

Casino Gaming From a Border State Perspective: Impact on the Hospitality Industry

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Abstract

Stakeholders of the hospitality industry, defined as owners and managers of hotels and restaurants, from a state contiguous to states where casino gaming is legalized were questioned regarding their attitudes toward the legalization of casino gaming and their perceptions of its impact on business currently and if gaming were legalized in the state. The data were analyzed using frequency distributions, cross tabulations, and Chi Square statistics. Results included the following: Opinions about legalizing gaming in the state were evenly divided between favor and disfavor. Based on region, organizational structure and job title, observable differences in opinion were noted concerning the effects on business. These findings should be of interest to other states or provinces that border casino gaming areas.

Keywords: stakeholder, casino gaming, border state, hotels, restaurants, owner, manager, company, franchise, independent operator

Introduction

Casino gaming has become a part of the entertainment scene in many parts of the United States. The glitter of the casino and the anticipation of winning “big bucks” continue to lure many North Americans. Often the casino is an entertainment destination, providing food, beverage and lodging for the customer. As a result, the hospitality industry is affected by the expansion of gaming activities, both on and off the casino property. Those restaurant and hotel properties already established in a community may see the casino as a fierce competitor, while larger hospitality companies that are in partnership with casinos, see expansion of gaming as a new opportunity.

States that are contiguous to those where casino gaming is legal often watch their citizenry drive a few miles to play the tables or slots across a river or a state line. What happens in these states when the glitz of casinos arrives next door? Numerous articles have been written about infrastructure, social and behavioral issues that surround casinos, but how are business activities for lodging properties and restaurants affected? In this study, we surveyed two stakeholder groups concerning their perceptions about casino gaming’s impact on the hospitality industry in a border state.

Background

As an industry, gaming is one of the fastest growing in the nation. The American Gaming Association (AGA) monitors earnings from all legal gaming venues in the United States. In 1999, the AGA reported gross gambling revenues of \$22.1 billion from casinos. Gross gambling revenue (GGR) is defined as the amount wagered minus the winnings returned to players, and is the figure used to determine what a casino or other gaming venue earns before taxes, salaries and other expenses are paid. As a result of these revenues, casinos paid out \$3.0 billion in taxes to federal, state and local

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governments, and wages of approximately \$9.8 billion to employees (American Gaming Association, 2001).

The history of casino gaming in the United States begins in Nevada, which for many years was the only state where it was legal. But in 1978, Atlantic City, New Jersey also legalized casinos. In the years that followed, gaming laws were passed in several other states that include Iowa, Missouri, Illinois, Indiana, South Dakota, Colorado, Louisiana and Mississippi, as well as on Indian Reservations in many other states. Currently, the presence of casino gambling is seen in thirty-two states (Miller, et al., 2000).

Although some form of legalized gaming exists in all but two states (Utah and Hawaii), casinos seem to have the largest impact on the community and the region surrounding a casino venue. Economically, casinos have the potential of adding new jobs during the construction, development and operation phases. Casinos also bring new tourists to an area, thus providing greater potential for jobs and revenue through increased demand for lodging, food, drink and retail goods, as well as increases in tax and license revenue from the gaming operations. Negative impacts include potential increases in crime; an increased need for infrastructure, such as roads, sewer lines, and water; and a loss of activities at other gaming venues such as horse racing (International Gaming Institute, 1996).

States surrounding those where casino gaming is legal can be viewed as "Border States." By the mid to late 1990's, riverboat casinos were operating in seven states, thus creating gaming venues that float and cruise literally off the shore of these border states. In this category are the states of Kentucky, Ohio, Arkansas, Wisconsin, Nebraska, Kansas, Minnesota and Tennessee. Other border states that are not surrounded by floating casinos but that have a strong gaming presence in a neighboring state from Indian, state supported or Canadian casinos, include California, Washington, New York, Pennsylvania, Massachusetts and Delaware.

The Bluegrass State's Experience

In this article, the findings of a study conducted in the state of Kentucky are reported. Kentucky is probably best known for the Kentucky Derby that runs annually the first Saturday in May at Churchill Downs in Louisville. To provide some geographic perspective, the Ohio and Mississippi Rivers surround the state. Casino boats that originate in Missouri, Illinois, and Indiana, cruise these rivers in view of some of its most populated areas.

