

## LIGHT Comments on November DGE Report

*For immediate release*

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**Comments from Jane Bokunewicz, faculty director of the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), Stockton University School of Business, on the November 2022 numbers released today by the state Division of Gaming Enforcement:**

Going into winter 2022, internet gaming continues to be the star of Atlantic City gaming operations — representing 37.7% of total gross gaming revenue earned by Atlantic City's casino operators in the month of November, compared to 32.6% in November 2021 and 17.0% in pre-pandemic November 2019. Year-to-date, internet gaming revenue for 2022 (\$1.5 billion) has increased 22% over year-to-date 2021 (\$1.2 billion) and 248.7% over year-to-date 2019 (\$433.4 million). Internet gaming revenues have seen remarkable gains since the start of the pandemic, more than doubling their share of total year-to-date gaming revenue for Atlantic City operators in November 2022 (34.9%) compared to the same period ended November 2019 (14.3%).

This has become indisputably a major source of revenue and economic activity for Atlantic City's casino operators. But it is not a substitute for in-person gaming, which, in addition to generating gaming revenue, generates complementary revenues from the resorts' nongaming amenities, such as lodging, dining and entertainment. It should also be noted, casino operators share a portion of the revenue from internet gaming with third-party providers.

In comparison, gross gaming revenues earned from slots, table games and poker have struggled in recent months to meet 2019 revenue levels. Year-to-date ended November 2022 brick-and-mortar gaming revenues (\$2.57 billion) exceeded the same period in 2021 and compare favorably to the same pre-pandemic period ended November 2019 (\$2.48 billion). While an encouraging sign of post-pandemic recovery, this modest performance may not be enough to offset recent increases in operating expenses, which are now well above those of 2019.

The industry could be facing strong headwinds finishing out 2022 and beginning the first quarter of 2023, as a traditionally slow seasonal period aligns with ongoing broader economic concerns. While impossible to predict, it may be reasonable to expect a slowing of internet gaming revenue growth and modest, if any, growth in brick-and-mortar revenues because of these external pressures. Depending on their business models, each Atlantic City gaming property may weather these challenges differently.

It is important to keep in mind that, despite these challenges, the Atlantic City industry, as a whole, is still trending ahead of total 2021 gaming revenues and is on track to generate near-term record total gross gaming revenue by year-end.

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