

# **Gaming in Massachusetts: Can Casinos Bring “Good Jobs” to the Commonwealth?**

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## **Executive Summary**

In this report we examine the quality of the jobs in the United States gaming industry in order to assess the potential impact of establishing up to three destination casinos in the Commonwealth of Massachusetts. We focus our analysis on workers without a college education since nearly ninety percent of gaming workers have less than a college degree. In addition, we analyze enabling legislation in five states that have legalized gaming and compare them to the legislation proposed in Massachusetts in 2007.

Our examination of the U.S. gaming industry shows that, among workers without a college education, gaming workers in casino hotels enjoy higher pay and more generous job benefits than workers in non-gaming jobs. Gaming workers in casino hotels are more likely to receive employer-provided health insurance than non-gaming workers, especially health insurance plans in which employers pay for part or all of the health care premium. They are also more likely to be included in an employer's pension or retirement plan. Poverty among gaming casino hotel workers and their families is practically non-existent as none of these workers or their families live below, and very few live near, the poverty line.

Additionally we find that unionization contributes significantly to the high job quality in the gaming industry. In unionized casino hotels, higher pay and job benefits extend beyond gaming workers to workers such as housekeepers, dishwashers and cooks who work in the casinos' hotels and restaurants. In cities where unions represent workers at casino hotels, wages are high enough to support families, and workers enjoy employer-provided benefits such as health insurance, pensions, and career ladders. Consequently, these workers can live middle class lifestyles, owning their own homes, sending their children to college and enjoying secure retirements.

In comparing existing legislation from states with legalized gaming to enabling legislation proposed in 2007 in Massachusetts, we find significant differences in the extent to which the provisions address wages, benefits and other measures of job quality. This review shows that other states have largely ignored job quality and other workforce development issues in gaming.

In contrast, the 2007 Massachusetts proposal addressed wages, benefits, training, mentoring, childcare and a number of other areas of worker protection. The 2007 proposal was unique in its groundbreaking provisions that, if enforced, could ensure that gaming jobs would be good quality jobs for Massachusetts' workers.

Workforce development efforts in Massachusetts must include strategies to address improving the quality of entry-level jobs. Such strategies are needed since two-thirds of Massachusetts workers have a high school diploma or less. In Massachusetts, as in the United States in general, workers without college degrees often earn wages that are too low to support a family and have substantially lower rates of employer-provided health insurance and retirement benefits. Our findings show that the casino industry—particularly the unionized sector of the casino hotel industry—can provide good jobs with good wages and benefits for the parts of the workforce that are often neglected, namely those without college degrees, women, and people of color. Provisions in the proposed enabling legislation in Massachusetts that encourage unionization as well as family sustaining wages and benefits should be protected and enhanced so that more workers in the Commonwealth can provide for their families, advance in their careers, and access the child care, health care and retirement benefits that so many currently lack.

## Introduction

In his 2007 announcement of the proposed legislation to authorize up to three destination casinos in the Commonwealth of Massachusetts, Governor Deval Patrick stated that his plan “will help generate good jobs at good wages” (“Governor Patrick Files Casino Legislation,” 2007). The phrase “good jobs” is widely used in the public discourse on workforce and economic development. However, it is rarely defined. We offer the following definition from the American Federation of Labor-Council of Industrial Organizations (AFL-CIO) because it captures the breadth of workers’ needs:

*Good jobs support families and communities, pay decent wages and provide good health care and retirement benefits, ...enable employees to freely exercise their freedom to form unions and bargain collectively, ...ensure fair and non-discriminatory treatment, are safe and healthy, give workers the flexibility and resources they need to nurture their families and provide them with skills and opportunities for advancement. (Working Families Vote 2008)*

While public discussions of the 2007 proposal largely focused on the narrow issue of the number of construction jobs that would result from the legislation, in this report we seek to examine the Governor’s claim that good jobs, as defined above, will be created if this initiative is adopted.

The first part of our investigation consists of an analysis of the economic outcomes for casino workers in five states that currently allow legalized gaming: Connecticut, Louisiana, Nevada, New Jersey and New York. In this analysis we compare typical wages, benefits and poverty levels for workers in casino hotels—including gaming workers (such as dealers), and food service and hotel workers—with those of typical workers in the same state and nationally. In the second part of our investigation, we review the proposed legislation itself and compare it to enabling legislation in the five other states that currently allow legalized gaming. Finally, we describe the types of workers who will work in these jobs and the expected impacts on the Massachusetts workforce.

## **Wages and Benefits of Workers in U.S. Gaming Occupations**

The gaming industry in the United States is a very diverse industry, ranging from bingo halls to racetracks to hotel casinos. Similarly, the occupations within the industry vary from housecleaners and waiters, to sports book attendants and gaming dealers, to managers. However, according to the Bureau of Labor Statistics, most U.S. gaming workers work in casinos (Occupational Outlook Handbook, 2008-09).

In order to analyze the jobs that currently exist at U.S. casino hotels and that would be created in the types of destination casinos that were proposed in the 2007 Massachusetts legislation, we focused our analysis for this report on gaming service workers who work in the hotel industry. This group of workers—which we refer to as “hotel casino workers”—includes workers in jobs tied to casino-based games of chance (e.g. card roulette, wheel of fortune, and craps dealers), while excluding workers in other non-casino based gaming occupations (e.g. race book writers and attendants, sports book writers and attendants, and bingo attendants), hotel service workers, and first line supervisors and managers. Data on workers’ wages and benefits were extracted from the 1997-2007 U.S. Census’s March Annual Demographic Current Population Surveys (see the Technical Appendix). Through this annual survey, data regarding earnings, employment, hours worked and jobs worked during the previous year are collected from approximately 50,000 U.S. households.

