

TALES FROM THE **SLOT FLOOR**

Casino Slot Managers in Their Own Words

edited and with an introduction by
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Introduction

Slot machines have been, since the 1970s, an integral element of the modern casino resort. From the early 1980s, they have garnered the bulk of gaming revenues in Nevada and in most American jurisdictions that have legalized casinos since then, they also produce the majority of gaming win. For that reason, they are an incredibly important part of any modern casino resort, and their management deserves documentation and investigation.

In 2016 and 2017, the University of Nevada, Las Vegas Center for Gaming Research, in cooperation with the Oral History Research Center, conducted an oral history project focusing on slot managers. This was a follow-up to the previous year's project, which documented the stories of table games managers. Excerpts from that interview project were published in *Tales from the Pit: Casino Table Games Managers in Their Own Words*. The current volume is a companion piece to that book, intended to complement it and to give a more complete side of the world of casino managers.

THE PROJECT

As with the table game managers' interviews, interviewees were approached about their interest in contributing their time and expertise to the project. Many interviewees suggested additional people to speak with, expanding the pool of interviewees. After being recorded, the interview was processed and transcribed. After two levels of editorial review at UNLV and additional editing and feedback from interviewees, the interviews were bound and, in many cases, made available via UNLV Special Collections and Archives' website.

The interview project, similar to the table games project, did not have an overarching theme or research agenda—there was no thesis to prove or disprove or point to make. Instead, the interviewer

asked open-ended questions designed to solicit interviewees' candid recollections of their career and their unfiltered thoughts on the industry's current state.

Thanks to the remarkable generosity of the interviewees with their time and thoughts, the Center has been able to document significant pieces of slot management history and practice that might otherwise have not been memorialized. This book collects excerpts from the many interviews, organized around common questions and themes. It is intended to whet the curiosity of readers and demonstrate to researchers the valuable oral histories collected by UNLV, both in slot management and in many other areas of interest.

A BRIEF HISTORY OF SLOT MANAGEMENT

A trio of German immigrant mechanics living in San Francisco developed the reel slot machine in the 1890s. Previous "nickel in the slot" machines had been present from the 1880s, but the innovations of the 1890s, which culminated in Charles Fey's Liberty Bell (1899), delivered a three-reel machine that accepted and paid coins out automatically.¹ Over the next half-century, slot machines, though often illegal, were popular. Commonly manufactured in and around Chicago, Illinois and operated by groups with more than a passing familiarity with local organized crime figures (allegedly). Slot machines could be found in tobacco stores, candy stores, and other small retail outlets in cities throughout America.

These illegal machines required only the crudest "management." Persuading merchants to host the machines, removing coins periodically, and repairing any malfunctions were the only substantive functions these managers served. As a quasi-legal or flat-out illegal business, slot management did not demand much sophistication.

Likewise, slot machines in the legal casinos of Nevada were for many years an afterthought. Although machines began to shift from purely mechanical models to devices using electrical components for enhanced lighting and sound, slot jackpots remained small. Few "serious" gamblers gave the "one-armed bandits" a second thought, although, as seen on the *Twilight Zone* episode "The Fever," they could excite the passions of some.

The technological evolution of slot machines, while a fascinating subject, is beyond the purview of this brief introduction. In summary,

through a variety of innovations, slot machines became more visually engaging and began offering jackpots that were at first substantial and then, after the introduction of Wide Area Progressives in the 1980s, life-changing. The first Wide Area Progressive, MegaBucks, was introduced by SI Redd's International Game Technology in 1986.² Adding a portion of each coin inserted to a running progressive jackpot shared across many machines in a state, WAPs brought the excitement of multimillion-dollar lottery jackpots to the casino floor. No table game could offer the chance to win so much so quickly. These machines reinvigorated slot floors.

At the other end of the spectrum, another IGT product, Draw Poker (1982) popularized video poker.³ A staple of casinos and route operations, particularly those with high repeat visitation, video poker, unlike other slot machines, has elements of skill: playing good strategy can make a difference in customer payouts.

