

## WHIT ASKEW-Georgia House Study Committee on Preserving the HOPE Scholarship

September 14-15, 2015 – Atlanta, GA

### Introductory Remarks

Chairman Ramsey, Chairman Beach...members of the Study Committee on Preserving the HOPE Scholarship:

Good morning, my name is Whitaker Askew and I'm vice president of government relations for the American Gaming Association. I sincerely appreciate the Committee's invitation to appear before you today.

The AGA is the national trade association representing the U.S. casino gaming industry that proudly contributes \$240 billion annually to America's economy ... supports more than 1.7 million jobs nationwide paying American workers \$74 billion in wages ... and generates \$38 billion in tax revenues for government at the federal, state and local levels. Casino gaming operates in 40 U.S. states, and when you consider lottery, VLTs and horseracing, all but two states have SOME FORM of legal gaming. (Utah and Hawaii).

To be clear, I am not here today to advocate either way (for or against) gaming expansion in Georgia, as that decision should be left up to you and your constituents. However, I am here to provide you with facts about gaming that you may not know, instead of only hearing about the decades-old, stale myths and stereotypes about gaming that you are likely to also encounter as your Committee continues its research.

### Gaming Popularity at an All-Time High

Gaming is more mainstream and popular than ever.

Last year, AGA released national research conducted by respected bipartisan public opinion researchers Mark Mellman and Glen Bolger finding that

nearly 90% of American voters find gaming to be an acceptable form of entertainment.

An overwhelming majority of voters – 74% in fact – also affirm that casinos promote job creation.

And nearly two-thirds (63%) of casino visitors leave the property to spend money at neighboring local small businesses and other attractions.

The research also reaffirms that casino visitors are a portrait of America:

\* In fact, nearly two-in-three (62%) casino visitors are homeowners and 70% are in the middle-class or upper middle class.

\* Almost half (46%) of casino visitors are college graduates... 16% higher than the national rate of Americans with bachelor degrees.

\* More than a third (35%) attend religious services regularly, and one-in-four report they are evangelical, or born-again Christians.

\* And further, 76% of casino goers who gamble set a budget for each visit, with a majority setting a budget of less than \$200.

My point in highlighting some of these key facts is that Americans today overwhelmingly see gaming as part of a broad spectrum of enjoyable leisure options – like going to a movie theater/theme park, an Atlanta Falcons MNF game...or a Georgia Bulldog athletic event (which JOKINGLY pains me to even say Georgia Bulldog since I'm a Tennessee Volunteer grad!)

But jokes aside, while again, I'm not here advocating for or against expansion of gaming, it's clear that the broad acceptance of gaming outlined by public opinion shows that casinos should not be treated differently than other businesses.

Therefore through the work of this Study Committee, and as legislators ultimately determine what is best for the Peach State, it is important to keep in mind that Americans have come to understand that casinos are an important part of hundreds of communities' economic well-being throughout the country. They understand that the industry creates good paying jobs with above average benefits and supports countless local vendors and suppliers – and that gaming is a valuable community partner wherever the industry has a presence.

Gaming is an Economic Engine

Looking at the casino gaming industry through the economic lens, the industry is unquestionably a powerful engine for our national economy. Our industry is helping provide a gateway to the middle class.

AGA has long served as a data clearinghouse and informational resource for our industry, but we recently commissioned a significant undertaking with Oxford Economics where they drilled down into the economic and community impacts of gaming.

What we have learned is that in addition to the \$240 billion dollars in total economic impact, the 1.7 million U.S. jobs (734,000 direct jobs), the 200 distinct career occupations and \$74 billion in employee income all supported by gaming, the industry also enables workers with diverse backgrounds, ages and talents to succeed. For example:

- \* Women make up nearly half of gaming's workforce;
  - \* 45% of gaming's workforce is composed of minority employees, which is far more diverse than the U.S. average of 33%;
  - \* Gaming also employs more people with disabilities than the national average;
  - \* And at a time when our younger working-age demographic continues to struggle to find jobs, gaming employs a disproportionately large number of millennials.
- o More than one-third of the gaming workforce is younger than 30 years of age and the average age of a gaming employee is 39 years old.

### Gaming Generates Much-Needed Revenue

Obviously another key factor typically associated with gaming, which this Study Committee is heavily focused on, is revenue generation and how such revenue is utilized to benefit communities.

Gaming contributes \$32 billion in tax revenues to local, state and federal governments each year.

While each state's governing laws look different, this revenue generally supports a wide range of public works initiatives including education, public safety, general treasury funds, community investment/reinvestment and more.

### Competitive Landscape for Gaming

Of course, today with commercial and Tribal casino gaming operations in 40 states, many are competing across the same regional market for the same pool of gaming customers. In some jurisdictions, competitive nuances even exist due to the policy

regime in which certain casinos operate, particularly on the tax front. Needless to say, competition for gaming customers today is more-fierce than ever before and that obviously can impact revenue.

## Modernizing Policies

These dynamics, and many others, are forcing casino operators to adapt and implement innovative business practices to engage with customers...But in order to successfully adapt, casino operators also need policies in place that will allow them to do so. Tax treatment is just one of these important policies.

Of course, regulation is also a proud hallmark of gaming. Strong regulation is critical in continuing to ensure the integrity of our industry and its commitment to provide first-class entertainment to patrons. At the same time, AGA believes that it's important for states to consider modern, efficient approaches to their regulatory oversight as that, too, will help sustain the industry's economic strength in the long-term.

In fact, some already are starting to take progressive steps in this regard. For example, New Jersey has recently made a number of important improvements to its tax and regulatory policies in an effort support the state's gaming industry. Others are considering/undertaking policy enhancements as well.

New York, for example, has expanded promotional marketing tax credits for casinos as a way to compete with neighboring jurisdictions. Indiana recently enacted into law a number of improvements to their regulatory structure, in part, due to increased competition as well.

Last summer, Delaware's Legislature took an important step by approving a \$10 million tax relief measure.

My point here is that while gaming is a hospitality, entertainment industry, its clearly much more than that. Therefore, the policy decisions made in state capitals today will unquestionably have a long-term impact on what gaming is able to generate, support and provide in the future.

While each gaming state has its own policies and regulations, AGA believes it's important that state legislators and gaming regulators continue to recognize and seek progressive, modern approaches to gaming policy to ensure the industry can continue as a strong economic and community partner wherever casinos proudly operate.

## Conclusion

I again want to thank the Chairman and members of the Study Committee for the opportunity to highlight some of these key facts about the U.S. gaming industry. I hope that as your efforts continue, some of the information I've provided will help you ultimately determine what course of action may be appropriate to preserve the HOPE Scholarship and best for the state of Georgia. Should you need it, AGA would be happy to further serve as a resource for information for the Committee in the weeks and months ahead.

With that, I'd be happy to answer any questions you may have.

Thank you.