

# 2014 SALARY INDEX & CASINO UPDATE



## Overview

As I started to write this article I realized that at some point I would have to use the term "as of this writing," and it made me wonder why so many articles use this phrase.

After pondering this for a while the answer came to me: it is now the end of June, and by the time this issue of Gaming & Leisure Magazine comes out it will be October. Duh!!! Things (usually) move quickly in the gaming industry, so who knows what might be outdated by the time you read this. So that is my prebabbble, I mean preamble, and on to the article!

As of this writing the unemployment rate in the United States is at 6.3%, down 1.2% from one year ago. Nevada has an unemployment rate of 7.9%, down 2.2% year over year (YOY). By the time you read this new domestic markets may have opened up, or expanded, in New York, Massachusetts, Illinois, and New Mexico. Internationally gaming may have been approved or expanded in Vietnam, South Korea, Spain, Canada, and Japan. Also, Internet gaming may be taking off, or possibly shut down altogether, of this writing. Let's take a look at casinos in the United States.

## Slot Machines

According to Casino City's Gaming Business Directory, nationwide there are a total of 823,178 slot machines, 20,941 table games, and 6,614 poker tables. There are 1,356 casinos currently open with at least 1 slot machine, which include: commercial casinos, land-based, riverboat, dockside, racetrack casinos (racinos), Native American properties, as well as small bars and stores with slot machines. This number is up by 2 properties YOY.

As we have done for the last 10 years, here is our breakdown for 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*



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Utilizing this chart, we find there are a total of 640 casinos in these categories, up by 3 YOY. Here's the count.

*335 Small Casinos (up by 2)*

*191 Mid Sized Casinos (down by 1)*

*85 Large Casinos (up by 2)*

*29 Mega Casinos (the same number as last year)*

### Mega Casinos

Four of the top five mega properties in the United States are Native American owned, and for the fourth year in a row all five of the properties remain in the same standings with the same exact number of machines as last year. WinStar World Casino in Thackerville, Oklahoma, is the largest casino in the US with 7,368 slot machines. Foxwoods Resort & Casino, located in Connecticut, remains in the number two position with 6,400 machines. Connecticut is also home to the third largest property, Mohegan Sun Casino, which houses 5,500 machines. The fourth largest property remained the Empire City at Yonkers Raceway, New York, a racino with 5,300 machines. Rounding out the Top 5 is the Seminole Hard Rock Hotel & Casino Tampa, Florida, with 5,008 machines. Just by comparison, the MGM Grand on the Las Vegas Strip houses 2,500 slot machines.

### Table Games

This chart utilizes Table Games, (excluding Poker):

*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 871 properties that house at least 1 table game (up 8 YOY). Of these there are:

*568 Small Casinos (up 1 YOY)*

*226 Mid Sized Casinos (down 2)*

*65 Large Casinos (up 6)*

*12 Mega Casinos (up 3)*

The five largest mega casinos, table games-wise, are listed in the chart. The top two are both Native American properties, while the remaining three are publicly traded companies. All of them had the same exact number YOY:

- Foxwoods Resort Casino, Connecticut, 350 tables
- Mohegan Sun Casino, Connecticut, 280 tables
- Wynn Las Vegas and Encore Resort, 268 tables
- Venetian Resort Hotel Casino and Palazzo Resort Hotel Casino, 245 tables
- Aria Resort & Casino, 200 tables

### Poker Tables

As both poker and online poker seem to be going strong, let's utilize a poker tables only chart:

*Small Casino: 1-9 tables*

*Mid Casino: 10-19 tables*

*Large Casino: 20-59 tables*

*Mega Casinos: More than 60 tables*

Utilizing these figures, in the US there a total of 610 properties that house at least 1 poker table. Of these there are:

*403 Small Casinos*

*112 Mid Sized Casinos*

*83 Large Casinos*

*12 Mega Casinos*

The five largest Mega Casinos, poker table games-wise, are listed below. The top one is a publicly traded company, the next 3 are card clubs, and rounding out the list is a Native American owned casino.

- Borgata Casino Hotel, New Jersey, 184 tables
- Commerce Casino, California, 152 tables
- Hawaiian Gardens, California, 106 tables
- Bicycle Club, California, 105 tables
- Foxwoods Resort Casino, Connecticut, 100 tables

### Executive Wages

Salary ranges in the casino industry have basically been flat for the last 6-7 years or so, until last year. The Great Recession really turned our economy upside down. However judging from the casino industry figures demonstrated here, things appear to be back on track and heading in the right direction. As you view the salary index chart please remember that this is just a broad-brush overview of the industry. Many factors come into play which affect these salary ranges including: location, competition, tax structures, and bonus potential, for example. 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. The majority of these executives say they would prefer a lower base salary with the opportunity for a large bonus based on productivity.

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

*Marc Weiswasser is a Managing Member of CasinoRecruiter.com, an Executive Recruiting firm for the gaming & hospitality industry. He can be reached at 702-798-0180, Marc@CasinoRecruiter.com or www.CasinoRecruiter.com.*



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DON KNEISEL, VP OF IT, RESORTS CASINO HOTEL

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