

ECONOMIC IMPACT OF VISITORS IN NEVADA 2021

July 2022

Prepared for: Travel Nevada



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INTRODUCTION

PROJECT BACKGROUND

The travel sector is an integral part of the Nevada economy. Visitors generate significant economic benefits to households, businesses, and government alike and represent a critical driver of the state's future. How critical? In 2021, tourism-supported jobs accounted for 19.3% of all jobs in the state.

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 builds upon its tourism 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 state's 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 estimates 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), maintained by the Bureau of Economic Analysis.

By establishing a timeline of economic impacts, the industry can track its progress over time.

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

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: 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
- Tax collections: 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

ECONOMIC IMPACTS

KEY FINDINGS

DIRECT VISITOR SPENDING IMPACT

In 2021, 43.2 million visitors spent \$39.4 billion across the Nevada economy. The Nevada visitor economy spans multiple industries. Visitors spend directly on accommodations, food and beverage, recreation, retail shopping, local transportation and air travel.

TOTAL ECONOMIC IMPACT

The direct visitor spending impact of \$39.4 billion generated a total economic impact of \$62.5 billion in Nevada in 2021 including indirect and induced impacts. This total economic impact sustained 355,361 jobs and generated \$4.4 billion in state and local tax revenues in 2021.



\$62.5 BILLION

Total Economic Impact of Tourism in Nevada in 2021



\$39.4B

Direct Visitor
Spending



\$62.5B

Total
Economic
Impact



355,361

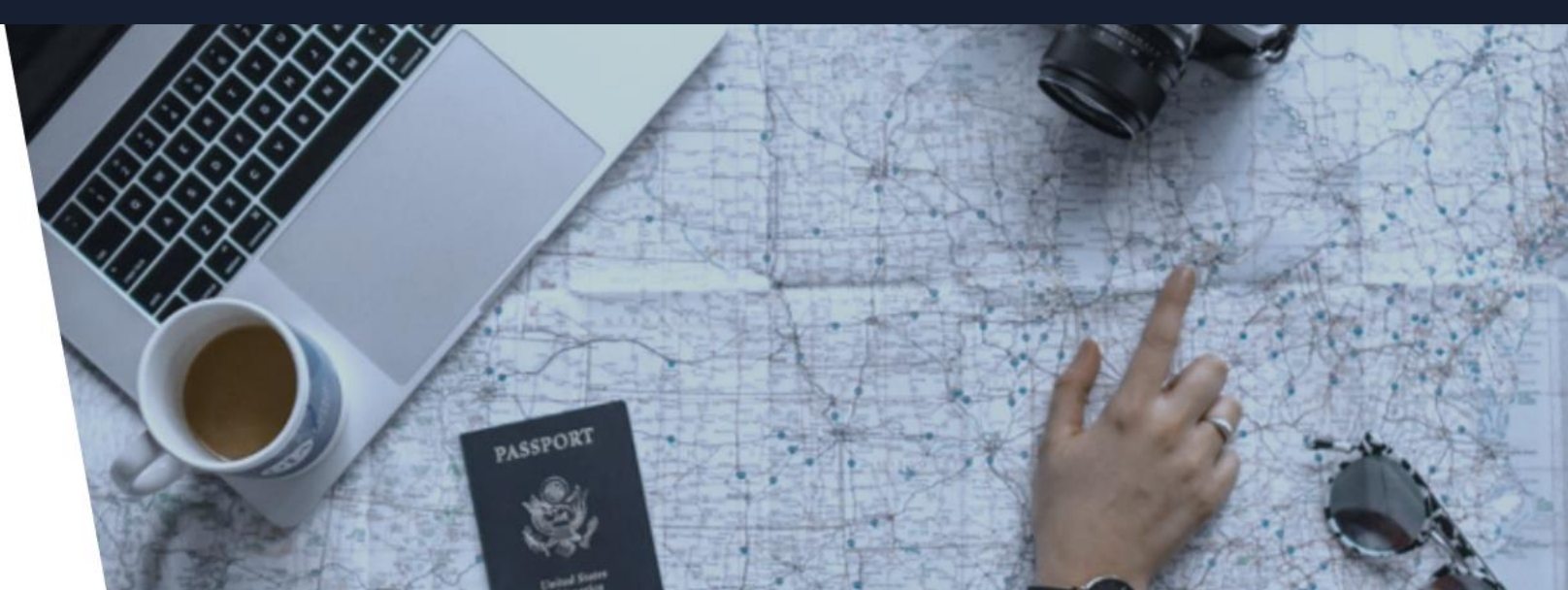
Total
Jobs
Generated



\$4.4B

State & Local
Taxes
Generated





VISITS & VISITOR SPENDING

Nevada hosts millions of visitors each year. Following severe COVID-related declines the prior year, 2021 was a year of recovery in which direct visitor spending reached \$39.4 billion and visitor volume totaled 43.2 million.

VISITOR VOLUME

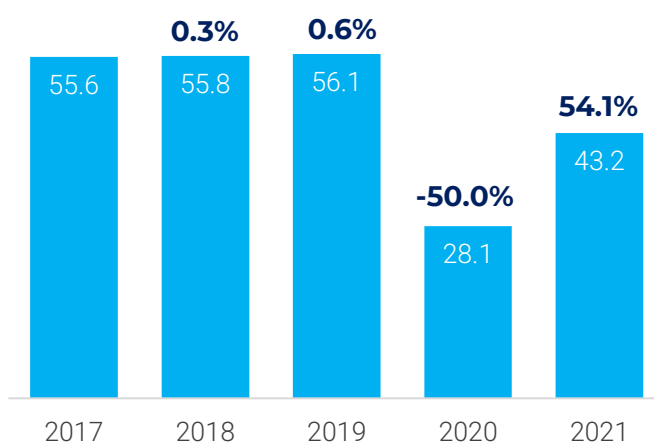
Recovery in 2021

Visitor volume was impacted in 2020 by COVID-19 restrictions and closures.

