Metro Economic Outlook: Las Vegas

Corporate gatherings are big business in Las Vegas, where millions of professionals flock each year for meetings and conventions.

Tourism and related travel activity represent the heart of the metro region’s economy. The Las Vegas area’s gross domestic product of $93 billion ranks it 38th in the nation, just ahead of the Virginia Beach, Va. region and just behind the Bridgeport, Conn. metro area, according to the U.S. Bureau of Economic Analysis.

More than 41 million visitors came to Las Vegas in 2014, according to the Las Vegas Convention and Visitors Authority (LVCVA). Of that group, more than 5.1 million were convention delegates. The city hosted more than 22,000 conventions and meetings in 2014, resulting in an economic impact of $7.4 billion.

Las Vegas is also the top destination in North America for trade shows, according to the LVCVA. The city hosts 53 of the largest 250 shows, ahead of the two closest competitors, Chicago (29) and Orlando (24). Among the groups that hold their annual shows in Las Vegas each year are the National Association of Broadcasters and the International CES, an annual consumer technologies event hosted by the Consumer Electronics Association.

Las Vegas has nearly 11 million square feet of convention and meeting space, including the 2.2 million-square-foot Las Vegas Convention Center, which was home to SHRM’s 2015 Annual Conference & Exposition.

With such a large tourism and convention presence, it is perhaps no surprise that the leisure and hospitality sector represents the biggest segment of the Las Vegas metro’s private sector work force, with about 280,000 workers that belong to that industry.
Some of the area’s other large employment sectors are professional and business services, and trade, transportation and utilities.

However, much of the labor force’s future growth in the Las Vegas area is connected to the construction sector. According to State of Nevada projections for Las Vegas’s home of Clark County, the top three fastest-growing occupations from 2012-2022 will be cement masons/concrete finishers, roofers, and cost estimators.

Strong population growth in the past three decades has also given the labor market a steady supply of workers in the Las Vegas area. Clark County had fewer than 500,000 residents in 1980, but that number jumped to 770,280 in 1990, to 1,425,723 people in 2000 and now stands at roughly 2 million people, according to U.S. Census Bureau data.

The local housing market – which boomed in the early 2000s and had a commensurate crash during the Great Recession of 2007-2009 – has shown some improvements as of late, according to the Greater Las Vegas Association of Realtors. The median price of homes sold locally in March 2015 was $205,000, up 5.1 percent from a year ago. The median price for local condominiums and townhomes was $115,000 in March, an increase of 13.9 percent from March 2014.

Elsewhere, Las Vegas officials are in the midst of creating a new citywide strategic plan that would address economic diversification and improvements in public safety, transportation and education.
Employers in the Las Vegas metro area are much more likely than the national average to offer consumer-driven health plans, by a margin of 20 percent.

They are also more likely to offer domestic partner benefits, by a 12 percent margin above the national average.

The rate of employee 401(k) participation in the Las Vegas metro area’s workforce is just below the national average, by a margin of 1 percent.
The turnover rate in the Las Vegas metro area’s work force is considerably higher than the average nationally, by a margin of 26 percent.

Median household income in the Las Vegas metro area is on par with the national median level.

Per capita income in the Las Vegas metro region is slightly lower than the national median, by nearly $2,000.
Median salaries for top management level employees in the Las Vegas metro area vary when compared with national levels.

* Pacific Southwest States sub-region median data

Source: Towers Watson Data Services 2014 Survey Report on Top Management Compensation