



Welcome to
NEVADA

ECONOMIC IMPACT OF VISITORS IN NEVADA 2022

August 2023

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. In 2022, tourism-supported jobs accounted for 20% 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 visitor 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 estimated based on census data for seasonal units and estimated gross rents.

Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

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.

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:

- 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 Control Board: 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

VISITOR SPENDING

In 2022, 50.7 million visitors spent \$49 billion across the Nevada economy. Visitor spending increased nearly 25% over the prior year, surpassing 2019 levels.

TOTAL ECONOMIC IMPACT

The direct visitor spending impact of \$49 billion generated a total economic impact of \$75 billion in Nevada in 2022 including indirect and induced impacts and sustained 412,459 jobs. In fiscal year 2022, visitor-generated state and local tax revenues tallied \$5.5 billion.



\$75 BILLION

Total Economic Impact of Tourism in Nevada in 2022



\$49B

Visitor Spending



\$75B

Total Economic Impact



412,459

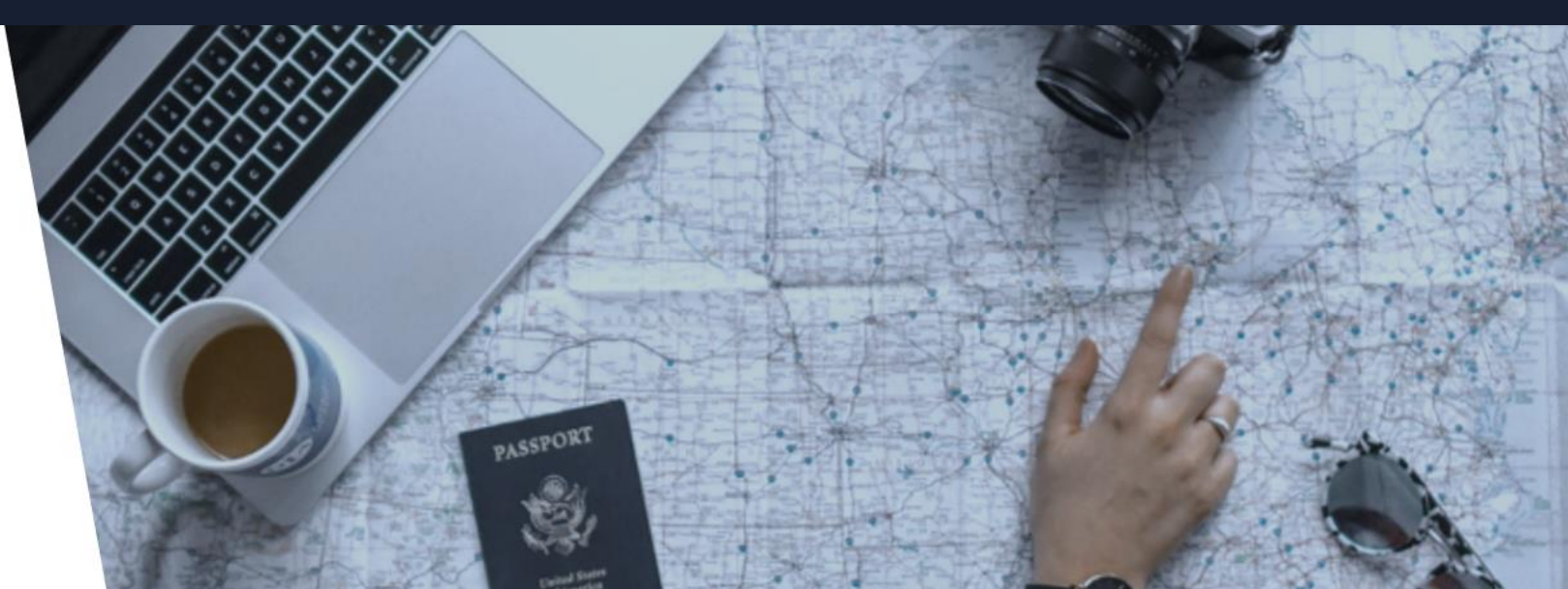
Total Jobs Generated



\$5.5B

State & Local Taxes Generated (Fiscal year 2022)





VISITS & VISITOR SPENDING

Nevada continued its path to recovery in 2022, welcoming 50.7 million visitors and topping \$49 billion in spending.

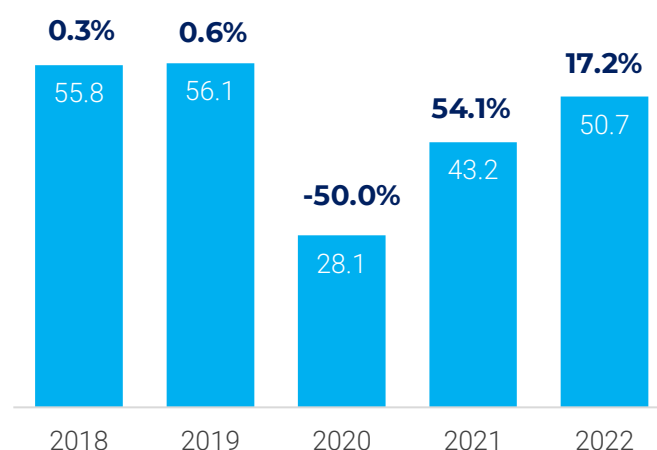
VISITOR VOLUME

Continued recovery in 2022

Reduced health risks from the COVID-19 pandemic coupled with greater consumer confidence and pent-up demand brought visitor volumes in Nevada to 50.7 million, 7.5 million more visitors than the prior year, and just 10% shy of 2019 levels.

Nevada visitor volume

Amounts in millions



Sources: LVCVA, RSCVA, Tourism Economics

VISITOR SPENDING

Visitors to Nevada spent \$49 billion across a range of sectors in 2022.

With an increase of nearly \$10 billion in visitor spending over the prior year, spending surpassed 2019 levels by 16%.

