

# Gaming revenue, especially slots, continue their decline in Nevada

For the third month in a row, the state of Nevada is reporting a significant decline in gaming revenue blamed on the economy. In March, Nevada casinos won 2 percent less from gamblers than a year ago while the state's biggest economic engine, the Las Vegas Strip, generated 5 percent less gaming revenue, the Gaming Control Board reported today.

But the real story is in slots, historically accounting for more than 60 percent of the state's gaming revenue. A closer look at the numbers shows that the business slowdown – in spite of what some companies are saying – appears to be worsening rather than improving or stabilizing.

Statewide, gamblers wagered USD 1 billion less on slots than last year, an 8 percent decline and the worst drop in years. Total wagers is a better indicator of demand than revenue or gaming "win," which is the amount of bets minus winnings paid.

On the Strip, slot volume in March was down USD 338 million, or 7 percent, from a year ago. That's bad news, considering that March is historically a high volume month for slots because it comes after holidays and events like Chinese New Year and Super Bowl that bring other kinds of crowds to town.

Along with slot regulars, March also brings nicer weather. "This is consistent with what we're hearing about the economy and people's spending habits," Gaming Control Board Senior Research Analyst Frank Streshley said.

And yet, it wasn't that long ago that gaming experts frequently noted that gambling was more resistant to recessions than many other industries that rely on

discretionary dollars. People will gamble no matter what the economy is doing, they said. Many industries besides casinos have already discovered that consumers can exercise more restraint than they thought possible.

Casinos have fought to be viewed as a form of entertainment like going to the movies. Now, as consumers rein in spending, casinos are feeling the effects.