Economics

Historically, tobacco was the major source of revenue for Kentucky's farmers, but declines in federal support for this leaf crop have caused the state's agricultural community to look elsewhere for employment. The mechanization of coal mining has had a similar effect on employment opportunities and revenue production for the state, resulting in a per capita income for Kentucky that is one of the lowest in the United States (Consumer Market Data, 1999). While the equine segment of agriculture has always occupied a fairly important place in Kentucky's economy and a sentimental spot in the minds of Kentuckians, it has not been a significant economic player like coal and tobacco. However, most of the current horse farms, while smaller in number, are economically successful and the industry as a whole provides several thousand agricultural and non-agricultural jobs, as well as entertainment each year.

In recent years the state has begun to look at hospitality and tourism as new sources of jobs and revenue. Currently, the hospitality, tourism and travel industry is Kentucky's third largest in terms of producing revenue, contributing \$8.2 billion to the state's economy in 1999. It is also the second largest private employer, providing 148,781 full-time, year-round jobs (Kentucky Department of Travel, 2001).

Games of Chance

The role of gambling and games of chance in Kentucky has a long history. Since the 1600's, gambling on horse races has been an accepted form of entertainment. Even though the Statute of Anne, a ruling that prohibited the operation of gaming tables, was passed by the state legislature in the early 1800's, horse racing and the associated wagering were still allowed.

Today, pari-mutuel betting and off-track-betting are both legal.¹ Seven tracks are registered with the State Racing Commission, three of which are located along the Ohio River. They include Churchill Downs in Louisville, the most famous, and Keeneland in Lexington, home of bi-annual horse sales that attract buyers from all over the world. Each venue, including the other less-famous tracks, has its own uniqueness that is based primarily on location, ownership, and type of racing. The horse racing industry plays a visible role in tourist advertising and promotion, and its presence draws visitors and business revenue to the state, although specific numbers are not available.

While horses and betting on their races seem to be accepted as part of the "charm" of Kentucky, the possibility of glittering casinos amidst the hills raises the ire of many citizen groups.

Since the mid-nineties, several large casino companies have opened new properties in southern Illinois and Indiana. Casino

gaming remains at the forefront of debate, discussion and speculation among some religious groups and community leaders. Local newspapers report the results of surveys indicating that casino parking lots in Indiana contain many Kentucky license plates—Kentuckians are crossing the river to gamble on a frequent basis (Baniak, 1999). To this end, the Governor of Kentucky, who has not publicly taken a stand on casino gaming, initiated discussion among politicians and community leaders about the pros and cons of legalizing casino gaming and the introduction of video lottery terminals at the state's racetracks. Meanwhile, those who are closely involved with horseracing have lobbied the legislature for the concerns and fate of their industry.

Project Description and Methodology

Description

The purpose of this project was to investigate stakeholder perception of current out-of-state and future in-state casino gaming's impact on the hospitality industry in the state of Kentucky. Pearce and Robinson (1997) define stakeholders as individuals or groups who are vitally interested in the actions of a business or organization. In this project the stakeholder groups were owners and managers of restaurants and lodging properties. Samples from each group were surveyed.

Methodology

A pilot survey questionnaire was administered to 58 hospitality management majors from two state-supported universities who volunteered to participate. Selected questions from the survey were used in a focus group that was comprised of ten of the student participants. The qualitative focus group data were analyzed for content using a consistent data reduction system that was guided by key word and concept methodology. These data were used to enhance the validity of the survey questionnaire. (Miles and Huberman, 1984).

A revised version of the pilot questionnaire was sent to 392 restaurant members of the Kentucky Restaurant Association, and to 949 lodging, campground and marina properties, which were listed with the Kentucky State Tourism Office. Respondents

¹ Pari-mutuel betting refers to a betting pool in which those who bet on competitors finishing in the first three places share the total amount bet minus a percentage for the management (Merriam-Webster, 1994). Off-track betting is done at a designated location other than where the race is being run.

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were asked to report their job title: owner or manager; and the type of business with which they were affiliated: company, franchise, or independently owned. They were also to indicate the county in which their business was located and whether or not they supported the legalization of gaming in Kentucky. Finally, they were asked to select from seven items that described how their current business was affected by existing riverboat casinos, as well as how they thought legalized gaming within the state would impact their future business.²

The survey results for restaurants and lodging properties were analyzed separately using SPSS for Unix, Release 6.1, Solaris 2.3. An initial frequency distribution was conducted on all responses for each group. Data were sorted by job title, type of business, and region of the state. Cross tabulation and Chi Square analyses were conducted on selected questionnaire items. Both cross tabulation and Chi Square results were reported. Chi Square values were considered significant at the $> .05$ level.