In 2021, travel confidence rebounded with easing restrictions and vaccines. With an increase of more than 15 million visitors over the prior year, total visitation recovered to about 77% of 2019 volumes.

Nevada visitor volume

Amounts in millions



Sources: LVCVA, RSCVA, Tourism Economics

VISITOR SPENDING

Visitors to Nevada spent **\$39.4 billion** across a range of sectors in 2021.

With an increase of more than \$18.6 billion in visitor spending over the prior year, spending recovered to 93% of 2019 levels.

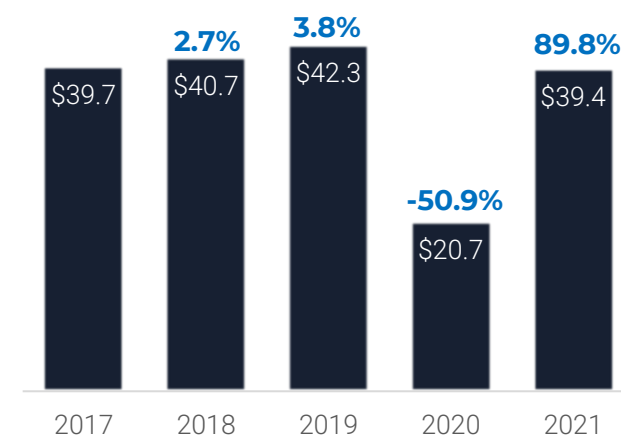
Of the \$39.4 billion spent in Nevada in 2021 by visitors, gaming maintained its top spot, registering \$9.1 billion and capturing 23% of the average visitor dollar. Spending on retail resulted in \$8.6 billion.

Lodging spending, including the value of second homes, captured 16%, a total of \$6.1 billion.

Transportation, including both air and local transportation within the destination, comprised 15%, with food and beverage spending registering 13% of each visitor dollar. Recreation spending, including outdoor and other entertainment purchases, increased to \$4.5 billion in 2021.

