

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Economic Impact Series

Volume I | Issue VIII



**The Relative Dependence
on Tourism of Major
U.S. Economies**



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The Relative Dependence on
Tourism of Major U.S. Economies



Applied Analysis was retained by the Las Vegas Convention and Visitors Authority (the “LVCVA”) to review and analyze the economic impacts associated with its various operations and southern Nevada’s tourism industry generally. This is the eighth in a series of reports detailing the findings of our review and analysis; it is specific to the relative dependence of major U.S. economies on the tourism sector.

Twenty-three metropolitan statistical areas (MSAs) were analyzed to determine each region’s relative dependence on tourism. The twenty-three MSAs analyzed comprise the fifteen largest metropolitan areas in the nation¹ plus the well-known visitor destinations of Nashville, Tennessee; Tampa, Florida; Denver, Colorado; Orlando, Florida; Las Vegas, Nevada; New Orleans, Louisiana; Atlantic City, New Jersey; and Honolulu, Hawaii.² These regions comprise the largest tourism economies in the nation and provide a fair comparison for tourism industry dependence.³

FINDINGS IN SUMMARY

There are many ways to compare and contrast regions’ relative dependence on the tourism sector. These include the industry’s share of employment, share of wage and salary payments and contributions to gross state product. Also meaningful are relative comparisons such as the number of visitors per capita and aggregate visitor spending within the economy.

A review of these metrics clearly indicates that southern Nevada is among the most tourism-dependent economies in the United States and may be its most tourism-dependent economy. Southern Nevada ranks in the top five regions in every major comparison category, placing first nationally in terms of employment distribution, with 29.3 percent of the local workforce in the leisure and hospitality super sector. By way of comparison, this number averages 10.2 percent nationwide and 12.3 percent among the areas reviewed in this analysis. Leisure and hospitality accounts for 19.5 percent of southern Nevada’s economic activity (gross product), more than four times the national average and more than twice that reported for the comparable areas included in this study. Although southern Nevada’s total visitor count is less than that reported for New York and Chicago, when

¹ The fifteen largest metropolitan areas in the nation were included except Riverside, California, which does not currently have a convention and visitor authority that tracks tourism activity; the area is not considered a major tourist destination.

² The entire MSA to which each city belongs was included; for example, San Diego consists of San Diego-Carlsbad-San Marcos, California; Orlando consists of Orlando-Kissimmee, Florida; and Las Vegas consists of Las Vegas-Paradise, Nevada. The Atlantic City-Hammonton MSA was combined with the Vineland-Millville-Bridgeton MSA to make it more comparable to other areas being analyzed; combined, the area still had less than half of the population of the next smallest area.

³ This analysis comprises the largest tourism economies in the nation, respecting the fact that there are some small areas that are not included. For example, small seaside villages and other similar towns in the U.S., whose economies may rely almost exclusively on visitors, are not included in this analysis.

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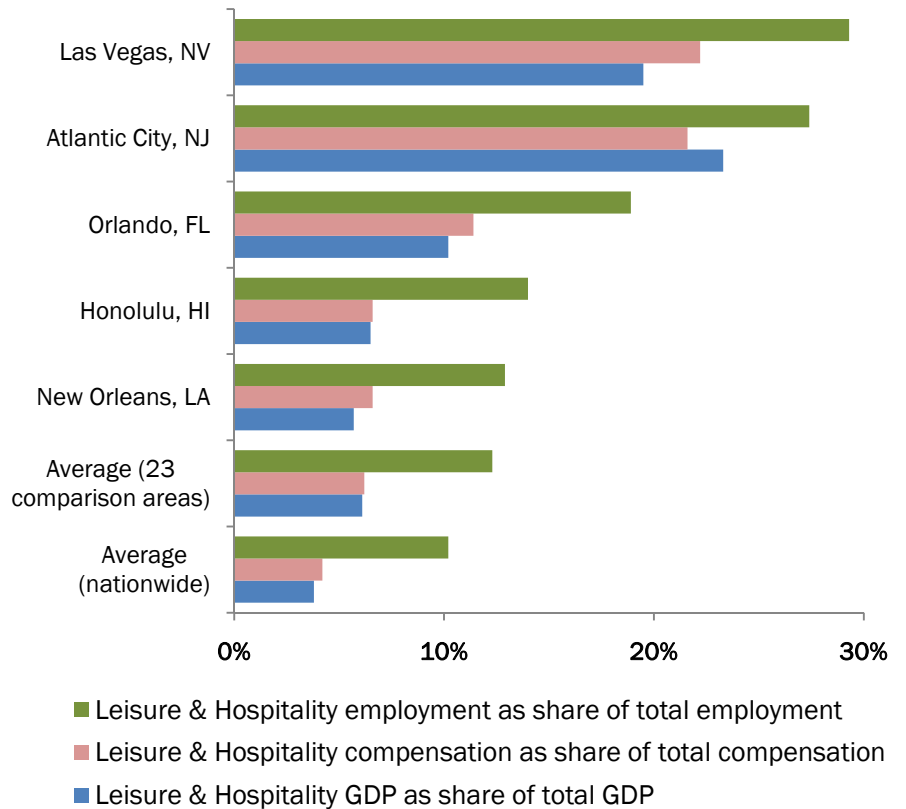
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compared to the population base, southern Nevada's 21 annual visitors per capita well outstrips New York's ratio of 2.5 and Chicago's 4.8.