Lodging and restaurant responses concerning the effect of gaming on business were analyzed according to the categories of job title, type of business, and region of the state, using Chi Square. Items a., b., d., e., and g. for Questions 7 and 11 were used in these analyses. (Refer to Footnote 2). Because of how the questions were structured, and because respondents were asked to select "all that apply," responses were coded in the following manner. If "not affecting business at all," (item g.) was checked, it was coded, "no;" if it was not checked, it was coded, "yes." In other words, a respondent was indicating that yes, gaming was affecting business. If "increase(ing) the availability of potential employees" (item a.) or "increase(ing) the number of customers" (item b.), were checked, they were coded, "increased." If "decrease(ing) the availability of potential employees" (item d.) or "decrease(ing) the number of customers" (item e.) were checked, they were coded, "decrease." If neither of these items were checked, they were coded as "no change."

To determine regional representation, responses were first sorted by the nine tourism regions of the state that are designated by the Kentucky Travel Development Office, and then collapsed into three regions which geographically divided the state into thirds: West, Midlands, and East. The West region was made up of counties in Areas 1, 2 and 3; the East region consisted of counties in Areas 8 and 9. The Midlands region was comprised of Areas 4, 5, 6 and 7 in the central third of the state, and included the large metropolitan areas of Louisville, Lexington, and Northern Kentucky, the latter which is adjacent to Cincinnati, Ohio. See Figure 1.

² 7. Which of the following ways is riverboat gaming currently affecting your business: Select all that apply.

- a. Increasing the availability of potential employees
- b. Increasing the number of customers
- c. Increasing the average roomrate
- d. Decreasing the availability of potential employees
- e. Decreasing the number of customers
- f. Decreasing the average check
- g. Not affecting business at all

11. In which of the following ways do you think your business would be affected if casino gaming were legalized in Kentucky. Select all that apply.

- a. Increase the availability of potential employees
- b. Increase the number of customers
- c. Increase the average roomrate
- d. Decrease the availability of potential employees
- e. Decrease the number of customers
- f. Decrease the average check
- g. Not affect business at all

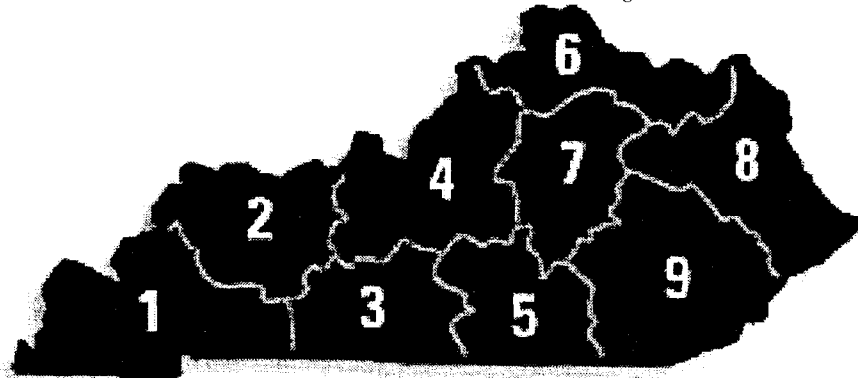


Figure 1
Tourism Regions of Kentucky
Kentucky Department of Tourism

Results

Slightly more than one third of all restaurant and lodging properties responded. As can be seen in Table 1, over half of the respondents in each stakeholder group were owners, and represented independent businesses. The majority of respondents for each stakeholder group were from the Midlands region. It should be noted that due to a questionnaire error, not all lodging respondents indicated the county where their business was located; thus the response for lodging regions was smaller.

Attitudes toward Legalizing Gaming

A comparison of attitudes toward legalizing casino gaming in the state is shown in Table 2. For lodging properties, both owners and managers were in support of the legalization of gaming, although the number of managers stating support was greater than the number of owners. Responses categorized by business type yielded similar results, except for independents, which were fairly evenly divided between support and non-support. According to region, support was stronger in the western counties.

For restaurant respondents, the majority of owners (63%) did not support legalization of gaming, but the majority of managers (66%) indicated support. Responses varied with type of business: independents were almost evenly divided; there was a slight margin in favor among company owned operations, and a majority against among franchisees. There were regional differences as well. In the West a little over half of respondents were not in favor, while in the East and Midlands, a little over half favored the legalization of gaming.