Nevada visitor spending

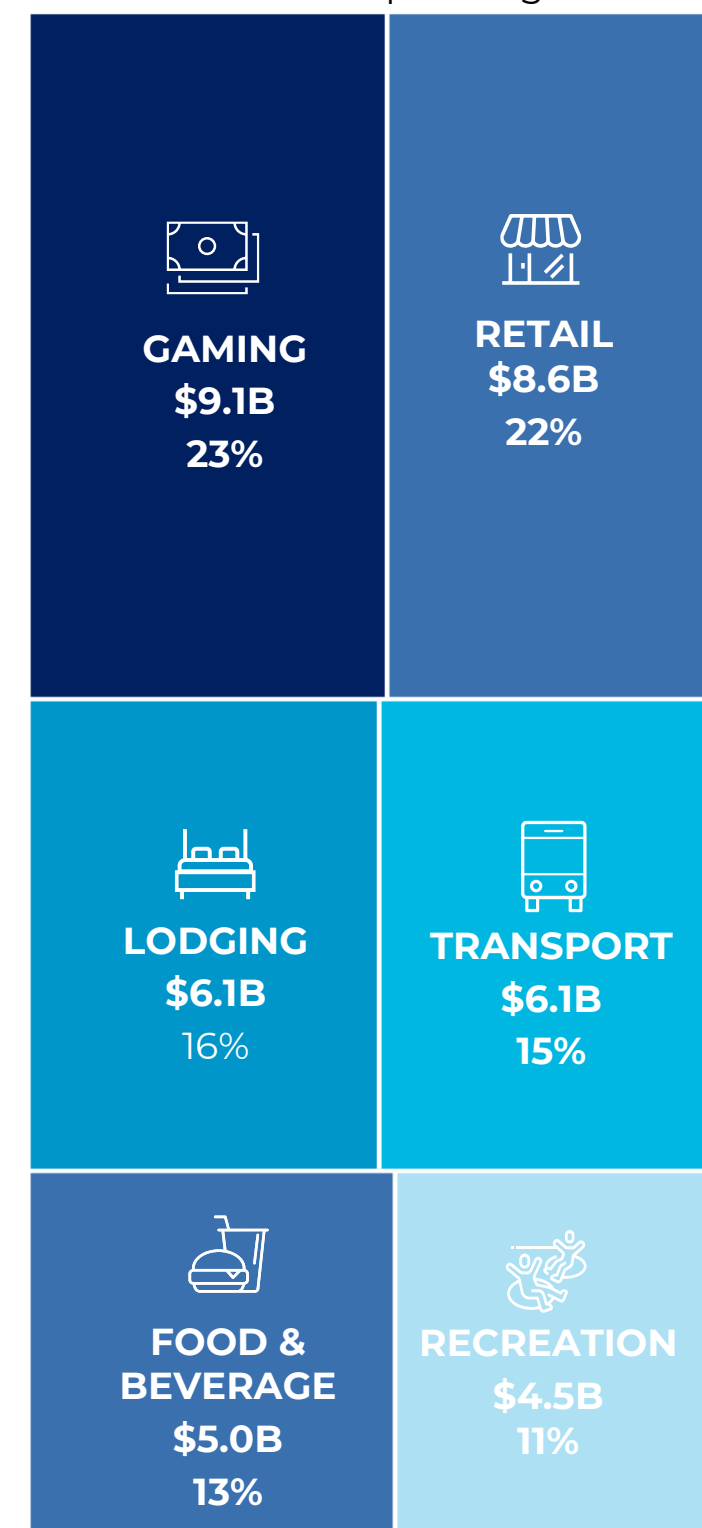
Amounts in \$ billions



Sources: TNS, LVCVA, RSCVA, Tourism Economics

\$39.4 BILLION

Total Visitor Spending in 2021



Source: Tourism Economics

Note: Lodging spending is calculated as an industry. Spending also includes dollars spent on second homes. Transport includes both air and local transportation.

VISITATION & SPENDING TRENDS

Visitor spending increased by 90% in 2021, a bounce back after the significant declines in 2020. Spending grew across all sectors, driven by both pent-up demand as well as increases in prices of key commodities, especially in lodging and transportation. Indeed, average room rates at hotels in the state increased nearly 30%.

Strong growth was seen in recreation and retail, both hard-hit categories during the pandemic. Recreational spending, including outdoor activities as well as entertainment purchases, grew 120% in 2021, bringing it back to 84% of pre-pandemic levels. Retail also increased 120% and surpassed 2019 levels by 20% as visitors spent a significant amount of their trip spending shopping.

Nevada visitor spending and annual growth
Amounts in \$billions, 2021 % change, and % recovered relative to 2019

	2017	2018	2019	2020	2021	2021 Growth	% relative to 2019
Total visitor spending	\$39.68	\$40.75	\$42.28	\$20.74	\$39.38	89.8%	93.1%
Gaming	\$9.04	\$9.31	\$9.38	\$5.34	\$9.11	70.7%	97.2%
Retail	\$6.48	\$6.80	\$7.14	\$3.91	\$8.61	120.1%	120.5%
Lodging*	\$7.28	\$7.35	\$7.70	\$3.42	\$6.11	78.8%	79.4%
Transportation**	\$5.99	\$6.29	\$6.44	\$3.12	\$6.05	93.8%	94.0%
Food & beverages	\$5.73	\$5.98	\$6.22	\$2.91	\$4.98	71.3%	80.1%
Recreation (non-gaming)	\$5.15	\$5.03	\$5.40	\$2.04	\$4.51	120.4%	83.5%
Entertainment		\$4.06	\$4.28	\$1.57	\$3.42	117.4%	79.9%
Outdoor recreation		\$0.97	\$1.11	\$0.47	\$1.09	130.6%	97.6%

Source: LVCVA, RSCVA, Tourism Economics

* Lodging includes second home spending
** Transportation includes both ground and air transportation

Nevada visitor volume and spending, by market

Amounts in millions of visitors, \$millions, and dollars per person

	2017	2018	2019	2020	2021
Total visitors	55.62	55.77	56.09	28.06	43.23
Domestic	49.66	49.70	50.21	26.86	42.00
International	5.97	6.07	5.88	1.20	1.23
Total visitor spending	\$39,679	\$40,750	\$42,279	\$20,744	\$39,376
Domestic	\$32,907	\$33,892	\$36,091	\$19,597	\$38,222
International	\$6,773	\$6,858	\$6,188	\$1,148	\$1,154
Per visitor spending	\$713	\$731	\$754	\$739	\$911
Domestic	\$663	\$682	\$719	\$730	\$910
International	\$1,135	\$1,130	\$1,052	\$958	\$941

Source: LVCVA, RSCVA, Tourism Economics



ECONOMIC IMPACT METHODOLOGY

Our analysis of the Nevada visitor economy begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the Nevada economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