Exhibit I
Summary – Leisure and Hospitality Employment, Compensation and GDP as Share of Total (latest available data)



Orlando, Florida and Atlantic City, New Jersey could also be argued as the most tourism-dependent economies in the United States. Notably, Orlando's 48.9 million annual visitors translate into 23.8 visitors per capita. That said, leisure and hospitality accounts for only 10.2 percent of economic activity and leisure and hospitality employment accounts for 18.9 percent of Orlando's workforce. Atlantic City ranks first nationally in annual visitors per capita at nearly 78 as well as visitor spending and leisure and hospitality GDP as a percentage of gross product (56.6 percent and 23.3 percent, respectively). That said, Atlantic City is also a much smaller economy with the lowest employment base and population among the 23 comparable regions.

ANALYSIS OF TOURISM DEPENDENCE

The sections that follow provide the findings of the various comparative analyses undertaken during our research and analysis. It is important to

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note in reviewing these data that the latest available information differs in terms of timing among the various sections. As such, employment information is as of September 2009, compensation data is as of 2007 and gross domestic product data is as of 2008. Visitation and visitor spending is generally as of 2008, though certain regions have only reported data through 2007 or even 2006. The latest available information has been used throughout. When taken together, we believe these analyses provide a compelling picture of each area's relative economic dependence on the tourism industry.

Industry Employment

Perhaps the most common measure of relative dependence on a single sector of the economy is that sector's share of total employment. Nationwide, 10.2 percent of employees worked in the leisure and hospitality industry in September 2009; this number was 29.3 percent in the Las Vegas MSA. Las Vegas ranked 1st in this metric, reporting nearly two and a half times the share of employees in the leisure and hospitality industry reported among the comparison group (12.3 percent). Atlantic City ranked 2nd with 27.4 percent, and Orlando was a distant 3rd with 18.9 percent of its workforce employed by the leisure and hospitality industry. Honolulu and New Orleans ranked 4th and 5th with 14.0 percent and 12.9 percent, respectively. Refer to Exhibit II for details.

The leisure and hospitality sector includes those employed in the accommodation and food service sectors, which includes hotels, motels, other lodging types, and restaurants. The sector also includes those working for the arts, entertainment and recreation industry, which includes such establishments as amusement parks, museums and live performance venues. In addition to the hotels, motels, and inns found in every tourist destination, New York's restaurants and theatres, Miami's nightlife, Nashville's Grand Ole Opry, Orlando's Walt Disney World, and the San Diego Zoo, as examples, are all included in the leisure and hospitality sector.

