



LAS VEGAS
CONVENTION
AND VISITORS
AUTHORITY

THE ECONOMIC IMPACT OF
**SOUTHERN
NEVADA'S
TOURISM
INDUSTRY**

APRIL 2023
ECONOMIC IMPACT SERIES BRIEF



APPLIED
ANALYSIS 

Executive Summary

Southern Nevada's tourism industry continued to recover from the impacts related to the COVID-19 pandemic, and recent momentum pressed spending levels to new heights. Applied Analysis ("AA") was retained by the Las Vegas Convention and Visitors Authority (the "LVCVA") to review and analyze the economic impacts of Southern Nevada's tourism industry. This brief outlines the economic impacts associated with the region's tourism industry, its convention travel segment and convention travel served by the Las Vegas Convention Center ("LVCC") in 2022.

- Southern Nevada's tourism industry steadily climbed throughout 2022 as it built on the momentum of 2021. Monthly visitation exceeded 3 million every month after February, peaking at 3.6 million visitors in October. For the year, visitation reached 38.8 million, a 20.5 percent increase from 2021 and just 8.7 percent below the 2019 total.
- The economic impacts of Southern Nevada's tourism industry are driven by visitor spending on rooms, dining, shopping, local transportation and other activities and amenities during their stays. That spending directly supports jobs, wages and economic activity, and it ripples through the economy to generate additional impacts via suppliers and vendors (indirect impacts) and by employee spending on goods and services in the community (induced impacts). Visitor spending on the year hit an all-time high of \$44.9 billion, far exceeding pre-pandemic levels. Total spending by visitors during the year outpaced the prior year by 24.4 percent and the 2019 total by 21.8 percent. Despite falling 3.7 million visitors short of the 2019 visitation total, overall spending increased dramatically due to a 33.4 percent rise in per-visitor spending compared with 2019.
- On a per-visitor basis, spending climbed to an all-time high of \$1,156 in 2022, 3.3 percent higher than in 2021. Compared to 2019, visitor spending increased for all categories except sightseeing, and spending shares by category mostly resembled pre-pandemic patterns with some notable shifts. While fewer visitors attended shows compared to 2019, those who did spent significantly more, which drove entertainment to represent 10.1 percent of total visitor spending, up from 6.0 percent in 2019. Conversely, visitors spent a smaller portion of their budgets on sightseeing, which declined from 3.4 percent to 1.2 percent of per-visitor spending. Spending shares among the other major categories generally tracked with pre-pandemic trends.
- In 2022, the total economic output related to visitor spending (including direct, indirect and induced impacts) reached an all-time high of \$79.3 billion, equivalent to about half of the region's gross economic output. Total tourism-related output in 2022 was 24.7 percent higher than the previous high of \$63.6 billion in 2019. Southern Nevada's tourism industry remained the largest regional employer in 2022, directly employing an estimated 229,440 workers. With direct and indirect impacts included, total employment impacts reached an estimated 358,880, which represented a 21.3 percent increase from the prior year.
- Southern Nevada's tourism industry supported \$12.6 billion in direct wages in 2022, or 20.2 percent of all wages in the region. The additional indirect and induced impacts supported wages for workers across many sectors of the economy, with a total wage impact of \$20.1 billion, or 22.8 percent of all regional wages.
- Convention attendance for the year climbed to 5.0 million in 2022. Convention visitor spending directly supported an estimated 38,120 jobs, \$2.1 billion in wages and \$7.5 billion in economic impact. When the indirect and induced impacts of convention visitor spending are included, the convention sector supported an estimated 59,630 jobs, \$ 3.3 billion in wages and \$13.2 billion in overall economic output.