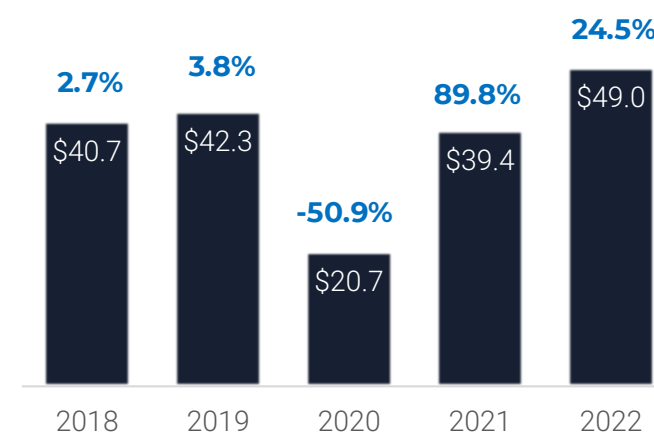
Of the \$49 billion spent in Nevada in 2022 by visitors, gaming remained the highest spending category, registering \$10.1 billion and capturing 21% of all visitor spending. Lodging spending, including the value of second homes, captured 18%, a total of \$8.6 billion.

Transportation, including both air and local transportation within the destination, comprised 16% of all visitor spending.

Retail spending resulted in \$7.8 billion, and recreation spending, including outdoor and other entertainment purchases, increased to \$7.2 billion in 2022.

Nevada visitor spending

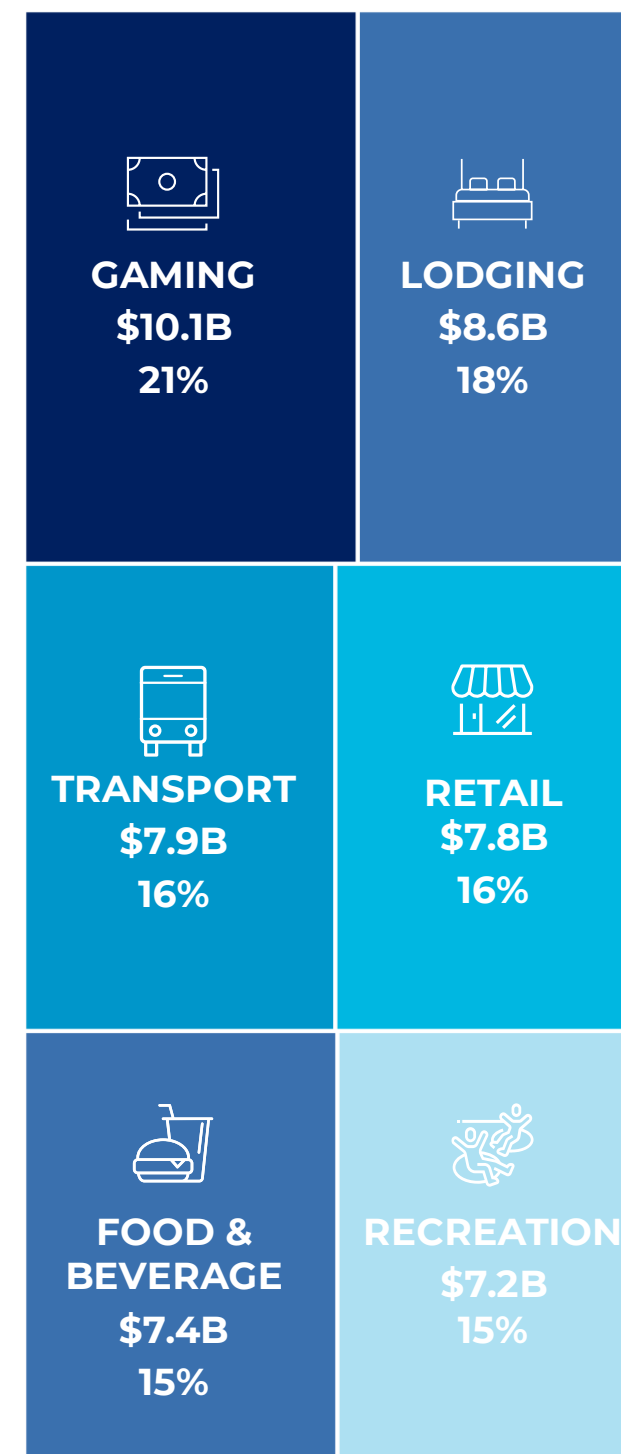
Amounts in \$ billions



Sources: OmniTrak, LVCVA, RSCVA, Tourism Economics

\$49 BILLION

Total Visitor Spending in 2022



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 25% in 2022, a second consecutive year of double-digit growth following severe COVID-19 declines in 2020. Spending expanded across all sectors, driven by continued strong demand and increases in prices of key visitor spending categories.

Recreational spend, not including gaming, increased 60% in 2022, reaching its highest level of spend on record. While entertainment led the industry, both entertainment and outdoor recreation have surpassed 2019 levels by more than 30%.

Lodging spending, including second homes, increased 41% as overnight visitors faced strong ADR growth versus 2021. Indeed, average daily room rates at Nevada hotels increased 23% in comparison to the prior year, pushing lodging spend to 112% of 2019 levels.

Conversely, retail spending lagged in 2022 as consumers faced higher prices on lodging, food and beverages, and transportation, and shifted spending priorities.

