Testimony of Steve Hill  
CEO/President, Las Vegas Convention and Visitors Authority  
Prepared for the Senate Committee on Commerce, Science and Transportation  
Subcommittee on Tourism, Trade, and Export Promotion  
Hearing on Economic Impacts of the U.S. Sports and Entertainment Economy, Las Vegas Edition  
August 25, 2023

Thank you, Chairwoman Rosen and Ranking Member Budd for inviting me before the subcommittee today to speak on the economic impacts of the sports and entertainment economy in Las Vegas. I also want to thank Chairwoman Cantwell and Ranking Member Cruz of the full committee. We appreciate the work of your subcommittee and the spotlight it puts on the importance of the tourism industry.

Tourism and hospitality are vital to the U.S. economy, and in Nevada this industry and the people it employs are central to the state’s prosperity. In fact, Las Vegas relies more on a single industry—the tourism and hospitality industry—than any other city. Las Vegas continues to diversify its economy; the city has made progress. But tourism remains our economic engine and our largest regional employer. Directly and indirectly, tourism employs 26% of all Las Vegas— and provides tax revenue that funds approximately 35% of the state’s budget. Approximately 39 million visitors spent $44.9 billion in Las Vegas in 2022 and had an overall economic impact of $79 billion. While visitor counts did not quite reach pre-pandemic levels, the amount spent on tourism-related activities reached new heights. Our city is a case study of the economic progress a destination can make when its public and private organizations are all invested and work cooperatively to reach a singular goal. Clearly, it is crucial the Las Vegas tourism industry continues to thrive.

Las Vegas became a tourism town in the 1930s when Hoover Dam workers traveled on the weekends to play in the city’s casinos. The industry began its real growth when to draw visitors to Las Vegas during the slow weekday periods, the legislature agreed to finance the construction of the Las Vegas Convention Center. As the Resort Corridor expanded, the convention center—the only building large enough to accommodate both the largest trade shows and the largest sports events—became the entertainment nerve center of the city, hosting the earliest boxing matches, basketball, and rodeos.

As Las Vegas has expanded to accommodate every type of traveler, our destination has become one of the world’s premier meetings and conventions destinations. The 150,000-square-foot convention center Las Vegas opened in 1959 is now 2.5 million square feet, hosting some of the largest meetings and trade shows in the world. Trade show producers choose Las Vegas because our destination is purpose-built for their needs, with entertainment and world-class dining all along our eight-mile stretch from the south end of the Strip to Downtown. In fact, according to Trade Show News Network, Las Vegas has been named the No.1 Trade Show Destination in North America for over 25 years. Combined with our resort partners’ spaces, our destination now totals 15 million square feet of convention space, up from 11.5 million in 2019. Our city also has more than 150,000 hotel rooms and event venues totaling 590,000 seats.
Last year, 5 million people attended conventions, spending $7.5 billion, supporting $2.1 billion in wages, and contributing to an overall economic impact of $13.2 billion. And we continue to grow: In 2021, the Las Vegas Convention Center added 750,000 net square feet—our new West Hall—and is now investing $600 million to renovate 1.9 million square feet of our legacy campus.

Las Vegas has a rich history of delivering sports and entertainment to a global audience. This community has expertise in hosting events spanning back to the Rat Pack era, countless Elvis appearances, and blockbuster boxing matches. Those were the types of events that set the stage for what happened next. UFC, headquartered in Las Vegas, was founded nearly 30 years ago and has grown that organization and sport as a whole into a multibillion-dollar business. In the mid-1990s, the first NASCAR race took place at the Las Vegas Motor Speedway. In 2004, Las Vegas welcomed the NBA Summer League, which continues today. In 2017, Bill Foley brought the Vegas Golden Knights, Las Vegas’ first major professional franchise. The NFL’s Raiders and WNBA’s Aces have followed. This city is also on the verge of welcoming MLB’s Athletics. Minor league teams in a wide range of sports, including baseball, continue to drive demand for local and visitor dollars. Importantly, sports-related activities extend well beyond the high-profile nature of professional sports as exhibition, youth, and other sporting events play a key role. Turning specifically to entertainment, Las Vegas is synonymous with some of the most well-known bands, acts, and talent to perform. In fact, concert residencies of today were started by Liberace right here in Las Vegas in 1944. Headliners continue to fill seats throughout the Las Vegas Valley, and high-profile performers such as Rolling Stones, Taylor Swift, BTS, Elton John, and Bad Bunny packed Allegiant Stadium.

Sports and entertainment activity falls within the broader tourism industry and has been a key driver of our post-pandemic recovery; the profile of visitors and their propensity to attend sports and entertainment events has changed forever. During 2022, approximately one out of 10 visitors cited attending a special event or sporting event as the primary purpose of their trip to Las Vegas. Additionally, 30 percent of visitors attended a show and six percent attended a sporting event while in town. At the same time, 16 percent of visitors watched a sporting event while in town at a sportsbook, watch party or on television.

