GASP

Economic facts of smokefree gaming

by Karen Blumenfeld, Esq., Executive Director
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The experience of other hospitality and entertainment entities, including restaurants, bars, hotels, and resorts, is that smoke free policies and laws have a positive impact, or no impact, on profits. Similar positive effects are the experience in casinos and other gaming situations.

Here are the facts:

1. The overwhelming majority of gamblers do NOT smoke, and the vast majority of people are nonsmokers.

2. Experiences and impartial scientific studies, based on empirical data, show that smokefree gaming doesn't hurt gaming profits.

3. 100% smokefree policies in poker venues are proliferating for over a decade.

4. Smokefree laws for gaming sites are increasing.

5. Public support and some leaders in the gaming industry support smokefree gaming.

6. Litigation is an economic liability for smoking-permitted gaming venues.

There's more information about each of these six points in the numbered sections below. Beyond that, New Jersey GASP can supply *Trends in Smokefree Gaming*, by Karen Blumenfeld, Esq., Executive Director, Tobacco Control Policy and Legal Resource Center, New Jersey GASP, that references scientific and economic studies, litigation summaries, gaming sites' smoke free policy statements and news reports, etc.

1. The overwhelming majority of gamblers do NOT smoke, and the vast majority of people are nonsmokers.

According to empirical surveys conducted in Atlantic City, Nevada and Australia, the majority of gamblers do NOT smoke. More than 81% of New Jersey adults are

nonsmokers. More than 78% of American adults are nonsmokers. Many of these nonsmokers avoid gaming sites because of the smoke pollution (see below).

The Atlantic City Convention and Visitors Authority released their 2008 Visitors Profile Study, of Atlantic City visitors. One of the key findings is that nonsmokers spend more money in Atlantic City than smokers, based on a median amount ($500 for nonsmoker vs. $469 for smoker). Read the Executive Summary by clicking here.

2. Experiences and impartial scientific studies, based on empirical data, show that smokefree gaming doesn't hurt gaming profits.

In NJ, the three Favorites' simulcast facilities opened 100% smokefree, are are extraordinarily successful. Poker rooms across the country are 100% smokefree voluntarily for almost a decade, due to patron demand.

Delaware's smoke free air law did not affect gaming revenue, as shown by data obtained from the Delaware Video Lottery, and published in a scientific study in the peer-reviewed, international journal Tobacco Control. Delaware Governor Ruth Ann Minner, in a letter to New Jersey Senators Adler and Vitale in March 2005, more than two years after Delaware's smoke free air law went into effect, said, "Delaware's three slot machine casinos have all experienced their highest revenue periods in the last two years." Delaware's Dover Downs refurbished, upgraded and expanded their venue, once going 100% smokefree.

California's smoke free air law includes gaming sites. The California Board of Equalization found that gaming revenues increased more than 5% following implementation of the statewide law.

In Massachusetts, local ordinances requiring smoke free bingo and charitable gaming were not associated with lost profits, even though patrons could have gone to other municipalities without smoke free ordinances, according to a scientific study based on reports to the Massachusetts State Lottery Commission.

An April 2005 smoking ban impact report to New Jersey Treasurer John McCormac concluded "...there is little objective evidence of any, much less a sizable, negative economic impact." The report also said of unique activities like gaming, "If there is no ready substitute for the activity, patrons who are smokers will adapt rather than disappear."

A New Jersey Office of Legislative Services fiscal estimate of the proposed New Jersey Smoke-Free Air Act, July 15, 2005, concluded there would be no fiscal impact. In spring 2005, International Communications Research, an independent research organization, surveyed 496 adults in the Mid-Atlantic states about smoke free casinos and the proposed New Jersey smoke free air legislation. Nonsmokers said they'd be more likely to go to Atlantic City if casinos were smoke free, smokers said they'd still visit. The researchers estimated that smoke free casinos would bring 1.5 million more visitors to Atlantic City.

The Center for Tobacco Control Research and Education of the University of California, San Francisco, in December 2005 examined a November 2005 report the Casino Association of New Jersey commissioned from PriceWaterhouseCoopers, a report which predicted economic losses for casinos if New Jersey enacted the smoke

free air law. But, the University of California Center concluded, "Like many other such 'studies' produced on behalf of the tobacco industry and its allies, this 'report' is not based on any hard data, but rather makes a series of unsupported assumptions." For instance, the PriceWaterhouseCoopers report assumed that smokers would reduce their visits to casinos but, paradoxically, assumed nonsmokers would not increase their visits. No empirical evidence was presented to support either assumption. Correcting for just one of several such assumptions, the UCSF concluded that revenue would, in fact, increase 7% the first two years.

3. 100% smokefree policies in poker venues are proliferating for over a decade.

Smokefree poker policies came about almost a decade ago, in Las Vegas, due to patron demand. The first Atlantic City casino to voluntarily create a smokefree poker room was a Trump casino, and its revenues were higher than other casinos, once this policy took place.