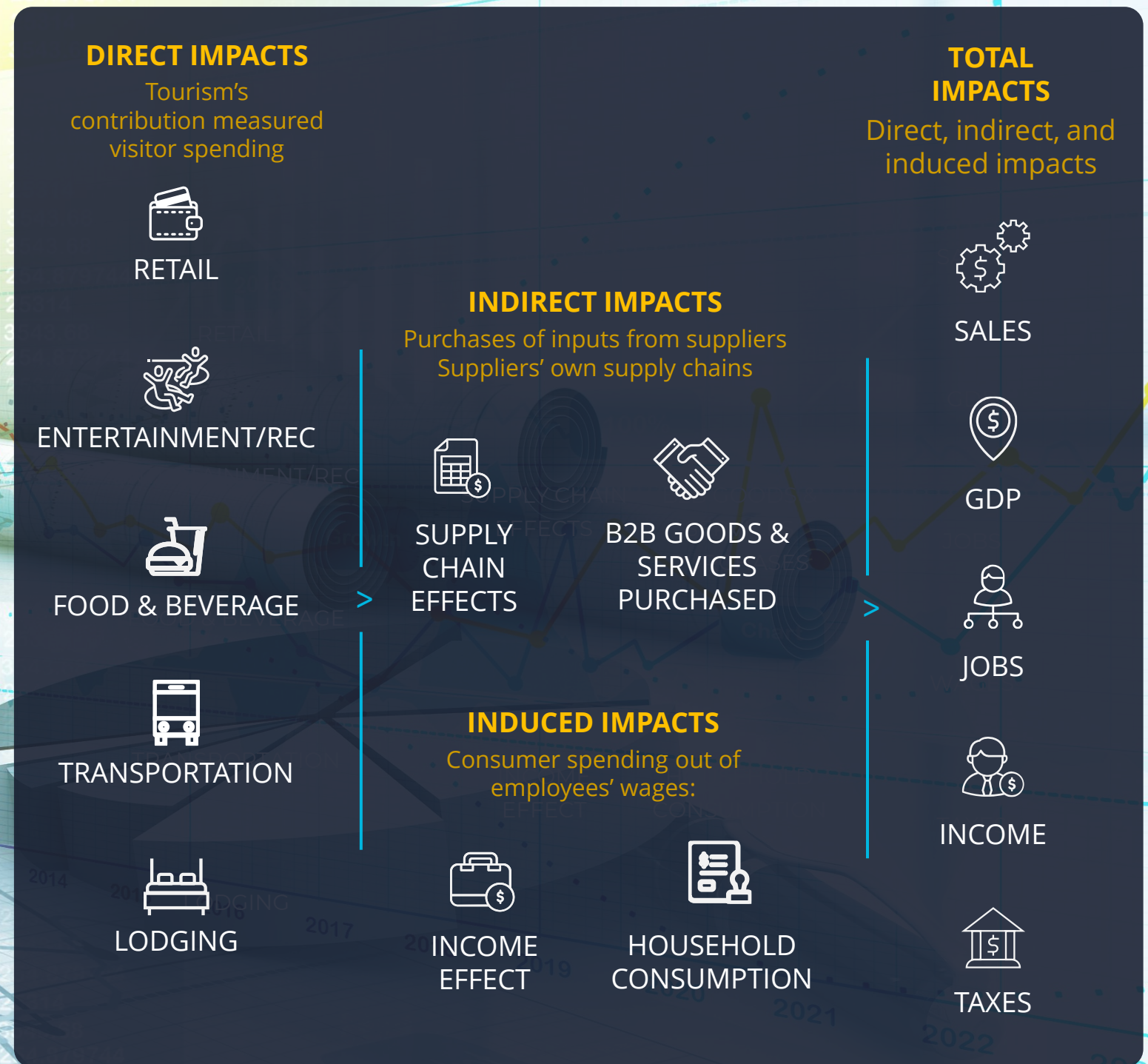
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

ECONOMIC IMPACT FRAMEWORK





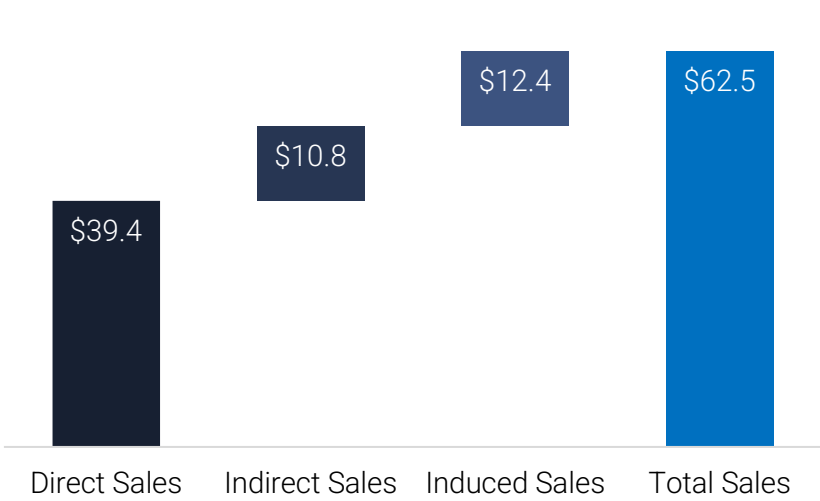
ECONOMIC IMPACT FINDINGS

BUSINESS SALES IMPACTS

Visitors contributed a direct impact of \$39.4 billion in 2021. This direct impact of \$39.4 billion generated \$23.2 billion in indirect and induced impacts, resulting in a total economic impact of \$62.5 billion in the Nevada economy, 80% more than a year earlier.

Summary Economic impacts (2021)

Amounts in billions of nominal dollars



Source: Tourism Economics

Business sales impacts by industry (2021)