Visitation Recovery Continues in 2022

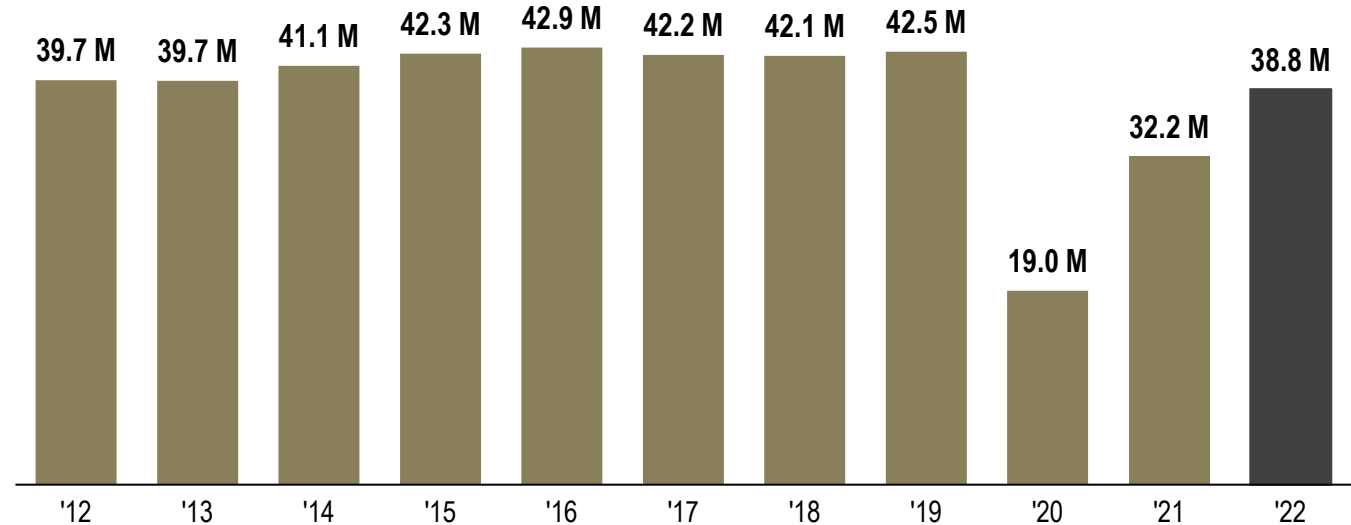
Following the staggering impacts of the COVID-19 pandemic in 2020 and a recovery period during 2021, Southern Nevada's tourism industry bounced back to near pre-pandemic levels in 2022. Travel and tourism steadily climbed through the year as the industry built on the momentum of 2021.

Monthly visitation exceeded 3 million every month after February, peaking at 3.6 million in October. For the year, visitation reached 38.8 million, a 20.5 percent increase from 2021 and just 8.7 percent below the 2019 total.

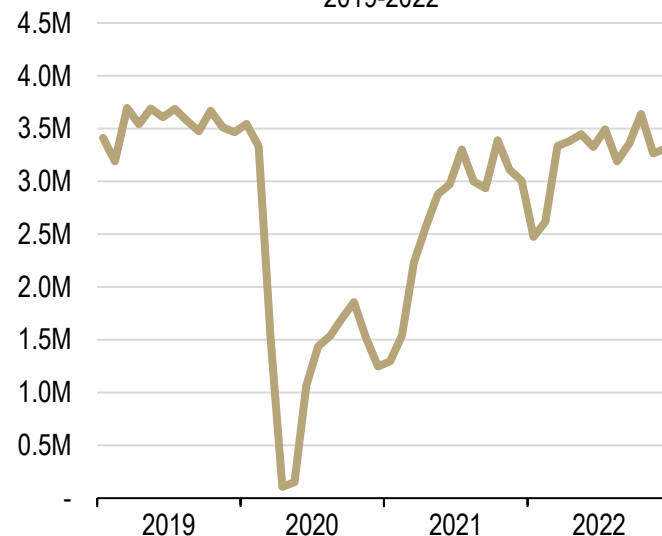
The recovery of convention and trade show activity produced 5.0 million convention attendees in 2022, with a monthly peak of 628,100 attendees in October. While this was more than double the number of attendees in 2021, the annual total remained 25 percent lower than the record 6.6 million convention attendees in 2019.

The full recovery of Southern Nevada's convention and meeting segment as well as the rebound of international visitation will be keys in maintaining the recovery trajectory of the regional tourism industry.

