

AGA says 2021 ‘on pace to be the best year ever for gaming’

By [Mike Shoro](#) Las Vegas Review-Journal

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Commercial gaming revenue across the country this spring reached record levels during what is shaping up to be a banner year for the gambling industry.

The industry brought in a record \$13.6 billion in revenues during the second financial quarter, and “2021 is on pace to be the best year ever for gaming,” the American Gaming Association announced Tuesday. The previous quarterly record was \$11.1 billion in the third quarter of 2019 and again during the first three months of this year.

“I’m a whole lot (more) optimistic about our future than I was a year ago when we did this call,” association President and CEO Bill Miller said Tuesday on a media call. “The industry has shown unbelievable strength over this past year. And I believe that our best time is ahead of us.”

Nevada casinos led the way in the second financial quarter with a state record \$3.46 billion in gaming win. The state also led the country in gaming win during the first half of the year at \$6.06 billion, comprising a quarter of all commercial revenues, according to the gaming trade group.

Commercial gaming generated \$24.8 billion in the first half of the year, nearing the \$30 billion generated all of last year and on track to beat the \$43.6 billion in 2019 as the highest-ever annual total, the association said.

Brick-and-mortar casinos contributed most of U.S. revenues with \$11.8 billion during the months of April, May and June, up nearly 10 percent from the previous high in the third quarter 2019. The association said about 75 percent of all commercial casinos began the second quarter with 50-percent-or-less capacity restrictions. Nearly all commercial casinos were operating at full capacity by the end of June, the association said.

“The gaming industry is clearly on its way back, and really in any other environment, these quarterly numbers would be a victory lap,” Miller said.

International visitation, conventions and business travel remain “missing pieces to the puzzle,” particularly so for Las Vegas, he said. The highly contagious delta variant of COVID-19 presents another reminder that the pandemic has not ended, he said.

The valley’s gaming and hospitality industries also await crowds to fill the seats at sports venues such as T-Mobile Arena and Allegiant Stadium, the latter of which has yet to host fans for a Raiders game, said Brendan Bussmann, a partner at Global Market Advisors consulting group.

“It’s going to be a lot more people coming into Vegas for a game and hopefully a couple nights in on the Strip,” he said.

Though Nevada casinos won 17 percent more money from players during the second quarter this year than the same time two years ago, their revenues

increase from the first half of this year over the first half of 2019 was much smaller — 1.4 percent.

“We’re certainly eager to see vaccination rates in countries around the world continue to go up because we believe that as they go up that the restrictions around visitation from these countries will go down,” Miller said.

Vaccine rollouts and decreases in COVID-19 cases during the spring probably provided vaccinated people the confidence to go out and gamble again, said Clyde W. Barrow, a political science professor at University of Texas Rio Grand Valley who studies gaming and casinos. He noted that the typical casino player in the U.S. is at least 45 years old, an age group eligible for vaccination earlier than younger groups. Casinos also implemented measures such as socially distanced slot machines or air purifiers to mitigate guest fears about potentially catching COVID-19.

Barrow said he is interested to see how the delta variant surge affects casinos in the third or fourth quarters. So far, he said, the surge doesn’t seem to be changing people’s behaviors.

“I think there are really only two possible scenarios,” Barrow said. “One is that people get nervous and they start staying away from casinos because they don’t want to be part of a super-spreader event. Or, people who are vaccinated just say, ‘You know what, I’m OK, I don’t need to worry about it. And I’m gonna keep going to my casino.’ And that seems to be what’s happening.”

Demand is a big driver behind the growth of brick-and-mortar casinos, said David Forman, senior researcher at the gaming association. He added that

commercial sports betting's growth is due in part to its legal expansion into 12 states and Washington D.C. since the second quarter two years ago.

The first half of 2021 saw higher U.S. sports betting revenues than those during all of 2020 — \$1.8 billion to \$1.5 billion, respectively. Sports betting generated \$888.9 million in revenues during the second quarter, down 7.5 percent from the first quarter but up six times from the second quarter of 2019.

The association is moving forward with its plans to host the in-person return of its annual Global Gaming Exposition in Las Vegas this October, held exclusively online last year. The trade group will offer a virtual version of its event for international travelers unable to attend, Miller said.

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