Nevada visitor spending and annual growth

Amounts in \$ billions, 2022 % change, and % recovered relative to 2019

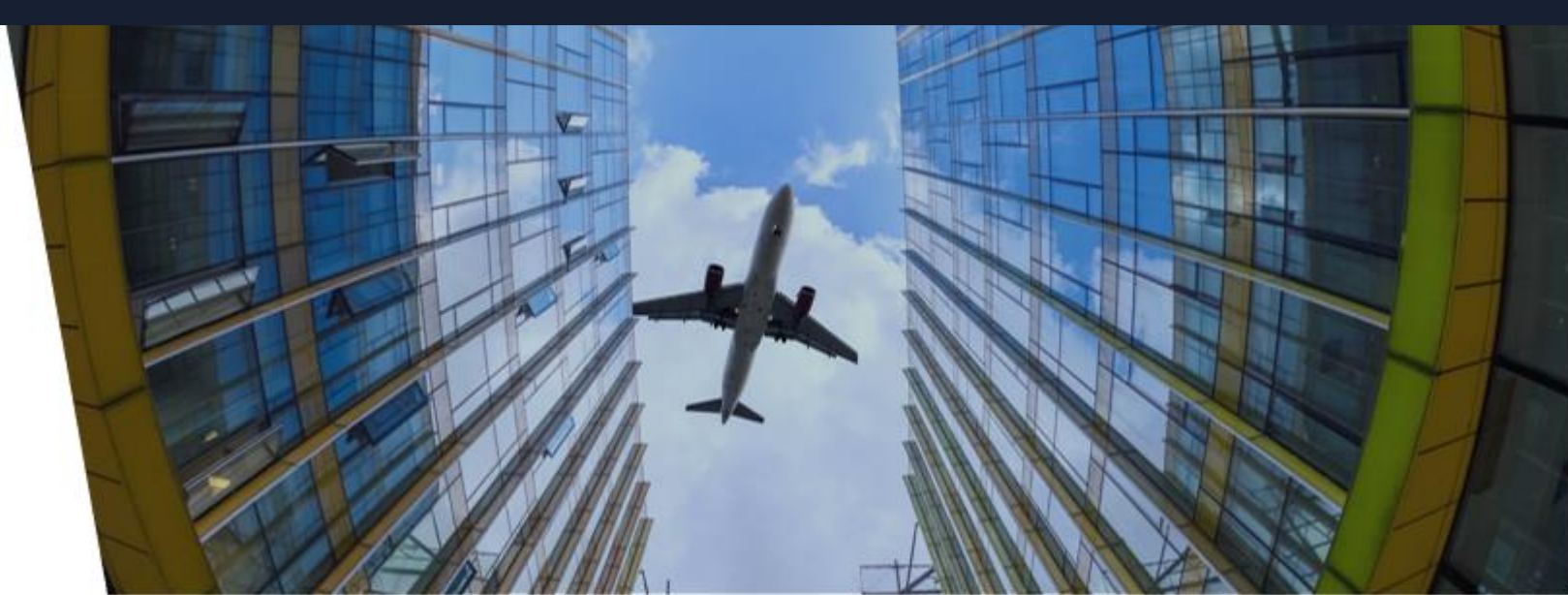
	2018	2019	2020	2021	2022	2022 Growth	% relative to 2019
Total visitor spending	\$40.75	\$42.28	\$20.74	\$39.38	\$49.02	24.5%	115.9%
Gaming	\$9.31	\$9.38	\$5.34	\$9.11	\$10.07	10.5%	107.4%
Lodging*	\$7.35	\$7.70	\$3.42	\$6.11	\$8.60	40.7%	111.7%
Transportation**	\$6.29	\$6.44	\$3.12	\$6.05	\$7.94	31.3%	123.3%
Retail	\$6.80	\$7.14	\$3.91	\$8.61	\$7.83	-9.0%	109.7%
Food & beverages	\$5.98	\$6.22	\$2.91	\$4.98	\$7.37	48.0%	118.5%
Recreation (non-gaming)	\$5.03	\$5.40	\$2.04	\$4.51	\$7.19	59.6%	133.3%
<i>Entertainment</i>	\$ 4.06	\$ 4.28	\$ 1.57	\$ 3.42	\$ 5.67	65.7%	132.3%
<i>Outdoor recreation</i>	\$ 0.97	\$ 1.11	\$ 0.47	\$ 1.09	\$ 1.53	40.5%	137.1%

Source: LVCVA, RSCVA, Tourism Economics

* Lodging includes second home spending

** Transportation includes both ground and air transportation





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. IMPLAN remains a nationally recognized and widely used modeling tool, the leading provider of economic impact data and analytics software. The model traces the full extent of industry impacts as dollars flow through the local economy.

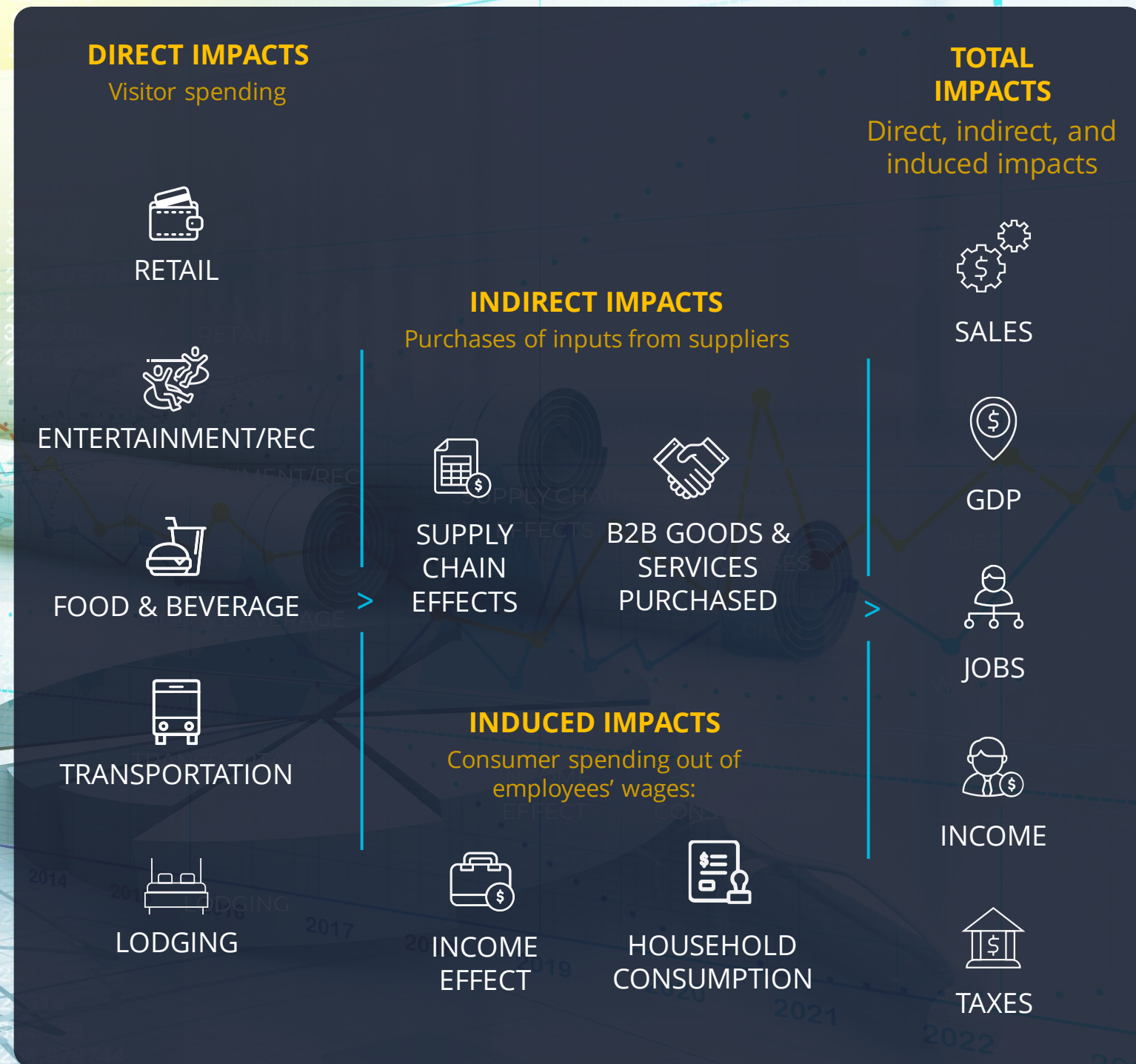
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 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 \$49 billion in 2022. This direct impact generated \$26 billion in indirect and induced impacts, resulting in a total economic impact of \$75 billion in the Nevada economy, 20% more than a year earlier, and 11% higher than 2019.