Perceptions of Impact on the Hospitality Industry

The Lodging Perspective

Regions of the State: When respondents were sorted by region, most respondents from all three regions of the state indicated that current business, labor, and customer counts were not affected by riverboat gaming. Responses concerning the effects of future in-state legalization of gaming differed, however. A majority of West region respondents and just over half of Midlands respondents indicated that future business would be affected, while those from the East region indicated otherwise. Most respondents in all three regions indicated that labor availability would remain unaffected if casino gaming were legalized, but opinions about customer counts varied. Many respondents from the West region thought counts would increase, while those in the

**Table 1
Sample Demographics**

Restaurants			Lodging		
Category	N	Percent (%)	Category	N	Percent (%)
Total Usable Sample	128	33	Total Usable Sample	345	36
Job Title			Job Title		
Owner	73	57	Owner	215	62
Manager	55	43	Manager	130	38
Region of State			Region of State **		
Western	23	18	Western	95	34
Eastern	10	8	Eastern	27	10
Midlands	95	74	Midlands	156	56
Type of Business			Type of Business		
Company	27	21	Company	53	15
Franchise	19	15	Franchise	35	10
Independent	82	64	Independent	257	75

**Missing data due to questionnaire item error.

Midlands and East regions thought there would be no change. (See Table 3.)

Company, Franchise, Independent Owners: The majority of respondents in all three categories, when sorted by business type, agreed that current business was not affected by riverboat gaming. Over half of independent respondents stated that future business also would not be affected. The majority of respondents in all categories indicated that labor availability would not change. However, opinions differed by business type concerning changes in customer counts. Both company and franchise respondents thought that customers would increase if in-state gaming were legalized, while a majority of independent owners thought there would be no change. (See Table 4.)

Owners and Managers: The majority of owners and managers thought that current business, labor availability or customer counts were not affected. Looking to the future, over half of owners (55%) stated that business still would not be affected, but only 30% of managers perceived future impact in this manner. Most owners and managers indicated there would be no change in labor availability. A majority of managers thought that customer numbers would increase, but a majority of owners thought that customer numbers would not be affected either way. (See Table 5.)

labor availability, or customer counts. With regard to future business, over half of both owners and managers thought that in-state legalization of gaming would affect business. But a similar percentage of this group did not think that labor availability or customer counts would be affected. (See Table 5.)

Discussion

Most restaurant and lodging properties indicated that current riverboat gaming activity was not affecting overall business, labor availability or customer counts, regardless of how the two stakeholder groups were categorized. But, as we look at respondent perceptions concerning the effects that legalized gaming would have on future business, we see agreement among many respondents that, indeed, some aspects would be affected.

In terms of regions of the state, the percentage of respondents who thought their businesses would be affected decreased as we move from west to east. This may be due to the West region's proximity to riverboats from Illinois and Missouri, which were the first to float on the Ohio. Another possible reason may be that this area does not have many large metropolitan areas from which to draw customers. Thus, casinos are viewed as a larger threat to owners or managers of smaller hospitality businesses.

Responses from both stakeholder groups in the Midlands region were fairly evenly split on whether or not overall business would be affected by in-state legalized gaming. In terms of customer numbers, a large percentage of restaurant respondents did not think there would be a change, but percentages among lodging respondents were more evenly divided. The proximity to the Ohio River and new gaming boats in southern Indiana could be a factor here, but the fact that the major metropolitan areas of Louisville and Lexington already provide a solid basis for business may have caused respondents to see casinos as less of a threat than they would be in the West region.

The East region had the smallest representation in the sample, because it has less population and fewer hospitality and tourism businesses. Over half of respondents in this region favored the legalization of gaming, but a similar percentage did not think their businesses would be affected by it. This may be due to the fact that the region has less proximity to current river gaming venues, and respondents may see gaming's potential effect on business as less of a threat or opportunity.

Categorizing respondents by job title and type of business yielded some different information. Over half of all respondents, except for independent lodging owners, noted that future business would be affected. Although company and franchise respondents were a very small percentage of this sample, they perhaps reflected what is happening nationally with casino gaming venues: Tourists are attracted to the entertainment, thus the need for lodging and food is greater.

The availability of labor did not seem to be a factor for restaurants or lodging properties, either currently or if gaming were legalized in the state. However, the perceived effects of legalized gaming on customer numbers varied by job title, region, and type of business. Most lodging properties, managers of both restaurants and lodging properties, respondents from the West region, and company and franchised properties felt that legalized gaming would increase customer numbers. This would seem to indicate that in this sample, region, organizational structure, and type of business were major determinants of perceptions concerning the effects that casino gaming would have on the hospitality industry within the state.

