

Market Saturation and the Casino Industry: Evidence from Indiana
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Some U.S. casino markets have seen property-level revenues declining. Examples of struggling markets include Indiana, Delaware, and Atlantic City. One third of Atlantic City’s casinos closed in recent years; the remaining casinos have begun to see increasing revenues. Indiana, on the other hand, has experienced significant revenue declines, especially as casinos have begun operations in Ohio.

These trends raise questions as to whether some casino markets have begun to see “market saturation.” Saturation is a critically important issue in the casino market, but it has neither been defined nor rigorously tested.

This project addresses this issue by examining the casino market in Indiana. Revenues have been declining, along with declining tax revenues. The decline is likely to be exacerbated by the recent opening of the Four Winds Casino in South Bend. Operated by the Potawatomi Native Americans, this casino is not required to pay taxes and may therefore have a significant advantage in the regional market.



Using publicly available data, this project will examine spatial aspects of casino competition in Indiana, with special attention to the opening of a new casino property.

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