

Members of the Committee, good afternoon and thank you. My name is Brian Wyman, Executive Vice President of The Innovation Group, a non-partisan research and economic firm in the gaming and hospitality industry. Today, I'm here to present findings from our independent analysis of the iGaming market in Ohio, including the economic and fiscal impacts the state might expect if it were to proceed with the proposal in the bill before you now. I will share some of our key findings from the study:

- First, we estimate that the iGaming market in Ohio will bring in approximately \$934 million in new iGaming tax revenue (40% of an estimated \$2.34 billion market).
- Second, we project that iGaming will cannibalize revenue at the state's gaming facilities by approximately 16%.
- Third, reduction in casino visitation will cause direct and downstream effects on the state's economy, including:
 - Up to 2,979 lost jobs,
 - Up to \$215 Million in lost labor income each year, including benefits,
 - As much as \$635 Million in lost GDP each year,
 - As much as \$945 Million in annual lost economic output.
- Fourth, our analysis includes a review of recent research showing increases in problem gambling and social costs tied to online gambling – extrapolating figures from elsewhere in the world, this could easily exceed \$100,000,000 in direct social costs and 4-5x that in lost productivity.
- All of this will mean that, each year, Ohio will lose as much as \$175 Million in casino gaming taxes and \$73 Million in non-gaming taxes – including reduced payroll tax, sales tax, hotel tax, and others – due to iGaming, for a total of \$249 Million in lost Ohio tax revenue, resulting in net tax impacts to the state of approximately \$685 million.

In considering iGaming legislation, the State of Ohio must decide whether to pursue these net tax gains given that they are accompanied by the loss of nearly 3,000 jobs, the loss of a billion dollars in total annual economic output, and the potential 9-figure direct cost of treatment and prevention of problem gambling, to say nothing of the indirect costs associated with disordered gambling.

Thank you for the opportunity to share these findings with you.