Summary economic impacts (2022)

Amounts in \$ billions



Source: Tourism Economics

Business sales impacts by industry (2022)

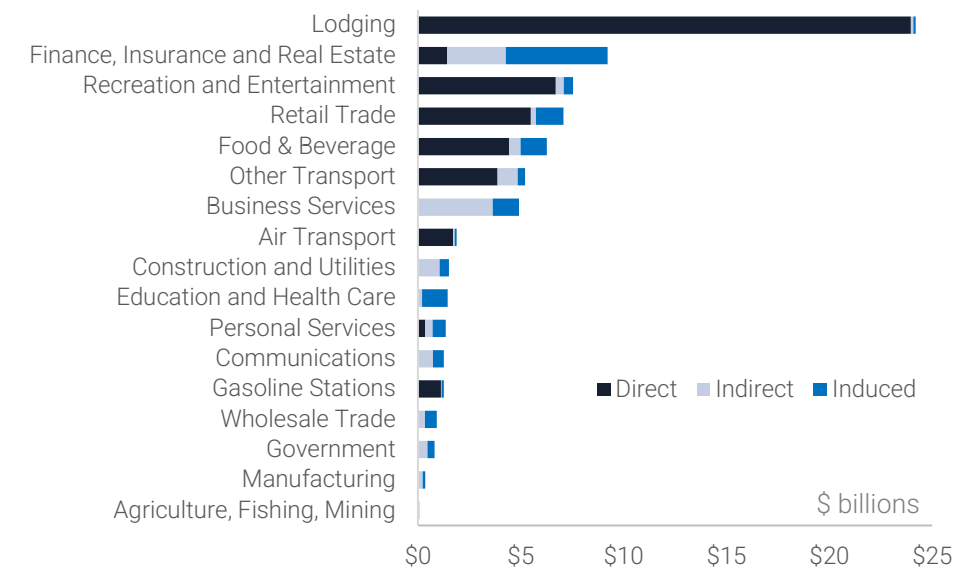
Amounts in \$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$49,018	\$12,355	\$13,864	\$75,238
Lodging	\$23,954	\$138	\$106	\$24,197
Finance, Insurance and Real Estate	\$1,413	\$2,861	\$4,945	\$9,219
Recreation and Entertainment	\$6,693	\$390	\$448	\$7,531
Retail Trade	\$5,483	\$258	\$1,325	\$7,066
Food & Beverage	\$4,425	\$557	\$1,289	\$6,270
Other Transport	\$3,866	\$980	\$361	\$5,207
Business Services		\$3,635	\$1,280	\$4,915
Air Transport	\$1,707	\$72	\$93	\$1,873
Construction and Utilities		\$1,059	\$441	\$1,501
Education and Health Care		\$202	\$1,246	\$1,448
Personal Services	\$356	\$353	\$646	\$1,355
Communications		\$730	\$531	\$1,261
Gasoline Stations	\$1,122	\$30	\$104	\$1,256
Wholesale Trade		\$343	\$573	\$916
Government		\$467	\$332	\$799
Manufacturing		\$230	\$129	\$360
Agriculture, Fishing, Mining		\$49	\$16	\$65

Source: Tourism Economics

Business sales impacts by industry (2022)

Amounts in \$ billions



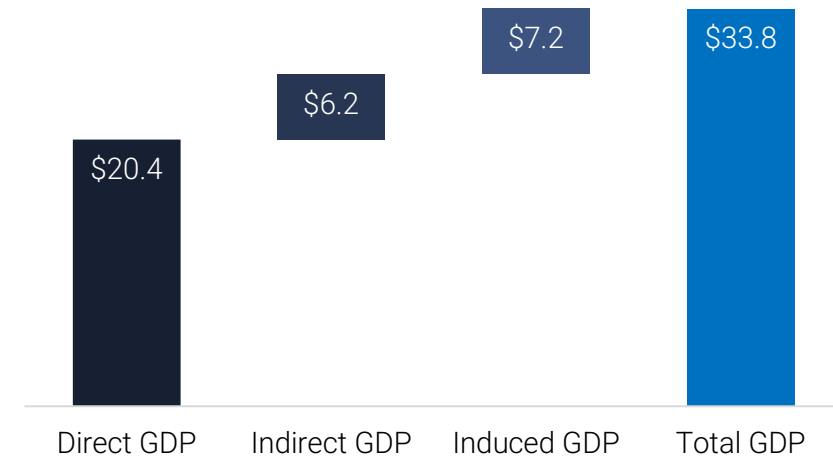
Source: Tourism Economics

VALUE ADDED IMPACTS

The value of all visitor-associated goods and services produced in Nevada in 2022 increased to \$34 billion, 16% of Nevada's economy.

