

Casinos add more than USD 1 billion to state economy

Des Moines – Iowa’s casino industry pumped USD 1.01 billion into the state’s economy last year, according to a report by the Iowa Racing and Gaming Commission.

Casinos paid out USD 265 million in wages and benefits, and more than USD 347 million was paid to Iowa companies for equipment, supplies and services.

“It’s just another indicator that the gaming industry collectively is a valuable part of Iowa’s economy and is certainly adding a lot of value to the state’s entertainment and tourism industry,” said Wes Ehrecke, president of the Iowa Gaming Association.

More than 88 percent of the purchases of those goods and services that could be made from Iowa firms went to them, Ehrecke said. That’s up from 83.5 percent the year before, according to Ehrecke, likely because Iowa-based companies were used in the construction of new casinos in Emmetsburg and Worth County.

“It means that there’s additional jobs that are created through those other companies for providing those products and services, and it just helps the overall economy in extraordinary ways,” Ehrecke said.

Commission Chairwoman Kate Cutler of Council Bluffs said the commission, which regulates the state’s gambling industry, always has pushed for casinos to use Iowa businesses to supply goods and services.

“We’re very committed to that,” Cutler said. “We think the use of Iowa vendors is one of the benefits that’s gained by having gaming ... within the state.”

The commission requires that casinos look at bids from Iowa companies.

If they don't select an Iowa vendor, casino officials must give a justification for the decision to the commission, whether the reason is that an out-of-state firm is offering a better price or has more expertise.

The commission must approve contracts the casinos enter into that will top USD 100,000, whether it's for lawn maintenance or security systems or a whole host of other types of expenses.

One category of business that is not confined to Iowa is the purchase of slot machines, which typically are bought out of state.

"Unless we get a slot machine dealer in Iowa, we won't see that," Cutler said.

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Commissioner Diane Hamilton of Storm Lake believes the casinos have been successful finding Iowa companies for suppliers and have improved in that measure over recent years.

"It's all in an effort to have more tax money and support more businesses in the state of Iowa," Hamilton said.