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Exhibit II Employment – Leisure and Hospitality and Total Employment September 2009

City	Leisure and Hospitality Employment (thousands) ⁴	Total Employment (thousands) ⁵	Leisure and Hospitality Employment as share of Total Employment	Rank
Las Vegas, Nevada	250.3	854.3	29.3%	1
Atlantic City, New Jersey	56.4	206.2	27.4%	2
Orlando, Florida	192.4	1,015.7	18.9%	3
Honolulu (Oahu), HI	60.7	434.0	14.0%	4
New Orleans, Louisiana	66.9	518.8	12.9%	5
San Diego, California	158.8	1,241.6	12.8%	6
San Francisco, California	208.4	1,927.5	10.8%	7
Nashville, Tennessee	78.4	728.3	10.8%	8
Miami, Florida	240.8	2,257.4	10.7%	9
Denver, Colorado	127.6	1,198.9	10.6%	10
Los Angeles, California	559.2	5,298.5	10.6%	11
Phoenix/Central Arizona	174.6	1,708.8	10.2%	12
Atlanta, Georgia	230.8	2,270.0	10.2%	13
Tampa - St. Petersburg, FL	118.0	1,161.7	10.2%	14
Seattle, Washington	170.3	1,683.8	10.1%	15
Detroit, Michigan	176.0	1,745.3	10.1%	16
Dallas/Fort Worth, Texas	283.0	2,924.0	9.7%	17
Boston/Cambridge, MA	229.0	2,438.4	9.4%	18
Houston, Texas	233.6	2,516.6	9.3%	19
Chicago, Illinois	402.0	4,333.5	9.3%	20
Washington, DC	261.8	2,968.9	8.8%	21
New York City, New York	688.8	8,376.0	8.2%	22
Philadelphia, Pennsylvania	220.2	2,712.7	8.1%	23
Average	225.6	2,196.6	12.3%	
Median	208.4	1,745.3	10.2%	
Nationwide	13,350.0	131,399.0	10.2%	

Industry Wage and Salary Payments (Employee Compensation)

Also important are the contributions to household incomes made by the industry; these are commonly referred to as wage and salary payments or employee compensation. Compensation data are not reported at the MSA level as frequently as employment data, with the most recent sector level

⁴ Source: Bureau of Labor Statistics, State and Metro Area Employment, leisure and hospitality sector, September 2009

⁵ Source: Bureau of Labor Statistics, State and Metro Area Employment, total employment, September 2009

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totals reported in December 2008 as of 2007. Nationwide, 4.2 percent of wage and salary payments were attributed to the leisure and hospitality sector; the Las Vegas MSA reported 22.2 percent, ranking the area 1st nationally in this metric.

Atlantic City placed 2nd in terms of the share of total wage and salary payments attributable to the leisure and hospitality sector, with employees earning 21.6 percent of total pay. Orlando ranked 3rd with 11.4 percent of total employee compensation earned by those in the leisure and hospitality industry, while New Orleans and Honolulu ranked 4th and 5th in this metric, each with approximately 6.6 percent. Refer to Exhibit III below for details.

In terms of absolute leisure and hospitality compensation, Las Vegas ranked 3rd among the comparison areas, generating \$11.3 billion in wage and salary payments to the industry's direct employees. The much larger New York City and Los Angeles metropolitan areas ranked 1st and 2nd in terms of absolute compensation, reporting \$23.3 billion and \$20.6 billion, respectively. Chicago and Miami rounded out the top five with \$10.6 billion and \$7.5 billion in wage and salary payments, respectively.

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Exhibit III
Employee Compensation – Leisure and Hospitality and Total Compensation
2007 (latest available)

City	Leisure and Hospitality Employee Compensation (billions) ⁶	Total Compensation (billions) ⁷	Leisure and Hospitality Compensation as share of Total Compensation	Rank
Las Vegas, Nevada	\$11.3	\$50.7	22.2%	1
Atlantic City, New Jersey	\$2.3	\$10.7	21.6%	2
Orlando, Florida	\$6.0	\$52.7	11.4%	3
New Orleans, Louisiana	\$1.9	\$28.7	6.6%	4
Honolulu (Oahu), HI	\$1.9	\$28.4	6.6%	5
Miami, Florida	\$7.5	\$134.6	5.6%	6
Los Angeles, California	\$20.6	\$375.0	5.5%	7
Nashville, Tennessee	\$2.3	\$41.5	5.5%	8
San Diego, California	\$4.4	\$91.4	4.9%	9
Tampa - St. Petersburg, FL	\$3.0	\$64.0	4.7%	10
Phoenix/Central Arizona	\$4.9	\$103.7	4.7%	11
Denver, Colorado	\$3.4	\$79.1	4.3%	12
San Francisco, California	\$6.9	\$170.2	4.1%	13
Dallas/Fort Worth, Texas	\$7.1	\$184.0	3.9%	14
Atlanta, Georgia	\$5.6	\$147.0	3.8%	15
Chicago, Illinois	\$10.6	\$292.0	3.6%	16
Seattle, Washington	\$4.3	\$120.8	3.6%	17
Detroit, Michigan	\$4.3	\$121.8	3.5%	18
Boston/Cambridge, MA	\$6.3	\$182.3	3.5%	19
New York City, New York	\$23.3	\$691.8	3.4%	20
Philadelphia, Pennsylvania	\$5.7	\$178.5	3.2%	21
Houston, Texas	\$5.3	\$170.9	3.1%	22
Washington, DC	\$7.1	\$239.2	3.0%	23
Average	\$6.8	\$154.7	6.2%	
Median	\$5.6	\$121.8	4.3%	
Nationwide	\$327.6	\$7,845.6	4.2%	