Throughout this section of the report we compared the earnings and benefits of U.S. hotel casino workers to those of all gaming workers. At times, due to small sample sizes, we were unable to examine data for hotel casino workers alone, and had to rely instead on the data for all gaming workers. In addition, we compared data about these two groups of gaming workers with the data about all other workers, or “non-gaming workers.” Since gaming workers comprise a small proportion of all workers in the U.S., the data on non-gaming workers and all U.S. workers is substantially the same. When these numbers differed at all, it was only by one one-hundredth of one percent. For this reason, we use the data for non-gaming workers to compare gaming workers’ wages and benefits to those of the average U.S. worker.

In the United States, the demographics of gaming workers are distinct from workers in general,

as can be seen by the portrait of gaming workers in Table 1. Workers in gaming occupations are more likely to be female than workers in general. While white workers are still the majority of workers in the gaming occupations, they form a smaller majority than in the workforce in general; instead, a larger proportion of U.S. gaming jobs are held by Asians and Native Americans. In addition, gaming workers are more likely to be single (either never married,

**Table 1. Who are Gaming Workers in the U.S.?**

<b>Worker Demographics</b>	<b>Casino Hotel Workers</b>	<b>All Gaming Workers</b>	<b>Non-gaming Workers</b>
<b>Gender</b>			
Female	55.86%	50.56%	48.34%
<b>Race and Ethnicity</b>			
White	66.26%	65.51%	82.19%
Black	4.68%	10.11%	12.03%
Asian	27.02%	19.03%	4.38%
Native American	1.85%	3.52%	0.81%
Hispanic	6.97%	11.62%	11.93%
Mixed race	0.19%	1.83%	0.59%
<b>Education Level</b>			
Less than high school	4.21%	7.42%	10.17%
High school diploma	51.80%	48.05%	31.11%
Some college	32.12%	33.18%	27.95%
College degree	11.40%	10.09%	20.53%
Graduate or professional degree	0.48%	1.25%	10.23%
<b>Marital Status</b>			
Married	39.74%	50.95%	63.87%
Never married	26.39%	25.02%	19.16%
Separated/divorced/widowed	33.86%	24.03%	16.97%
<b>Average Age</b>	43 years	39.41 years	41.73 years
<b>Average Family Size</b>	2.3	2.8	2.96
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. Workers who were between the ages of 25-64 and were wage and salary workers were included. Because gaming workers are a small percentage of all US workers, the results in the last column for non-gaming workers are similar to those for all US workers (gaming plus non-gaming workers). See Technical Appendix for details.			

separated, divorced or widowed) than workers in general, although their average age and family size do not differ greatly from the average U.S. worker.

Perhaps the most notable difference between gaming workers and non-gaming workers in the U.S. is their levels of formal education. The typical education level of a worker in the gaming industry is lower than that of the average worker: while over 58 percent of all U.S. workers have at least some college education, the majority of gaming workers (over 55 percent) have only a high school diploma or less. This is significant because, in the U.S., workers who do not possess college degrees often find it difficult to work in jobs that offer benefits and wages that can support families.

Taking this difference into account, we further focused our analysis of hotel casino workers' jobs on those workers whose highest educational attainment was a high school degree or lower by excluding from the analysis workers with college degrees or those who enrolled in some college courses. We chose to limit our analysis by education level in order to better compare typical casino hotel workers' wages and benefits to the wages and benefits of other jobs available to workers with similar educational levels. Thus, for the rest of the analyses within this section of the report, we compared the wages and benefits of workers with at most a high school diploma in casino hotels, in all gaming jobs, and in non-gaming jobs using the 1997-2007 U.S. Census's March Annual Demographic Current Population Surveys.

This comparison shows that among workers without any college education, gaming workers in casino hotels enjoy higher pay and more generous job benefits than other workers in the U.S. (Table 2). Not only is the median hourly wage higher for gaming workers in casino hotels, but these workers are also much less likely to be living in poverty. Indeed, poverty among casino hotel workers and their families appears to be non-existent and very few live in near-poverty, defined as those living below 125 percent or 150 percent of the poverty level. Furthermore, gaming workers in casino hotels are more likely to receive employer-provided health insurance than non-gaming workers, especially health insurance plans in which employers pay for part of the health care premium. They are also more likely to be included in an employer's pension or retirement plan.

A comparison with all gaming jobs indicates that, with higher wages and benefits, gaming jobs in hotel casinos appear to be the superior jobs for workers without any college education in the gaming industry. Even so, all gaming jobs (not just those in casino hotels) are more likely to offer benefits than the average job for workers who lack a college education. The data in Table 2 show that all gaming workers are more likely to be policy-holders of health insurance provided by their employer, and are less likely to live in poverty or in near-poverty than are non-gaming workers in the U.S.

**Table 2. Wages and Benefits of Non-College Educated Gaming Workers in the U.S.**

<b>Wages &amp; Benefits</b>	<b>Casino Hotel Workers</b>	<b>All Gaming Workers</b>	<b>Non-Gaming Workers</b>
<b>Median hourly wages</b>	\$16.89	\$15.45	\$13.51
<b>Poverty Rates</b>			
Under poverty level	0%	1.21%	6.94%
Under 125% of poverty level	0%	4.12%	10.60%
Under 150% of poverty level	5.32%	9.76%	14.89%
<b>Health Insurance</b>			
Employer-provided health insurance plan in which:			
* worker is policy-holder	78.35%	66.15%	55.57%
* employer pays part or all of premiums	75.42%	64.55%	54.88%
* employer pays all of premium	10.42%	9.86%	13.56%
<b>Pension Plan</b>			
No pension plan at work	23.09%	40.33%	43.48%
Pension plan at work but not included	18.27%	14.99%	11.08%
Included in pension plan at work	58.63%	44.68%	45.44%
<b>Note:</b> Average hourly wages show similar patterns. Data other than wages indicate the percentage of workers who meet the definition in the category.			
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. Wage and salary workers between the ages of 25-64 whose highest educational attainment was a high school degree or lower were included. Because gaming workers are a small percentage of all US workers, the results in the last column for non-gaming workers are similar to those for all US workers (gaming plus non-gaming workers) See Technical Appendix for details.			

