

2009 Gaming Salary Guide



A Look Back

Since our last survey we've seen bad economic news ranging from high unemployment numbers- as of this writing 9.4% nationally and 11.3% in Nevada- to US car manufactures being bailed out with federal funds, being sold to foreign investors, or shutting down. The housing markets are still down nationally It's that time again for our annual Salary Survey of Casinos in the United States, and what a difference a year makes. It seems that we were just barely starting to feel the economic pinch a year ago, but since then everyone has really had to tighten their belts, or worse. When the economy and the casino industry were healthy it appeared that there would be no limit to the expansion of gaming. States had come to the realization that desperately needed revenue streams outweighed the overly cautious fears of problem gambling, increased crime, or any number of other anti-casino sentiments. The mantra changed from NIMBY- Not In My Back Yard, to ORA-GATSB- Our Revenues Are Going Across The State Border (okay, that's not a real acronym). It was just a little over 30 years ago that only 2 states, Nevada and New Jersey, allowed legal casinos. Today there are 34 states that have legal casinos, and only 2 states, Hawaii and Utah, do not have any forms of gambling at all...yet.

A Look at the Present

Since our last survey we've seen bad economic news ranging from high unemployment numbers- as of this writing 9.5% nationally and 13.1% in Las Vegas- to US car manufactures being bailed out with federal funds, being sold to foreign investors, or shutting down. The housing markets are still down nationally with many homeowners "upside down"; how-

ever this situation does seem to be slowly righting itself. An interesting side affect to this issue pertains to the relocation of gaming employees. In good times candidates were very open to relocation. However in today's housing scenario many employees are staying in their current jobs as they either cannot sell their homes or cannot sell to satisfy their current mortgage. As the job opportunities slowly start to open back up, the quantity of good applicants that seriously will consider relocation will not be nearly as robust as in the past and will be more cautious to move. This last year has been a rough one when gauging the amount of executive level opportunities that were available, but like the housing market this situation does seem to be reversing.

The latest casino financing casualty in Nevada is the Fontainebleau Las Vegas. This \$2.9 Billion resort located on the Strip was on track to open late this year; however the lenders pulled back on \$800 Million in pre-arranged financing which forced the project into Chapter 11 bankruptcy. This 3,800 room 63 story Hotel/Condo Hotel resort may not open for quite some time as they look for new financing in these stingy lending times. And speaking of stingy, all but a couple of gaming stocks which had gotten beaten down in this last year have rebounded. If you are optimistic about the industry and have a few dollars to invest, this may be a good time to buy. (Notice the "may be" safe harbor comment!).

A Look at the Future

The casino industry has always had its ups and downs, but there have been more ups over the last 30 years than all of the lows. Economies and industries are cyclical, and hopefully everything will right itself in the near future so we can all get back on the prosperous track once again. Obviously there are many things to consider including a new President with new programs yet to come, world politics, states near the brink of bankruptcy, and on

and on. But let me just say that we believe the industry will become healthy again in the next few quarters. Why? Because we can feel things percolating out there in a very positive way, and America has always been very resilient.

Salary Ranges

Because the industry has been hit so hard which limited discretionary spending, a trend has surfaced that we have not seen before: lower starting salary numbers. To put it another way, from 2007-2008 salaries went up across the board at about 5%. Comparing salary ranges year over year we see the growth to be flat, and in some cases to be lower. We have received a lot of feedback from our clients regarding this phenomenon. The reasons have been varied and here are the top three:

1. The salaries were (perceived) too high to begin with- This is sometimes true, and especially in a very competitive market or when vying for the top talent.
2. There are a lot of good people out of work who will take less- While this statement is true the salary compendium for all departments needs to be reviewed and adjusted, and not just randomly lowering starting salaries as new openings surface.
3. Our numbers are down so we need to pay less- To get your numbers back up in a declining market you need the most talented and creative team members, so the salaries must be competitive at the very least.

