

LIGHT Comments on June 2024 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 June 2024 numbers released Tuesday by the state Division of Gaming Enforcement:

Total gross gaming revenue (GGR) for the month increased 7.4% year-over-year and by this metric was the strongest June in recent history for Atlantic City's casino operators. Likewise, at the halfway point of the year, total GGR increased 9.1% over 2023 and has generated the most revenue year-to-date in recent history — more revenue than the industry made in some recent 12-month periods.

However, with the brick-and-mortar casino revenue essentially flat for the month and year-to-date, it is clear that most of these gains can be attributed to the online gaming market.

While internet gaming provides a number of benefits — including revenues taxed at a higher rate, appeal to more/different players and an innovative and evolving gaming experience — it is not a replacement for brick-and-mortar gaming activity in terms of total economic impact for Atlantic City and the state. In-person gaming activity does not occur in a vacuum. Patrons visiting Atlantic City casinos are also likely to spend money on things beyond the casino floor, and their presence in the city directly and indirectly supports a variety of businesses (lodging, food & beverage, entertainment etc.), as well as thousands of jobs.

A growth of 1% in the year-over-year brick-and-mortar casino revenues for June is positive, but perhaps not as much growth as operators would have liked to see given the importance of in-person gaming to their overall business strategy. As we look forward to the rest of the summer, it will be important to monitor year-over-year revenues for brick-and-mortar operations.

At first glance, a decline of nearly 24% in sports betting revenue for Atlantic City's casino operators is a bit surprising given recent positive performance from that sector. However, the declines are not universal across all operators, and handle (a measure of volume of wagering activity) for the month, while lower than record revenue months when it has exceeded \$1 billion, was fairly consistent with June handle in recent years and actually increased in comparison to 2023. It seems likely that the decline in sports betting revenue this June is a function of odds set by the odds makers, the bets made by the

public, and the outcomes of live events. At the end of the day there will always be some variability by nature in gambling activity.

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