

MEMORANDUM

TO: Interested Parties
FROM: Jef Pollock, Global Strategy Group & Neil Newhouse, Public Opinion Strategies
RE: Pennsylvania Statewide Survey Results
DATE: June 12, 2014

Online Poker Is Politically Viable New Revenue Source

Voters approach issue with pragmatism; support states regulating

Our survey research shows that allowing online poker in Pennsylvania and taxing the proceeds is a politically viable option as a source of new state revenue. It generates little heat either pro or con, and past expansions of gaming in Pennsylvania have shown that there is little likelihood that allowing online poker will cause heartburn for incumbents in November.

Fully three quarters of Pennsylvania voters (76%) say that individual states should decide whether online poker is allowed, with only 19% supporting a nationwide ban to be passed by Congress. The results are essentially the same across all political parties.

Pennsylvania voters also are quite pessimistic toward the direction the state is headed, with a great deal of this negativity driven by their concern for public education – the largest item in the state budget. Yet, because Pennsylvania faces a budget deficit in excess of a billion dollars, the prospects for a tax increase large enough to cover the shortfall or the possibility of generating sufficient revenue from major changes to state policy are uncertain at best. Ultimately, the budget hole is likely to be filled using a combination of modest measures.

Key findings from Global Strategy Group's and Public Opinion Strategies' recent statewide poll of 602 likely 2014 General Election Voters in Pennsylvania are as follows.

A budget failing to meet voter concern for education will aggravate an already unhappy electorate. Voters are quite pessimistic about the future, and specifically, concerned about their schools. Only one-in-four voters (26%) believe Pennsylvania is headed in the right direction while well over half (57%) say it is off on the wrong track. Much of this pessimism comes from concerns for education and schools with a large plurality of all voters (41%) saying this is one of their top issues for the Governor and state legislature to work on. By comparison, just under a third (31%) say the economy and jobs are one of their top issues and less than a quarter (21%) put taxes and property taxes at the top of their list. Clearly, a state budget seen as providing insufficient funding for public education will only exacerbate the pessimism among the electorate.

Laissez-faire and pragmatism define Pennsylvanians' attitudes toward online poker.

Most voters have a “live and let live” attitude when it comes to allowing online poker, believing that even if they (themselves) don’t play, others should still have that right (73% agree). There is also a streak of pragmatism in the electorate with many saying the state should allow online poker and tax it given that many are already doing it now (60% agree). Not sure the morality stuff adds much below since it is so close.

- Nearly two-thirds of voters in both the Pittsburgh (63%) and Philadelphia (62%) media markets say they don’t have a moral objection to online poker. Outside these areas, voters are equally as likely to say they are morally opposed to online poker (49%) as not (48%).
- Large majorities of Democrats (63%) and Independents (68%) are not morally opposed to online poker, while Republicans are split between those who do (50%) and those who don’t (48%).

STATEMENTS ABOUT ONLINE POKER

	Agree	Disagree	Net Agree
I may not play online poker, but other people have the right to play provided they can afford it, the games are fair and regulated, and minors are prohibited from playing.	73%	26%	+47
Since many Pennsylvanians already play online poker on illegal foreign websites, Pennsylvania would be better off making online poker legal in Pennsylvania to keep revenue in the state.	60%	37%	+23
I am morally opposed to Pennsylvania residents playing online poker.	41%	57%	-16

Pennsylvanian’s believe that if “you can’t beat them, join them.”

Given that billions are being spent on illegal foreign websites and now at legal sites run by other states, voters think it just makes fiscal sense to allow a well regulated, safe and locally based online poker option that will benefit players and the state.

CONVINCING REASONS FOR ALLOWING ONLINE POKER

	Very conv.	Somewhat conv.	Net convincing
Americans spend as much as 4 billion dollars a year gaming on foreign websites, lining the pockets of foreign companies. Making online poker safe, fair, and regulated in our state would keep that money right here in Pennsylvania where it belongs – helping fund our schools and provide property tax relief.	27%	27%	54%
Online poker is already occurring and the current laws that prohibit online poker do not work. We need to regulate it responsibly rather than allow it to continue to take place illegally, with no benefit for taxpayers and no protections for the public.	21%	29%	50%

The best way to shut down illegal foreign gambling sites is to make them compete with legal, regulated, and fair alternatives here in Pennsylvania. Until residents have a safe, fair, and legal alternative, illegal black market sites will continue to operate and scam consumers.

21% 34% 55%

Within the past year Nevada, New Jersey and Delaware have all passed online gaming legislation, and New Jersey expects to generate hundreds of millions of dollars a year in revenue. Pennsylvania can also implement online poker in ways that protect the consumer, eliminate play by minors, and generate a new source of state revenue.

21% 30% 51%

Online poker will have little impact on existing Pennsylvania casinos.

The vast majority of voters (90%) say allowing online poker will have no impact on the likelihood of making an in-person visit to one of Pennsylvania's casinos. Only 6% say it will make them less likely, while hardly any (3%) say it will make them more likely to visit a physical casino.

Commonsense safeguards increase support for allowing online poker.

The likelihood of voters supporting online poker in Pennsylvania increases when they learn about the consumer protection provisions that would be included in any responsible online poker legislation. A majority (54%) say they are more likely to support allowing online poker knowing it includes strict age and identity verification requirements and a large plurality (46%) are more likely to supporting it knowing there are monthly spending limits in the legislation.

- The inclusion of strict age requirements and identity verification provisions lead majorities in the Philadelphia (56% more likely), Pittsburgh (55%), and other media markets (51%) to all be more likely to support allowing online poker, as well as most Democrats (58%), Independents (57%), and a near-majority of Republicans (48%).

LIKELIHOOD OF SUPPORT FOR ALLOWING ONLINE POKER

	More Likely	Less Likely	Net More Likely
The proposal would require strict registration and identity verification requirements to ensure play is limited to adults and to prevent play by minors.	54%	30%	+24
The proposal would include measures to limit amount of money individual residents could spend per month on online poker to prevent problem gaming.	46%	35%	+11

Pennsylvania's casino industry has a positive statewide profile.

Many Pennsylvanians have a favorable opinion of Pennsylvania's current gaming industry with "the casino industry in Pennsylvania" holding a net positive rating (47% favorable/37% unfavorable). Additionally, support for the current law that allows up to 14 full-scale casinos in Pennsylvania is almost twice that of those opposed (59% support/31% oppose). If the operation of online poker is limited to the existing casino operators in the state, their positive stature could help set voters' minds at ease over this potential change in the gaming law.

ABOUT THIS POLL

This poll was conducted by Global Strategy Group (GSG) and Public Opinion Strategies (POS) among 602 likely 2014 General Election voters in Pennsylvania on June 4-8, 2014. The margin of error on this poll is +/- 4.0%. The margin of error on subsamples is larger. The poll was commissioned by Caesars Entertainment Operating Company.

