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Las Vegas Tourism Is Changing as It Recovers

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As of September 2011, Las Vegas saw 19 consecutive months of increased tourism, and Las Vegas visitor volume has finally returned close to the levels seen in 2007 before the recession. Las Vegas tourism is changing as it recovers. Visitors are coming from farther away, staying longer and paying higher hotel rates than in recent years. Visitors also seem to be gambling less and purchasing less from the retail shops in the casinos.

Visitor Volume Rising; Composition Changing

Las Vegas visitor volume for the first nine months of 2011 was an average of 4.7 percent higher than for the same time period in 2010. Visitor volume is very close to the levels seen in 2007 before the recession. For the first nine months of 2011, visitor volume was 0.3 percent less than for the same period in 2007.

During 2011, however, the composition of Las Vegas visitors changed. Convention attendance was up by 9.9 percent. The number of other visitors rose by only 4.0 percent.

In addition, visitors came from farther away in the first nine months of 2011. A higher percentage of visitors are arriving by air. Passenger volume at Las Vegas' McCarran airport, including those passing through, is 4.4 percent higher for the first nine months of 2011 than for the same period in 2010. People working in the tourism industry report an increase in German, Chinese and Japanese visitors.

The weakness in the California economy is evident in the changing composition of visitors. The number of visitors arriving by automobile continued to decline in 2011. For the first nine months of 2011, visitors arriving by automobile decreased 0.1 percent, and those arriving at the California-Nevada border were down 0.2 percent. Visitors arriving by automobile were slightly higher than in 2007 before the recession.

One consequence of more visitors arriving by air is increased taxicab ridership. During the first nine months of 2011, Las Vegas taxi ridership was up 7.6 percent above the same period in 2010. Taxicab ridership in the first nine months of 2011 was 1.7 percent higher than in the same period in 2007.

Staying Longer; Paying Higher Room Rates

During the first nine months of 2011, the average visitor to Las Vegas stayed longer than for the same period in 2010. Room nights occupied rose by 5.9 percent. That figure exceeds the gain in visitor volume by 1.2 percentage points. Room nights occupied were 4.2 percent higher during the first nine months of 2011 than during the same period in 2007 before the recession.

Visitors are also paying higher room rates than they did in 2010. During the first nine months of 2011, room rates were 10.7 percent higher than during the same period in 2010. Despite recent gains, room rates during the first nine months of 2011 were 22.6 percent below the rates seen in the first nine months of 2007.

Gambling Less

Gambling is rising, but by less than visitor volume. For the first nine months of 2011, Clark County gross gaming revenue was 2.5 percent higher than for the same period in 2010. That figure is 2.2 percentage points below the gain in Las Vegas visitor volume. Despite the recent gains, Clark County gross gaming revenue was 14.8 percent lower during the first nine months of 2011 than the same period in 2007 before the recession.

Narrowing our sights on the Las Vegas Strip yields a little better picture. For the first nine months of 2011, gross gaming revenues at casinos along the Strip were 3.9 higher than in 2010. That figure is 0.8 percentage points below the gain in Las Vegas visitor volume. Despite the recent gains, gross gaming revenue along the Las Vegas Strip was 10.8 percent lower during the first nine months of 2011 than the same period in 2007 before the recession.

Buying Less

Although gaming is rising with visitor volume, retail sales inside Clark County casinos are not. For the first eight months of 2011, retail sales taxes collected by establishments inside Clark County accommodations were 18.0 percent below those for the same period in 2010. These figures exclude retail sales in malls along the Strip, such as Fashion Show and Crystals. Comparable data are not available for 2007.

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