GO ESCAPE

WINTER 2013

The Best North American Destinations

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33 Places to Be Seen

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CASINO NATION
Inside America’s Love Affair With Gambling

Aloha!

9 Hawaiian Icons
Natural wonders on every island
As more states legalize gambling, America's love affair with casinos goes all in.

The party at Rivers Casino gets started just after work, around 6 p.m. There are cheers at the dimly lit bar, colleagues toasting the end of a busy day, women hooting as they clink martini glasses to exorcise an ex. Then come the lights—blinking lights—not only atop the ringing slot machines, but also flashing randomly from the ceiling.

Finally, you hear the clapping. A group of strangers gathers behind a blackjack table to celebrate the 30-something couple that just beat the dealer with an improbable hit.

Casino executives will tell you this is a "typical scene" for this 1-year-old Chicagoland casino in Des Plaines, Ill., that is now the highest-grossing property in the state. Every night, they report, the place is hopping.
Indeed, despite the sluggish economic recovery, it seems the American casino is back in a big way. Nationwide commercial gambling revenues are on track to surpass the $35.6 billion notched in 2011, which was up slightly from $34.6 billion in 2010, according to David Schwartz, director of the Center for Gaming Research at the University of Nevada at Las Vegas. What's more, the number of casinos is growing steadily, changing the marketplace virtually every month.

Perhaps most important, casinos now more than ever offer something for everyone in the family, whether it's gambling, dining, nightlife, spas, movie theaters, sports arenas, golf courses, child care and more.

"The casino used to be a place where my husband and I would go to gamble once or twice a month," says Vera Lofaro, a recreational gambler who lives in Oceanside, Calif. "Now, with the food and the gambling and everything else, it has become our go-to spot any time we just want to get out."

**GAMING COMEBACK**

Without question, this attitude represents a change in fortune for the gambling industry.

Casinos felt a crunch in the economic slowdown at the end of 2005. In 2008, at the start of The Great Recession, Americans scaled back the amount of money they gambled dramatically, and the casino industry took it on the chin.

Along the boardwalk in Atlantic City, major casino resorts had trouble selling out deeply discounted rooms and rarely found themselves booked to capacity. In Las Vegas, huge new casino projects such as Fontainebleau and Echelon were tabled indefinitely. The shell of Fontainebleau, finished but empty, still looms like a skeleton tower on the Strip.

"The whole industry was staring into the abyss a few years ago," says Roger Snow, chief product officer for SHFL (formerly ShuffleMaster Entertainment), a Las Vegas-based supplier of casino games and equipment. "Now, by most every metric and in most every market, gaming is making a comeback."

The numbers support that comeback: At this point in history, there are more commercial (non-tribal) casinos than ever.

Roughly 20 years ago, only six states offered commercial casinos. Today, 18 states have commercial casinos, and a total of 30 states offer legalized gambling of any kind (commercial or tribal).

Some of the latest states to join the ranks of those that allow commercial gaming include Maine, Ohio, Kansas and Maryland. Others, like Oregon, were expected to vote on the issue in November. Currently, Hawaii and Utah are the only states with no gambling whatsoever.

UNLV's Schwartz says this growth significantly has shaken up the industry's power rankings.

The fight has been over second place. For decades, Las Vegas was the nation's largest gambling market (by revenue) and Atlantic City was No. 2. In July, Pennsylvania supplanted Atlantic City for the second spot. "The pie is growing, but it's growing more slowly than the number of slices," Schwartz says. "As a result, new markets
and new casinos within those markets are making quite a splash.”

**DRIVING A TEND**

Listen to local politicians pontificate on the subject of casinos, and it’s clear that the trend toward legalized gambling is being driven by two main factors: growth of the tax base and economic development.

The math behind the tax part is easy to conceptualize. If a casino brings in $25 million its first year, a significant portion of that money may become taxable. Case in point: Maryland Live!, a casino in Hanover, Md., that opened in June 2012. Joe Weinberg, president of The Cordish Companies, the parent firm, touts that the facility generates close to $1 million a day in tax revenue for the state, with most of the money funding education.

The math that supports how casinos drive economic development is a bit fuzzier.

According to Richard McGowan, author of The Gambling Debate and professor of economics at Boston College, numbers here are “a wash.” McGowan recently told NPR, “Clearly a state is making more money [with more casinos, but] it depends on whether or not [that casino] brings tourists in, and whether [it] cannibalizes businesses in the area.” Other experts, particularly those who opine about new Native American casinos, second this skepticism. A new tribal casino planned for Rohnert Park, Calif., promises to create 400 new jobs, yet locals are convinced the cons of increased traffic and crime will outweigh the pros.

A third explanation for more casinos: an effort to keep local money local.

In Massachusetts, for instance, which formally embraced gambling in late 2011, one of the biggest driving factors for building commercial casinos was the mass exodus of residents who regularly drove over state lines to gamble at Mohegan Sun and Foxwoods.
in Connecticut, both Native American properties. New York is considering legalizing casino gambling to keep citizen dollars away from the same spots.