Relative compensation levels are also germane to this discussion. Higher compensation levels generally reflect greater demand for specific groups of employees. Notably, leisure and hospitality workers on the whole are extremely well paid in Las Vegas relative to their counterparts in MSAs across the nation. Gaming employees likely contribute to Las Vegas' higher averages. Atlantic City, the other gaming destination, exhibited a similar trend. In addition, food service workers in areas with high concentrations of

⁶ Source: Bureau of Economic Analysis, State and Local Area Personal Income, compensation by industry, leisure and hospitality, 2007

⁷ Source: Bureau of Economic Analysis, State and Local Area Personal Income, compensation by industry, total, 2007

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top-end restaurants may also affect the average compensation of the leisure and hospitality sector in a particular location.

Leisure and hospitality employees in Las Vegas earned an average of \$38,141 in 2007, while their counterparts in Atlantic City earned \$37,087 on average during the same period. Median compensation among the comparison areas analyzed was \$22,902 in 2007, nearly 50 percent less than the compensation in Las Vegas and Atlantic City. Orlando ranked 3rd (\$27,930), Los Angeles was 4th (\$27,129) and New York City rounded out the top five (\$27,020). See Exhibit IV, which follows, for details.

Importantly, this analysis is not intended to be and should not be viewed as commentary on the appropriateness of leisure and hospitality employee compensation levels. Such an analysis would require additional considerations including, without limitation, average hours worked, training and education requirements, length of tenure and local cost-of-living adjustments. As noted above, this analysis merely indicates that there is a greater demand for leisure and hospitality workers in the southern Nevada market place relative to other similarly situated communities.

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Exhibit IV
Leisure and Hospitality Average Wages
2007(latest available data)

City	Leisure and Hospitality Employment (thousands) ⁸	Leisure and Hospitality Compensation (billions) ⁹	Average Compensation	Rank
Las Vegas, NV	295.7	\$11.3	\$38,141	1
Atlantic City, NJ	62.1	\$2.3	\$37,087	2
Orlando, FL	215.7	\$6.0	\$27,930	3
Los Angeles, CA	760.5	\$20.6	\$27,129	4
New York City, NY	861.7	\$23.3	\$27,020	5
Honolulu (Oahu), HI	72.3	\$1.9	\$25,883	6
New Orleans, LA	76.0	\$1.9	\$25,004	7
Miami, FL	301.6	\$7.5	\$24,851	8
San Francisco, CA	281.2	\$6.9	\$24,544	9
Boston/Cambridge, MA	263.7	\$6.3	\$24,000	10
Washington, DC	310.1	\$7.1	\$23,029	11
San Diego, CA	193.9	\$4.4	\$22,902	12
Chicago, IL	477.0	\$10.6	\$22,211	13
Phoenix/Central AZ	219.3	\$4.9	\$22,125	14
Seattle, WA	196.9	\$4.3	\$22,073	15
Denver, CO	153.7	\$3.4	\$22,039	16
Nashville, TN	104.2	\$2.3	\$21,789	17
Dallas/Fort Worth, TX	333.4	\$7.1	\$21,267	18
Philadelphia, PN	267.3	\$5.7	\$21,190	19
Tampa - St. Petersburg, FL	144.8	\$3.0	\$20,954	20
Detroit, MI	212.6	\$4.3	\$20,237	21
Atlanta, GA	282.7	\$5.6	\$19,789	22
Houston, TX	272.3	\$5.3	\$19,356	23
Average	276.5	\$6.8	\$24,372	
Median	263.7	\$5.6	\$22,902	
Nationwide	15,973.1	\$327.6	\$20,512	