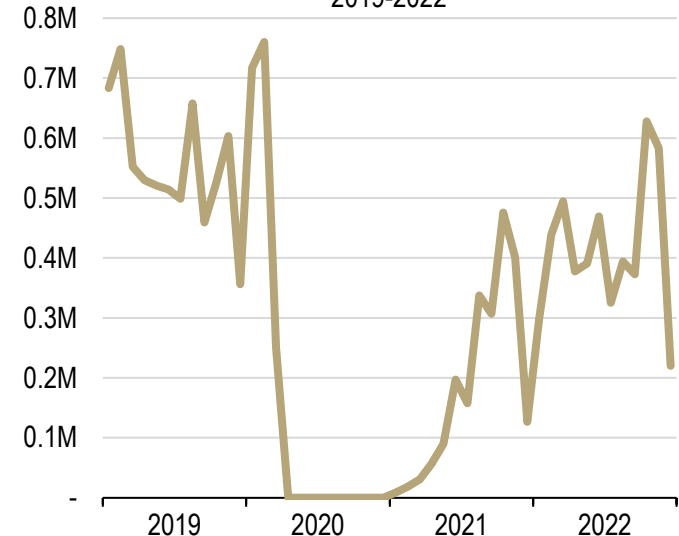
Las Vegas Visitation



Monthly Visitor Volume
2019-2022



Monthly Convention Attendance
2019-2022



Source: Las Vegas Convention and Visitors Authority

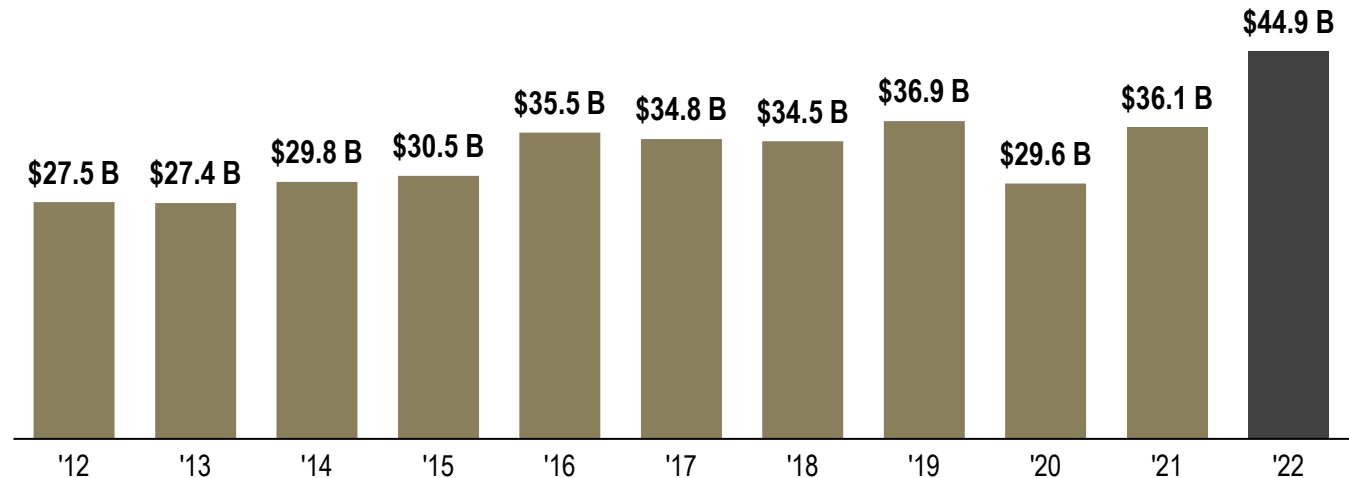
Visitor Spending Rises to Record Level

Visitor spending in Southern Nevada hit an all-time high of \$44.9 billion in 2022, far exceeding pre-pandemic levels. Total spending by visitors during the year outpaced the prior year by 24.4 percent and the 2019 total by 21.8 percent. Despite falling 3.7 million visitors short of 2019 visitation, overall spending increased dramatically due to a 33.4 percent rise in per-visitor spending compared with 2019.

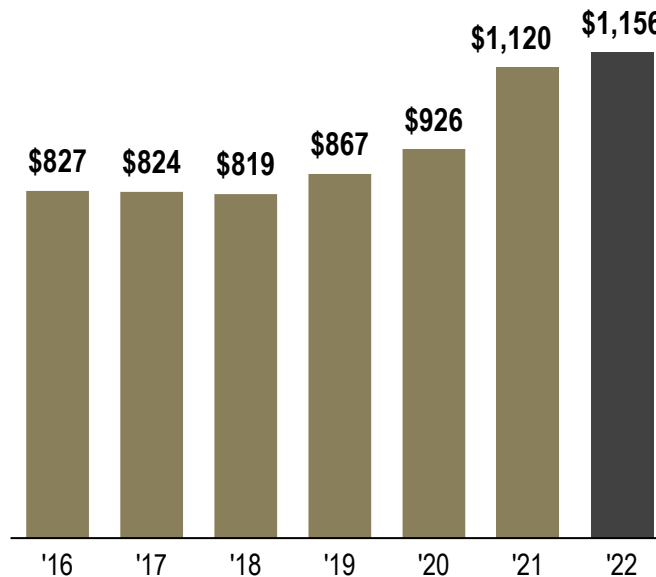
On a per-visitor basis, spending climbed to an all-time high of \$1,156 in 2022, 3.3 percent higher than in 2021. Compared to 2019, visitor spending increased for all categories except sightseeing, and spending shares by category mostly resembled pre-pandemic patterns with some notable shifts.

