

Nobody Asked Me, But.... No. 35

Casino Expansion Has Transformed America, Exercise Awareness, Quote Of The Century

*By Stanley Turkel, MHS, ISHC
December 2007*

1. While we were napping- in the past nineteen years, since the Indian Gaming Regulatory Act of 1988, casino expansion has transformed America. Prior to that legislation, only Las Vegas and Atlantic City legalized casinos (in 1978).

According to the American Gaming Association (AGA), at the end of 2006 there were 460 commercial casinos in 11 states which reached a record \$32.42 billion in gaming revenues. While four out of five American adults agree that gaming is an acceptable activity, more than 26% of the U.S. adult population visited a casino in 2006:

- 56.2 million casino visitors
- 371 million trips
- Average of 6.6 trips per gambler

With an increasing number of entertainment options, casinos are attracting visitors looking to do more than just gamble. Twice as many Americans said that the overall casino experience- the food, shows, entertainment and everything else (49%)- is more fun than the actual gambling (23%).

In 2006, U.S. commercial casinos:

- Employed 366,197 people
- Paid wages of \$13.3 billion
- Contributed \$5.20 billion in direct gaming taxes
- Earned \$32.42 billion in gross gaming revenue

Consumers in 2006 spent more on casino gambling than they did on retail bookstore sales, specialty coffees or movie tickets; but less than on home remodeling, quick-service meals, soft drinks and cable television.

The top 20 U.S. casino markets in 2006:

LOCATION	REVENUE
1. Las Vegas Strip, Nev.	\$6.689 billion
2. Atlantic City, N.J.	\$5.208 billion
3. Chicagoland, Ind./ Ill.	\$2.595 billion
4. Connecticut	\$1.734 billion
5. Detroit, Mich.	\$1.303 billion
6. Tunica/Lula, Miss.	\$1.252 billion
7. St. Louis Mo./Ill.	\$ 990.98 million
8. Reno/Sparks, Nev.	\$ 939.50 million
9. Boulder Strip, Nev.	\$ 929.70 million
10. Shreveport, La.	\$ 847.18 million
11. Biloxi, Miss.	\$ 845.20 million
12. Lawrenceburg/Rising Sun/Belterra, Ind.	\$ 795.13 million
13. Kansas City, Mo. (includes St. Joseph)	\$ 751.33 million
14. New Orleans, La.	\$ 696.47 million
15. Lake Charles, La.	\$ 656.85 million
16. Downtown Las Vegas, Nev.	\$ 630.29 million
17. Laughlin, Nev.	\$ 629.76 million
18. Black Hawk, Co.	\$554.48 million
19. Council Bluffs, Iowa	\$477.96 million
20. Charlestown, W. Va.	\$448.23 million

Gambling revenue: 10-year trends - the following chart shows the growth from 1995 to 2005 in both the commercial casino industry and other gambling venues (pari-mutual wagering, lotteries, casinos, legal bookmaking, charitable gaming and bingo, Indian reservations and card rooms).

<u>Year</u>	<u>Total Commercial Casino</u>	<u>Total Gaming</u>
1995	\$16.0	\$45.1
1996	17.1	47.9
1997	18.2	50.9
1998	19.7	54.9
1999	22.2	58.2
2000	24.3*	61.4
2001	25.7*	63.3
2002	26.5*	68.6
2003	27.0*	72.9
2004	28.9	78.8
2005	30.3	83.7
2006	32.4	pending

Note: All amounts in billions

* Amount does not include deepwater cruise ships, cruises-to-nowhere or noncasino devises.

Sources: American Gaming Association, Christiansen Capital Advisors LLC.

2. Exercise Awareness- In the February 2007 issue of Psychological Science, Harvard psychologist Ellen Langer and her student Alia J. Crum used self-awareness to help 44 hotel room attendants improve their physical condition. Langer and Crum interviewed 84 hotel maids at seven hotels about how much they exercised. Two-thirds of the women said that they did not work out regularly while one-third said they got no exercise at all. Langer and Crum examined these women and found that they had the uncertain health of basically sedentary people. However, the psychologists told half these women that they were cleaning 15 guestrooms a day which involved making beds (Queen and king-sized); throwing sheets, blankets, duvets, pillows and spreads; using vacuum cleaners; scrubbing bathroom floors and tubs. These efforts involved more activity than required by the surgeon general’s recommendations for daily physical activity. The researchers provided specifics of the calories burned by the 44 women, while the control group was told nothing.

A month later, Langer and Crum discovered a remarkable result: The average study-group maid had lost 2 pounds, had a 10 point blood pressure drop and was “significantly healthier”. The only change that caused this improvement was “mind-set”. Psychologist Langer sees the study as a lesson in the importance of mindfulness which doesn’t involve meditation or Buddhism.” It’s about noticing new things; its about engagement,” says Langer.

3. Quote of the Century

“Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.”

First Amendment to the Constitution of the United States (1791)

Stanley Turkel, MHS, ISHC operates his hotel consulting office as a sole practitioner specializing in franchising issues, asset management and litigation support services. Turkel's clients are hotel owners and franchisees, investors and lending institutions. Turkel serves on the Board of Advisors at the NYU Tisch Center for Hospitality, Tourism and Sports Management. If you need help with a hotel franchising problem such as encroachment/impact, termination/liquidated damages or litigation support, don't hesitate to call 917-628-8549 or email stanturkel@aol.com.

If you would like to reserve an autographed copy of Mr. Turkel's new book "Great American Hoteliers: Pioneers of the Hotel Industry" (to be published in Fall 2008), send an email to stanturkel@aol.com.

Contact:

Stanley Turkel, MHS, ISHC
917- 628-8549
stanturkel@aol.com