Since the casino industry is highly localized geographically, we further examined the wages and benefits of casino workers without any college education by conducting state specific analyses for states with large casino industries: Nevada, New Jersey, Connecticut, New York and Louisiana. Nevada was the only state for which we could examine the wages and benefits of gaming workers in casino hotels. No other state had sufficient data to look at this specific population separately from all gaming workers in the state.

As the data in Table 3 show, consistent with the national findings, non-college educated gaming workers in Nevada's hotel casinos enjoy higher wages compared to non-gaming workers and are more likely to receive employer-provided benefits: 90 percent are policy-holders of employer-

**Table 3. Wages and Benefits of Gaming Workers in Nevada**

Wages & Benefits	Nevada			U.S.
	Casino Hotel Workers	All Gaming Workers	Non-Gaming Workers	Non-Gaming Workers
<b>Median hourly wages</b>	\$17.86	\$15.83	\$14.00	\$13.51
<b>Poverty Rates</b>				
Under poverty level	0%	0.47%	5.42%	6.94%
Under 125% of poverty level	0%	1.40%	8.87%	10.60%
Under 150% of poverty level	1.52%	4.61%	13.16%	14.89%
<b>Health Insurance</b>				
Employer-provided health insurance plan in which:				
* worker is a policy-holder	89.91%	76.76%	62.65%	55.57%
* employer pays part or all of premiums	89.91%	76.76%	61.52%	54.88%
* employer pays all of premium	10.30%	14.11%	18.33%	13.56%
<b>Pension Plan</b>				
No pension plan at work	17.70%	30.74%	44.80%	43.48%
Pension plan at work but not included	15.12%	13.56%	12.80%	11.08%
Included in pension plan at work	67.18%	55.69%	42.40%	45.44%
<b>Note:</b> Median wages include tips. The pattern for average wages is similar to that of median wages, with average wages generally higher than the median. Data other than wages indicate the percentages of workers who meet the definition in the category for gaming service workers and those in other occupations.				
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. Wage and salary workers between the ages of 25 and 64 who do not have college degrees are included in the sample. See Technical Appendix for details.				

provided health insurance and two-thirds are included in their employers' pension or retirement plans. In comparison, less than two-thirds of non-gaming workers in Nevada have employer-provided health insurance, and less than half are covered by their employers' pension or retirement plans. Poverty and near-poverty wages have been all but eliminated for these workers, with less than 2 percent of Nevada's casino hotel workers living below or near the poverty level, compared to more than 27 percent of Nevada's non-gaming workers. Another pattern consistent with the national data is that gaming workers in Nevada's hotel casinos have higher wages and are more likely to receive benefits than all gaming workers in Nevada.

In Nevada, all gaming workers (not just those in hotel casinos) fare better than non-gaming workers regarding employer benefits. This is also consistent with the patterns we saw in the national data. Compared to non-gaming workers, gaming workers in Nevada are more likely to receive health care and pension benefits. Poverty has been greatly reduced for these workers. A comparison with the U.S.-wide data shows that gaming workers in Nevada earn higher wages than the national average, and they are covered by health insurance and pension benefits at a higher rate than the national average as well.

Due to sample size limitations, we could not examine wages and benefits of gaming workers in hotel casinos separately from all gaming workers in the remaining four states we analyzed. Indeed, the small sample sizes for all gaming workers without any college education in New Jersey, Connecticut, New York and Louisiana means that the data from the 1997-2007 U.S. Census's March Annual Demographic Current Population Surveys from these states should be interpreted with caution. Nonetheless, the pattern of wages and benefits for gaming and non-gaming workers in these four states were generally consistent with the national patterns described above.

In New Jersey, non-college educated gaming workers enjoy higher wages, are more likely to receive employer-provided health care insurance, and are more likely to be included in employer pension plans than similar non-gaming workers. In addition, poverty and near-poverty wages for these New Jersey gaming workers has been eliminated. When compared to national averages for non-college educated workers, New Jersey's gaming workers' wages and benefits are also better:

their wages are higher, and coverage of employer-provided health insurance is also higher. Finally, non-college educated gaming workers in New Jersey have much lower poverty and near-poverty rates than the U.S. average for non-college educated workers.

The results for Connecticut, New York, and Louisiana are also generally consistent with the national patterns. Compared to non-gaming workers and to U.S. workers without any college education, gaming workers in these states are more likely to participate in employer-provided health insurance plans. In addition, compared to non-gaming workers and to U.S. workers without any college education, gaming workers in Louisiana are more likely to be included in employer's pension plans. Gaming workers in Connecticut and New York, who work in casinos governed by compacts with different Indian nations, however, are included in employer pensions plans at the same or lower rates, respectively, than non-gaming workers in those states. Workers in the gaming industry in all of these states reduced their poverty rates well below the U.S. average poverty rates for both gaming and non-gaming workers, even though their wages did not always exceed those of non-gaming workers or of U.S. workers.

In summary, after examining the wages and benefits of gaming workers in five states, we find that the national patterns hold: non-college educated gaming workers are more likely to receive employer-provided job benefits and are more likely to have incomes above the poverty-level than non-gaming workers. Furthermore, non-college educated gaming workers in casino hotels, in particular, enjoy wages and benefits that exceed the average wages and benefits of non-college educated workers in the gaming industry in general, as well as in non-gaming industries.