Harrah's created a 100% smoke free policy for one entire, separate, 8,000 square feet building at its Cherokee Casino and Hotel in North Carolina in September 2005. The facility has about 280 games, including all the offerings of the complex's smoking-permitted gaming facilities. "It's pretty much its own casino." said Lynne Harlan, a public relations spokesperson for the casino. Customers "overwhelmingly" wanted the facility, said Lumpy Lambert, vice president of operations.

Smokefree casino areas thrive at Churchill Downs in Louisville, Kentucky, at Foxwoods and Mohegan Sun in Connecticut, in Grand Casino Gulfport in Mississippi, and in some of the big casinos in Atlantic City and Las Vegas.
The Blackfeet Reservation in Montana made its gaming facilities smoke free. The Lucky Bear Casino on the Hoopa Reservation in California is completely smoke free, as is Taos Mountain Casino in New Mexico where the marketing director, Marc Kaplan, declared that marketing a smoke free casino is a joy and their customers are very enthusiastic about the policy. Several other Native American casinos offer smoke free areas.

The Metuchen, New Jersey Roman Catholic Diocese created a smoke free bingo policy. Many other bingo sites throughout the nation are smoke free.

Three of Montreal's casinos originally went smoke free voluntarily, except for a few smoking-only rooms with no gambling, food or beverage service, etc. (Effective May 2006, Quebec Province law requires them to be smoke free.) New Zealand's biggest casino operator, Sky City Entertainment, voluntarily made more than 40% of its gaming areas smoke free, before mandated by law in December 2004.

4. Smokefree laws for gaming sites are increasing.

U.S. state laws require smoke free gambling in almost a dozen states, and local laws require it in several U.S. cities. Many Canadian provinces require smokefree gaming, as do other nations overseas. See the list of smokefree gaming venues compiled by NJ GASP.

5. Public support and some leaders in the gaming industry support smokefree gaming.

New Jersey voters overwhelmingly support smokefree casinos, according to the 2007 Monmouth University Polling Institute survey results.

A 2005 International Communications Research survey of 496 people in New Jersey and nearby areas (described in item 1) found that 67% of respondents support the proposed New Jersey state smoke free air law, including casinos, and that 89% would go to Atlantic City casinos more often or as frequently if they were smoke free while only 9% would go less often.

A 2004 survey of 500 likely voters in New Jersey found 85% felt that all employees should be protected from secondhand smoke in the workplace (survey by Global Strategy Group, a leading research and communications firm specializing in consumer and voter attitudes and behavior).

An Eagleton Poll of 703 New Jersey registered voters in October 2005 found 50% favored a ban on smoking in casinos while only 44% were opposed. That poll didn't mention employees' needs for protection.

A customer survey by Mohegan Sun Casino found that the number one amenity that patrons would like is a smoke free gaming area. Mohegan's Executive Vice President, Mitchell Estess, said, going smoke free "is just good business" (Associated Press, April 17, 2001).

Gary Thompson, Director of Sports Entertainment Marketing, Harrah's Entertainment, Inc., which owns and operates World Series of Poker, which is smoke free, said, "I haven't seen any complaints at all. We found there are a lot more nonsmoking players than smoking players and all of our poker rooms across the country are smoke free." (Nov. 3, 2005)

Gambling Magazine supported smoke free gaming in a May 2005 editorial. Lois Rice, Executive Director of the Colorado Gaming Association said "We have taken no position on a statewide measure because we have no consensus in the industry."

The director of the National Federation of Casino Employees stated that casinos should be completely smoke free. Jack Lipsman, Director, International Union of Gaming Employees, said "We wish to have casinos join the ranks of other businesses and public entities that are completely smoke free environments." An autumn, 2005, study in England concluded that two-thirds of casino staff wanted smoking banned from their workplace, including 40 percent of current smokers.

6. Litigation is an economic liability for smoking-permitted gaming venues.

Courts in the U.S. and around the world are increasingly issuing decisions to protect nonsmokers from secondhand smoke and to award damages to injured nonsmokers. Plaintiffs who are winning in these suits include employees, patrons, tenants, even prisoners. One of the first such cases was in New Jersey, Shimp vs. NJ Bell (1976), in which an employee won a permanent injunction guaranteeing her a smoke free workplace.

In February 2008, A New Jersey workers compensation judge awarded a nonsmoking New Jersey casino dealer $150,000 in lost wages and medical expenses, due to ten years of secondhand smoke exposure on the job contributing to her lung cancer.

Casino workers who brought a class action lawsuit against the Kenner casino in Louisiana in 2002 recently won a $2.6 million settlement. Several Canadian employees have won lawsuits against casinos because of secondhand smoke in their work environment, and an employee of Napoleon's Casino in London settled for almost $100,000 in 2004.

Lawsuits filed by patrons, including claims under the ADA, were a factor in the creation of smoke free policies by major U.S. chain restaurants.

Employers and proprietors of public places often say they would never ignore a loose carpet in their facility or serve a drink in a chipped glass. Yet proprietors of smoking-permitted gaming sites are knowingly exposing employees and patrons to air polluted with a Class A carcinogen.