



**AMA**

**AMERICAN AMUSEMENT  
MACHINE ASSOCIATION**

**2023**

# **GOVERNMENT RELATIONS**

**The American Amusement  
Machine Association**

# Who We Are

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The American Amusement Machine Association (AAMA) is an International trade association for the coin-operated and out-of-home amusement industries. Established as a 501(c)6, not for profit, in 1981, we represent manufacturers, distributors, part suppliers and location owner/ operators through legislative support, trade events, industry promotion, education and networking.



## Mission Statement

To make the industry better through collaboration, education, advocacy and networking.  
We never stop playing!

## Vision Statement

We make the world more fun.

# Code of Conduct

The AAMA has adopted a Code of Conduct ensuring that through the application of skill, players of a member's game have an opportunity to win with every play. All AAMA Members are required to adhere to the Code of Conduct.

These members include leading amusement game manufacturers, distributors, suppliers and fun & entertainment venue owner/ operators.

AAMA's Code of Conduct demonstrates our member's commitment to provide wholesome, family fun for the playing public.

# Parental Advisory System

The AAMA established and implements the coin-operated video game Parental Advisory System, a user-friendly system designed to provide parents with information about the content of the coin-operated video games their children may encounter

We've also produced a *Guide to Families* brochure, which is distributed at locations and is available through the AAMA office.



# AAMA Government Relations Leadership

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## **Pete Gustafson**

**AAMA Exec. Vice President**

P: (847) 290-9088

E: [pgustafson@coin-op.org](mailto:pgustafson@coin-op.org)



## **Jeff Blair**

**AAMA Board President  
Sureway Gaming**

P: (630) 640-2046

E: [jblair@surewaygaming.com](mailto:jblair@surewaygaming.com)



## **Joe Camarota**

**AAMA Govt. Relations Co-Chair  
Alpha Omega Sales**

P: (732) 254-3773

E: [joeatwork@aol.com](mailto:joeatwork@aol.com)



## **Rich Babich**

**AAMA Govt. Relations Co-Chair  
Game Exchange of Colorado**

P: (330) 893-4300

E: [richbabich@gmail.com](mailto:richbabich@gmail.com)

# AAMA Members By State

	Supplier	Manufacturer	Distributor	Location Owner/Operator
Arizona	1	-	-	-
California	8	2	2	2
Colorado	-	1	1	1
Delaware	-	1	-	-
Florida	7	6	1	3
Georgia	3	3	-	-
Illinois	5	11	1	1
Indiana	1	2	-	-
Iowa	-	1	1	-
Kentucky	1	-	-	-
Maryland	2	1	-	-
Massachusetts	1	-	-	-
Michigan	-	-	1	1
Minnesota	-	-	-	1
Mississippi	1	-	-	-
Missouri	4	-	-	-
Nebraska	1	-	-	-
Nevada	1	1	1	1
New Hampshire	-	-	-	1
New Jersey	4	2	2	-
New York	1	5	1	-
North Carolina	3	1	-	1
North Dakota	1	-	-	-
Ohio	2	-	1	-
Oklahoma	1	-	-	-
Oregon	1	-	-	-
Pennsylvania	4	2	-	1
South Carolina	-	2	1	-
Tennessee	-	1	1	3
Texas	5	6	1	5
Virginia	-	2	-	-
Wisconsin	1	2	-	-
International	3	9	2	1
<b>Total: 162</b>	<b>62</b>	<b>61</b>	<b>17</b>	<b>22</b>

Visit [www.coin-op.org](http://www.coin-op.org) for a full list of our members.

# Family Entertainment Centers

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## What are they?

Family Entertainment Centers (FECs) primarily offer a combination of attractions. These attractions include arcades, go-karts, bowling, roller skating, video games, trampolines, laser tag, birthday parties, kiddie rides, miniature golf, and virtual reality.

Most also have food concession, while some have started offering chef-driven dining.

## Common Characteristics

- We are “In Your Neighborhood”, often located within a commercial, tourist, or entertainment complex.
- Typically have no gates or admission fees to enter the facility.
- Attractions and games are usually “pay-as-you-go”.
- Try to target certain age groups (children, young adult, adult) or have attractions that appeal to the entire family.



# FEC Statistics

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The average number of visitors an FEC received in 2020 was **371,733**

**50%** of all FEC visitors are classified as “General Admission”.

They are not part of a planned group event; their visit is spontaneous and unscheduled

The average visitor age is **19.9** years old

Average on-site dwell time: **2.6 hours**

## Most Popular Attraction:

Arcade and Video Games (redemption and non-redemption) account for **40%** of FEC Floorplans.



## Employment

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Employee costs are the highest expense for an FEC at **24%**

### Overall Employee Retention

Corporate: **55%**

Independent: **54%**

### Average Employee Count

Corporate: **86 Full Time - 119 Part Time**

Independent: **20 Full Time - 38 Part Time**

### Average Employee Age

Corporate: **26.7**, 70% are <24 years old

Independent: **24.9**, 74% are <24 years old

## Financials

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### Average per capita spending:

Corporate: **\$27**

Independent: **\$25**

### Average Revenues:

Corporate: **\$3.32 million**

Independent: **\$1.64 million**

### Average Profit Margins:

Corporate: **18.6%**

Independent: **14.8%**

# Route Operators

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## What are they?

