's revenue and what's not
- Integrity fees and the like

# How does digital gaming differ from brick-and-mortar gaming?

- Investment amount and type
- Employment number and occupation mix
- Operating costs as a share of revenues
- Verification and monitoring of participants

# What are the policy goals?

- Possible objectives

Tax revenue maximization?

Employment maximization?

Physical contact minimization?

Support for tourism and other economic development?

New customer attraction?

- Opportunity cost

iGaming now may preclude brick-and-mortar later

Tax rates directly impact investment

Running a system under the Lottery may dissuade future private investment

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