## Hotel Workers in Las Vegas and Reno: A Tale of Two Cities

*Las Vegas is a place where cocktail waitresses can own their own homes and housekeepers can send their children to college. It is perhaps the last place in America that can make such a claim.* (Benz, 2004, p. 1)

In addition to providing family sustaining wages and benefits, we have defined “good jobs” as those that allow workers to freely unionize. Because unionization is an important variable in determining wages and benefits in nearly all industries<sup>1</sup>, we examined the impact of unionization on the wages and benefits of casino workers for this report. Unionization of casino workers varies widely across the states included in this study—from Nevada and New Jersey where significant parts of the gaming industry are unionized, to New York and Louisiana where no casino workers are organized in unions. In order to assess the impacts of unionization in the gaming industry, we compared the wages and benefits of workers in two Nevada cities with very different unionization rates: Las Vegas and Reno.

Much has been written about casino hotel workers in Las Vegas, in both scholarly and popular articles (Waddoups, 1999; Waddoups, 2000; Benz, 2004; Greenhouse, 2003; Meyerson, 2008). This body of literature centers on the impacts of Culinary Local 226 of the international union UNITE HERE. Culinary Local 226<sup>2</sup> represents casino hotel service workers in Las Vegas, including dishwashers, housekeepers, cocktail servers, valet parkers, porters, bellhops, door persons, cooks, bakers, waiters, and other relatively unskilled workers; the union does not represent workers in gaming occupations analyzed in the first section of this report. As the city’s largest union, with 48,000 members, it represents more than 90 percent of hotel workers on the Las Vegas Strip. In 1998, the union reported that union density in Clark County, which includes Las Vegas, was 58 percent (Alexander, 1998). An estimate of unionization in the accommodation and food services industry in 2004 reported a 27 percent unionization rate in Las

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<sup>1</sup> A 2003 study by the U. S. Bureau of Labor Statistics analyzed wages in 142 blue collar occupations and found that average hourly earnings were 30 percent higher for union workers (\$19.95 versus \$15.07). The average hourly earnings of union workers in the service sector, where most permanent jobs in the gaming industry would be located, were almost double those of non-union service workers (\$13.44 versus \$7.81) (Foster, 2003).

<sup>2</sup> This descriptive account of Culinary Local 226/UNITE HERE and casino hotel workers in Las Vegas is a summary of Meyerson, 2008 and Greenhouse, 2004.

Vegas, compared to unionization rates of 15 percent across Nevada and of 16 percent in Reno, where casino hotel workers in all but two hotel casinos (Circus Circus and Grand Sierra) are not unionized (Prokos, n.d.).

Las Vegas' casino hotel workers represented by Culinary Local 226 are diverse. Most of Culinary Local 226's members are women and people of color: 70 percent are female and 65 percent are non-white (Greenhouse, 2003). In most of the U.S., workers in these service sector occupations struggle with low pay and live near the poverty line (Kim, 2000a; Kim, 2000b; Kim, 2007). But in Las Vegas, casino hotel service workers have among the highest hourly wages in these job categories in the nation. The data in Table 4 show that unionized wages for these casino hotel service workers exceed the national average in the hotel industry by at least 50 percent, and for some jobs the unionized wages are twice as much as the national average. Specifically, when comparing Local 226's 2006 pay scales to the average hourly wages in the hotel industry in 2006 (the latest available in the U.S.), cooks' hourly wages are 57 percent higher than the national average, food preparation workers' hourly wages are 63 percent higher, dishwashers' hourly wages are 78 percent higher, host/hostesses' hourly wages are 97 percent higher, and housekeepers' hourly wages are 57 percent higher than the national average. Because tips are not included in the Local 226 wage scales but are included in the national data, a comparison of hourly wages of waiters/waitresses and baggage porters/bellhops is more difficult. According to Local 226, the lowest-tipped waiters and waitresses receive at least \$10 per hour in tips, so that tips usually double the workers' salary. In the higher-priced restaurants, tips can triple or quadruple a worker's salary (personal communication, March 2008). Thus when adding tip income to the Local 226 pay scales, Las Vegas casino hotel workers' wages are likely to be higher than the national averages.

Not only are the wages for workers represented by Local 226 higher than the national average, but wages for the entire casino and hotel industry in Las Vegas are notably high. Using data collected by the State of Nevada's Department of Employment, Training and Rehabilitation we examined wages in the hotel industry in Las Vegas and in Reno. This department collects wage data by surveying approximately 3,400 establishments each year. According to state officials in this office, all casino hotel workers are included in the "traveler accommodation industry" and

comprise over 90 percent of the industry.

Table 4 shows the average hourly wages for casino hotel workers in the traveler accommodation industry (e.g. casinos and other hotels) in Las Vegas (highly unionized) and in Reno (not highly unionized). The results are notable: average hourly wages for cooks in Las Vegas are 25 percent higher than in Reno; for maids/housekeepers, wages are 34 percent higher in Las Vegas; for waiters and dishwashers, wages are 45 percent higher; for porters and bell-hops, wages are 53 percent higher; and for host/hostesses, wages are 69 percent higher. Average hourly wages for all of these Las Vegas jobs also exceed the state and national averages. In contrast, the average hourly wages of casino and other hotel workers in Reno are consistently below the state-wide averages in Nevada, and are often below the U.S. average wages as well.