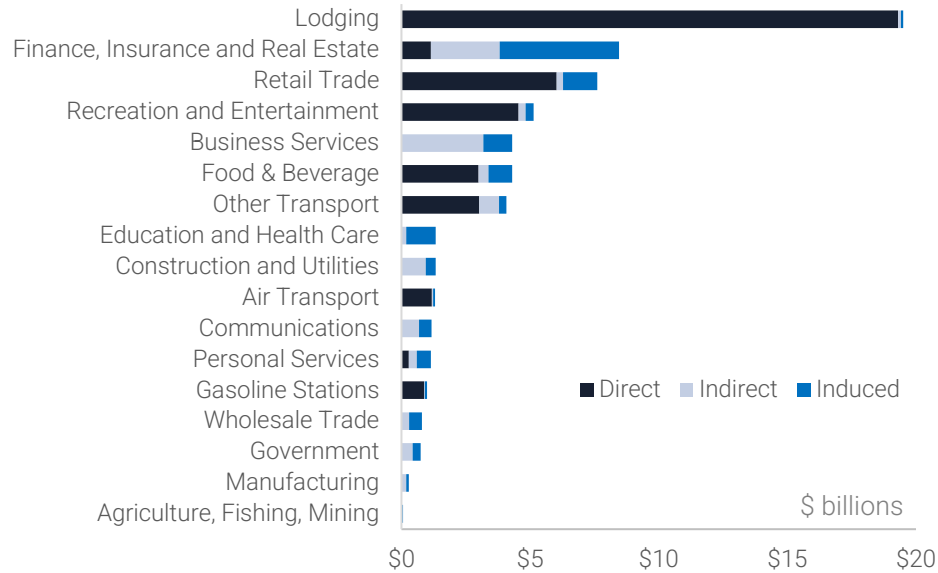
Amounts in millions of nominal dollars

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$39,376	\$10,820	\$12,353	\$62,549
Lodging	\$19,307	\$112	\$86	\$19,505
Finance, Insurance and Real Estate	\$1,140	\$2,678	\$4,644	\$8,463
Retail Trade	\$6,026	\$258	\$1,325	\$7,609
Recreation and Entertainment	\$4,549	\$274	\$315	\$5,137
Business Services		\$3,180	\$1,127	\$4,306
Food & Beverage	\$2,990	\$396	\$915	\$4,301
Other Transport	\$3,021	\$774	\$288	\$4,084
Education and Health Care		\$185	\$1,144	\$1,328
Construction and Utilities		\$946	\$382	\$1,328
Air Transport	\$1,178	\$54	\$70	\$1,302
Communications		\$676	\$493	\$1,169
Personal Services	\$288	\$303	\$554	\$1,144
Gasoline Stations	\$877	\$24	\$85	\$986
Wholesale Trade		\$296	\$499	\$795
Government		\$437	\$312	\$749
Manufacturing		\$187	\$102	\$288
Agriculture, Fishing, Mining		\$40	\$14	\$54

Source: Tourism Economics

Visitor economy business sales impacts by industry (2021)

Amounts in billions of nominal dollars



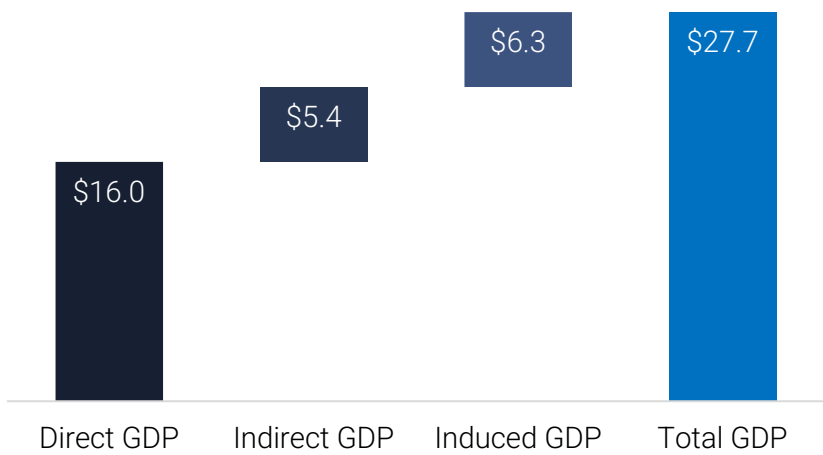
Source: Tourism Economics

VALUE ADDED IMPACTS

The value of all visitor-associated goods and services produced in Nevada in 2021 increased to \$27.7 billion, an increase of 26% over the prior year.

Summary Value-added Impacts (2021)

Amounts in billions of nominal dollars



Source: Tourism Economics

The locally produced portion of visitor-associated sales in the lodging industry added \$9.3 billion to state GDP in 2021.

Spending by visitor-associated workers supported \$925 million in GDP contribution in the education and health care industries, showing how visitors support businesses across the industrial spectrum.

Visitor Value-added Impacts by Industry (2021)

Amounts in billions of nominal dollars



Source: Tourism Economics



Summary Value-added Impacts by Industry (2021)

Amounts in millions of nominal dollars

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$16,001	\$5,403	\$6,277	\$27,682
Lodging	\$9,230	\$54	\$46	\$9,330
Finance, Insurance and Real Estate	\$532	\$1,322	\$1,982	\$3,836
Food & Beverage	\$1,501	\$235	\$591	\$2,327
Business Services		\$1,670	\$574	\$2,245
Recreation and Entertainment	\$1,822	\$154	\$142	\$2,118
Retail Trade	\$862	\$120	\$639	\$1,622
Other Transport	\$1,207	\$273	\$117	\$1,598
Education and Health Care		\$5	\$920	\$925
Personal Services	\$196	\$210	\$412	\$818
Air Transport	\$604	\$38	\$48	\$690
Construction and Utilities		\$466	\$168	\$634
Wholesale Trade		\$217	\$276	\$493
Government		\$317	\$117	\$433
Communications		\$224	\$182	\$406
Manufacturing		\$63	\$27	\$90
Gasoline Stations	\$48	\$10	\$32	\$90
Agriculture, Fishing, Mining		\$23	\$4	\$27