Spending on entertainment increased markedly compared to 2019 as Southern Nevada hosted a growing array of headliner residencies, large concerts and entertainment productions. While fewer visitors attended shows compared to 2019, those who did spent significantly more, which drove entertainment to represent 10.1 percent of total visitor spending, up from 6.0 percent in 2019. Conversely, visitors spent a smaller portion of their budgets on sightseeing, which declined from 3.4 percent to 1.2 percent of per-visitor spending. Spending shares among the other major categories generally tracked with pre-pandemic trends.

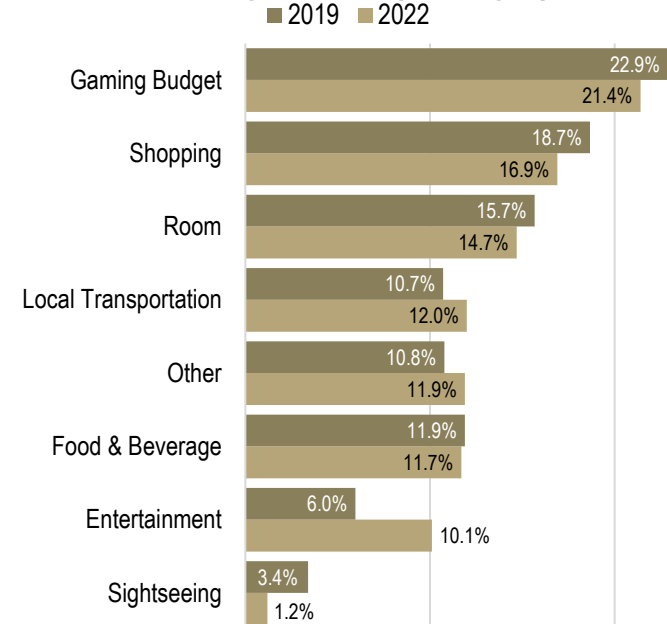
Las Vegas Visitor Spending



Spending Per Visitor



Spending Shares by Category



Source: Las Vegas Convention and Visitors Authority, Applied Analysis

Employment Impacts

The tourism workforce in Southern Nevada is an essential component of the regional economy. Tourism activity has gradually recovered since the pandemic, and with it rising employment at the resorts, hotels and casinos in the region, as well as the workers in bars, restaurants, nightclubs, retail outlets, sightseeing tour companies, taxicab operators and all other tourism-related businesses that cater to visitors. While it was about 5 percent below pre-pandemic levels, the tourism workforce in 2022 grew to 229,440 and remained the largest employment sector in Southern Nevada.

Hotels and casinos were one of the largest employers in Southern Nevada, directly employing 133,850 workers in 2022. That total represented 12.8 percent of the region's total employment and 14.1 percent of private employment. An additional 95,590 employees working in other tourism-related businesses were estimated to be directly supported by visitor spending. Combined, the Southern Nevada tourism industry directly employed an estimated 229,440 workers in 2022, or 21.9 percent of the region's total workforce and 24.2 percent of private sector employment.

Beyond the workers directly supported by visitor spending, additional jobs throughout Southern Nevada were created by the ripple effects of that spending. Indirect, or secondary, impacts are generated by tourism-related businesses contracting with suppliers and other businesses, which in turn have their own employees. Tourism industry employees also spend their earnings throughout the community in their day-to-day lives, supporting other jobs in what are known as induced impacts. In all, the employment impacts of visitor spending total 358,880 jobs when indirect and induced impacts are combined with direct employment. That total accounted for 34.2 percent of Southern Nevada employment in 2022.



Visitor Spending on Casinos, Hotels,
Restaurants, Shopping, etc.

229,440

Jobs

Direct Impacts



Suppliers and Vendors
Supported by Visitor Spending

56,650

Jobs

Indirect Impacts



Spending by Employees Directly
Supported by Visitor Spending

72,790

Jobs

Induced Impacts



Total Economic Impacts
Generated by Visitor Spending

358,880

Jobs

Total Impacts

Calculations are based on IMPLAN, an input-output econometric model. Refer to the Methodology section of this analysis for further detail.

Wage and Salary Impacts

Southern Nevada tourism workers earned wages and salaries of \$12.6 billion in 2022, a 14.4 percent increase from the \$11.0 billion earned in 2019. This reflects the near-full recovery of tourism employment combined with higher wages. The direct wages earned by the tourism workforce in 2022 accounted for 20.2 percent of all wages earned in Southern Nevada during the year and 22.8 percent of all earnings among private industry workers.

