

# ECONOMIC IMPACT OF VISITORS IN NEVADA 2020 (Preliminary)

Prepared for:  
Travel Nevada



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# INTRODUCTION

The travel sector has been heavily impacted by the disease containment and suppression measures related to the Covid-19 pandemic. The travel sector is an integral part of the Nevada economy, and a recovery in the travel sector will be integral for the state's overall recovery. Visitors have consistently generated significant economic benefits to households, businesses, and government alike and represent a critical driver of Nevada's future.

By monitoring the visitor economy, policymakers can inform decisions regarding the funding and prioritization of the sector's development. They can also carefully monitor its successes and future needs. This is particularly true for Nevada as it works to rebuild its visitor economy, and by establishing a baseline of economic impacts, the industry can track its progress over time.

To quantify the economic significance of the tourism sector in Nevada, Tourism Economics has prepared a comprehensive model detailing the far-reaching impacts arising from visitor spending. The results of this study show the scope of the travel sector in terms of direct visitor spending, as well as the total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

# METHODOLOGY AND DATA SOURCES

An IMPLAN input-output model was constructed for the state of Nevada. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

The value of seasonal and second homes was estimated based on census data for seasonal units and estimated gross rents.

Visitors included those who stayed in overnight accommodations or those who came from a distance greater than 50 miles and deviated from their normal routine.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis draws on the following data sources:

- TNS OmniTrak survey data, including spending, for domestic visitors to Nevada
- LVCVA and RSVCA: Visitation statistics
- Bureau of Economic Analysis and Bureau of Labor Statistics: employment and wage data, by industry
- STR: Lodging performance data, including room demand, room rates, occupancy, and room revenue
- Nevada Department of Taxation: bed tax receipts
- Nevada Gaming Commission: revenues and tax collections for Nevada gaming
- Tourism Economics: international travel data for overseas, Canadian, and Mexican travel to Nevada based on aviation, survey, and credit card information

# VISITATION & SPENDING

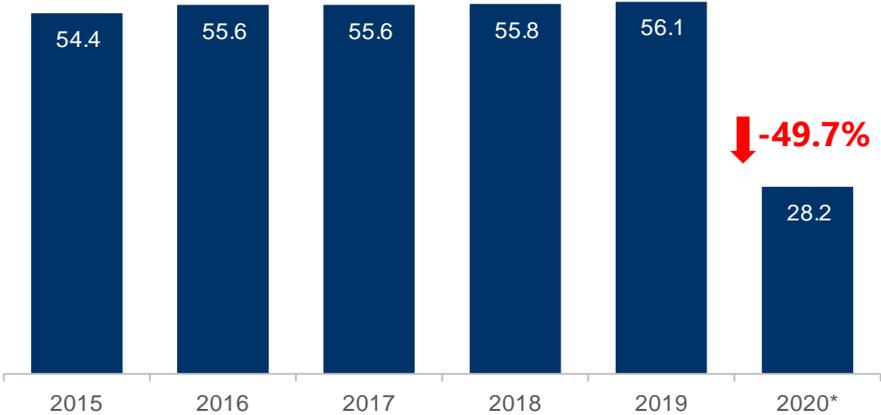
# VISITATION AND SPENDING

## Visitation trends

Visitation declined an estimated 50% in 2020, a result of disease containment measures coupled with risk aversion felt by many would-be visitors. Even as business began to reopen, travel restrictions and capacity constraints suppressed both visitation and spending.

### Nevada visitor levels and annual growth

Amounts in millions of visitors and year-on-year percentage growth



Source: Tourism Economics

\* 2020 data is preliminary and subject to revisions

# VISITATION AND SPENDING

## Visitor spending trends

A result of the COVID-19 pandemic, visitor spending declined an unprecedented 50% in 2020. Declines were felt across all industries and visitor segments.

Visitor spending in 2019 topped \$42 billion, an increase of 3.8% year-over-year, and a nearly \$5 billion increase over 2015.

### Nevada total visitor spending

Amounts in billions of nominal dollars



Source: Tourism Economics

\* 2020 data is preliminary and subject to revisions

# ECONOMIC IMPACTS

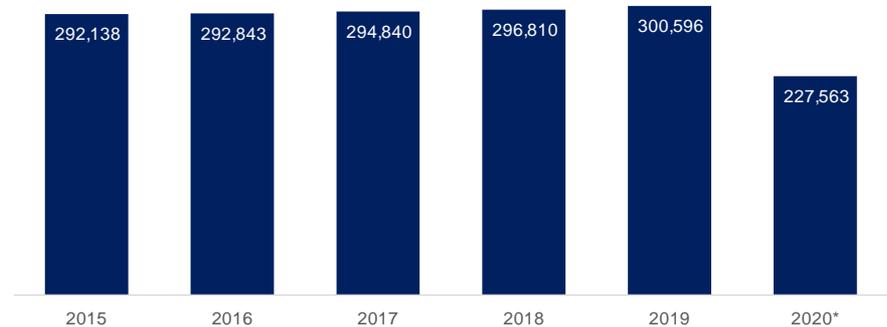
# ECONOMIC IMPACTS

## Tourism employment

As visitation and subsequently visitor spending experienced severe declines in 2020, direct employment fell 24%. While the decline was felt sharply in traditional tourism industries such as lodging and recreation, all industries were impacted. Employment is measured as the average number of jobs during the year.

### Direct tourism employment in Nevada

Amounts in number of jobs



Source: BEA; BLS; Tourism Economics

\* 2020 data is preliminary and subject to revisions

# ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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