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

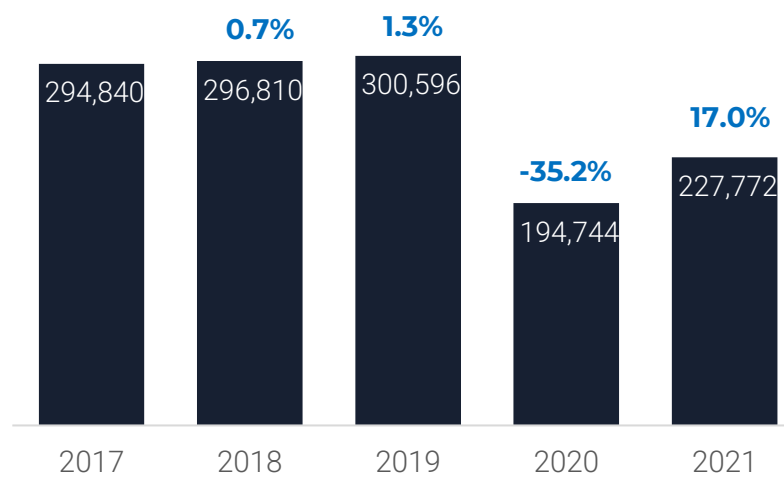
DIRECT IMPACTS

Employment supported by visitor activity increased 17% in 2021, rebounding to more than 227,770 jobs. Despite the increase, the number of jobs directly supported by visitors remains about 72,800 jobs below pre-pandemic levels.

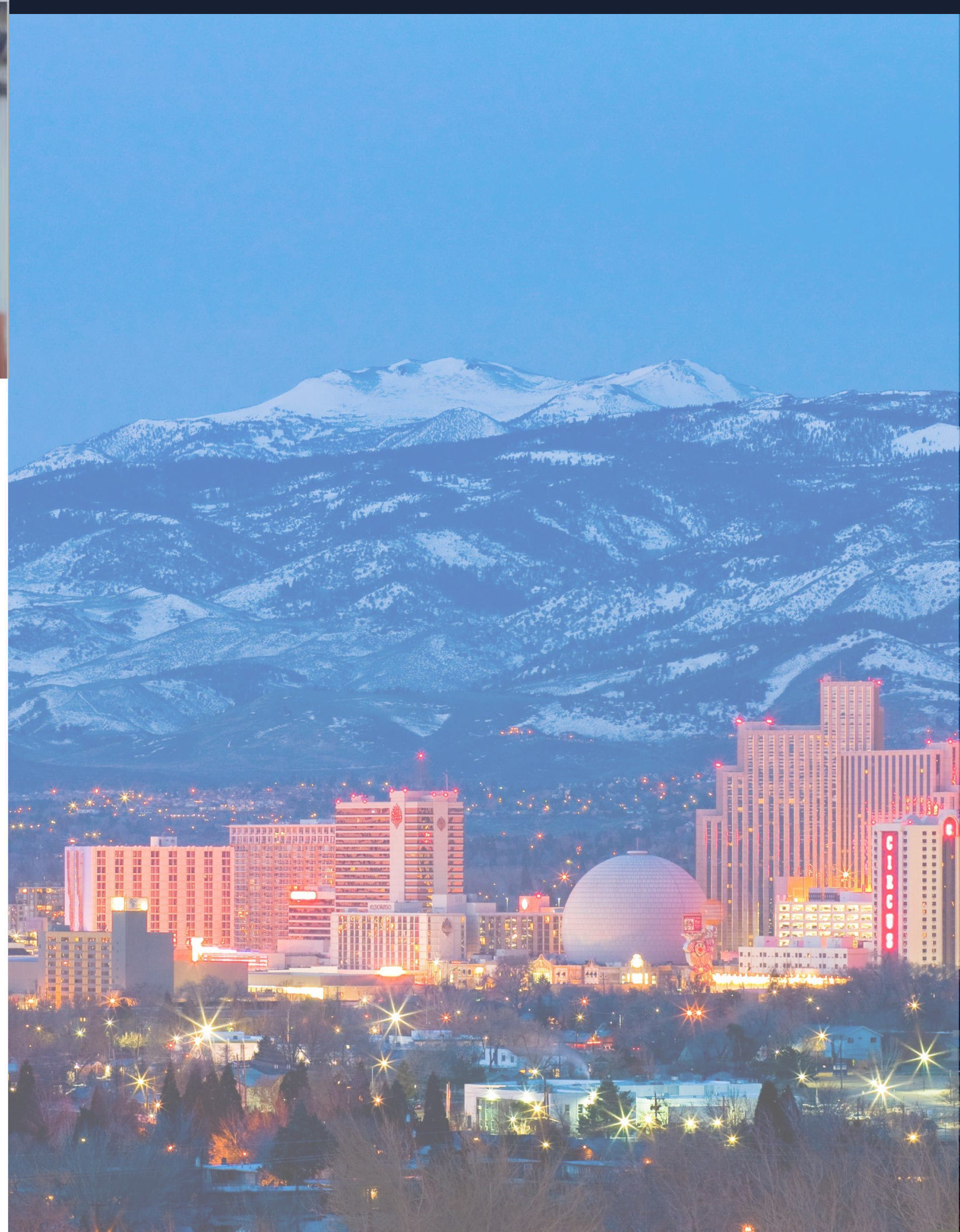
Recovery in visitor-supported jobs has been slower than spending, with visitor-support employment at 76% of pre-pandemic levels compared to 93% of spending.

