# *Truly American Gaming*
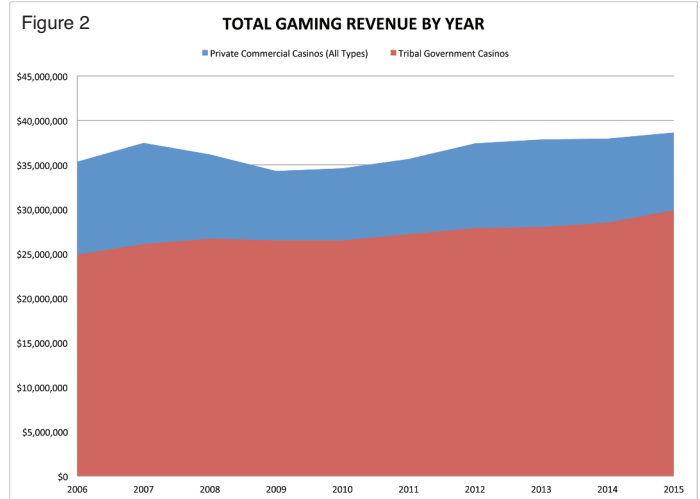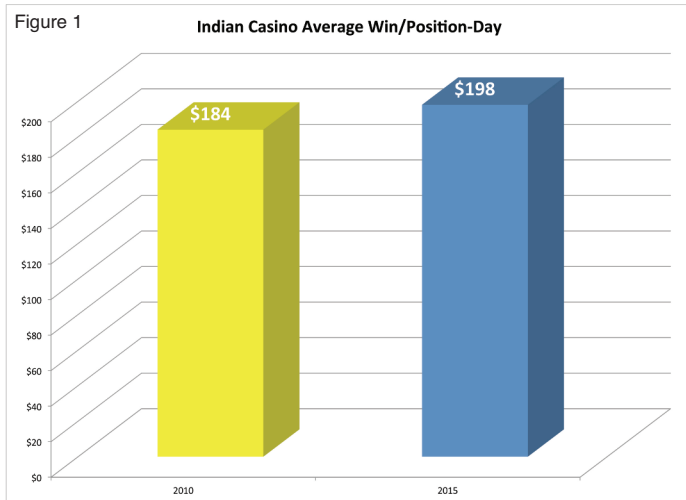
by James M. Klas

As of this writing, there are 482 Indian casinos in the United States offering a total of nearly 415,000 gaming positions and over 47,000 hotel rooms. Indian gaming is spread across 28 states and 248 different counties, far more than private commercial land-based casinos, riverboats and racinos combined. The vast majority of those counties are in rural areas rather than major cities, bringing jobs, hotel rooms, entertainment and tourism dollars that simply would not exist without tribal initiatives. Most importantly, Indian casinos help support the governments and people of their tribal owner/operators.

Indian casinos come in all shapes and sizes, depending upon market conditions and regulatory requirements. While tribal governments own and operate some of the largest casinos in the world, the majority of Indian casinos would actually qualify as small businesses. Overall, the average Indian casino offers 744 gaming machines, 13 table games, three poker tables and 95 hotel rooms. However, the median number of gaming machines is only 445 and the median number of table games is three. The median number of poker tables and hotel rooms at Indian casinos is technically zero since more than half of the operations lack either.

From the beginning and still today, Indian casinos are "up from the bootstraps" operations, almost all of which started modestly, built gradually as their customer base, experience and capital resources grew, and continue to be closely attuned to the needs and capacity of their local markets. It is a strategy

Figure 2

**TOTAL GAMING REVENUE BY YEAR**
■ Private Commercial Casinos (All Types)  ■ Tribal Government Casinos
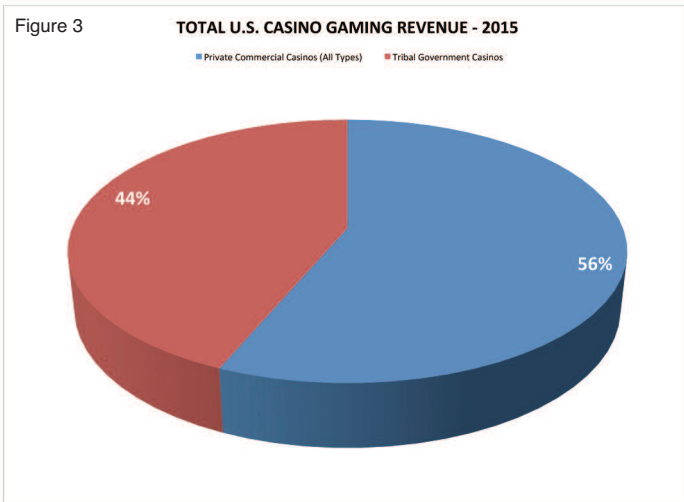
driven by necessity and design that has resulted in continuous revenue growth in all but two of the past 28 years. Even during the Great Recession, when private commercial gaming suffered significant declines, total gaming revenue at Indian casinos declined only once, by less than one percent according to the NIGC, and then remained flat for one additional year before resuming a growth pattern.

That growth pattern is by no means over. Since 2010, the total number of Indian gaming operations has increased by 50 and the total number of gaming positions has increased by nearly 20,000. In addition, Indian casinos have added nearly 9,000 hotel rooms since 2010, with several thousand more on the way. Another 19 counties across the U.S. have become homes to Indian gaming facilities since 2010, bringing the economic benefits to new areas.

The continued growth is also evident in the total gaming revenue captured by tribal gaming. According to NIGC data, total Indian gaming revenue increased by $3.4 billion from 2010 to 2015. The pace of revenue growth has been even faster than the pace of supply growth, meaning the average win per gaming position per day has actually increased from $184 in 2010 to $198 in 2015, as shown in Figure 1.

Indian gaming revenue has grown over a full percentage point more than revenue at all private commercial casinos combined since 2010. As shown in Figure 2, while private commercial casinos lost over $3.1 billion in revenue during the Great Recession and only just surpassed pre-recession revenue

Figure 1

**Indian Casino Average Win/Position-Day**

$184 (2010)

$198 (2015)

*According to NIGC data, total tribal gaming revenue increased by $3.4 billion from 2010 to 2015.*



Figure 3

**TOTAL U.S. CASINO GAMING REVENUE - 2015**

■ Private Commercial Casinos (All Types)   ■ Tribal Government Casinos

44%

56%

levels in 2013, Indian casinos lost only $200 million in revenue in the recession and recovered to set new revenue records in every year since 2011. As a result, Indian casinos now account for nearly 44 percent of all casino revenue in the U.S. as shown in Figure 3, the highest percentage ever.

From the number of counties it touches, to its successful growth from humble beginnings, to its resilience and continued progress, to the Native American people it helps support, Indian gaming is truly American gaming. ♣

*James M. Klas is Co-Founder and Principal of KlasRobinson Q.E.D., a national consulting firm specializing in the economic impact and feasibility of casinos, hotels and other related ancillary developments in Indian Country. He can be reached by calling (800) 475-8140 or email jklas@klasrobinsonqed.com.*