



iGaming Impacts

Virginia Gaming Commission Subcommittee
August 19, 2025



About Us: The Innovation Group

Leading Gaming & Hospitality Advisors – 30+ years advising governments, tribes, operators, and investors worldwide. Associated with more than \$200B in investment & development decisions.

Nonpartisan Research and Advisory Firm – Long term relationships on all sides of the aisle.

Boutique Consultancy – HQ in Las Vegas; Additional team in Denver, New Orleans, Orlando, Austin, Reno, Toronto

Specialists in iGaming & Sports Betting – Policy, market forecasting, operational strategy, and economic impact.

Trusted by Regulators and Operators – Expertise bridging public policy and commercial interests.

Global Project Portfolio – 78 countries on six continents, deep experience balancing stakeholder objectives in emerging markets.

Data-Driven Forecasting & Strategy – Proprietary models for market sizing, revenue projections, and player behavior.

End-to-End Support – From legislation and feasibility to launch strategy and ongoing optimization.

Client List – A *Who's Who* of the gaming and hospitality industry

Engaged in 2018 by JLARC on *Gaming in the Commonwealth*



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THE INNOVATION GROUP

**Feasibility Studies, Economic Impact Analyses,
Amenities and HBU Analyses, Strategic Planning,
Sports Betting, iGaming**

INNOVATION ANALYTICS

Data Science, Yield Management, Market Research

INNOVATION CAPITAL

Financial Advisory Services, Equity and Debt Placement

INNOVATION OPERATIONS AND MARKETING

Operations Assessments and Optimization, Marketing
and Loyalty Programs

INNOVATION PROJECT DEVELOPMENT

Construction Costing, Project Management, Site
Analysis, Owners Rep





Agenda

- iGaming Impact on Land-Based Gaming
- Broader Economic Impacts
- Responsible Gaming
- Overall Decisions



iGaming Impact on Land-Based Gaming

- iGaming is largely additive, but reduces land-based gaming revenues by approximately 15-16%
 - Study based on 2019-2025
 - Compares iGaming states (-4% NGR) vs non-iGaming states (+12% NGR)
 - Initial Figures 12.2% impact in 2023 study for Maryland Lottery and Gaming
- Visitation and Job Reduction
 - Maintenance stronger in VIP play, so visitation reduction larger than 15%
 - Labor reduction lower than 15%, because of fixed vs variable labor
 - Reduction in food & beverage, hotel, and other non-gaming amenities



Broader Economic Impacts

REDUCED CASINO REVENUE

- Reduced gaming tax
- Reduced spending on supplies with local vendors
- Reduced capital investment in the property
- Reduced community partnership budgets

REDUCED VISITATION

- Reduced sales tax
- Reduced hotel tax
- Fewer jobs / hours of operation

REDUCED JOBS

- Lower household incomes
- Less spending in the community
- Impacts on GDP, labor income, output, and other econ indicators



Responsible Gaming

Digital Platform Risk Factors

- **24/7 accessibility:** "Casino in your pocket" creates new addiction pathways
- **Speed and intensity:** Games designed for rapid, continuous play
- **Financial consequences:** \$2 reduction in savings for every \$1 spent on betting

Key Risk Statistics - Derived from *The Lancet Public Health* (peer-reviewed, 2024)

- **Rates of problematic gambling:** Online gamblers exhibit problematic gambling behaviors at 1.5x the rate of casino gamblers
- **Financial impact:** 43% exceed recommended 1% of income spending guideline

Balanced Against

- **Technology** allows for faster and automated detection of problem gaming indicators, 100% of play tracked (no anonymous play)



Overall

- **Balancing increased tax base against job loss, reduction in economic activity, and potential social harms**
- **Overall, a nuanced and complex policy decision**
- **Recommend studies of problem gambling in the Commonwealth**