Visitor supported employment in Nevada

Amounts in number of jobs



Source: Tourism Economics

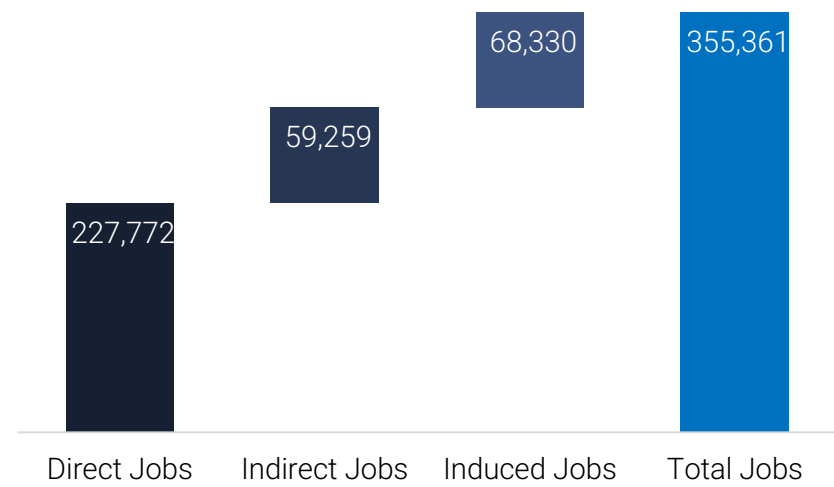


EMPLOYMENT IMPACTS

Visitor activity sustained 227,772 direct jobs in 2021, with an additional 127,589 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 355,361 in 2021, one of every five jobs in the state.

Summary Employment Impacts (2021)

Amounts in number of jobs



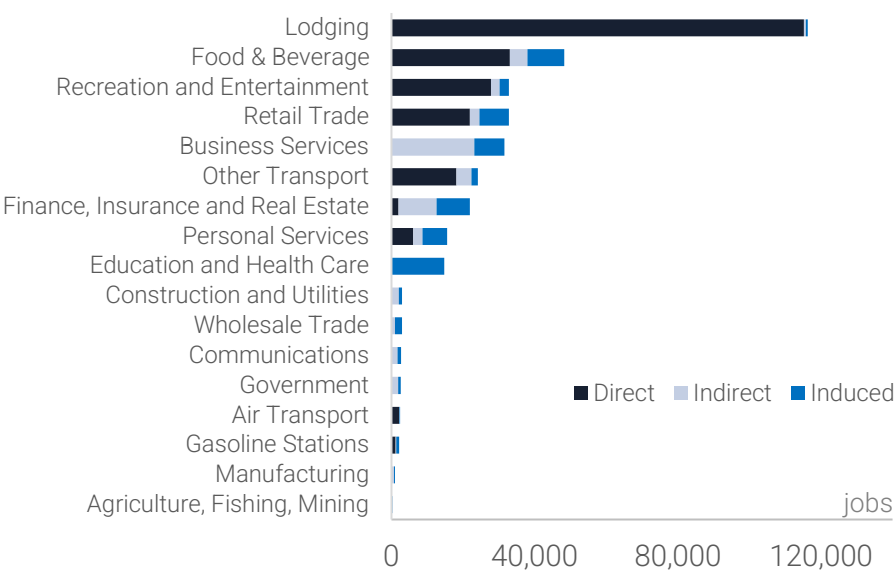
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the lodging industry (116,361).

Spending by businesses directly impacted by visitor spending supports 23,199 jobs in the business services industry – in areas like accounting, advertising and building services.

Tourism Job Impacts by Industry (2021)

Amounts in number of jobs



Source: Tourism Economics



Summary Employment Impacts by Industry (2021)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	227,772	59,259	68,330	355,361
Lodging	115,218	566	477	116,261
Food & Beverage	33,101	4,884	10,314	48,299
Recreation and Entertainment	27,805	2,446	2,559	32,809
Retail Trade	21,958	2,648	8,193	32,799
Business Services		23,199	8,382	31,581
Other Transport	18,209	4,169	1,749	24,128
Finance, Insurance and Real Estate	2,034	10,565	9,366	21,965
Personal Services	6,107	2,618	6,836	15,560
Education and Health Care		128	14,613	14,741
Construction and Utilities		2,071	914	2,986
Wholesale Trade		1,047	1,901	2,948
Communications		1,691	1,052	2,743
Government		1,921	671	2,592
Air Transport	2,165	124	155	2,445
Gasoline Stations	1,175	230	775	2,179
Manufacturing		725	264	988
Agriculture, Fishing, Mining		226	110	336

Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$11.5 billion in direct labor income and a total of \$17.9 billion when including indirect and induced impacts. Total tourism-generated income in Nevada in 2021 rebounded 24% above 2020.

Summary labor income impacts (2021)

Amounts in billions of nominal dollars

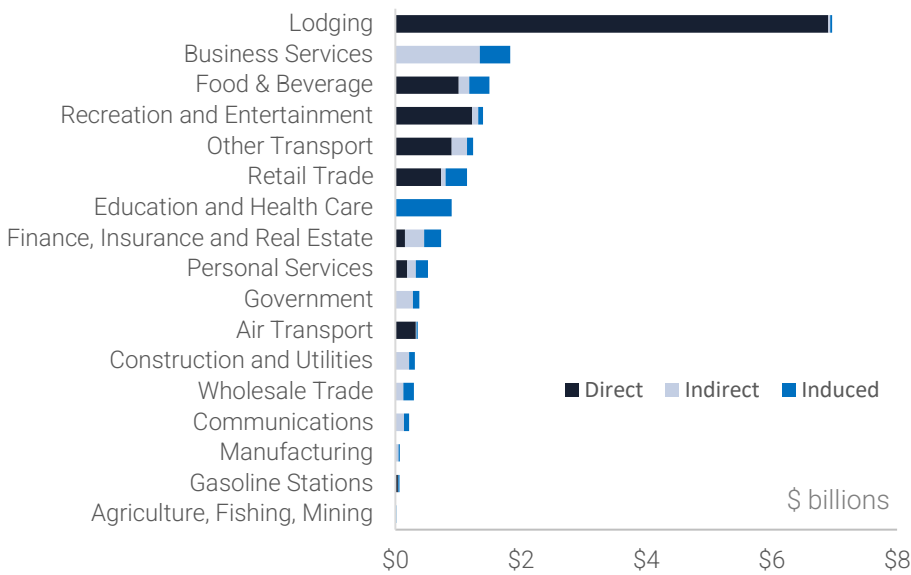


Source: Tourism Economics

There are six industries in which visitor activity supports more than \$1 billion in personal income. These range from the obvious—lodging and food & beverage, to the less obvious—business services and retail.

