

# Beholden to no one, South Point owner shuns cuts

There's the corporate way of cutting payroll costs in a downturn. And then there's the Michael Gaughan way, which is, well, not cutting payroll.

Gaughan is one of the rare executives in Las Vegas who hasn't laid off rank and file employees during the downturn. As the sole owner of one casino, he has the luxury of acting alone, without running his decisions by a board of directors and without fear of reprisals from Wall Street. Gaughan, whose Coast Casinos chain merged with Boyd Gaming Corp. in 2004, bought his South Point casino from Boyd when he exited the company in 2006.

Gaughan says he's never laid off workers in an economic downturn, though he wasn't able to find jobs for some Coast change employees let go as a result of the spread of coinless slot machines.

Business is up slightly from a year ago because the property has attracted new customers. Those numbers would look better, Gaughan said, if he had cut some jobs..

Still, employees are needed to serve customers, even if those customers are spending less than before. Making people fear for their jobs isn't a good business strategy, especially when customers are tight with their money, he said.