

The Economic Impact of Colorado's Commercial Casinos

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HIGHLIGHTS

- Limited stakes gaming is the only tourism industry empowered in the Colorado Constitution.
- Restricting gaming to three mountain communities makes sound economic sense due to greater efficiencies from economies of scale and agglomeration.
- Additional gaming locations throughout Colorado would lead to market fragmentation, economic inefficiencies and atrophy/failure of the existing commercial casino industry.
- Colorado's commercial casinos are responsible, directly and indirectly, for employing more than 27,500 Coloradans.
- Through 2010, Colorado's commercial casinos paid approximately \$1.4 billion in gaming taxes, averaging \$100 million per year over the last five fiscal years.
- Gaming taxes are the primary source of funding for tourism promotion, averaging \$15 million/year, and for the Colorado Historical Society, averaging \$20 million to \$25 million/year for heritage tourism.
- Gaming taxes provided \$6.2 million in 2010 to Colorado's community colleges and to four-year colleges with two-year missions.
- In addition to income taxes, Colorado's commercial casinos pay an estimated \$170 million per year in taxes and fees to state and local governments.
- As of 2009, direct market value of Colorado commercial casinos was over \$870 million, or 1.2 percent of all commercial property in Colorado.
- Expanding the indoor smoking ban to include commercial casinos cost the state \$15.5 million in gaming taxes in 2008. The state lost an additional \$15.6 million in indirect business taxes due to economic multiplier effects of the reduced gaming activity. Allowing for conservative growth of 6.63 percent (2/3rds of the past average for the industry), the cumulative loss in gaming and indirect business taxes will be \$1.3 billion through 2028.

ABOUT THE REPORT

Dr. Crowley's report examines the effect the commercial casino industry has on the Colorado economy. All information in the report came from publicly available data sources. The core analytical tool of the report is Input/Output Analysis, a tool for which its creator, Wassily Leontief, was awarded the 1973 Nobel Prize in Economics.

Dr. Crowley's full report is available at www.coloradogaming.com.

Distributed by the Colorado Gaming Association. Contact: Pete Kirchof 303-507-9587 or Erin Silver 303-921-2401

COLORADO CASINOS BY THE NUMBERS

27,500

Number of Coloradans whose employment is tied, either directly or indirectly, to the commercial casino industry.

\$1.4 billion

Amount the casino industry has paid in gaming taxes.

\$170 million

Annual amount paid by the casino industry in taxes and fees, in addition to income taxes, to local and state governments.

