

Southern Nevada Tourism Impact in 2020

Based on the projections by Oxford Economics

- The analysis below is based on the impact of COVID-19 on the US travel economy. The report mentions that a decline of 45 percent of revenue in the travel industry for the entire year is expected.¹
- In March, Clark County visitor volume decreased by 58.7 percent year-over-year. Oxford Economics expected a 49 percent loss of US tourism industry revenue in March.
- The Las Vegas Convention and Visitors Authority (LVCVA) estimates adjusted total spending per visitor at \$819 for 2018, which included the following spending categories: Gaming (23.7%), Shopping (18.9%), Accommodations (16.5%), Food and beverage (11.9%), and so on.²
- CBER estimates that the Southern Nevada tourism industry will lose about \$17 billion with the assumption that the average visitor's spending habit remains the same from 2018. We calculated the revenue decreases in the Southern Nevada tourism industry by month from March to December 2020 by using the LVCVA statistics and the baseline projections from Oxford Economics.
- When CBER inputs \$17 billion by spending categories into the REMI model³, the total effects on Clark County due to the tourism revenue losses are as follows: -8.3, -5.0, and -5.2 percent decreases in employment, real GDP, and output, respectively, for 2020. Since we only counted the tourism revenue losses, the Clark County economy may experience much deeper slumps.

<p>Chart 1: Clark County Visitor Volume Year-Over-Year Growth by Month</p>	<p>Chart 2: Total Economic Impact due to Reduced Tourism Activities in Clark County</p>																																																																									
<p>Legend: 2002 (solid blue), 2009 (solid orange), 2020 (solid red), 2020 Projections (dashed red)</p> <table border="1"> <caption>Approximate data for Chart 1</caption> <thead> <tr> <th>Month</th> <th>2002</th> <th>2009</th> <th>2020</th> <th>2020 Projections</th> </tr> </thead> <tbody> <tr><td>JAN</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr> <tr><td>FEB</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr> <tr><td>MAR</td><td>0%</td><td>0%</td><td>-58.7%</td><td>-49%</td></tr> <tr><td>APR</td><td>0%</td><td>0%</td><td>-80%</td><td>-75%</td></tr> <tr><td>MAY</td><td>0%</td><td>0%</td><td>-75%</td><td>-70%</td></tr> <tr><td>JUN</td><td>0%</td><td>0%</td><td>-65%</td><td>-65%</td></tr> <tr><td>JUL</td><td>0%</td><td>0%</td><td>-60%</td><td>-60%</td></tr> <tr><td>AUG</td><td>0%</td><td>0%</td><td>-55%</td><td>-55%</td></tr> <tr><td>SEP</td><td>0%</td><td>0%</td><td>-50%</td><td>-50%</td></tr> <tr><td>OCT</td><td>0%</td><td>0%</td><td>-45%</td><td>-45%</td></tr> <tr><td>NOV</td><td>0%</td><td>0%</td><td>-40%</td><td>-40%</td></tr> <tr><td>DEC</td><td>0%</td><td>0%</td><td>-35%</td><td>-35%</td></tr> </tbody> </table>	Month	2002	2009	2020	2020 Projections	JAN	0%	0%	0%	0%	FEB	0%	0%	0%	0%	MAR	0%	0%	-58.7%	-49%	APR	0%	0%	-80%	-75%	MAY	0%	0%	-75%	-70%	JUN	0%	0%	-65%	-65%	JUL	0%	0%	-60%	-60%	AUG	0%	0%	-55%	-55%	SEP	0%	0%	-50%	-50%	OCT	0%	0%	-45%	-45%	NOV	0%	0%	-40%	-40%	DEC	0%	0%	-35%	-35%	<table border="1"> <thead> <tr> <th>Category</th> <th>Impact (%)</th> </tr> </thead> <tbody> <tr> <td>EMP</td> <td>-8.3%</td> </tr> <tr> <td>Real GDP</td> <td>-5.0%</td> </tr> <tr> <td>Output</td> <td>-5.2%</td> </tr> </tbody> </table>	Category	Impact (%)	EMP	-8.3%	Real GDP	-5.0%	Output	-5.2%
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The views expressed represent those of the authors and do not necessarily represent those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.

1. https://www.ustravel.org/sites/default/files/media_root/document/Coronavirus2020_Impacts_April15.pdf
 2. https://assets.simpleviewcms.com/simpleview/image/upload/v1/clients/lasvegas/EIS_Economic_Impacts_FINAL_REVISIED_3ab2ff2a-158b-4aa8-92d45-9f60772e3a98.pdf
 3. The REMI model is a state-of-the-art econometric forecasting model that accounts for dynamic feedback between economic and demographic variables. We used the most recent version of the model, REMI PI+ 2.3. For more information, see <https://www.remi.com/>.