

LIGHT Comments on May 2023 DGE Report

For immediate release

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Comments from Jane Bokunewicz, faculty director of the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), Stockton University School of Business, on the May 2023 numbers released Monday by the state Division of Gaming Enforcement:

In May 2023, we saw the continuation of a trend with significant month-over-month growth in total gross gaming revenue for Atlantic City operators driven primarily by internet gaming revenue.

At \$423.4 million, May 2023 total gross gaming revenue for Atlantic City's operators set a new near-term record for May monthly revenue and contributed to total year-to-date gross gaming revenues of over \$2 billion — another near-term record. May 2023 Internet Gaming at \$161.4 million represented approximately 38% of Atlantic City gaming operators' total gross gaming revenue for the month, compared to nearly 35% of total gross gaming revenue in May 2022 and 14.4% in May 2019.

Although down 2.4% from last year (\$233.02 million), at \$227.3 million, May 2023 brick-and-mortar gross gaming revenues exceeded 2019 (\$222.9 million). This is the continuation of a return to pre-pandemic levels, but not the amount of growth many may have hoped to see from this sector. Traditional gaming products like slots and table games are not growing as quickly as newer products (for example, online slots and mobile sports betting). This hints at a lasting change in consumer behavior as casino patrons have made these newer products part of their regular casino experience.

Nongaming resort amenities are also becoming a larger part of the casino experience. In the first quarter of 2023, we saw rooms, food & beverage and entertainment revenue grow while casino revenue was down slightly. Even with internet gaming growing in popularity, the resort experience, with a diverse offering of dining and entertainment options, is something that consumers seem to be demanding more of — and operators are planning to supply more of based on recent investments in their properties.

As noted in April, Atlantic City's operators are right at the beginning of what is expected to be an important summer season. In future reports from the DGE we look forward to seeing how recent investment in casino properties, increases in personnel costs and changing customer behavior in response to regional competition impact the industry's profitability and the balance of gaming and nongaming revenue streams.

Jane Bokunewicz can be reached at jane.bokunewicz@stockton.edu

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Media contacts:

Stacey Clapp

Director of Strategic Communications

Stacey.Clapp@stockton.edu

609-626-3645

609-412-8069

stockton.edu/media

Mark Melhorn

Associate Director of News and Media Relations

Mark.Melhorn@stockton.edu

609-652-4593

609-569-6026

stockton.edu/media

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