With these innovations, slots became the dominant revenue producer on casino floors. In Atlantic City, slot machines accounted for about 42 percent of total casino win in 1979, the seaside resort's first complete year of gaming, and broke the 50 percent threshold in 1984. In 2002 and 2003, slots reached their relative peak in Atlantic City, with more than 74 percent of gaming win. The opening of the more upscale Borgata and a host of other factors, including massive casino expansion in nearby states (as well as, after 2013, the advent of internet gaming), has reduced slots share of the market to about 65 percent, but they remain the most crucial component of gaming revenues there.⁴

In Nevada, where slot machines had spent decades as an afterthought, the devices had a similar trajectory. From an installed base of about 22,000 machines in 1963 (the first year for which reliable slot counts are extant), machine counts rose to more than 35,000 by 1970. Over the following decade, the number of machines in Nevada would more than double to nearly 81,000, the greatest proportional growth in the industry's history. From 1990 to 2000, by contrast, the number of slot machines grew "only" by 44 percent. The following year, 2001, would see slot machines reach their peak installed base in Nevada at 217,221. From there, the number of machines installed has fallen, often by several thousand a year, to its 2017 total of under 165,000, a 24 percent decline.⁵

By the 1990s, most slot machines, even those with mechanical

reels, were sophisticated computer-driven devices. Results were determined not by the random stopping of spinning wheels, but by a random number generator and complex software programs. Casino floors typically had a mix of stepper (physical reel) games, video slots, and video poker, in a variety of denominations. Quarter machines were in ascendance, with dollars gaining at a similar pace. In 1990, Nevada's 341 locations had among them 152 penny slots, 69,944 quarter machines, and 27,672 dollar slots.⁶

A rapid series of changes would completely reshape the slot floor from approximately 1995 to 2005. First, bill validators that could accept paper currency were installed on slot machines, obviating the need for customers to change cash for coins. At the same time, credit meter play meant that winnings were added to a running total of credits rather than dribbling out as coins after each spin. These changes made possible the development of small-denomination, multi-line machines. Nominally “penny” or “nickel” machines, these games had multiple paylines, each of which accepted multiple coins. In this way, a player might wager \$2 or more on a single spin of a “nickel” slot. While these lower denominations typically had higher hold percentages (making them more beneficial to the casino), players embraced them. Thus began the shift that defines the current slot product. In 2000, the state's now-354 locations reported no penny slots, 86,089 quarter slots, and 33,718 dollar machines, with decade-long growth rates of 23 percent and 22 percent, respectively.⁷

These interviews document, on a personal level, how those changes affected the work lives of men and women within slot operations. And they are not the last word—instead, they are intended to provoke a deeper conversation and investigation into how the evolution of slot machines over the past several decades have shaped experiences for end consumers (players), line employees, and managers.

THE SLOT DEPARTMENT

The slot machines that gamblers play intersect most closely with employees in three different competencies, which may be separate departments depending on the casino and era. What is usually known as “slots” or slot operations has historically worked directly with players.

The first book detailing the management of casinos, Bill Friedman's *Casino Management* (first published in 1974), described a basic hierarchy of job functions that would be recognizable to employees decades later, even if some of the terminology is dated. For example, Friedman describes the importance of the “change girl,” who not only exchanged bills for coins with customers but also wished the customer (whom Friedman referred to as “him”) good luck.⁸

Over the next quarter-century, slot management remained fairly static, even as the machines themselves evolved. Departments grew as casinos added more slots and slots generated proportionally larger shares of total revenue, but, for the most part, the management structures that had developed by the 1970s remained intact. Before the changes of the early 2000s, slots employees included **change** (both in booths and on the floor) and **floorpeople**, who had keys to machines and serviced machines, addressed player issues, and refilled empty machines. According to Rich Lehman's 2002 analysis of slot management, *Slot Operations: The Myth and The Math*, a floorperson was responsible for an area with 100 machines or more.⁹ Lehman described floorpeople as initiating the paperwork necessary for daily slot operations, such as jackpot slips, fill slips, mechanic repair slips, internal accounting documents, and W-2G tax forms, necessary for any jackpot over \$1,200.¹⁰ For most players, these men and women were the slot department.

