

# Researchers release reports on economic impacts of MGM Springfield

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In two highly anticipated reports about the economic impacts of MGM Springfield, University of Massachusetts Amherst researchers found that the resort-casino's construction was felt in every corner of the Commonwealth, and its development has been part of the strengthening housing and real estate markets of Greater Springfield.

The reports from the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) study, based at UMass Amherst's School of Public Health and Health Sciences, were presented Thursday, Sept. 26 to the Massachusetts Gaming Commission at the MassMutual Center in Springfield.

The [construction impact report](#) details the wide-ranging [economic impacts](#) of the resort's construction. "Overall, we found that every county in the Commonwealth saw some economic benefit from the construction of MGM Springfield," says lead author Rod Motamedi, senior research manager at the UMass Donahue Institute, which leads SEIGMA's [economic research](#). "The [economic benefits](#) did ultimately tend to grow with proximity to Springfield."

More than two-thirds of the 4,249 construction workers were Massachusetts residents, and two-thirds of the \$573.2 million construction budget went to Massachusetts-based firms, according to the construction report.

The [real estate impact report](#), presented by lead author Henry Renski,

UMass Amherst associate professor of landscape architecture and regional planning, notes that the February 2014 awarding of the MGM license coincided with the economic recovery from the Great Recession.

"The period since the awarding of licenses around the state has been a time of strong economic growth in Massachusetts," says Mark Melnik, who leads the SEIGMA economic team at the Donahue Institute. "This broader economic context is important to keep in mind when interpreting the results of the report since it is difficult to disentangle which real estate trends are attributable to the casino versus other economic trends."

In addition to new, major employers like MGM Springfield, which opened in August 2018, other factors influencing the real estate upturn include economic growth and real estate investment associated with the [economic recovery](#), as well as long-term community development initiatives, Melnik says.

To supplement their understanding of the real estate data, SEIGMA researchers interviewed Springfield housing experts, social justice leaders, community organizers and a land use planner to document concerns about gentrification and displacement. Those collaborators noted a rise in speculative multi-family property investment, which can lead to evictions and displacement.

Some other highlights from both studies:

- During the five-year [construction](#) period, total statewide economic activity increased by \$849 million, with net new economic activity totaling \$512 million.
- This economic activity created or supported about 1,000 jobs, representing \$397 million of income.
- Springfield's single-family home sales, which had been flat

following the recession, picked up in 2014 and experienced steady growth after the MGM license was awarded.

- Median gross rents increased in Springfield and across the state before and after the casino license was awarded, suggesting the study area was following larger state trends.
- Springfield community leaders noted increased foot traffic in the downtown area since the casino opened, adding that the impact seems to be limited to businesses and restaurants adjacent to the casino.

The SEIGMA interdisciplinary research team was chosen by the Gaming Commission to perform state-mandated research to gauge the social and economic impacts of casino gambling in Massachusetts. The first-of-its-kind study provides evidence-based data to inform the Gaming Commission's annual recommendations to the Legislature.

Provided by University of Massachusetts Amherst

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