

### **Methodology & Definitions: Calculating Direct, Indirect and Induced Impacts**

Oxford Economics' calculations of the gaming industry's direct economic impact include the revenues of U.S. commercial casinos, tribal casinos, gaming equipment manufacturers, and the spending by casino patrons at nearby businesses in 2013.

Oxford's economic impact model is based on an analysis of the direct effects of the gaming industry. As part of this analysis, the IMPLAN model is used to determine the indirect and induced impacts of direct spending. Indirect impacts include payments to the gaming industry's downstream suppliers, such as cleaning services, legal services, and food and equipment providers. Induced impacts are generated by the spending of gaming industry employees on rent, transportation, food, entertainment and other needs. Oxford determines total tax revenues based on a hybrid approach that incorporated analysis of certain direct taxes, such as gaming taxes, along with the IMPLAN framework of federal, state and local tax categories.

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