Share of Gross Domestic Product

Gross domestic product (GDP) is the market value of goods and services produced by labor and property. GDP by MSA is derived as the sum of the GDP originating in all the industries in a particular metropolitan area. GDP is broken down by industrial sectors, one of which is the leisure and

⁸ Source: Bureau of Economic Analysis, State and Local Area Personal Income, employment by industry, 2007

⁹ Source: Bureau of Economic Analysis, State and Local Personal Income, compensation by industry, 2007

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hospitality sector. Nationwide, leisure and hospitality accounts for 3.8 percent of GDP; in the Las Vegas metropolitan area, this figure is a much higher 19.5 percent.

A review of the preceding sections in conjunction with the table below indicates areas tended to rank similarly in terms of employment, compensation, and GDP. Atlantic City ranked 1st in terms of leisure and hospitality GDP as a percentage of total GDP with 23.3 percent, though it ranked 2nd in terms of both the employment and compensation metrics discussed above. Las Vegas ranked 2nd in terms of industry GDP as a share of total GDP while ranking 1st in terms of the employment and compensation metrics. Ranking 3rd in each of these metrics was Orlando, though it reported leisure and hospitality GDP of only 10.2 percent of its total, about half that of Atlantic City and Las Vegas. Leisure and hospitality pay as a share of total compensation was about half that of Atlantic City and Las Vegas as well, though industry employment as a share of total was around two-thirds that of those two areas. The presence of gaming appears to contribute significantly to a leisure and hospitality product output at a higher rate per employee.

Trailing somewhat distantly are Honolulu and New Orleans, which ranked 4th and 5th, respectively, in terms of leisure and hospitality GDP as a share of total GDP with 6.5 percent and 5.7 percent. Refer to Exhibit V for details. These areas ranked 4th and 5th in terms of industry employment as a share of total employment, as well. In terms of industry compensation as a share of total, Honolulu and New Orleans again rounded out the top five, with both reporting approximately 6.6 percent.

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Exhibit V Gross Domestic Product (GDP) – Leisure and Hospitality and Total GDP 2008

City	Leisure and Hospitality GDP (billions) ¹⁰	Total GDP (billions) ¹¹	Leisure and Hospitality GDP as share of Total GDP	Rank
Atlantic City, New Jersey	\$4.4	\$18.9	23.3%	1
Las Vegas, Nevada	\$18.9	\$97.1	19.5%	2
Orlando, Florida	\$10.6	\$104.0	10.2%	3
Honolulu (Oahu)	\$3.1	\$48.1	6.5%	4
New Orleans, Louisiana	\$4.1	\$72.4	5.7%	5
Nashville, Tennessee	\$4.0	\$78.9	5.0%	6
Tampa - St. Petersburg, FL	\$5.5	\$110.5	5.0%	7
Miami, Florida	\$12.5	\$261.3	4.8%	8
Los Angeles, California	\$33.4	\$717.9	4.7%	9
San Diego, California	\$7.5	\$169.3	4.5%	10
Phoenix/Central Arizona	\$8.1	\$187.4	4.3%	11
San Francisco, California	\$11.8	\$310.8	3.8%	12
Denver, Colorado	\$5.6	\$150.8	3.7%	13
Detroit, Michigan	\$7.3	\$200.9	3.6%	14
Chicago, Illinois	\$18.5	\$520.7	3.6%	15
Atlanta, Georgia	\$9.2	\$269.8	3.4%	16
Seattle, Washington	\$7.4	\$218.8	3.4%	17
Boston/Cambridge, MA	\$10.0	\$299.6	3.4%	18
New York City, New York	\$41.1	\$1,264.9	3.2%	19
Washington, DC	\$12.3	\$395.7	3.1%	20
Philadelphia, Pennsylvania	\$8.9	\$331.9	2.7%	21
Houston, Texas	n/a	\$403.2	n/a	n/a
Dallas/Fort Worth, Texas	n/a	\$379.9	n/a	n/a
Average	\$11.6	\$287.5	6.1%	
Median	\$8.9	\$218.8	4.3%	
Nationwide	\$536.3	\$14,165.6	3.8%	

