

2013 SALARY INDEX & CASINO UPDATE



There are positive indicators that the economy, and the casino industry, are heading in the right direction. However, while we do remain cautiously optimistic, we believe that truly noticeable improvements in the industry won't materialize until the second quarter of the new year. And, if this is the case, that improvements will continue to pre 2008 levels!

As of this writing the unemployment rate in the United States is at 7.6%, down from 8.2% one year ago, and 9.2% the same time this article was written two years ago. Las Vegas remains the top gaming jurisdiction revenue-wise but has an unemployment rate of 9.3%, down from 11.6% last year and 12.4% in 2011. The 12 casinos in the second largest jurisdiction, the Atlantic City (AC) region, have been hit hard financially in the last couple of years due to new competition from neighboring states. As such, the unemployment numbers reflect this and stand at 12.9%, up six-tenths from 12.7% last year, and 12.9% in 2011. Currently there are 11 casinos in Pennsylvania and 6 in Ohio that are competing for gaming revenue with AC, as well as increased competition from Delaware, Maryland, New York and Rhode Island, and soon to be Massachusetts.



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Slot Machines

According to Casino City's Gaming Business Directory, currently in the United States there are 3,351 casinos with at least 1 Slot machine, and this number is down by 62 properties year over year (YOY). As we have done for the last 8 years in Gaming & Leisure Magazine, here is the breakdown of the properties we review:

Small Casino:.....300-999 Machines
Mid Casino:.....1,000-1,999 Machines
Large Casino:.....2,000-2,999 Machines
Mega Casinos:.....More than 3,000 Machines

Utilizing these categories we find there are a total of 637 casinos (down 41 YOY): 333 Small Casinos (down 12); 192 Mid Sized Casinos (down 14); 83 Large Casinos (down 8); and 29 Mega Casinos (down 7). Even though the economy is getting back on the right track, many properties have right-sized in the number of machines they had on the floor, which affects both casino revenues and staffing levels.

Mega Casinos

Four of the top five Mega properties in the United States are Native American owned. WinStar World Casino in Thackerville, Oklahoma is the largest casino in the US for the second year in a row. They have 6,907 slot machines, (up 136 from last year). Foxwoods Resort & Casino, located in Connecticut, remains in the number two position with 6,400 machines (40 machine decrease YOY). Connecticut is also home to the third largest property, Mohegan Sun Casino, which houses 5,500 machines (down 905), and in the same standing as last year. The fourth largest property remained the Empire City at Yonkers Raceway, New York, which is a horse racing casino (Racino), and has 5,300 machines, the same amount as last year. Rounding out the Top 5 is the Seminole Hard Rock Hotel & Casino Tampa, in Tampa, Florida, with 5,008 machines, which is the same number as last year.

Nationwide there are 853,197 slot (electronic) machines, an increase of more than 16,000 over last year. 178,724 machines are found in Nevada; 68,341 in California; and 64,786 in Oklahoma. As more states explore allowing casino, and the states that have casinos explore expanding gaming, the number of machines will continue to rise.

Small Casino

Figure 1: Wage Index for Small Casino

	Manager	Director	Vice Pres
Facilities	45K-55K	50K-75K	70K-85K
Finance	50K-65K	65K-85K	85K-100K
Food & Beverage	55K-65K	65K-80K	75K-90K
Hotel	50K-65K	65K-75K	75K-90K
Human Resources	55K-65K	65K-80K	70K-85K
IT	55K-70K	70K-85K	85K-105K
Marketing	55K-65K	65K-80K	80K-110K
Security	50K-65K	65K-75K	75K-85K
Slot Ops	60K-70K	70K-90K	85K-105K
Surveillance	50K-65K	65K-75K	75K-85K
Table Games	55K-65K	65K-80K	75K-95K
General Manager			90K-135K

Medium Sized Casino

Figure 2: Wage Index for Medium Casino

	Manager	Director	Vice Pres
Facilities	55K-70K	70K-90K	85K-115K
Finance	65K-80K	85K-120K	115K-130K
Food & Beverage	60K-75K	80K-115K	100K-125K
Hotel	60K-75K	75K-100K	100K-125K
Human Resources	60K-75K	75K-110K	100K-125K
IT	60K-75K	80K-120K	110K-135K
Marketing	60K-80K	85K-125K	110K-130K
Security	50K-70K	75K-95K	90K-115K
Slot Ops	60K-75K	85K-120K	105K-135K
Surveillance	55K-70K	75K-95K	90K-115K
Table Games	60K-75K	80K-110K	100K-120K
General Manager			150K-250K

Table Games

Here is another chart utilizing Table Games, excluding Poker, as a comparison:

Small Casino:1-19 Tables
Mid Casino:.....20-69 Tables
Large Casino:.....70-149 Tables
Mega Casinos:.....More than 150 Tables

Breaking down the numbers we see that in the US there a total of 863 properties that house at least 1 table game, and this is the same number as last year. Of these there are 567 Small Casinos (down 7 YOY); 228 Mid Sized Casinos (down 23); 59 Large Casinos (down 8); and 9 Mega Casinos (down 2).