Summary value-added impacts (2022)

Amounts in \$ billions



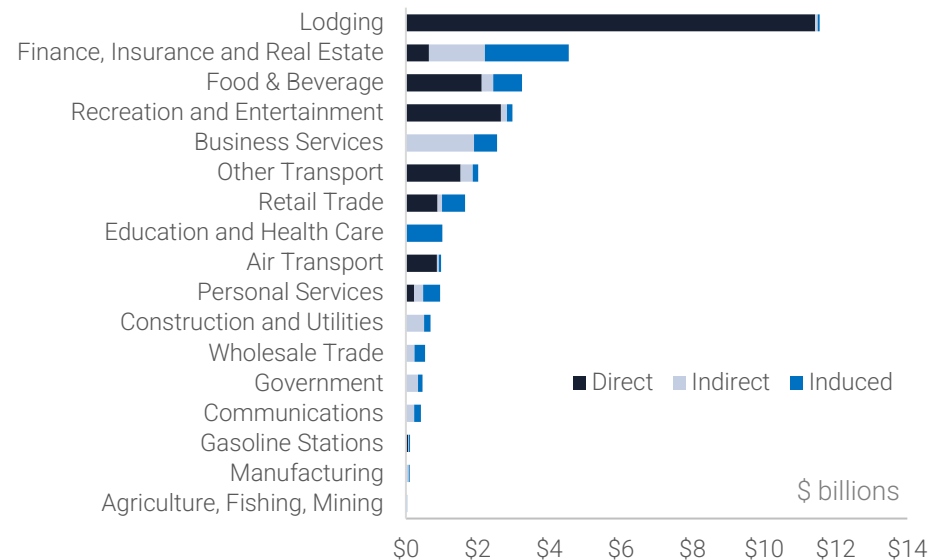
Source: Tourism Economics

The locally produced portion of visitor-associated sales in the lodging industry added \$12 billion to state GDP in 2022.

Spending by visitor-associated workers supported \$1 billion in GDP contribution in the education and health care industries, showing how visitors support businesses across the industrial spectrum.

Value-added impacts by industry (2022)

Amounts in \$ billions



Source: Tourism Economics

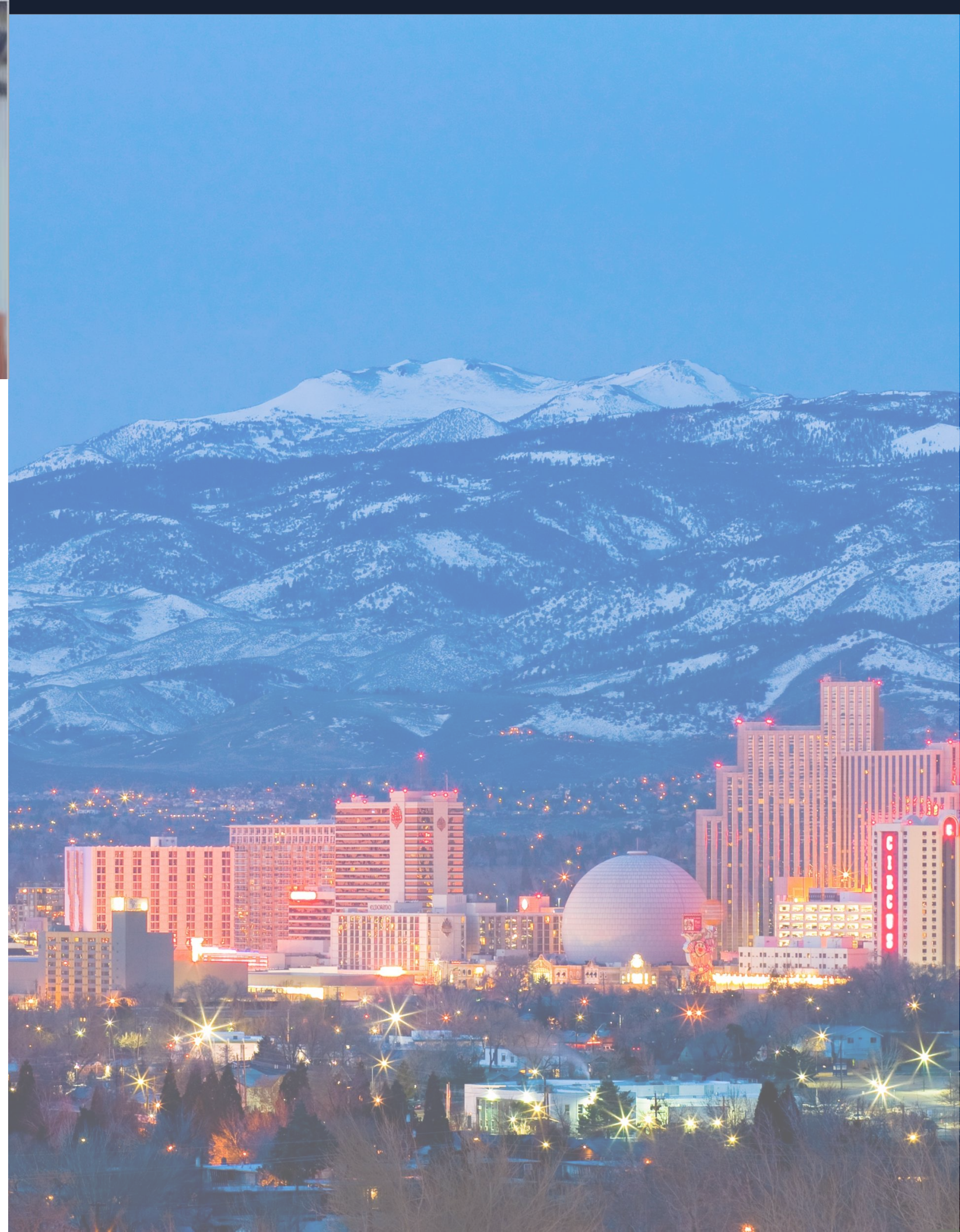


Value-added impacts by industry (2022)