ENTERTAINMENT CENTERS

Of course with more casinos comes greater demand, as well as a greater appetite for new games and new amenities. In markets such as New York, where the legislature recently legalized slots at a handful of racetracks across the state (dubbed racinos), this means players can now spend quality time with one-armed bandits (the computerized kind) when they play the ponies.

In other markets, especially stalwarts like California and newcomers such as Pennsylvania and Ohio, game manufacturers have responded with a slew of new slot machines and table games that offer new spins on age-old games like blackjack and poker. Perhaps the most popular of the bunch: Blackjack Switch, which gives players the option to switch the top cards of two blackjack hands.

Casinos also have upped the ante on amenities. Spas are bigger and better than ever before. Fitness centers rival some of the freshest facilities in New York and Los Angeles. Many now have golf courses.

Some properties boast multi-screen movie theaters and bowling alleys; Red Rock Casino Resort in Las Vegas has both, and Green Valley Ranch Casino Resort, also in Vegas, has a movie theater. Others, such as Red Hawk Casino in Placerville, Calif., offer pay-by-the-hour child-care services.

"I like to think of good casinos as entertainment complexes first," says Bill Bembenek, CEO of Pala Casino Spa & Resort, a Native American casino in Southern California. "Whether you gamble or not, there's always something else to do."

Of course another big attraction with new casinos is food. Many properties offer as many as eight restaurant options in order to reach gamblers with budgets of every size. Bill Ordine, editor of PhillyGambles.com, which covers gambling in and around Philadelphia, says this is one factor that has made Philly's new gambling destinations so successful.

"Good food at reasonable prices served quickly so people can get back out on the floor," says Ordine, who previously covered casinos for 10 years as a writer with The Philadelphia Inquirer. "This is key to a casino's staying power over time."

MOBILE CASINOS

Now that the casino industry is on the rebound, where does it go from here? The short answer: everywhere.

Across the country, casino companies and high-tech vendors alike are pushing
to legalize gambling to the point where people can play games on mobile devices (or desktop computers) wherever and whenever they want.

The first step took place in August 2012, when the Nevada Gaming Commission granted the South Point Hotel and Casino in Las Vegas with an interactive gaming license that likely will allow the casino to run the first legal real-money online poker site in U.S. history.

Behind closed doors, casino executives say they’re “terrified” of the prospect of competing for gamblers’ attention all the way into his or her home. On the record, however, many execs have a strategy to fight back and it revolves around personalization through players’ card programs. These cards are the physical manifestation of loyalty programs, marketing efforts designed to get players back to the casino and incentivize them when they return.

Benefits in these programs are determined by level, which is usually determined by a player’s total spend, or expenditures on-site. Many casinos afford gamblers the opportunity to log on to a web-based profile and select the types of perks they would like to receive once they are eligible. Others, such as MGM Resorts’ M life Players Club, run software to analyze player behavior and leverage this data to offer specific perks they think each person might enjoy. Some of the available benefits: free meals, shows, hotel stays and, in some cases, even free play.

When M life launched in early 2011, Jim Murren, CEO of MGM Resorts, said: “M life represents a major shift for [us] in the way we are engaging our guests.” He went on to note that the company “designed [it] to deliver on [user] preferences and provide better return on investment” for everyone involved.

In this sense, it seems, the casino industry intends to pull a page from American Express’ book: membership in players’ clubs will have its privileges.

Rivers Casino in Des Plaines, III, the newest gaming destination in the state, is about a half-hour drive from Chicago.

HEADLINER PERFORMANCES
What: BORGA TA
Where: ATLANTIC CITY, N.J.
The Event Center and Music Box venues at this casino—still Atlantic City’s most profitable—host more than 35 concerts annually with headliners such as Tony Bennett, U2, The Rolling Stones and Bruce Springsteen. Borgata also happens to be a great place to experience comedy: it reportedly is one of Jerry Seinfeld’s favorite places to perform, and there’s a separate Comedy Club for up-and-comers, too.

Poker Tournaments
What: HARRAH’S TUNICA
Where: TUNICA, MISS.
Feeder tournaments are a cheap and popular strategy to get into the annual World Series of Poker event, and the annual WSOP Circuit Event at this hulking casino (the largest between Vegas and Atlantic City) is serious business. The tournament is held for two weeks every winter, usually in late January or early February. On average, it sends as many as 250 players to the Big Dance in Vegas in June and July.

SHOPPING/ENTERTAINMENT
What: MARYLAND LIVE!
Where: HANOVER, MD.
Maryland’s newest casino—it opened in June and was expected to add table games in November—is part of the Arundel Mills Mall, a 1.5 million-square-foot shopping center with more than 100 stores, including Bass Pro Shops, Dave & Busters, TJ Maxx and Best Buy. Add to this six restaurants, one funky bar and the Rams Head Center Stage performance center, and there is no shortage of ways to spend a night.

SPA TREATMENTS
What: CAESARS PALACE
Where: LAS VEGAS
You could spend an entire week at Qua Baths & Spa at Caesars and never get through all of the treatments on the menu. Highlights include the Aura-Soma Synergy treatment for women, which incorporates color healing and traditional massage, as well as the flat-razor shaves for men in a special guys-only area dubbed the Men’s Zone. The traditional Roman Baths are pretty fun, too.