It is conceivable that the differences in wages for casino and other hotel-based occupations that we have described above are simply due to a difference in these two cities' economies—wages in Las Vegas in general could just be higher than those in Reno. To examine this possible explanation of the wage differences, we analyzed the State of Nevada's Department of Employment, Training and Rehabilitation's data on average hourly wages for the same service occupations in the full service restaurant industries in Las Vegas and Reno. Although this industry may include some workers covered by union contracts (for example, those working in independent restaurants in casino hotels), most of the workers in this industry are employed in non-union restaurants outside of casinos (J. Shabi, State of Nevada, Department of Employment, Training and Rehabilitation, personal communication, March 2008). As the data in Table 4 indicate, the largely non-union restaurant workers in Las Vegas tend to earn the same or less—not more—than similar workers in Reno and in the U.S. in general.<sup>3</sup> This finding supports the conclusion that the better wages received by Las Vegas casino and hotel workers are due to the industry's high unionization rate in Las Vegas.

Unfortunately, the state of Nevada does not collect information on benefits for workers. In order to compare workers' benefits in Las Vegas and Reno, we used the U.S. Census's Current

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<sup>3</sup> Separate tabulations were performed on the food service and drinking places industry, which would include bars not attached to restaurants. The wage differences between Las Vegas and Reno were similar when examining this industry.

Table 4: Culinary Local 226 Pay Scales and Average Hourly Wages of Service Workers in the Hotel and Restaurant Industries in Las Vegas, Reno, Nevada, and the U.S.

Job Titles/Occupations	Las Vegas			Reno		Nevada		U.S. (2006)		
	Local 226 Pay Scales (2006)	Casino & other Hotels	Restaurants	Casino & other Hotels	Restaurants	Casino & other Hotels	Restaurants	Hotels	Restaurants	
Cooks	\$16.20	\$14.86	\$11.32	\$11.87	\$11.48	\$14.20	\$11.12	\$10.31	\$8.15	\$8.56
Food preparation workers	\$15.09 - \$15.44	\$13.10	\$9.42	\$9.40	\$8.65	\$12.57	\$9.27	\$9.27	\$10.24	\$10.18
Waiters/Waitresses	\$11.26*	\$9.75	\$8.18	\$6.73	\$8.56	\$9.29	\$8.17	\$14.77	\$9.62	\$9.85
Dishwashers	\$13.19 - \$14.01	\$12.30	\$7.84	\$8.49	\$7.69	\$11.66	\$7.80	\$7.42	\$8.44	\$8.34
Pot washers	\$13.31	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)
Head dishwashers	\$13.29	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)
Host/Hostesses	\$14.74	\$12.51	\$8.46	\$8.61	\$8.89	\$11.69	\$8.47	\$7.50	\$9.83	\$11.65
Maids/Housekeepers	\$13.07	\$12.17	n/a	\$9.09	n/a	\$11.66	n/a	\$8.31	n/a	\$9.08
Baggage porters	\$13.34*	\$10.69	n/a	\$7.00	n/a	\$6.87	n/a	\$15.57	n/a	\$13.77
Bellhops	\$11.22*	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)	(see note)

\* Excludes tips. The Local 226 data excludes tips. Because the U.S. data includes tips, comparisons for the tipped occupations of waiters/waitresses, baggage porters and bellhops must be made carefully (see text).

Note: The jobs of pot washer and head dishwasher are included in "dishwashers" for all data except for the Local 226 pay scale. The job of bellhop is included with "baggage porters" for all data except for the Local 226 pay scale.

Sources: Culinary Workers Union Local 226: "Exhibit 1 Wage Scales 2002-2006;" Nevada Department of Employment, Training and Rehabilitation ([www.nevadaworkforce.com/cgi/databrowsing/?PAGE\\_ID=4&SUBID=117](http://www.nevadaworkforce.com/cgi/databrowsing/?PAGE_ID=4&SUBID=117)); US Census's March Annual Demographic Current Population Survey, 2007 (see Technical Appendix).

Population Survey, March Annual Demographic Survey (see the Technical Appendix for more information). We compared workers in the hotel and motel industry who lived in the Las Vegas and Reno metropolitan areas. Because of small sample sizes, we could not examine the data by occupation; therefore, higher-paid hotel workers, such as those in management positions, are included in the sample. Despite this limitation, the data in Table 5 indicate that workers in the hotel and motel industry in Las Vegas are more likely to receive employer-provided benefits than those in Reno. Specifically, a substantially higher percentage of hotel workers residing in Las Vegas (83 percent) are policy-holders of employer-provided health insurance coverage than either hotel workers in Reno (61 percent) or in the U.S. (49 percent). Similar patterns can be seen among workers who hold employer-provided health care insurance in which employers pay for all or part of the cost of health care coverage: more than twice the proportion of workers in Las Vegas enjoy employer-funded health insurance coverage compared to workers in Reno and

**Table 5: Employment Benefits for Hotels and Motel Workers in Las Vegas and Reno**

<b>Benefits</b>	<b>Las Vegas</b>	<b>Reno</b>	<b>U.S.</b>
<b>Health Insurance</b>			
Employer-provided health insurance plan in which:			
* worker is policy-holder	83.36%	60.87%	49.03%
* employer pays part or all of premiums	82.44%	60.13%	48.01%
* employer pays all of premium	25.80%	10.40%	10.64%
<b>Pension Plan</b>			
No pension plan at work	28.20%	26.80%	51.82%
Pension plan at work but not included	14.95%	32.78%	16.45%
Included in pension plan at work	56.84%	40.41%	31.72%
<b>Poverty Rates</b>			
Under poverty level	4%	6.07%	14.01%
Under 125% of poverty level	6%	13.26%	20.27%
Under 150% of poverty level	11.34%	17.33%	26.61%
<b>Note:</b> Data indicate the percentages of workers who work in the hotel and motel industry that meet the definition for each category.			
<b>Source:</b> Authors' calculations from Current Population Survey, Annual Demographic March Files, 1997-2007, IPUMS. See Technical Appendix for details.			

elsewhere in the U.S. Similarly, 57 percent of hotel workers in Las Vegas are included in employer-provided pension plans. In contrast, 40 percent of hotel workers in Reno, and less than one-third in the U.S., are included in employer pension or retirement plans.