Visitation and Visitor Spending

In the preceding section, leisure and hospitality GDP as a share of total GDP is used to assess an area's relative dependence on tourism. This section takes a look at visitor spending as a share of GDP. There are some limitations worth noting when considering an analysis using this type of data. Visitation and visitor spending are estimated in various destinations

¹⁰ Source: Bureau of Economic Analysis, State and Local Area Gross Domestic Product, leisure and hospitality, 2008

¹¹ Source: Bureau of Economic Analysis, State and Local Area Gross Domestic Product, total, 2008

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based on differing methodologies and/or visitor surveys, which may not be conducted or reported consistently among destinations. Leisure and hospitality GDP, on the other hand, is consistently reported for each MSA by major sector, which provides more standardized data than survey-based estimates of visitor expenditures. That said, visitation and visitor spending estimates are worthwhile data points to consider as part of an overall analysis of an area's relative dependence on tourism.

In absolute terms, in FY 2008, Las Vegas welcomed 39.1 million visitors, making it the 4th most visited area in the nation, behind only Orlando, New York City, and Chicago.¹² With a population of 1.9 million, Las Vegas reported 21 visitors for each permanent resident compared to a median of 4.7, a figure which ranked the area 3rd among the comparison group, behind Atlantic City and Orlando. Exhibit VI, which follows, summarizes annual visitors, population, and the ratio of visitors to population for the MSAs analyzed.

¹² Of the twenty-three areas analyzed, some reported estimates for visitor volume and visitor spending for the fiscal year 2008, some reported figures for the calendar year 2008, and some did not specify which type of year they were reporting on; several destinations only had figures available as recent as 2007, and Denver and Detroit reported figures only as recent as 2006. The latest available data for each area was utilized in terms of visitor volume and visitor spending.

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Exhibit VI
Annual Visitors and Population
2008 or latest available data prior to 2008

City	Annual Visitors ¹³	Rank	Year Annual Visitors Measured	Population of MSA - 2008 ¹⁴	Ratio of Visitors to Population	Rank
Orlando, Florida	48,888,000	1	2007	2,054,574	23.8	2
New York City, New York	47,000,000	2	2008	19,006,798	2.5	21
Chicago, Illinois	45,600,000	3	2008	9,569,624	4.8	11
Las Vegas, Nevada	39,100,988	4	2008	1,865,746	21.0	3
Atlanta, Georgia	37,000,000	5	2007	5,376,285	6.9	6
Atlantic City, New Jersey	33,300,000	6	2008	427,511	77.9	1
Houston, Texas	31,390,000	7	2007	5,728,143	5.5	9
San Diego, California	31,100,000	8	2008	3,001,072	10.4	4
Philadelphia, Pennsylvania	29,000,000	9	2008	5,838,471	5.0	10
Los Angeles, California	25,600,000	10	2008	12,872,808	2.0	23
Dallas/Fort Worth, Texas	18,400,000	11	2008	6,300,006	2.9	19
Boston/Cambridge, MA	18,300,000	12	2008	4,522,858	4.0	14
Washington, DC	16,600,000	13	2007	5,358,130	3.1	18
San Francisco, California	16,400,000	14	2008	4,274,531	3.8	15
Tampa - St. Petersburg, FL	16,100,000	15	2008	2,733,761	5.9	8
Detroit, Michigan	15,900,000	16	2006	4,425,110	3.6	17
Phoenix/Central Arizona	15,400,000	17	2007	4,281,899	3.6	16
Miami, Florida	12,000,000	18	2008	5,414,772	2.2	22
Denver, Colorado	11,700,000	19	2006	2,506,626	4.7	12
Nashville, Tennessee	11,700,000	20	2007	1,550,733	7.5	5
Seattle, Washington	9,340,000	21	2008	3,344,813	2.8	20
New Orleans, Louisiana	7,600,000	22	2008	1,134,029	6.7	7
Honolulu (Oahu)	4,193,685	23	2008	905,034	4.6	13
Average	23,548,377			4,891,015	9.4	
Median	18,300,000			4,281,899	4.7	