The salary ranges listed below are a very broad-based survey and is to be used as a quick guideline. You may notice that some of the salary ranges for the different sized casinos are fairly similar, and these are our findings. Even though a property may have many more machines or amenities, the salary ranges do not always go up proportionately and we may have some overlap or even identical salary

ranges. Also, various factors need to be taken into account including the biggie; cost of living expenses, as well as the scope of responsibility and competitor's compensation. Here are our casino definitions:

Small Casino- 300-999 Slot machines
 Mid Casino- 1,000-1,999 Slot machines
 Large Casino- 2,000-2,999 Slot machines
 Mega Casinos- More than 3,000 Slot machines

Currently in the United States there are a total of 665 Casinos (up from 649 last year): 329 Small Casinos (up 4), 198 Mid Sized Casinos (up 2), 91 Large Casinos (up 1), and 47 Mega Casinos (up 9). A couple of interesting facts:

- The largest increase in casinos was at the Mega Casino level.
- There are 47 Racinos in the US and 8 of them are at the Mega Casino level.

Of all the Mega Casinos, the 2 largest are located in Connecticut: Foxwoods Resort & Casino with 7,200 slot machines and 280 table games; and Mohegan Sun Casino with 6,600 slot machines and 300 table games. Next is the WinStar World Casino in Thackerville, OK with 5,600 Slot machines and 84 Table games; then Empire City at Yonkers Raceway (Racino) in Yonkers, NY with 5,300 Slot machines; and then Bally's Atlantic City (inclusive of the Wild Wild West and Claridge Casinos, all under one roof), New Jersey, 5,200 slot machines and 212 table games.

In these tricky economic times the employer may have a false sense of security that their employees are not looking to make a move. This certainly is not the case as life is too short for employees not to consider any and all opportunities. Part of a long term employee retention plan is to have a quantifiable and attainable bonus program in place as a motivational tool, and annual performance reviews given in a timely fashion. If you do not have these in place, there is a good chance your competitor does. I hope this information has been helpful, and we'll see you next issue.

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Small Casino

	Manager	Director	Vice Pres
Finance	50K-65K	65-85K	85K-110K
Food & Beverage	55K-65K	65K-80K	75K-90K
Hotel	50K-65K	65K-75K	80K-90K
Human Resources	55K-65K	65K-75K	75K-85K
IT	55K-70K	70K-85K	85K-115K
Marketing	55K-65K	65K-80K	80K-90K
Security	50K-65K	65K-75K	75K-85K
Slot Ops	60K-70K	70K-85K	85K-105K
Surveillance	50K-65K	65K-75K	75K-85K
Table Games	55K-65K	65K-80K	75K-95K

Mid Sized Casino

	Manager	Director	Vice Pres
Finance	65K-80K	85K-110K	115K-130K
Food & Beverage	60K-75K	75K-100K	100K-125K
Hotel	60K-75K	75K-100K	100K-125K
Human Resources	60K-70K	75K-95K	95K-115K
IT	60K-75K	75K-105K	110K-130K
Marketing	60K-75K	75K-105K	110K-130K
Security	50K-70K	70K-90K	90K-110K
Slot Ops	60K-75K	80K-105K	105K-130K
Surveillance	55K-70K	70K-95K	95K-115K
Table Games	60K-70K	75K-100K	90K-120K

Large Casino

	Manager	Director	Vice Pres
Finance	65K-85K	85K-115K	120K-155K
Food & Beverage	65K-85K	90K-115K	115K-140K
Hotel	65K-75K	90K-120K	120K-150K
Human Resources	65K-80K	85K-105K	105K-130K
IT	70K-90K	95K-120K	125K-155K
Marketing	70K-90K	95K-125K	125K-150K
Security	65K-75K	80K-105K	100K-125K
Slot Ops	70K-85K	90K-115K	120K-155K
Surveillance	65K-80K	85K-105K	105K-130K
Table Games	65K-75K	75K-105K	100K-135K

Mega Casino

	Manager	Director	Vice Pres
Finance	75K-95K	100K-140K	145K-200K
Food & Beverage	70K-95K	100K-130K	130K-170K
Hotel	70K-95K	100K-130K	130K-170K
Human Resources	70K-90K	95K-125K	125K-160K
IT	75K-100K	115K-145K	145K-200K
Marketing	75K-95K	100K-140K	145K-185K
Security	70K-90K	95K-125K	125K-160K
Slot Ops	75K-105K	110K-145K	150K-200K
Surveillance	70K-90K	95K-125K	125K-160K
Table Games	75K-100K	105K-140K	160K-195K

*Small Casino- 300-999 Slot machines - 329 Small casinos in the US
 Mid Casino- 1,000-1,999 Slot machines - 198 Mid Size casinos in the US
 Large Casino- 2,000-2,999 Slot machines- 91 large casinos in the US
 Mega Casinos- More than 3,000 Slot machines- 47 Mega casinos in the US*