Each dollar spent by visitors at hotels, restaurants and other locations in Southern Nevada ripples through the economy, creating indirect and induced impacts. These multiply the overall wage impacts of direct visitor spending by generating wages for workers across many sectors of the economy. In 2022, an estimated \$3.7 billion of indirect wages was generated by tourism businesses paying suppliers, vendors and other service providers. As tourism industry employees spend their wages throughout the community at stores, doctor's offices, restaurants, and other local businesses, they generate induced impacts. These induced impacts were estimated at \$3.9 billion in 2022. When the direct, indirect and induced impacts are combined, they total \$20.1 billion in wages and salaries throughout Southern Nevada that were supported by visitor spending. That total accounted for 32.2 percent of all wages paid in Southern Nevada and 36.5 percent of all private wages during the year.



Visitor Spending on Casinos, Hotels,
Restaurants, Shopping, etc.

\$12.6 Billion
Wages
Direct Impacts



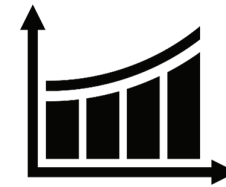
Suppliers and Vendors
Supported by Visitor Spending

\$3.7 Billion
Wages
Indirect Impacts



Spending by Employees Directly
Supported by Visitor Spending

\$3.9 Billion
Wages
Induced Impacts



Total Economic Impacts
Generated by Visitor Spending

\$20.1 Billion
Wages
Total Impacts

Calculations are based on IMPLAN, an input-output econometric model. Refer to the Methodology section of this analysis for further detail.

Economic Output Impacts

The direct economic output associated with Southern Nevada's tourism industry is equal to the \$44.9 billion of visitor spending in 2022. That total accounted for nearly a third (29.3 percent) of the region's estimated gross domestic product of \$153.5 billion. Although these two concepts are not perfectly aligned, the relationship illustrates the relative size and significant importance of Southern Nevada's tourism industry to the regional economy as a whole.

The ripple effects of visitor spending apply to output impacts as they do with employment and wage impacts. The indirect impacts of supplier and vendor activity related to the tourism industry totaled \$15.5 billion, while the induced impacts generated by tourism industry employees totaled \$18.9 billion. When these rippled impacts are combined with the direct spending impacts, the overall impact of visitor spending on the Southern Nevada economy grew to \$79.3 billion, which accounts for about half (51.7 percent) of all regional economic activity.



Visitor Spending on Casinos, Hotels,
Restaurants, Shopping, etc.

\$44.9 Billion
Output
Direct Impacts



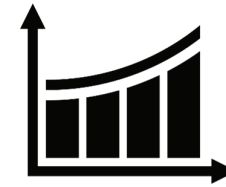
Suppliers and Vendors
Supported by Visitor Spending