Visitors to Las Vegas spent an estimated \$28 billion during the same timeframe, ranking the area 3rd nationally in terms of absolute visitor

¹³ Source: Orlando Convention and Visitors Bureau; NYC & Company, nycvisit.com; Chicago Convention & Tourism Bureau; for Las Vegas, EIS 1.2 The Economic Impact of Southern Nevada's Tourism Industry and Convention Sector, Applied Analysis, aggregate visitor spend; Atlanta Convention & Visitors Bureau; Atlantic City Convention & Visitors Authority; Greater Houston Convention and Visitors Bureau; San Diego Convention & Visitors Bureau; Philadelphia Convention & Visitors Bureau; The Los Angeles Convention and Visitors Bureau; Dallas Convention & Visitors Bureau; Greater Boston Convention & Visitors Bureau; Destination DC; San Francisco Convention & Visitors Bureau; Tampa Bay & Company; Detroit Metro Convention & Visitors Bureau; Greater Phoenix Convention & Visitors Bureau; Greater Miami Convention & Visitors Bureau; VISIT DENVER, The Convention & Visitors Bureau; Nashville Convention & Visitors Bureau; Seattle's Convention and Visitors Bureau; New Orleans Convention and Visitors Bureau; and Hawaii Visitors & Convention Bureau.

¹⁴ Source: U.S. Census Bureau, 2008 estimates.



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spending, behind only New York City and Orlando.¹⁵ Visitor spending for each area is obtained from the convention and visitors bureau or similar organization in operation in each area and is generally based on an estimate of expenditures based on visitor surveys multiplied by visitation.¹⁶ In Las Vegas, visitors spent an estimated \$716 per person per trip, ranking the area 5th highest within the comparison group in terms of impact per visitor, behind Miami (\$1,425 per visitor), Honolulu (\$1,368 per visitor), Phoenix (\$734 per visitor) and New York City (\$721 per visitor).

Estimated visitor spending accounted for approximately 2.8 percent of gross product (median value) during 2008 among all of the major metropolitan areas analyzed. During that same period, visitor spending accounted for 28.9 percent of southern Nevada's GDP, ranking the region 3rd behind Atlantic City and Orlando. Visitors to Las Vegas spent an estimated \$28.0 billion compared to a GDP of \$97.1 billion for the Las Vegas-Paradise MSA. Atlantic City reported annual visitor spending of \$10.7 billion and GDP of \$18.9 billion, indicating its economy is highly reliant on visitation to the area with more than 50 percent of its total economy sourced to visitor spending. Orlando ranked 2nd, reporting \$31.1 billion in visitor spending compared to total GDP of \$103.9 billion for the period, or just under 30 percent. Honolulu and New Orleans rounded out the top five for this metric at 11.9 percent and 7.0 percent, respectively.

¹⁵ Las Vegas visitor spending, originally estimated by visitor surveys, was conservatively benchmarked to reflect known expenditure levels. Visitor expenditure adjustments were made such that the sum of the parts are not greater than the whole (see, Issue I of this series, Tax Contributions of Southern Nevada Visitors.) It is unknown whether the visitor spending estimates for other economies were conservatively discounted in a similar fashion. In the majority of cases, it appears visitor spending estimates were based solely on visitor surveys and were not discounted.

¹⁶ See list of convention and visitors bureaus in the footnotes referenced in Exhibits VI and VII.

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Exhibit VII
Visitor Spending and Total GDP
2008¹⁷