Each shift was helmed by a **slot shift manager**, responsible for resolving disputes at the highest level and for scheduling, disciplining, and counseling floorpeople. As is typical for most 24/7 casino departments, this shift manager was typically seconded by an **assistant shift manager** whose days off were opposite the shift manager and who supervised the shift in his or her stead. The shift managers reported to a slot manager, who was the administrative head of the department. The slot manager made final decisions about staffing and settled disputes, both with patrons and among employees, that could not be resolved by a shift manager.¹¹

Above the slot manager stood the **slot director** or **vice president of slots**, who was responsible for the broader strategic momentum of the department. As Lehman described it, the slot manager's domain was administrative and training responsibilities, with the director or vice president focused on development (particularly purchasing machines and laying out the floor), financial, and compliance.¹² As describe by interviewees, slot directors spent much of their time off

the floor looking at financials and attending meetings with other casino executives, but successful slot directors also spent a great deal of time walking the floor, making themselves accessible to both employees and patrons.

Parallel to the floor and **changepeople** are the **slot mechanics** or **technicians**, who report to a **slot repair manager**. These technicians are responsible for physically installing the machines and maintaining them in working condition. Some interviewees began their career as technicians and, as their responsibilities grew, eventually became managers of the entire slot department.

The **slot marketing department** is the third branch of the bigger slot department. Its employees, which include hosts, loyalty program managers and representatives, and tournament organizers, are responsible for encouraging players to visit and play slot machines. While in some casinos these employees report, ultimately, to the director or vice president of slots, in others they report to the vice president of casino marketing. In general, however, their functions are the same, and they interact closely with the slot operations department.¹³ This project did not focus on slot marketing, as it is a distinct enough discipline from slot operations to make it an excellent subject for a future interview project.

A position outside the line employee, shift manager, manager hierarchy had developed by the time of Lehman's 2002 study—the **slot analyst**. This position essentially assists the slot manager and director in assessing the effectiveness of current strategies and developing new ones. A great part of the slot analyst's job is to conduct daily audits of slot performance, using data to determine how to adjust strategy, from the selection of machines to the layout of the floor to special events and promotions.¹⁴ As the data available to managers and directors has proliferated, the analyst position has become more important.

Since the early 2000s, the slot department has been changed dramatically by the elimination (for the most part) of coins from the play cycle. This led to the elimination of **changepeople** and a redefinition of the floorperson role. They no longer were tasked with filling hoppers of slot machines, but retained several important functions, including hand-paying large jackpots and initiating the W-2G process for jackpots over \$1,200. Many departments began placing a greater emphasis on the floorperson/slot attendant/guest service ambassador encouraging players to join the casino's loyalty program.

THE SLOT MANAGER CAREER TRACK

The men and women interviewed for this project worked in all of the positions described above—some had long careers in operations, others in repairs, with some crossover between the two. It is important to note that interviewees' first jobs in the slot department shifted depending on when they entered the industry. Those who started in gaming before the late 1990s generally began working at the entry level, either as a slot attendant/floorperson or as a slot technician. From there, they gradually climbed the ladder of responsibility. The first promotion might be to a supervisor or lead position, followed by a full-time or dual-rate position as a shift manager or assistant shift manager. From there, interviewees of that generation advanced to slot manager, followed by director and/or vice president of slots.

Those who started their careers more recently, by contrast, often followed a different trajectory. Many began their management careers in a management associates program that gave them experience to many departments and fast-tracked them into leadership positions. It is important to note, however, that some of these fast-tracked executives had already worked entry-level positions before joining the management program. After finishing the program and spending time in an analytical support position, most of these interviewees were placed in their first management position.