\$15.5 Billion
Output
Indirect Impacts



Spending by Employees Directly
Supported by Visitor Spending

\$18.9 Billion
Output
Induced Impacts



Total Economic Impacts
Generated by Visitor Spending

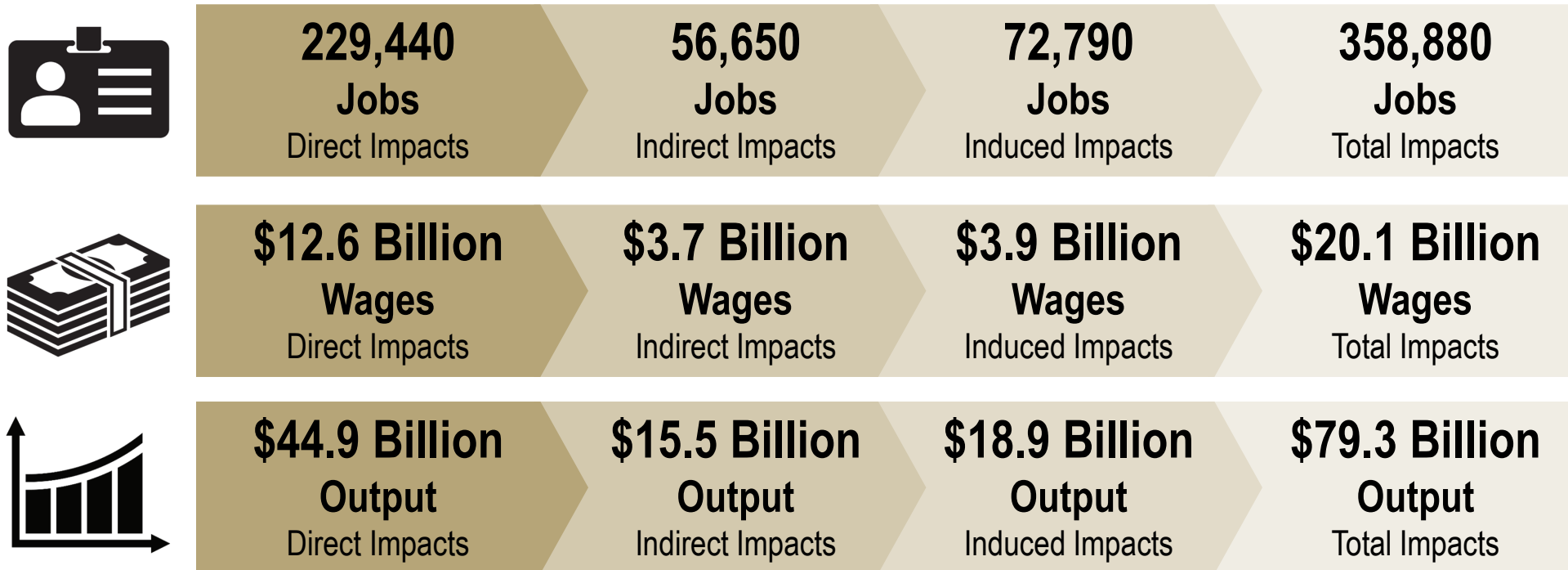
\$79.3 Billion
Output
Total Impacts

2022 Southern Nevada GDP estimate based on state-level data. Calculations are based on IMPLAN, an input-output econometric model. Refer to the Methodology section of this analysis for further detail.

Total Economic Impacts

The direct impacts of Southern Nevada's tourism industry and the spending of the 38.8 million visitors are as significant as ever. In 2022, the industry directly accounted for roughly 21.9 percent of regional employment and 20.2 percent of wages earned. Those impacts are magnified when the ripple effects of that direct spending generate additional economic activity. Suppliers of goods and services to businesses in the tourism industry providing food, cleaning supplies, uniforms and other inputs stimulate economic activity and create jobs. Many of these suppliers are based in Southern Nevada, keeping those dollars in the region and stimulating job growth in other sectors of the economy. Additionally, as tourism industry employees spend their wages at local businesses throughout the community, such as grocery stores, movie theaters, doctor's offices and retailers, they spur additional commerce in the local economy known as induced impacts.

Once these indirect and induced impacts of the tourism industry are combined with the direct impacts, the industry accounts for an estimated \$79.3 billion in aggregate economic output (51.7 percent of the region's gross product), supporting 358,880 jobs (34.2 percent of regional employment) while generating \$20.1 billion in local wage and salary payments (32.2 percent of total wages and salaries in the region).



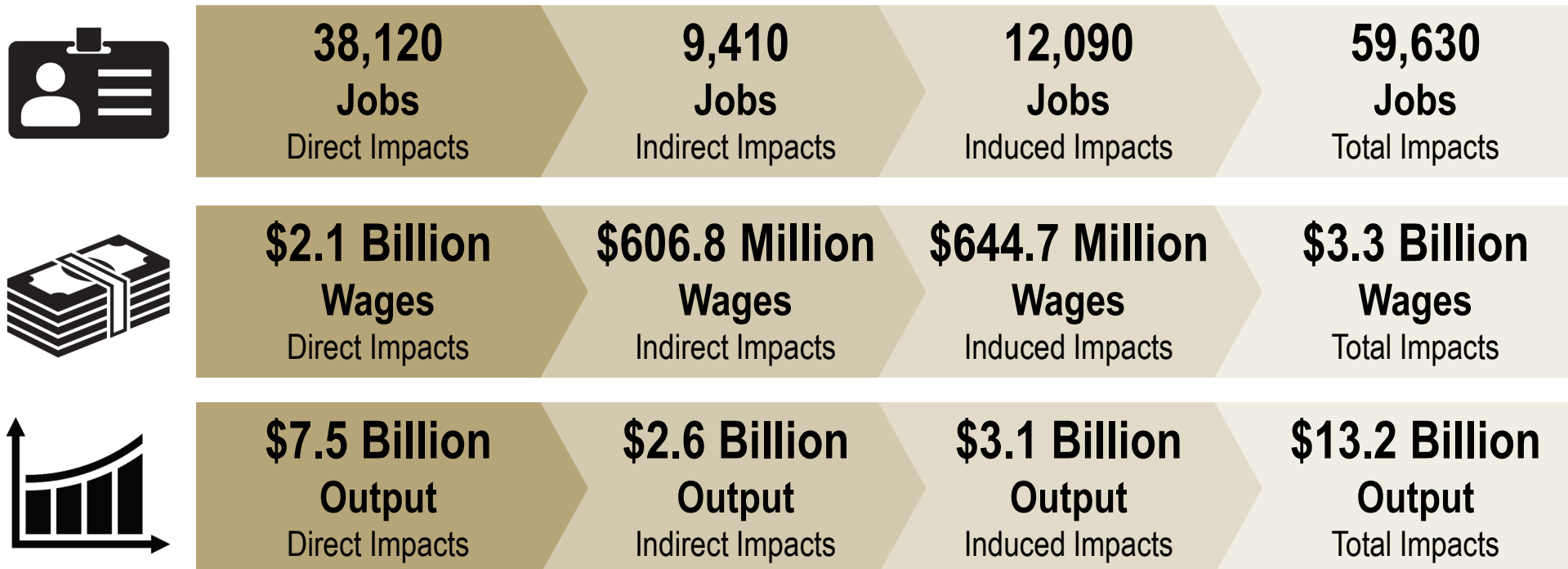
Calculations are based on IMPLAN, an input-output econometric model. Refer to the Methodology section of this analysis for further detail.