Route Operators are responsible for installing, maintaining, and managing coin-operated arcade machines at various venues. They collect revenue, provide maintenance, and ensure profitability by sharing proceeds with location owners through revenue-sharing agreements.

- The games in bars, hotels, malls, etc. are typically not run by the proprietor of the location.
- There are over 10x the amount of route operators compared to FECs.
- Operators are family businesses; some have been around for over 3 generations.

## Examples:

### Jukeboxes

- There are over 100,000 jukeboxes in use across North America
- Jukeboxes are in use in a large variety of venues, including bars, casual dining, FECs, laundromats, and military barracks.
- They're located in approximately 2/3 of independent bars in the US.

### Pinball

- Over 10,000 commercial locations run pinball machines globally
- There are thousands of organized tournaments for pinball games
- The number of arcade-bars opening across the country is quickly growing.

### Golden Tee Golf

- There are 17,000 Golden Tee machines active in the US right now.
- Over 1,000,000 unique players play at least one game per year.
- Golden Tee players spend over \$300 million in annual food and beverage purchases.





# Our Key Concerns

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## Inflation

Although inflation has slowed recently, it hasn't disappeared. Small businesses continue to deal with rising costs and have to constantly adjust to these financial pressures. Inflation impacts their bottom line, and even a slight increase in costs can affect these businesses significantly. Small businesses are vital for job creation and local communities, and they require ongoing support from Congress to tackle the challenges posed by inflation in the evolving economic landscape.

## Labor Force Concerns

Small businesses continue to grapple with a significant labor shortage, and this issue requires our immediate attention. Many of our members are still operating below optimal staffing levels. This problem not only hampers small businesses' growth but also affects the broader economy.

Over 60% of FEC staff are 24 years old or younger. These jobs provide young adults with valuable skills that will be essential as they advance their careers, allowing them to give back to their community. We need legislators to implement policies that assist small businesses in recruiting and keeping a capable workforce.

## Legislation

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### Tax Certainty Act

Currently, pass-through business owners (S-corporations, LLCs, sole proprietorships, or partnerships) can claim a 20% tax deduction on their share of the business's income up to \$182,100 in tax year 2023, or \$364,200 for those filing jointly. Over three-quarters of small employers are legally structured as pass-through businesses.

This critical tax relief expires in 2025, but approving the Main Street Tax Certainty Act of 2023 (Section 199A) would make it a permanent part of our tax code, giving business owners the peace of mind they need to continue to invest in their local communities.

## Approve “The Credit Card Competition Act of 2022” (S. 4674/H.R. 8874).

This bill would open credit card processing up to market competition, which would not only alleviate merchant cost concerns, but also give operators the ability to choose a processor that works best for their business and spurs more innovation.

### Import Duties

Small business has had a very rough couple of years. Starting with the impact of Covid and compounded by rising inflation and labor costs, our small business owners have been squeezed and forced into making difficult choices regarding reinvestment and expansion.

Provide relief from Section 301 of the Trade Acts. Section 301 has failed to give rise to new US manufacturing plants or increased production of any significance rather, Section 301’s 25% and 7.5% tariffs on imports from China regardless of the actual Harmonized Tariff Schedule (HTS) codes associated and assigned to the products being imported are negatively impacting our industry, and many others which rely on Chinese suppliers for items unavailable from other countries. Almost all our manufacturer members are forced to pay these fees regardless of the actual HTS codes associated and assigned to the products being imported. Even if they have a duty-free classification, the 301 duties are still mandatory.



## **H2B Visas**

Our industry relies on labor from overseas to adequately staff our seasonal venues. We're particularly vulnerable to labor shortages late in the summer, when college-aged students head back to their dorms. H-2B Visas provide our family entertainment centers and factories the labor force necessary to meet the ever-increasing demands for our many forms of family entertainment.

## **EBITDA Deductions**

Small business owners desperately need the interest deduction calculation to again include depreciation and amortization in the earnings before income, taxes, depreciation, and amortization standard. Depreciation encourages investment in equipment and expansion for new employee hiring. As the economy undergoes recessionary trends, Congress can improve the tax code to ensure U.S. companies are not at a disadvantage since all other 35 countries in the Organization for Economic Cooperation and Development (OECD) protect depreciation and amortization.

## **Exporting to Saudi Arabia**

Saudi Arabia's substantial \$60 billion investment in entertainment, sports, and tourism projects offers American companies an exceptional opportunity to contribute to the development of a global entertainment hub. However, the import of prizes and games for amusement parks and entertainment venues is hindered by stringent Saudi regulations.

We need US officials to reach out to their contacts in Saudi Arabia, and negotiate policy changes that can help the US play a larger role in their quickly growing industry.

## **Include us in future support programs targeted to out of home industries**

The Restaurant Revitalization Fund was established to provide financial assistance to restaurants during the Covid-19 economic crisis. Even though Food Service is a critical element in modern FECs, these organizations were excluded from this financial aid program. We need to ensure that future legislation includes consideration for FECs.

The logo consists of the letters 'AAMA' in a bold, black, rounded sans-serif font. The letters are closely spaced and have a slightly irregular, hand-drawn appearance.

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## **The American Amusement Machine Association**

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180 Detroit Street, Ste B.  
Cary, IL 60013

coin-op.org | info@coin-op.org  
(847) 290-9088