Amounts in \$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$20,391	\$6,212	\$7,204	\$33,807
Lodging	\$11,429	\$66	\$56	\$11,551
Finance, Insurance and Real Estate	\$640	\$1,563	\$2,341	\$4,544
Food & Beverage	\$2,113	\$321	\$803	\$3,238
Recreation and Entertainment	\$2,646	\$171	\$157	\$2,974
Business Services		\$1,898	\$648	\$2,546
Other Transport	\$1,527	\$339	\$145	\$2,011
Retail Trade	\$879	\$122	\$651	\$1,652
Education and Health Care		\$5	\$1,010	\$1,016
Air Transport	\$862	\$53	\$61	\$976
Personal Services	\$233	\$246	\$475	\$954
Construction and Utilities		\$505	\$179	\$684
Wholesale Trade		\$241	\$292	\$533
Government		\$337	\$124	\$461
Communications		\$232	\$188	\$419
Gasoline Stations	\$60	\$12	\$40	\$112
Manufacturing		\$74	\$30	\$104
Agriculture, Fishing, Mining		\$27	\$5	\$32

Source: Tourism Economics



ECONOMIC IMPACT FINDINGS

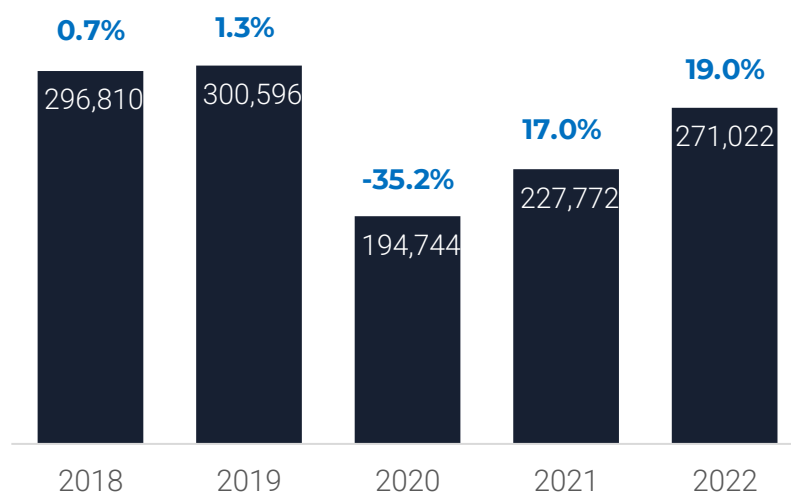
DIRECT IMPACTS

Employment supported by visitor activity increased 19% in 2022, recovering to more than 271,000 jobs. With the increase, the number of jobs directly supported by visitors remains about 30,000 jobs below pre-pandemic levels.

Recovery in visitor-supported jobs has been slower than spending, with visitor-supported employment at 90% of pre-pandemic levels compared to 116% of spending.

Visitor supported employment in Nevada

Amounts in number of jobs



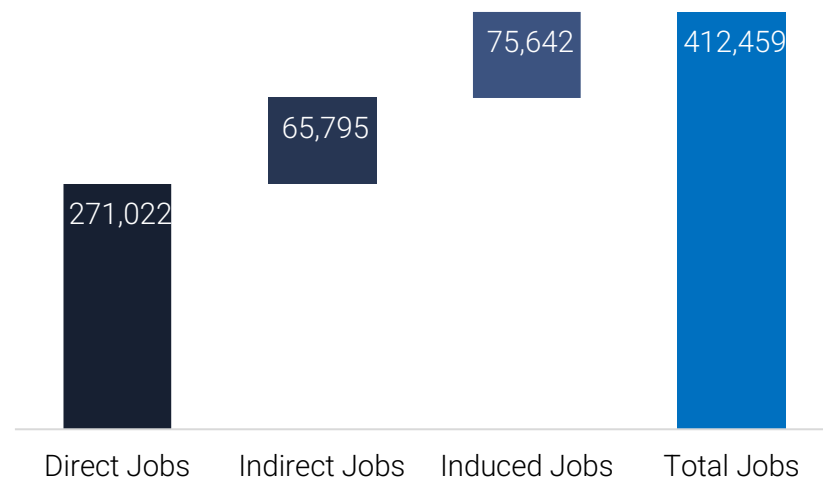
Source: Tourism Economics

EMPLOYMENT IMPACTS

Visitor activity sustained 271,022 direct jobs in 2022, with an additional 141,437 jobs supported from the indirect and induced impacts of visitor activity. The total jobs impact recovered to 412,459 in 2022, one of every five jobs in the state.

Summary employment impacts (2022)

Amounts in number of jobs



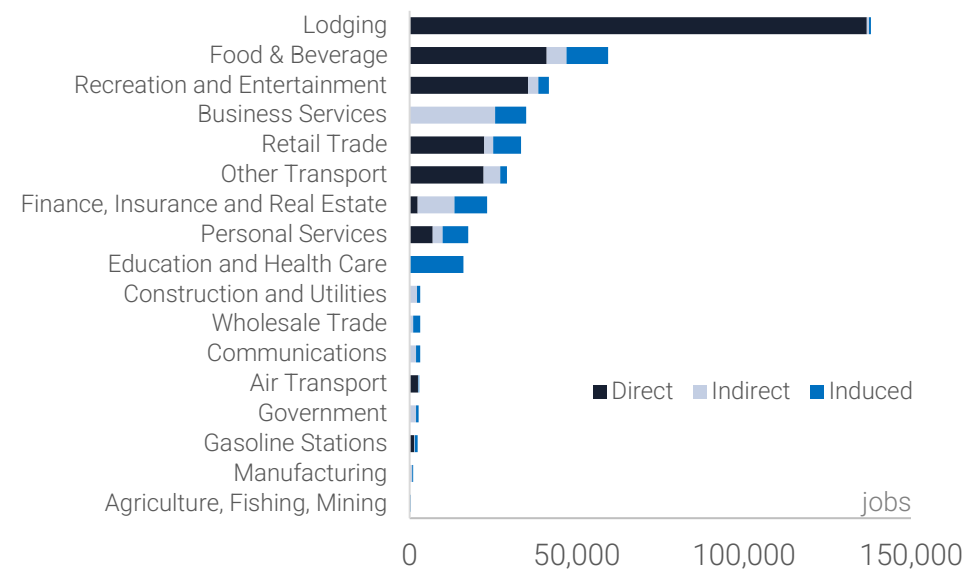
Source: Tourism Economics

Visitor spending supports the largest number of jobs in the lodging industry (137,979).