There are benefits to both career arcs. The “old school” method of advancing through the ranks will produce, after a decade or longer, a leader who is extremely well-versed in the slot department with the capacity to be profoundly empathetic to both employees and customers thanks to thousands of hours logged on the floor. Leaders in this mold may develop excellent analytical skill sets, but their decision making and, indeed, way of conceiving problems, will be rooted in their experience on the floor. Those taking the management associates' route, by contrast, are likely to have more experience working in and with other departments and a more detailed view of the overall strategic goals of the casino operation, at the cost of less time served “in the trenches,” which may lead to difficulty in getting buy-in from line-level employees. Both are valid methods of developing executives, as evidenced by the extremely engaged and successful leaders from both camps interviewed for this project.

STRUCTURE

The book is broken down into 11 chapters that explore several themes common to the interviews. This chapter briefly introduces the topic of slot management and hopefully orients the reader to the major issues in the field. In Chapter 2, interviewees recollect how they began working in the casino industry and/or in slots. Chapter 3 explores interviewees' thoughts on the optimal layout of the slot floor, one of the key tasks of senior slot managers.

The fourth chapter consists of answers to the simple questions: "What do customers want? Why do they play slots and not something else?" The question opened up a range of responses that shed some light on slot players' psychology and motivations, or at least slot managers' perceptions of those motivations.

Chapter 5 shifts the focus onto the interviewees themselves by asking about their gambling habits. As with the table games managers, many of them were not major recreational gamblers, but nearly all reported playing slots to some extent in order to understand their customers and the product. Slot manufacturers and vendors were the topic of Chapter 6. The manufacturer/operator relationship was given coverage from both sides, since a good share of the interviewees spent at least some time working on either side.

The seventh chapter asks interviewees to consider what qualities make for good management and, by extension, good managers, while Chapter 8 conversely asks: what makes bad slot management?

The dynamic nature of the slot industry was well captured throughout the interviews, with everyone interviewed sharing their perspective on the changes they had seen throughout their careers. Chapter nine focuses on this aspect by asking the interviewees to summarize what they felt were the main changes in slot operations and management. The tenth chapter tries to peer into the crystal ball by asking interviewees to discuss the future of slots.

The 11th and final chapter features interviewees' advice for those wishing to pursue careers in gaming and/or slots. In most cases, this question ended the formal interview and allowed interviewees a chance to provide the next generation of managers with some wisdom from their own experiences. Following that is a list of contributors with brief biographies.

ENDNOTES

- 1 Marshall Fey. *Slot Machines: A Pictorial History of the First 100 Years of the World's Most Popular Coin-Operated Gaming Device*. Reno: Liberty Belle Books, 1994. 40-1.
- 2 David G. Schwartz. *Roll the Bones: The History of Gambling. Casino Edition*. Las Vegas: Winchester Books, 2013. 321.
- 3 Schwartz, 321.
- 4 David G. Schwartz. "Atlantic City Gaming Revenue." University of Nevada, Las Vegas Center for Gaming Research. 2018. Accessed at: http://gaming.unlv.edu/reports/ac_hist.pdf
- 5 David G. Schwartz. "Nevada's Gaming Footprint, 1963-2017." University of Nevada, Las Vegas Center for Gaming Research. 2018. Accessed at: http://gaming.unlv.edu/reports/nv_gaming_footprint.pdf
- 6 Nevada State Gaming Control Board. "Gaming Revenue Analysis, December 1990." Page 2. Accessed at: <http://gaming.nv.gov/modules/showdocument.aspx?documentid=3761>
- 7 Nevada State Gaming Control Board. "Gaming Revenue Report, December 2000." Page 2. Accessed at: <http://gaming.nv.gov/modules/showdocument.aspx?documentid=3741>
- 8 Bill Friedman. *Casino Management*. Secaucus, New Jersey: Lyle Stuart, 1974. 243-4.
- 9 Richard Lehman, Jr. *Slot Operations: The Myth and the Math*. Reno: Institute for the Study of Gambling and Commercial Gaming, 2002. 25.
- 10 Lehman, 26.
- 11 Lehman, 42-4.
- 12 Lehman, 45.
- 13 Lehman, 37-8.
- 14 Lehman, 47.