City	Visitor Spending (billions) ¹⁸	Impact per Visitor	Total GDP (billions) ¹⁹	Visitor Spending as share of GDP	Rank
Atlantic City, New Jersey	\$10.7	\$321	\$18.9	56.6%	1
Orlando, Florida	\$31.1	\$636	\$103.9	29.9%	2
Las Vegas, Nevada	\$28.0	\$716	\$97.1	28.9%	3
Honolulu (Oahu)	\$5.7	\$1,368	\$48.1	11.9%	4
New Orleans, Louisiana	\$5.1	\$671	\$72.4	7.0%	5
Miami, Florida	\$17.1	\$1,425	\$261.3	6.5%	6
Phoenix/Central Arizona	\$11.3	\$734	\$187.4	6.0%	7
Nashville, Tennessee	\$3.9	\$333	\$78.9	4.9%	8
San Diego, California	\$8.0	\$257	\$169.3	4.7%	9
Atlanta, Georgia	\$11.4	\$308	\$269.8	4.2%	10
Philadelphia, Philadelphia	\$9.3	\$321	\$331.9	2.8%	11
Dallas/Fort Worth, Texas	\$10.5	\$571	\$379.9	2.8%	12
San Francisco, California	\$8.5	\$520	\$310.8	2.7%	13
New York City, New York	\$33.9	\$721	\$1,264.9	2.7%	14
Houston, Texas	\$10.7	\$341	\$403.2	2.7%	15
Tampa - St. Petersburg, FL	\$2.7	\$170	\$110.5	2.5%	16
Boston/Cambridge, MA	\$7.2	\$393	\$299.6	2.4%	17
Detroit, Michigan	\$4.8	\$302	\$200.9	2.4%	18
Seattle, Washington	\$5.1	\$550	\$218.8	2.3%	19
Chicago, Illinois	\$11.8	\$259	\$520.7	2.3%	20
Los Angeles, California	\$13.8	\$539	\$717.9	1.9%	21
Denver, Colorado	\$2.8	\$236	\$150.8	1.8%	22
Washington, DC	\$5.6	\$340	\$395.7	1.4%	23
Average	\$11.3	\$543	\$287.5	8.3%	
Median	\$9.3	\$393	\$218.8	2.8%	

No matter how the data are carved or the final rankings ordered, southern Nevada's economy is remarkably dependent on its tourism sector. This

¹⁷ Data is for 2008, or latest available prior to 2008 in terms of visitor spending.

¹⁸ Source: Orlando Convention and Visitors Bureau; NYC & Company, nycvisit.com; Chicago Convention & Tourism Bureau; for Las Vegas, EIS 1.2 The Economic Impact of Southern Nevada's Tourism Industry and Convention Sector, Applied Analysis, aggregate visitor spend; Atlanta Convention & Visitors Bureau; Atlantic City Convention & Visitors Authority; Greater Houston Convention and Visitors Bureau; San Diego Convention & Visitors Bureau; Philadelphia Convention & Visitors Bureau; The Los Angeles Convention and Visitors Bureau; Dallas Convention & Visitors Bureau; Greater Boston Convention & Visitors Bureau; Destination DC; San Francisco Convention & Visitors Bureau; Tampa Bay & Company; Detroit Metro Convention & Visitors Bureau; Greater Phoenix Convention & Visitors Bureau; Greater Miami Convention & Visitors Bureau; VISIT DENVER, The Convention & Visitors Bureau; Nashville Convention & Visitors Bureau; Seattle's Convention and Visitors Bureau; New Orleans Convention and Visitors Bureau; and Hawaii Visitors & Convention Bureau.

¹⁹ Source: Bureau of Economic Analysis, State and Local Area Gross Domestic Product, total, 2008.

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dependence appears to have lessened during the past decade; however, the region remains among the most tourism-dependent in the nation.

METHODOLOGY

General information on visitor volume and visitor spending were obtained from each destination's convention and visitors bureau or similar organization. For Las Vegas, a discounted measure of total visitor spending was utilized; refer to issue II in this series, *The Economic Impact of Southern Nevada's Tourism Industry and Convention Sector*. Leisure and hospitality and total GDP for 2008 for each MSA was obtained from the Bureau of Economic Analysis. Employee compensation by industry for 2008 was also obtained from the Bureau of Economic Analysis.

ANALYSIS LIMITATIONS

This analysis used the best available data to assess the relative dependence of major destination economies in the U.S. on tourism. It relies on data reported by third-party data providers; and, although we have no reason to doubt the accuracy of these data, they have not been subjected to any auditing or review procedures by AA.

In some cases data were either incomplete or inconsistent. Efforts were taken to minimize the impacts of these challenges, and we believe the analysis provides a fair and reasonable response to the fundamental question presented.

Finally, it is important to note that this is a preliminary undertaking that will be supplemented by on-going and future analyses. This report is not intended to be comprehensive and may not be appropriate for all purposes.