Spending by businesses directly impacted by visitor spending supports **25,644 jobs in the business services industry** – in areas like accounting, advertising and building services.

Employment impacts by Industry (2022)

Amounts in number of jobs



Source: Tourism Economics



Employment impacts by industry (2022)

Amounts in number of jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	271,022	65,795	75,642	412,459
Lodging	136,764	662	553	137,979
Food & Beverage	41,016	5,935	12,423	59,375
Recreation and Entertainment	35,498	3,055	3,164	41,717
Business Services		25,644	9,266	34,909
Retail Trade	22,324	2,688	8,310	33,322
Other Transport	22,165	4,938	2,055	29,158
Finance, Insurance and Real Estate	2,385	11,056	9,801	23,243
Personal Services	6,974	2,952	7,665	17,591
Education and Health Care		138	16,000	16,138
Construction and Utilities		2,195	985	3,181
Wholesale Trade		1,129	2,043	3,172
Communications		1,953	1,215	3,168
Air Transport	2,560	147	183	2,890
Government		1,987	693	2,680
Gasoline Stations	1,335	256	860	2,451
Manufacturing		809	299	1,109
Agriculture, Fishing, Mining		250	125	375

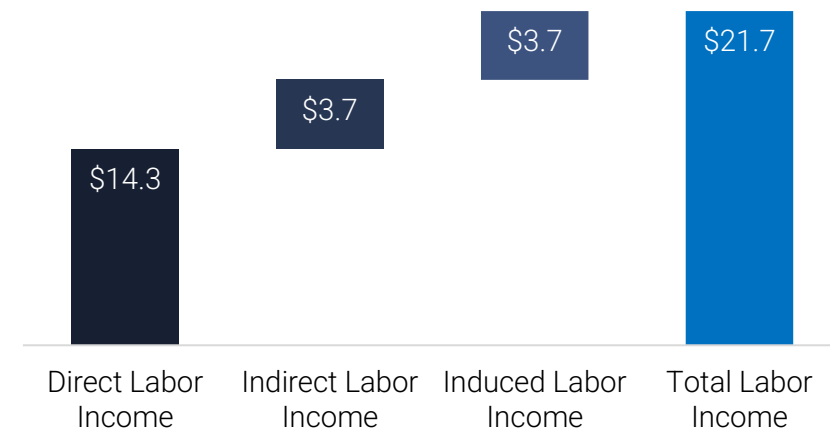
Source: Tourism Economics

LABOR INCOME IMPACTS

Visitor activity generated \$14 billion in direct labor income and a total of \$22 billion including indirect and induced impacts. Total visitor-generated income in Nevada in 2022 increased 21% over the prior year and reached 101% of 2019 levels.

Summary labor income impacts (2022)

Amounts in \$ billions

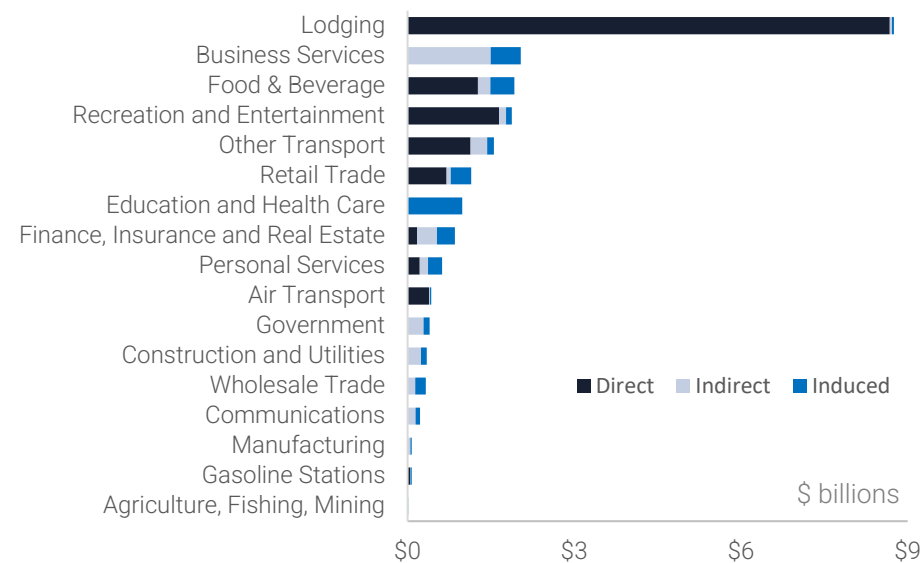


Source: Tourism Economics

There are nine industries in which visitor activity supports more than \$500 million in personal income. These range from the obvious—lodging and food & beverage, to the less obvious—business services and retail.

Labor income impacts by industry (2022)

Amounts in \$ billions



Source: Tourism Economics



Labor income impacts by industry (2022)

Amounts in \$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$14,266	\$3,695	\$3,698	\$21,658
Lodging	\$8,681	\$41	\$34	\$8,756
Business Services		\$1,500	\$537	\$2,037
Food & Beverage	\$1,266	\$228	\$433	\$1,927
Recreation and Entertainment	\$1,647	\$127	\$105	\$1,879
Other Transport	\$1,136	\$302	\$117	\$1,555
Retail Trade	\$706	\$75	\$364	\$1,146
Education and Health Care		\$5	\$983	\$988
Finance, Insurance and Real Estate	\$172	\$358	\$325	\$855
Personal Services	\$219	\$154	\$250	\$623
Air Transport	\$391	\$17	\$22	\$429
Government		\$291	\$106	\$397
Construction and Utilities		\$241	\$103	\$345
Wholesale Trade		\$139	\$190	\$329
Communications		\$144	\$83	\$227
Manufacturing		\$56	\$23	\$79
Gasoline Stations	\$48	\$7	\$21	\$76
Agriculture, Fishing, Mining		\$11	\$3	\$13

Source: Tourism Economics

ECONOMIC IMPACT FINDINGS

FISCAL (TAX) IMPACTS

Visitor spending, visitor supported jobs, and business sales generated \$11.7 billion in government revenues in fiscal year 2022.

State and local taxes alone tallied \$5.5 billion in FY 2022.

Each household in Nevada would need to be taxed an additional **\$4,800** to replace the visitor-generated taxes received by Nevada state and local governments in FY 2022.