The U.S. Census data also provides insight into the impacts of the higher wages enjoyed by the workers in Las Vegas, which appear to result in lower rates of poverty for these workers' families. Very few hotel workers in Las Vegas are poor (4 percent), compared to 6 percent of hotel workers in Reno and 14 percent on average in the U.S. Relatively fewer workers in Las Vegas are also "near-poor"—those whose families live under 125 percent or 150 percent of the poverty level. Thus the jobs in Las Vegas appear to be providing family sustaining wages so that workers and their families are able to live above the poverty rate. Indeed, many workers in Las Vegas casino hotels are able to enjoy middle class lifestyles: waitresses and housekeepers can own their own homes, put their children through college, and retire securely (Greenhouse, 2003; Benz, 2004; Meyerson, 2008). Additionally, because of uniform wage scales, wage disparities between white and Hispanic workers are narrower in Las Vegas than in other parts of the U.S., and disparities in health insurance coverage between white and Hispanic workers are lower than the national average (Meyerson, 2008).

An additional characteristic of "good jobs" that is not captured in any statewide or national data set is the opportunity for career advancement, or access to "career ladders." The workers in Las Vegas' unionized casino hotels have extensive opportunities for career advancement through the Culinary Training Academy, a joint labor-management job training school that teaches workers the skills they need to work in the hospitality industry. The Academy is funded entirely by employers, through a three cent per hour worked contribution to a joint labor-management training fund, and is hailed as one of the industry's finest job training schools. Currently the school enrolls about 2,500 students per year. About 18,000 workers have graduated from the academy in the last nine years; three-fourths of whom are still employed by the hotels. The Academy provides free courses to both inexperienced workers new to the industry, as well as experienced workers who want to improve their skills. In addition, the Academy provides vocational English courses for non-English speaking workers. In this way workers can advance to better paying and more satisfying occupations in the industry, while meeting employers'

needs. According to the executive director of the Academy, hotels often hire the entire graduating class on graduation day (Meyerson, 2008).

There are clear differences for casino hotel service workers in the cities of Las Vegas and Reno. Compared to Reno, casino hotel service workers in Las Vegas enjoy higher wages, are more likely to receive health insurance paid for by their employer, are more likely to be covered under their employer's pension plans, are less likely to live in poverty, and have access to opportunities for advancement in the casino industry. Our analysis shows that the strong union presence in Las Vegas' casino hotels, and the relative absence of unions in Reno's, is a key factor in determining these differences. This analysis is consistent with previous research that found that workers in Las Vegas earn much higher wages in the gaming and hotel industries compared to workers in Reno, and which attributed these wage differences to the effects of unionization in Las Vegas (Waddoups, 1999 and 2000).

## Legislation Enabling Gaming: A Six State Comparison

In this section, we examine existing statutes that authorize gaming in the states of Connecticut, Louisiana, Nevada, New Jersey and New York, as well as the legislation proposed in Massachusetts in 2007 (H.B. No. 4307, “An Act Establishing and Regulating Resort Casinos in Massachusetts”), to determine which policies have addressed job quality and workforce development in the gaming industry.<sup>4</sup>

The five existing state statutes have very few references to worker provisions, protections or workforce development, and none have wage, benefit or training requirements for gaming workers. Nevada’s enabling legislation, the “Gaming Control Act and Ancillary Statutes,” provides no protections or provisions that address the quality of jobs in the industry. However, a section of the Nevada law that is intended to prevent corruption in the gaming industry explicitly protects the “rights of gaming casino employees to bargain collectively or otherwise to engage in concerted activity for their mutual aid and protection through representatives of their own choosing.” In this regard, Nevada’s legislation is unique among the five existing statutes examined.

The Louisiana and New Jersey laws allude to aspects of job quality without specific statutory protections. Louisiana’s “Title 42: Louisiana Gaming” has provisions for training, but only for security personnel and employees involved in “maintenance or computerized functions,” including the operation of slot machines. Louisiana’s “Title 42” also has provisions for disclosure of wages paid to management partners, but no comparable provision for disclosure of wages paid to employees. References to workers are limited to volunteers and workers involved in charitable bingo and casino night activities. New Jersey’s statute (“New Jersey Casino Control Act,” P.L. 2007, ch. 203) has an extensive introduction that addresses the public policy implications of gaming on “the general welfare, health and prosperity of the State and its inhabitants.” The law requires prevailing wages to be paid to workers “employed in the construction or rehabilitation of facilities undertaken” through public financing. The statute,

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<sup>4</sup> The statutes for each state were searched for worker provisions through keyword searches for “worker” and “employee,” “wages,” “benefits,” “training,” “unions,” “labor” and “collective bargaining.”

however, does not address the quality of jobs for those working in the industry.

Casino gaming in Connecticut and New York is governed by compacts between the states and Indian tribes that fall under the provisions of the federal Indian Gaming Regulatory Act (IGRA). Two tribes operate one casino each in Connecticut and three tribes operate seven casinos in New York. In pursuit of sovereignty, the tribes have opposed any efforts to regulate working conditions within their gaming operations. The Indian Gaming lobby has vigorously opposed all efforts to enforce even the most minimal worker provisions, such as worker health and safety protections. For example, tribal leaders have characterized efforts to prohibit workplace smoking at the Connecticut casinos as a threat to sovereignty (New York Daily News, 2008). In February 2007, the United States Court of Appeals for the District of Columbia Circuit ruled that workers in casinos regulated by the IGRA retain their collective bargaining rights under the National Labor Relations Act. Shortly thereafter, in November 2007, the gaming workers at Foxwoods Resort Casino in Connecticut voted to unionize. The tribes are appealing the Court's decision, and the outcome of the appeal could have a significant impact on gaming workers' rights.

