

**FOR IMMEDIATE RELEASE**

January 29, 2003

**Contact:** Valerie Corr  
Jasculca/Terman and Associates  
312/337-7400 Office  
773/454-3916 Cell

**University of Illinois study shows casinos' *Better Deal for Illinois* would inject \$2.2 billion, 26,000 new jobs into state economy**

Illinois State Chamber says plan is a way to help stimulate economy, address budget issues

SPRINGFIELD, IL – A proposal by the Illinois casino industry would add \$2.2 billion annually and 26,000 new jobs to the industry's already significant economic contributions to the state, according to a University of Illinois economic impact study released today by the Illinois State Chamber of Commerce.

The proposal, *A Better Deal for Illinois*, would amend the Illinois Riverboat Gambling Act to remove limits on gaming positions at existing casinos and roll back gaming taxes to free up the capital needed to invest in the new positions. The study found that implementing this proposal would generate an additional \$365 million in state and local taxes above and beyond 2001 gaming tax revenues.

Based on the study's findings, the Chamber announced its support of the industry's proposal as a way to stimulate economic activity and new revenues for the state.

"A 50 percent top tax rate on gaming imposed last year on Illinois casinos has only served to put a strain on the casino industry and put the tax revenue they produce in jeopardy," said Todd Maisch, vice president of the Illinois State Chamber, which co-sponsored the study with the Illinois Casino Gaming Association (ICGA).

"The state is squeezing the industry unnecessarily and should recognize that fewer constraints on the industry will actually help increase tax receipts to the state," said Maisch. "A 50 percent tax rate is excessive for any industry. Illinois needs to create incentives for investment, not discourage healthy economic activity."

-more-

According to the independent study, the Illinois casino industry currently employs 11,000 people, with another 55,000 Illinois jobs generated indirectly by the industry. The economic impact and associated ripple effect of casino spending, jobs and state and local taxes total nearly \$4.9 billion a year, the study found.

The study was conducted by Geoffrey Hewings, PhD, director of the University of Illinois' Regional Economics Applications Laboratory (REAL).

For every dollar spent by Illinois casinos, there is an additional \$2.82 in economic production in the state, the study found. The study also forecasts that *A Better Deal for Illinois* would translate into an additional \$2.2 billion in economic impact throughout the state and create 26,000 non-construction-related jobs and 21,500 to 29,000 construction-related jobs.

“This study confirms that the Illinois casino industry plays a vital role in the state’s economy and demonstrates that this role can be augmented with sound fiscal policy that promotes competitiveness and growth,” said Maisch. “The Illinois State Chamber supports *A Better Deal for Illinois* because it is good for business, good for the state budget and good for Illinois as a whole.”

In addition to the benefits that would be generated by the nine casinos now in operation, the study found that the allocation of a tenth gaming license will create more than 14,000 new non-construction jobs and bring more than \$200 million in new state and local taxes. Construction of the new casino alone will create an additional 8,700 jobs. Those impacts can be realized almost immediately after the tenth license is operational.

As part of its total economic impact of nearly \$4.9 billion, the casino industry generated more than \$555 million in state and local taxes in 2001. Nearly all of the state share is earmarked for the Illinois Education Assistance Fund, with monies going to school districts large and small across the state.

Tom Swoik, executive director of ICGA, which represents the nine casinos currently in operation in Illinois, noted, “Those economic contributions are being threatened by neighboring states’ competitive advantage. Casinos in Indiana, Iowa and Missouri, with lower taxes and no statutory limits on the number of positions, have more money to invest in marketing and retention programs and have seen steady increases in market share since August 2002.”

Illinois casinos—the only ones in the nation with a state-imposed limit on positions and the highest top tax rate in the country—have lost market share during the same period.

In 2001 the Illinois share of the northern Illinois/Indiana market for August to November 2001 was 56 percent—in 2002 it dropped to 51.6 percent, a decline of nearly 4.5 percent. However, the overall northern Illinois/Indiana market grew by nearly \$50 million.

-more-

*Page 3 of 3/Casino Industry Study*

In 2002, the two Illinois casinos held 35.2 percent of the St. Louis area market; this year that number dropped to 32.9 percent. While Illinois' adjusted gross receipts for August to November 2001 dropped by about \$100,000, the overall St. Louis area market increased by more than \$21 million.

“*A Better Deal for Illinois* will make casinos more economically vibrant than ever before. With that comes more tax revenue for the state and more economic activity for all of Illinois,” said Craig Travers, ICGA president. “This plan will jump-start the state’s economy almost immediately after it is enacted.”

Under *A Better Deal for Illinois*, the higher tax rates enacted last year would sunset once the tenth riverboat license becomes operational and is generating tax revenue for the state.

“The casino industry’s proposal is an absolutely legitimate way for the state to raise revenues at this time of fiscal crisis,” said Maisch. “We urge lawmakers to support it as sound public policy.”

The full study can be found at [www.ilchamber.org](http://www.ilchamber.org) or [www.illinoiscasinogaming.org](http://www.illinoiscasinogaming.org).

---

*The University of Illinois’ Regional Economic Applications Laboratory is headed by Geoffrey Hewings, Ph.D., who directed the research team and is lead author of the study. Hewings has also conducted studies for the Illinois Gaming Board. A Better Deal for Illinois has the support of more 8,000 individuals, businesses and organizations from across the state.*

*The Illinois State Chamber of Commerce promotes the interests of Illinois business by working to improve the state’s business climate. The Illinois Chamber aggressively advocates legislation and public policies that support economic growth, and is a source of timely and reliable information on matters important to its members, Illinois businesses and the general public. The Illinois Chamber also provides, to its more than 3,200 members, effective programs and services that meet their business needs, including immediate answers to legal and human resources concerns and access to training and consulting services. For more information about the Illinois State Chamber of Commerce, visit [www.ilchamber.org](http://www.ilchamber.org).*

###