

# Gaming impact study



A visit to a casino may start as a fun activity or a challenge for most people. It is a time to try their luck, have a good time and enjoy the excitement of the casino, the fine restaurants, the shows and the other conveniences found in casino hotels.

However, as with any other form of entertainment, it can get addictive after a while. This condition is often called compulsive gambling and pathological gambling. Addiction to gambling can be very dangerous and can wipe out entire stalks of wealth.

In an attempt to check this activity from getting out of limits, a number of efforts have been undertaken by the government. New Jersey is one of the states, which provides funding for education and treatment programs for people with a gambling problem.

Due to the efforts of the New Jersey Casino Control Commission, the activity has been kept under manageable limits. One of the commendable efforts of the Control Commission has been to impose a partial ban on smoking in the casinos. In New Jersey, the tax is 9.25 percent on gross gaming revenue, which the state uses to benefit senior citizens and people with disabilities. There are reports that New Jersey casino revenues fell by 10 pct. in January 2008 as compared to January 2007. The 11 casinos in Atlantic City reported a 10 percent decrease in total revenue in January 2008, with every gambling hall, even the formidable Borgata, showed a decline. Revenues declined across the board, whether it was slot games or table games. The casinos reported decreases that ranged from 21 percent at the Tropicana and Trump Marina, to 0.8 percent at Trump Plazai.

Another factor contributing to the decline in revenues could be the competition offered from casinos recently opened in Pennsylvania . The

impact of Pennsylvania slots on Atlantic City has been dramatic. Last year's total revenue for the 11 casinos was down by almost 10 percent as compared to the previous year.

A major part (almost one-third) of the casinos' revenues is contributed by the slot machines, and a minor (one third) by table games. A critical factor in declining revenues was the continuing decline in slots revenue, which was down nearly 13.9 percent.

Larry Klatzkin, managing director of Jefferies & Co. in New York said, "Atlantic City is still trying to (overcome) the smoking ban and Pennsylvania opening up."

"But as far as Penn National's opening, I don't think it will have a big effect on Atlantic City," he said. "It's too far away." ii

In another move to curb malpractices in New Jersey casinos, The New Jersey Casino Control Commission stripped former Tropicana owner, Columbia-Sussex Corp., of its operating license in mid-December for regulatory violations and massive layoffs that led to unsanitary conditions and a loss of business at the casino. Thus, the impact of the New Jersey Casino Control Commission and its recommendations can be seen clearly in bringing about a much-desired change in the casinos in New Jersey.

#### References

11, February, 2008. by Suzette Parmley

INQUIRER STAFF WRITER

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