Impacts of Conventions and Meetings

The conventions and meetings segment began its recovery in 2021 while continuing to manage the effects of the pandemic on large group gatherings. By 2022, convention attendance for the year climbed to 5.0 million, more than double 2021 attendance and 24.9 percent below the 2019 total. Historically, the convention segment boosts visitation during weekdays and helps keep room occupancy rates high when leisure visitors are less likely to be in town. While 2022 convention attendance was below pre-pandemic levels, Southern Nevada's convention and meeting segment generated notable economic impacts during the year.

Traditionally, survey data indicates that convention visitors spend more per visit than the average leisure visitor. This relationship held true in 2022, with the average convention visitor spending \$1,495 per trip being about a third higher than the \$1,106 spent by the average leisure visitor. Because of their higher average spending profile, convention visitors generate higher per-capita economic impacts on Southern Nevada than leisure visitors. In 2022, convention visitor spending directly supported an estimated 38,120 jobs, \$2.1 billion in wages and \$7.5 billion in direct economic impact. When the indirect and induced impacts of convention visitor spending are included, the convention sector supported an estimated 59,630 jobs, \$3.3 billion in wages and \$13.2 billion in overall economic output in Southern Nevada, illustrating the segment's importance to the tourism industry as a whole.

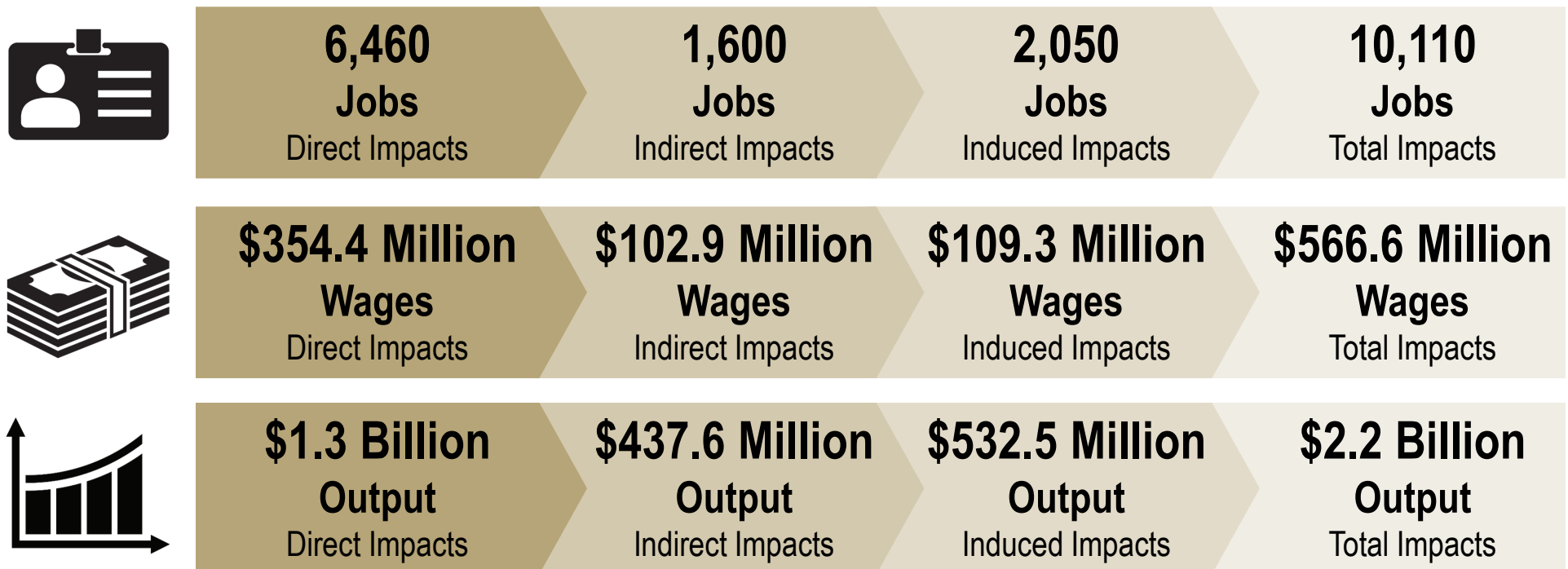


Calculations are based on IMPLAN, an input-output econometric model. Refer to the Methodology section of this analysis for further detail.



Impacts of the Las Vegas Convention Center

The Las Vegas Convention Center (“LVCC”) is a key component of Southern Nevada’s convention and meeting segment, hosting about one-sixth of regional convention attendees per year. In 2022, the LVCC’s impacts recovered in line with the overall recovery in the convention and meeting segment. During the year, the facility hosted 56 conventions* with a combined attendance of 846,400, nearly double 2021 attendance. The direct impacts of those attendees was 6,490 jobs, \$356.1 million in wages and \$1.3 billion in total output. When the indirect and induced impacts are included, those totals rise to 10,160 jobs, \$569.2 million in wages and \$2.2 billion in economic output.



* Excludes public-invited special events. Calculations are based on IMPLAN, an input-output econometric model. Refer to the Methodology section of this analysis for further detail.



Methodology and Limitations

METHODOLOGY

General and industry-specific employment and wage data reported on a quarterly basis were obtained from the Nevada Department of Employment, Training and Rehabilitation. Baseline travel volume, visitor spending data and room tax collections were obtained from the Las Vegas Convention and Visitors Authority, the Nevada Gaming Control Board, Clark County School District and the Nevada Commission on Tourism. Gross domestic product estimates were obtained from the Bureau of Economic Analysis.