The five largest Mega Casinos Table games-wise currently in operation are listed below. The top two are both Native American properties, while the remaining three are publicly traded companies:

- Foxwoods Resort Casino, Connecticut, 350 Tables (down 3 YOY)
- Mohegan Sun Casino, Connecticut, 280 Tables (down 57)
- Wynn Las Vegas and Encore Resort, 268 Tables (no change)
- Venetian Resort Hotel Casino and Palazzo Resort Hotel Casino, 245 Tables (no change)
- Aria Resort & Casino, 200 Tables (new to the list)

Large Casino

Figure 3: Wage Index for Large Casino

	Manager	Director	Vice Pres
Facilities	65K-85K	90K-130K	105K-140K
Finance	65K-85K	90K-135K	125K-175K
Food & Beverage	65K-85K	90K-130K	115K-150K
Hotel	65K-75K	90K-130K	120K-150K
Human Resources	70K-85K	95K-125K	105K-140K
IT	70K-90K	95K-140K	125K-165K
Marketing	70K-90K	95K-130K	125K-185K
Security	65K-80K	85K-120K	100K-135K
Slot Ops	70K-85K	90K-140K	120K-175K
Surveillance	65K-80K	85K-120K	100K-135K
Table Games	65K-75K	80K-130K	120K-140K
General Manager			275K-400K



Courtesy of iStock

Mega Casino

Figure 4: Wage Index for Mega Casino

	Manager	Director	Vice Pres
Facilities	70K-85K	95K-140K	120K-180K
Finance	75K-95K	110K-150K	145K-200K
Food & Beverage	70K-95K	110K-150K	130K-175K
Hotel	70K-95K	100K-145K	130K-170K
Human Resources	70K-90K	105K-150K	125K-170K
IT	75K-100K	115K-155K	145K-200K
Marketing	75K-95K	110K-165K	150K-220K
Security	70K-90K	105K-150K	125K-170K
Slot Ops	75K-105K	110K-175K	170K-225K
Surveillance	70K-90K	105K-150K	125K-170K
Table Games	75K-100K	105K-160K	150K-220K
General Manager			350K-600K

Recap

According to the American Gaming Association's (AGA) 2013 State of the States survey, 24 states (an increase of 2 over last year) have Commercial Casinos which include: Land-based, Riverboat, Dockside casinos and Racinos. Nationwide Commercial gaming revenues in 2012 grew to \$37.34 billion, up 4.8% YOY, and the 3 states that housed the most casinos were:

Nevada265 (up 9)
 Colorado..... 41 (up 1)
 South Dakota35 (no change)
 28 states have Native American Casinos (up 3

over last year), and gaming revenues were \$27.43 billion, up 3.4% YOY. The 3 states that have the most casinos were:

Oklahoma114 (no change)
 California70 (no change)
 Minnesota.....39 (up 1)

Executive Wages

Salary ranges in the casino industry have basically been flat for the last 4 years, and we don't see this pattern changing any time soon. Hopefully we are wrong, but as mentioned we see this trend holding steady until at least 2Q 2014. As you view the salary

index chart please remember that this is just a broad overview gauge of the industry. Many factors come into play which affects these salary ranges including: location, competition, tax structures, bonus potential, etc. Depending on the organizational chart and/or size of the property, titles can be a matter of semantics where the Manager title could be interchangeable with a Director, or even a Vice President title.

As always, we recommend that the employer have a quantifiable and attainable annual bonus program in place as part of a long-term retention plan, and to have performance reviews given in a timely fashion. Bonus programs for executives at the General Manager, President, COO, and CEO levels should be heavily weighted on property financial improvement. Virtually every great executive at this level will say that they would prefer a lower base salary with the opportunity to prove themselves and be aptly bonused.

I hope this information has been helpful, and if you have any questions or comments would love to hear from you. Here is hoping the economy continues to get healthy, and look for us in the next issue!

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