In contrast to the state statutes reviewed above, the legislation proposed in Massachusetts in 2007 cast the introduction of gaming into the state both as a revenue source for the state budget and as a workforce development strategy providing entry-level jobs with career ladders, family-supporting wages and benefits designed to directly improve the economies of local communities. The legislation did this in two ways: through governmental oversight and through criteria for bidders. First, the proposed legislation included the establishment of the Massachusetts Gaming Control Authority which would be empowered to set minimum wages, standards and training requirements for employees of casino licensees, and would require that all casino employees be properly trained in their respective professions. To ensure continued attention to worker issues in the industry, the legislation included a provision to ensure that a labor representative would sit on the Massachusetts Gaming Control Authority's Advisory Board.

Second, the legislation set criteria for evaluating bids for Massachusetts' casino licenses. Among these criteria were extensive provisions to ensure a skilled, diverse and appropriately compensated workforce in the gaming industry. The proposed legislation required that applicants

disclose whether they would “establish, fund, and maintain internal human resource hiring and training practices that promote the development of a skilled and diverse workforce with access to promotion opportunities.” The specific criteria by which license applicants would be evaluated included:

- a commitment to provide at least 5,000 permanent jobs within five years
- disclosure of the number of employees to be employed, including detailed information on pay rates and benefits for employees and contractors
- a mentoring program for entry level workers
- development of transparent career paths leading to increased responsibility and higher pay
- employee access to on-site child care
- employee access to additional professional development resources, such as tuition reimbursement or stipend policies to continue their education and training, and
- disclosure of the bidders’ existing labor contracts and/or their support from labor organizations.

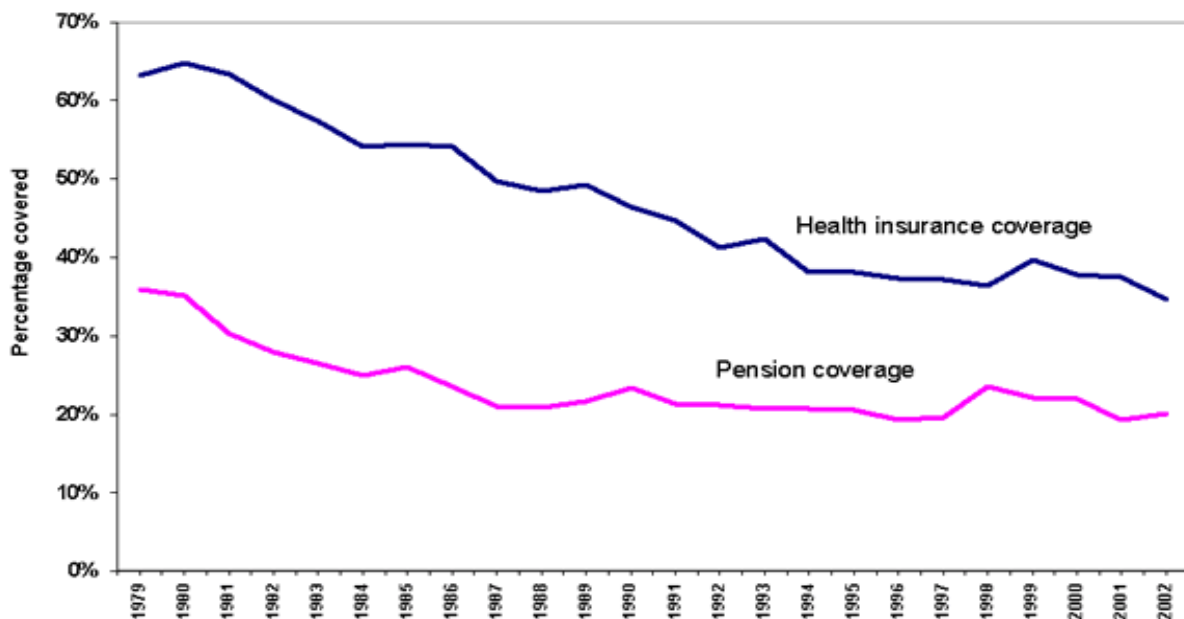
Finally, the legislation proactively addressed the potential conflict between state regulations and Indian sovereignty by requiring any tribes submitting bids to waive their rights under the IGRA and be subject to the Commonwealth’s laws that protect workers and their rights to join a union.

Gaming statutes can only provide a snapshot of the political will in each state at the time of enactment. Even so, if enacted, the legislation proposed in Massachusetts in 2007 would provide groundbreaking protections for workers that would go far toward ensuring that gaming jobs are good jobs.

## Conclusions and Implications for Massachusetts

Massachusetts is facing a problem of rising inequality in worker earnings and family income, which has been well documented in previous research (Albelda & Friedman, 2001; Sum, 2002; Brenner, 2005; Community Labor United, 2007). One important marker of this divide is whether or not a worker has a college education. Based on 2000 U.S. Census data, two-thirds of adults in the Commonwealth have less than a Bachelor's degree and 20 percent have less than a high school diploma (Bauman & Graf, 2003). An analysis of patterns of adult employment rates by educational attainment in Massachusetts in 2005 showed that rates of employment for those with a high school diploma were 11 percent lower than for those with a college degree, and that mean annual earnings for a worker with a college degree were nearly double those for a high school graduate (Sum et al., 2007). The same study found that lifetime earnings of male workers in Massachusetts with a high school education declined 16 percent between 1979 and 2005. Figure 1 shows the steady decline in two additional critical indicators of economic and social health, the loss of health insurance and pension benefits over the past 25 years for those who can least afford to lose them (Economic Policy Institute, 2004). High school graduates are clearly losing ground in the Massachusetts economy.