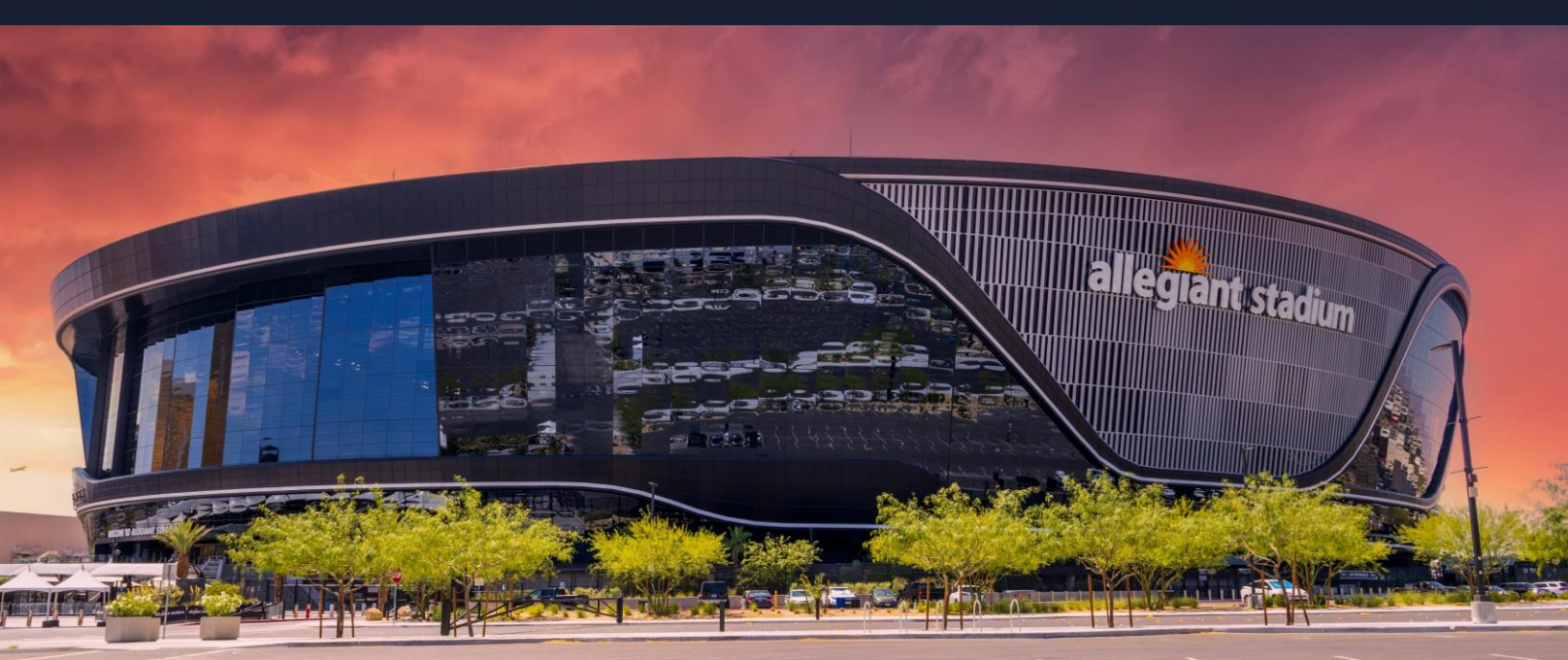
Fiscal (tax) impacts

Amounts in \$ millions, fiscal year

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$7,981	\$3,695	\$11,675
Federal	\$3,844	\$2,348	\$6,192
Personal Income	\$1,226	\$884	\$2,110
Corporate	\$659	\$407	\$1,066
Indirect business	\$351	\$191	\$543
Social insurance	\$1,608	\$866	\$2,473
State and Local	\$4,136	\$1,347	\$5,483
Sales	\$1,039	\$777	\$1,816
Gaming	\$887	\$101	\$988
Lodging Tax	\$924	\$0	\$924
Excise and Fees	\$674	\$123	\$797
Property	\$613	\$347	\$959

Source: Tourism Economics



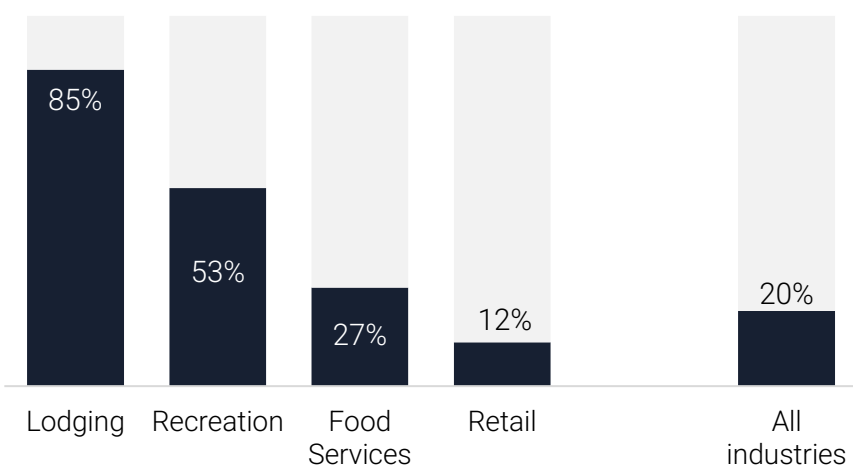


ECONOMIC IMPACTS IN CONTEXT

Visitors sustain 85% of all employment in the lodging sector, just over 50% of recreation employment, and 27% 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



\$49B VISITOR SPENDING

The \$49 billion in visitor spending means that more than \$134 million was spent EVERY DAY by visitors in Nevada.



\$22B LABOR INCOME

The \$22 billion in total income generated by tourism is the equivalent of \$19,000 for every household in Nevada.



412,459 JOBS

The number of jobs sustained by tourism supports 20% of all jobs in Nevada.



\$6B STATE & LOCAL TAXES

In FY 2022, state and local taxes generated by tourism tallied \$5.5 billion, supporting the average salaries of about 95,890 public school teachers, enough to fill Allegiant Stadium about 1.5 times.

APPENDIX

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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