

Atlantic City Losing 2 Casinos, 5K Jobs in 3 Days

Written by Administrator
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A time few could imagine during the not-too-distant glory days of casino gambling has arrived in Atlantic City, where two casinos will close this weekend and a third will shut down in two weeks.

More than 5,000 workers will lose their jobs in an unprecedented weekend in the seaside gambling resort, leaving many feeling betrayed by a system that once promised stable, well-paying jobs.

The Showboat is closing Sunday, followed by Revel on Monday and Tuesday. Trump Plaza is next, closing Sept. 16. To the thousands who will be left behind, it still seems unreal.

"We never thought this would happen," said Chris Ireland, who has been a bartender at the Showboat since it opened. His wife works there, too, as a cocktail server. Before dinnertime Sunday, neither will have a job.

What makes it even tougher to swallow is that the Showboat — one of four Atlantic City casinos owned by Caesars Entertainment — is still turning a profit. But the company says it is closing Showboat to help reduce the total number of casinos in Atlantic City. Caesars also teamed with Tropicana Entertainment to buy the Atlantic Club last December and close it in January.

"They just want to eliminate competition," Ireland said. "Everyone's in favor of a free market until it doesn't exactly work for them."

Yet many analysts and casino executives say the painful contraction now shrinking Atlantic City's casino market is exactly what the city needs to survive. Since 2006, Atlantic City's casino revenue has fallen from \$5.2 billion to \$2.86 billion last year, and it will fall further this year. Atlantic City will end the year with eight casinos after beginning the year with 12.

New casinos popping up in an already saturated Northeastern U.S. gambling market aren't

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expanding the overall pie but are slicing it into ever-smaller pieces. Fewer casinos could mean better financial performance for the survivors.

Resorts Casino Hotel, which was on the verge of closing a few years ago, completed a remarkable turnaround in the second quarter of this year, swinging from a \$1.3 million loss last year to a \$1.9 million profit this year.

"I truly believe that eight remaining casinos can all do very well when the gambling market is right-sized," said Resorts president Mark Giannantonio.

That may be true, but it is little comfort to workers who are losing their jobs. By the time Trump Plaza shuts down in two weeks, nearly 8,000 jobs — or a quarter of Atlantic City's casino workforce — will be unemployed. A mass unemployment filing due to begin Wednesday is so large it has been booked into the city's convention center.

When casino gambling was approved by New Jersey voters in 1976, it was billed as a way to revitalize Atlantic City and provide stable, lasting jobs. The first casino, Resorts, opened in 1978, kicking off three decades of soaring revenue and employment.

But the Great Recession hit just as new casinos were popping up in neighboring Pennsylvania and New York, cutting deeply into Atlantic City's customer base.

"There was a promise when casinos came in here that these would be good, viable jobs, something you could raise your family on and have a decent life with," said Paul Smith, a cook at the Trump Taj Mahal Casino Resort. "I feel so bad for all these people losing their jobs. It wasn't supposed to be like this."

Mayor Don Guardian says his city is remaking itself as a more multifaceted destination, where gambling is only part of the allure. But he acknowledges the pain this weekend will bring.

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"This is going to be a difficult few weeks for many of us in Atlantic City," he said. "People will lose their jobs, and that is never good news. Our hearts go out to our neighbors and friends. We still have difficult waters to navigate."

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