**Figure 1: Erosion of employer-provided health and pension coverage for recent high school graduates, 1979-2002**



The 2007 proposed legislation to enable gaming in Massachusetts directly addressed the issues facing high school graduates. As described above, the legislation established important criteria and enforcement mechanisms to ensure that casino jobs created in Massachusetts would be “good jobs” that provide family sustaining wages and benefits, as well as clear opportunities for workers to advance their careers. Unlike the types of jobs likely to be created through the other economic development initiatives being undertaken by the Commonwealth, namely the investment in the high tech and biosciences industries, casino industry jobs would be accessible to workers who do not have any college education or hold advanced degrees. Furthermore, the 2007 proposal included many elements that would foster the conditions that support the development of good jobs. The provisions for worker supports, including child care, mentoring, and training programs are positive policy steps that promote an approach to workforce development that balances an agenda of business for a surplus of trained and ready workers with an agenda for an engaged citizenry working in jobs that support healthy communities. These provisions of the 2007 proposed legislation should be protected and even enhanced in order for the introduction of gaming to improve the lives of all our citizens and benefit those without advanced education.

While the 2007 proposed legislation clearly embodied the goal of creating good jobs for low skilled workers, we recognize that it did not and cannot guarantee that the goal will be reached. However, our examination of the casino hotel industry shows that jobs in the gaming industry currently do provide good wages, benefits and opportunities for advancement for high school graduates and others. Unionization, in particular, appears to be essential for the creation of good gaming industry jobs that support families and communities. If the introduction of gaming simply expands the pool of low-wage and unprotected service work, the results will not be a benefit to the Commonwealth as a whole and will instead further exacerbate the growing income inequality that has occurred over the past quarter century. But if workers in this industry are not inhibited from unionizing, a casino industry in Massachusetts could offer workers who lack college degrees jobs that will enable them to fully participate in the Commonwealth’s economy, earning wages that can support their families, following career paths that will allow them to advance in their professions, and ensuring that they can provide health insurance for their families and retire securely.

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## Technical Appendix

### US Census Data: Tables 1-3, 5

Data for Tables 1-3 and 5 are from the US Census, March Annual Demographic Current Population Survey, provided by IPUMS. Approximately 50,000 households are surveyed in the US in March of each year regarding their earnings, employment, hours worked, and jobs worked during the previous year. Data from 1997-2007 are combined to obtain an adequate sample size. Workers who are between the ages of 25 and 64 and who are wage earners (not self-employed) are included in the sample. Except for in Table 1, college graduates and workers who took any courses in college are excluded. Thus for all tables except Table 1, the highest educational attainment is a high school degree or lower. Hourly wages are calculated as the annual earnings (including tips) from the previous year divided by the number of weeks worked times the number of hours usually worked per week. Wages are adjusted for inflation, 2007=100, using the CPI-U as the deflator. The industry used is the industry of the job held for the longest duration (if there was more than one job) during the previous year. All data are weighted using the sample weights.

Median wages are shown in Tables 2 and 3, since a few high paid workers skewed the results for the average upwards, but the patterns using average wages are similar (and are available upon request). Average wages are shown in Table 4, since these are higher than median wages, reducing the wage disparities discussed and shown. Tabulations (such as median or average wages) not shown in the text are available from the first author upon request.

When US averages are shown, unless otherwise specified, these are for the industry studied. For hotel workers, the hotel and motel industry is examined. For gaming service workers, the occupation “gaming service workers” is examined, which includes table card dealers, gaming dealers, and other workers in games of chance (Keno runners, craps dealers, roulette and wheel of fortune dealers). First line supervisors and managers of gaming service workers are in a separate occupation and are thus not included. The occupation of gaming service workers also includes race board writers, race board attendants, bingo attendants, sports book attendants and writers, and gamblers. According to the Bureau of Labor Statistics, most gaming service workers work in casinos, so that these latter occupations are a minority. Limiting the sample to those in the hotel industry excludes these latter workers and would include only gaming service workers in hotel casinos. Thus the results for gaming service workers in the hotel industry are a more accurate depiction of casino hotel workers. Because we limit the sample to wage and salary workers, we are excluding professional gamblers in our sample. Because gaming service workers are such a small part of the US economy, the findings in Table 2 for non-gaming workers are substantially the same as the findings for all US workers.

Pensions included employer-provided pensions and retirement plans. Health care questions were asked about whether or not one was a policy holder of an employer-provided health care plan.

Poverty rates are calculated by comparing the official poverty threshold to family income and family size. In 2006, a family of three is in poverty if family income is below \$16,079; a family of four is in poverty if it has less than \$20,614 in income. The definition of poverty and the official poverty thresholds are uniform across states.

Nevada Wage Data: Table 4

Wage data shown in Table 4 are based on 2007 data from Nevada's Department of Employment, Training and Rehabilitation. Approximately 3400 employers are surveyed every year, and data are available by occupation, industry and location at [www.nevadaworkforce.com/cgi/databrowsing/?PAGE ID=4&SUBID=117](http://www.nevadaworkforce.com/cgi/databrowsing/?PAGE ID=4&SUBID=117).

The category of "casinos and other hotels" includes data from the traveler accommodation industry, which includes hotels and casino hotels. Casino hotels dominate the traveler accommodations industry in Las Vegas. The category of "restaurants" includes data from the full service restaurant industry, which includes workers in independent restaurants in casino hotels and also in restaurants not associated with casinos. State averages are shown for the relevant industry examined.

Wages do not include tips. Although annual income is supposed to include tips, experts at Nevada's Department of Employment, Training and Rehabilitation believe that most tip income is excluded from these data.

Median wages show similar results and thus were not shown but are available upon request.

Las Vegas includes the Las Vegas-Paradise Metropolitan Statistical Area. Reno includes workers in the Reno-Sparks metropolitan area.