Support or non-support for legalization of casino gaming in the state varied both with region and within regions. More restaurant respondents from the West region indicated non-support than in other regions. At the same time, more lodging respondents in the West region indicated support. This would seem to indicate that respondents

All hospitality businesses, whether they are independent or affiliated with a larger firm, should consider the potential positive effects that gaming could bring to an area or an entire state.

Table 3
Responses From Lodging Properties and Restaurants in Different Regions of the State when asked about the
Effect of Casino Gaming on Business, Labor Availability, and Customer Counts (Percent)

Questionnaire Item	CURRENT LODGING					FUTURE LODGING					CURRENT RESTAURANTS					FUTURE RESTAURANTS					
	West	Midlands	East	df*	χ ²	West	Midlands	East	df*	χ ²	West	Midlands	East	df*	χ ²	West	Midlands	East	df*	χ ²	
Not affecting business at all																					
No	29	14	7			64	52	40			44	24	20			73	56	40			
Yes	70	86	93			36	48	60			57	76	80			27	44	60			
Total	100	100	100	2	11.684*	100	100	100	2	6.079*	100	100	100	2	3.755	100	100	100	2	3.438	
Labor Availability																					
Increase	3	1	0			19	4	16			0	1	10			0	4	10			
Decrease	3	5	3			14	18				13	19	10			41	40	10			
No Change	94	94	97			67	78	77			87	80	80			59	56	80			
Total	100	100	100	4	4.109	100	100	100	4	16.261*	100	100	100	4	5.878	100	100	100	4		
Customer Counts																					
Increase	27	6	0			52	42	33			9	1	10			36	19	30			
Decrease	3	6	3			7	8	7			22	12	0			28	23	20			
No Change	70	88	97			41	50	60			70	87	90	4		36	58	50	4		
Total	100	100	100	4	31.425***	100	100	100	4	4.646	100	100	100		8.723	100	100	100		4.241	

* Valid and Significant at < .05

** Degrees of freedom differ because number of cells in analyses differed.

*** Not valid

Table 4
Responses Among Company, Franchise, and Independent Properties when asked about
Effect of Casino Gaming on Business, Labor Availability, and Customer Counts (Percent)

Questionnaire Item	CURRENT LODGING						CURRENT RESTAURANTS												
	Companies	Franchises	Independents	df	χ^2		Companies	Franchises	Independents	df	χ^2	Companies	Franchises	Independents	df	χ^2			
Not affecting business at all																			
No	21	35	15			71	82	48			19	11	33			19	11	33	
Yes	79	65	85			29	18	52			81	90	67			81	90	67	
Total	100	100	100	2	8.211*	100	100	100	20.788	100	100	100	2	4.897	100	100	100	2	4.897
Labor Availability																			
Increase	1	0	1			10	12	12			0	0	2.4			0	0	2.4	
Decrease	1	6	3			29	23	11			12	11	22			12	11	22	
No Change	51	28	96			61	65	78			88	89	76			88	89	76	
Total	100	100	100	4	18.848	100	100	100	14.132	100	100	100	4	3.628	100	100	100	4	3.628
Customer Counts																			
Increase	17	20	9			58	72	39			4	0	2			4	0	2	
Decrease	2	15	4			11	9	7			7	5	17			7	5	17	
No Change	82	65	87			30	21	54			89	95	81			89	95	81	
Total	100	100	100	4	15.035	100	100	100	22.011	100	100	100	4	3.533	100	100	100	4	3.533

* Valid and Significant at < .05

** Degrees of freedom differ because number of cells in analyses differed.

ON BUSINESS, LABOR AVAILABILITY, AND CUSTOMER COUNTS (PERCENT)

Questionnaire Item	CURRENT LODGING				FUTURE LODGING				CURRENT RESTAURANT				FUTURE RESTAURANT			
	Owners' Response	Managers' Response	df	χ ²	Owners' Response	Managers' Response	df	χ ²	Owners' Response	Managers' Response	df	χ ²	Owners' Response	Managers' Response	df	χ ²
Not affecting business at all																
No	17	20			45	70			32	19			59	57		
Yes	83	80			55	30			68	81			41	43		
Total	100	100	1	0.495	100	100	1	18.918	100	100	1	2.877	100	100	1	0.048
Labor Availability																
Increase	1	1			11	11			3	0			4	4		
Decrease	3	6			10	22			19	15			42	33		
No Change	96	93			78	67			78	85			54	63		
Total	100	100	2	3.025	100	100	2	9.93*	100	100	2	2.088	100	100	2	1.194
Customer Counts																
Increase	10	13			36	59			3	2			19	28		
Decrease	5	5			7	8			17	14			27	19		
No Change	85	82			57	33			80	84			54	53		
Total	100	100	2	0.653	100	100	2	20.564	100	100	2	1.621	100	100	2	2.142

* Valid and Significant at < .05

** Degrees of freedom differ because number of cells in analyses differed.

perceived food and beverage as secondary services in traditional gaming venues that would take business away from typical restaurants and other foodservice outlets in areas near the casinos.