Beginning in the 2019 fiscal year, the Gaming Control Board implemented new accounting procedures for departmental revenue reporting as follows: with regards to Financial Accounting Standards Board (“FASB”) accounting standards codification 606, revenue from contracts with customers, all non-restricted licensees (public and nonpublic organizations as defined by FASB) were required to follow the new accounting standard when preparing standard financial statements. While the analysis contained herein is reflective of the latest economic activity, there may be modest variances from prior year editions of this report as a result of third-party reporting changes.

To identify the interrelationships in a regional economy, the IMPLAN (Impact Analysis for Planning) software, databases and methodology were used when estimating the economic impacts generated by the Southern Nevada resort and tourism industry. IMPLAN is one of three generally accepted applications used to model industry interrelationships within an economy. The model attempts to demonstrate mathematically how the outputs of one industry become the inputs of other industries.

IMPLAN employs a regional social accounting system that is used to generate a set of balanced accounts and multipliers. The social accounting system is an extension of input-output analysis. Input-output analysis has been expanded beyond market-based transaction accounting to include non-market financial market flows by using a social accounting matrix framework. The model is designed to describe the transfer of money between industries and institutions (e.g., households) and contains both market-based and non-market financial flows, such as inter-institutional transfers. IMPLAN uses regional purchase coefficients generated by complex econometric equations that predict local purchases based on a region’s characteristics. In this case, the region is Clark County, Nevada. Output from the model includes descriptive measures of the economy including total industry output, employment and value-added contributions for over 500 industries.

ANALYSIS LIMITATIONS

This analysis used the best available data to analyze the economic impacts of Southern Nevada’s tourism industry. It relies heavily on data reported by third-party data providers; and, although we have no reason to doubt the accuracy of these data, they have not been subjected to any auditing or review procedures by Applied Analysis. Input-output models, as is the case with all economics-based models, are not without their limitations. The static model used in this analysis, IMPLAN, for example, assumes that capital and labor are used in fixed proportions. This means that for every job lost or created, a fixed change in investment, income and employment will result. In reality, developers, operators, consumers and governments deal with a changing economy in very complex ways, constantly altering their mix of capital, labor and levels of investment.

Finally, it is important to note that this is a preliminary undertaking that will be supplemented by on-going and future analyses. This report is not intended to be comprehensive and may not be appropriate for all purposes.