Tourism labor income Impacts by Industry (2021)

Amounts in millions of nominal dollars



Source: Tourism Economics



Summary labor income impacts (2021)

Amounts in millions of nominal dollars

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$11,458	\$3,235	\$3,211	\$17,903
Lodging	\$6,901	\$33	\$28	\$6,962
Business Services		\$1,346	\$482	\$1,828
Food & Beverage	\$1,007	\$169	\$321	\$1,497
Recreation and Entertainment	\$1,223	\$96	\$79	\$1,398
Other Transport	\$897	\$244	\$95	\$1,236
Retail Trade	\$728	\$71	\$343	\$1,141
Education and Health Care		\$5	\$893	\$898
Finance, Insurance and Real Estate	\$152	\$303	\$275	\$730
Personal Services	\$189	\$135	\$194	\$517
Government		\$281	\$102	\$383
Air Transport	\$322	\$13	\$17	\$353
Construction and Utilities		\$216	\$93	\$309
Wholesale Trade		\$124	\$169	\$293
Communications		\$136	\$79	\$215
Manufacturing		\$50	\$21	\$71
Gasoline Stations	\$39	\$5	\$17	\$62
Agriculture, Fishing, Mining		\$9	\$2	\$11

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$10.1 billion in government revenues.

State and local taxes alone tallied \$4.4 billion in FY 2021.

Each household in Nevada would need to be taxed an additional \$3,935 to replace the visitor-generated taxes received by Nevada state and local governments in FY 2021.

Fiscal (tax) impacts

Amounts in millions of nominal dollars, fiscal year

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$6,628	\$3,458	\$10,087
Federal	\$3,444	\$2,197	\$5,640
Personal Income	\$1,097	\$826	\$1,923
Corporate	\$590	\$382	\$972
Indirect business	\$318	\$181	\$499
Social insurance	\$1,438	\$809	\$2,247
State and Local	\$3,185	\$1,262	\$4,446
Sales	\$944	\$734	\$1,678
Gaming	\$646	\$73	\$719
Lodging Tax	\$434	\$0	\$434
Excise and Fees	\$603	\$123	\$726
Property	\$557	\$331	\$888

Source: Tourism Economics

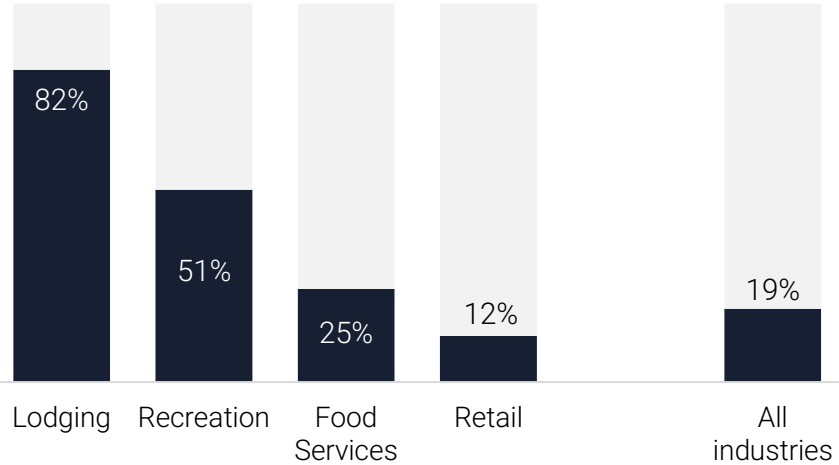




ECONOMIC IMPACTS IN CONTEXT

Visitors sustain more than 80% of all employment in the lodging sector, just over 50% of recreation employment, and a quarter of food services employment is supported by visitor spending.

Tourism employment intensity
Amounts in percentage of total industry employment



Source: BEA, BLS, Tourism Economics

ECONOMIC IMPACTS IN CONTEXT



\$39.4B VISITOR SPENDING

The \$39.4 billion in visitor spending means that nearly \$108 million was spent EVERY DAY by visitors in Nevada.



\$17.9B LABOR INCOME

The \$17.9 billion in total income generated by tourism is the equivalent of \$15,800 for every household in Nevada.



355,361 JOBS

The number of jobs sustained by tourism supports 19.3% of all jobs in Nevada.



\$4.4B STATE & LOCAL TAXES

In FY 2021, state and local taxes generated by tourism tallied \$4.4 billion, supporting the average salaries of about 79,100 public school teachers.

Glossary – Spending Definitions

Term	Description
Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitors spending within the arts, entertainment and recreation sub-sector.
Shopping	Includes visitor spending in all retail sub-sectors within the local economy.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Service stations	Visitor spending on gasoline.
Second homes	Where applicable, spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and County taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This will include sales, income, corporate, usage fees and other assessments of state governments.

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, London, Frankfurt, Ontario, and Sydney.

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 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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