Support for the legalization of gaming was more prevalent among managers than owners of both lodging properties and restaurants. One possible reason for this difference is that managers may see gaming as an opportunity to enhance business, whereas owners may feel that the competition could impact their ability to maintain ownership as independent owners, who made up a large percentage of this study's sample.

The differences seen in this sample over support vs. non-support for legalized casino gaming are probably somewhat indicative of the feelings among the general populace of Kentucky. Although this issue has not been put on the ballot, recent television news surveys have provided very close counts between support and non-support.

In essence, there were observable differences about the perception of gaming and its impact on business from the stakeholders of the hospitality industry in this sample. These differences were based on the region, organizational structure (i.e., franchise/corporate vs. independent) and job title (manager vs. owner), and could be possible avenues for further inquiry regarding the perceptions of stakeholders in business, government and society.

Conclusions

What are the implications of this study for Kentucky and other states? States that border on those where casinos are already legal need to be proactive and look at how current gaming is affecting them socially and economically. Public opinion, as well as hospitality and tourism businesses already involved in the casino industry at some level, may be enough to influence state legislatures to pass future gaming bills. Those hospitality businesses that are not ready to deal with a new type of competition and perhaps a different customer base, either in demographics or size, may face some serious challenges. All hospitality businesses, whether they are independent or affiliated with a larger firm, should consider the potential positive effects that gaming could bring to an area or an entire state. Those benefits include, but are not limited to, more tourists and customers, more tax revenue, and as a result, more business and a better community infrastructure. However, in order for hospitality or tourism businesses to benefit, they need to strategically consider how they do business. They need to review the competition that is currently present, and consider what future competition would emerge, not only from the casino companies, but also from the other businesses that might follow.

State and local hospitality organizations, such as the hotel and restaurant associations, could get involved and provide assistance to businesses that want to learn about how to upgrade, become more competitive, and deal with new issues that might occur such as labor shortages, problem employees, traffic and other infrastructure difficulties. If a state or community is interested in maintaining its own businesses without selling out to the national and international chains, all organizations and agencies concerned with the health of the business community need to get involved.

Because the reviews are mixed as to the effects of casino gaming on an area, its economy, and businesses, communities should look at all sides of the issue and review reports and economic studies from other regions before they make a decision about legalizing casinos. Some cities like New Orleans have accepted the presence of casinos, but the local hospitality industry has made some demands concerning what types of services and businesses the casinos can offer besides gaming (Binkley, 1999). Other areas like the communities around Foxwoods in Connecticut have struggled with the impact of the casino traffic, while also dealing with the influence that the

casino has in the political arena (Join the high rollers?, 1998; Carmichael, Peppard, & Boudreau, 1996).

States in which horse-racing has been a part of history and is important to tourism and the overall economy may want to look closely at what other states are doing to preserve the racing tradition, while still acknowledging the casino element. In Kentucky, the horse racetracks are working to make racing an everyday event through simulcasting. Some are also providing other activities at the tracks for family members who are not interested in horse racing. Churchill Downs, a publicly traded company is expanding its racing interests around the country and also moving into Internet gaming. This company clearly acknowledges the presence of Caesar's Casino across the river in Indiana, but is working to position itself not so much as a direct gaming competitor, but as an alternative entertainment venue (Waldrop, 1999; Churchill Downs, 2000). Other states, such as Delaware, have joined forces with other gaming groups to save their equine interests and the tradition of horseracing (Taylor & Gibson, 1999; Hanley, 1998; Levine, 1995; Reed, 1991).

Finally, and most importantly, economic impact studies must be conducted by all border states to evaluate the amount of revenue that the state may be losing to casinos across a river or a state line. Following this action, a more informed decision about legalizing casino gaming could be made. As casinos become an accepted form of entertainment, their presence and effect on the hospitality industry will be difficult issues for any proactive business to ignore. States at the border are more apt to see these effects because of their close proximity.

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