Allegiant Stadium has propelled the sports and entertainment industry in Las Vegas forward. Since its opening in 2020, the venue has hosted nearly 3.2 million attendees across a wide range of events, including NFL games (1.1 million), UNLV football games (174,000), concerts (1.0 million) and other events (0.9 million). Among notable ticketed events, more than half of attendees during the past year indicated they were from out of town, with over 80 percent of those visitors indicating that the event was the primary reason for their travel. Actual visitor counts for the stadium exceeded initial estimates by 19 percent and the number of incremental visitors (those that would not have come but for the stadium) exceeded early expectations by 93 percent. Between greater visitor counts and elevated spending levels, economic activity more than doubled and job counts increased by a third from original estimates. During the past year, the visitor impacts sourced to those travelers alone equate to $1.8 billion in economic activity, $440 million in wages, and 7,900 jobs.

Growing Las Vegas into a premier sports destination has laid the groundwork for our coming special events. The Formula One Las Vegas Grand Prix in November is estimated to have an economic impact of $1.3 billion in its first year, $360 million of which will be wages paid to local workers. The Super Bowl, which Las Vegas will host in February 2024, is forecast to have an economic impact of over $600 million and will support over $200 million in local wages. We’re preparing to host the inaugural NBA In-Season Tournament, an event that will draw thousands more winter visitors. And in the last year, we secured the NCAA Men’s Final Four for 2028. We are attracting more and more international sports fans with recent events such as Concacaf’s Nations League Finals in June, which was estimated to bring $39 million in direct visitor spending to the city in only three days, with an estimated overall economic impact of $68.4 million.

The LVCVA’s research shows that Las Vegas visitors stay longer and spend more when they come to see sports. Our guests who attend a show or other entertainment activity indicate they spent nearly $310 per trip specifically on those activities – a 785% increase from the prior year. In fact, the visitor who attends a sporting event in Las Vegas spends, on average, 25 percent more than other tourists.
Sporting events can also drive incremental visitation and economic activity among travelers who may not otherwise have planned to visit or were even willing to consider Las Vegas as a destination. Sports has provided an entirely new reason to visit Las Vegas, expanding our portfolio of offerings and our potential customer base.

The largest impediment to attracting visitors and large events to Las Vegas, both internationally and domestically, is the travel required to get here.

Internationally, travel to the United States for first-time, non-immigrant visitors is often contingent on obtaining travel visas. As the country continues its post-pandemic recovery in terms of international visitation, wait times for B1 and B2 visa interviews, which can span well over one (1) year in certain key markets such as Brazil, Mexico, and India, are preventing visitors from visiting Las Vegas. U.S. Travel Association reports that the United States will lose close to 6.6 million visitors in 2023 due to visa interview wait times and that over 65% of visitors from the key markets will travel elsewhere rather than wait for their visa interviews to travel to the United States.

We appreciate the efforts that Chairwoman Rosen has initiated to assist with the visa processing issues affecting our potential visitors and large events. The Omnibus Travel and Tourism Act, which the Chairwoman co-sponsored and which passed late last year through the 2023 Omnibus Appropriations bill, will undoubtedly help alleviate visa processing delays as it establishes a senior federal official position within the Commerce Department to focus specifically on travel and tourism. Additionally, Chairwoman Rosen has assisted in establishing a program through the Visa Business Office which coordinates expedited visa interviews for confirmed attendees of large tradeshows and conventions. As we seek not only full recovery of pre-pandemic international visitation numbers, but growth from them, we need to lower visitor visa wait times to less than thirty (30) days, while modernizing national security measures with new and available technology, so that the visitors who want to visit the United States, and Las Vegas specifically, can get here.

Domestically, travel is also a major impediment to visitation. Southern California remains the top feeder market for visitors to Las Vegas, accounting for twenty-seven percent (27%) of visits to the destination. Ground transportation through Interstate-15 proves problematic for our visitors with 20+ mile backups common for return drives to California following holidays and major events. The proposed Brightline West high-speed rail project connecting Las Vegas and Southern California will help alleviate highway crowding that may deter visitors and remove an estimated three million vehicles and over 700 million vehicle miles from this important artery. We ask that the United States Department of Transportation fully fund the project.

The nearly 70 miles of planned underground Vegas Loop tunnels funded privately by The Boring Company will transport guests from their resorts to venues all over the city and will also be part of that solution.

Tourism works, grows, and thrives in Southern Nevada thanks to the collaboration among all our private and public partners including our local, state, and federal elected leaders and their staffs, public safety officials, and our resort partners.

Thank you, Senator Rosen, for your leadership and unwavering commitment to the tourism industry. We are also grateful to our entire Nevada federal delegation who understand the impact tourism has on local and U.S. economies. Thank you again for inviting the LVCVA to tell the Las Vegas tourism story.