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Gambling on Revenue

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GAMBLING ON REVENUE

Kelsey Tallent



WHY IS IT IMPORTANT?

- Casino's have huge impact on the County
 - Tourism
 - County Wealth/ Revenue
 - Jobs



INTRODUCTION

- County Wide (2010-2017)
 - Ford- Boot Hill Casino
 - Wyandotte- Hollywood Casino
 - Crawford- Kansas Crossing Casino
 - Sedgwick- Kansas Star Casino

Data: www.fredstlouis.org



LITERATURE REVIEW

- Casino Competition (*Casino Revenue Sensitivity to Competing Casinos: A Spacial Analysis of Missouri- Douglas Walker 2014*)
 - Depends on number of table games vs. machine games
 - Square footage
- Casino Attendance Age (*Is Your Casino Optimized for Millenials- 2015*)
 - 21-24 med age nationwide
- Unemployment (*The Impact of Local Economic Condittions on Casino Revenues- Frank Flanegin 2014*)
 - Big cities=high unemployment=low revenue?
- Affected by Nearby cities? (*Gambling and Poverty: Of Slots and Sloth- Siletz Reservation of Oregon 2015*)
- Psychological Addiction (*Pathological Gambling: A critical Review- National Academies of Sciences Engineering Medicine*)
- Fiscal Impact of Legalized Casino Gambling: (Mark W Nichols) per capita government revenues and expenditures



PREDICTIONS

- Casinos will become more elastic to changes as more casinos in the State arise
- Median population age will be the least significant variable
- Income most significant variable



VARIABLES

- Dependent Variable
 - Casino Revenue
- Independent Variables
 - Median Population Age
 - Personal Income
 - Subprime Credit Population
 - Unemployment
 - Poverty Rate



DATA

- www.fred.stlouis.org
- www.kslottery.com
- Time Series - 2010-2017
- OLS (Ordinary Least Squares)
- Pooled Regression
- $REV = CO + X_1U + X_2I + X_3A + X_4P + X_5C$
- White Test



SEDGWICK COUNTY

- Kansas Star Casino – Mulvane, KS

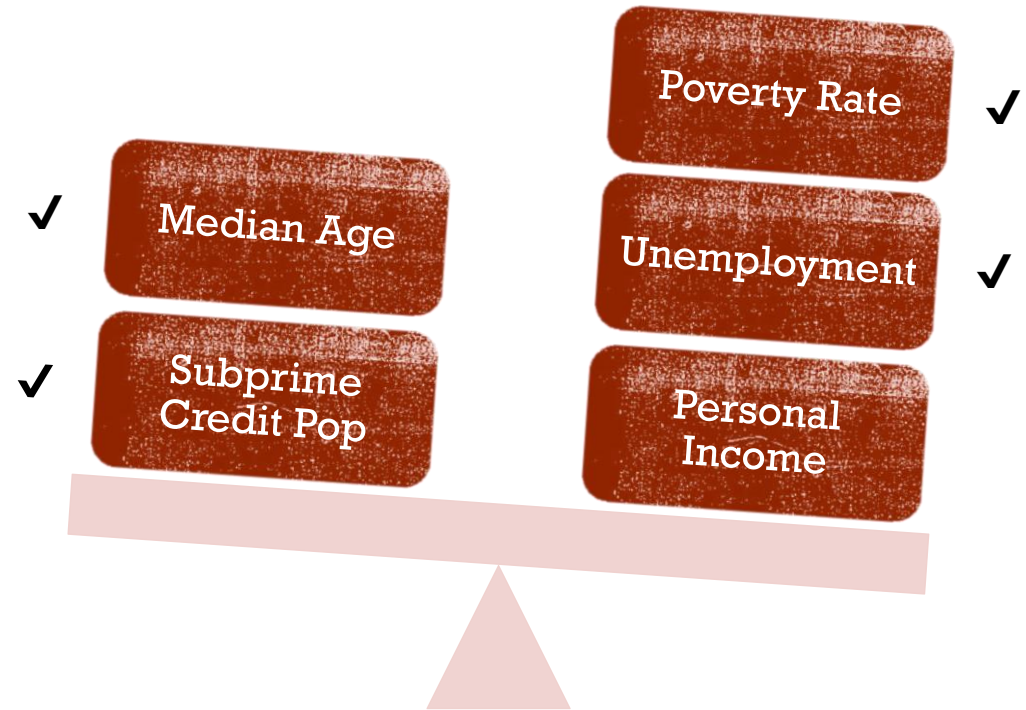
R ²	Durbin Watson
89%	2.49

Takeaways

- 50 table games, 53,000 sq ft
- Minimum Age 21
- Nearby Wichita
- 15,000 – 30,000 known problem gamblers (2.93-5.86%)

Negative

Positive



WYANDOTTE COUNTY

- Hollywood Casino – Kansas City, KS

R ²	Durbin Watson
98%	3.1

Takeaways

- Over 2000 newest slot machines, 52 tables, 240,000 sq ft
- 21 age minimum
- Big city itself w/ Kansas Speedway
- 80% of residents voted yes

Negative

Positive

Poverty Rate

Median Age ✓

Unemployment

✓ Subprime Credit Population

Personal Income ✓



FORD COUNTY

- Boot Hill Casino – Dodge City

R ²	Durbin Watson
94%	3.3

Takeaways

- First with all significant variables
- 20 table games, 600 electronic games, 38,000 sq ft
- 21 minimum age
- City not much bigger than Pittsburg
- Western Kansas

Negative

Positive

Subprime Credit Population ✓

Poverty Rate ✓

Median Age ✓

Personal Income ✓

✓ Unemployment



CRAWFORD COUNTY PROJECTIONS

- Kansas Crossing Casino – Pittsburg, KS

2017	2018
8,206,260	20,305,251

Takeaways

- 16 table games, 625 slots, 18,600
 - Like Ford in size, but smaller
- 21 minimum age
- Most competition surrounding



PROJECTED CONCLUSION

- Trends suggest....
 - All variables except for unemployment will have positive relationships.
 - All doubled revenues second year of being open

Series of Events

Boot hill Casino Opens

2 years later Kansas Star and Hollywood open, Boot Hill goes into decline

After doubling, Kansas Star slightly grew and has been in decline since

Kansas Crossing Casino Opens

Hollywood Casino finally goes into decline



