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Terrorism and tourism in Las Vegas: Impacts and bounce backs

Beginning in January 2002, gaming analysts began to scrutinize Las Vegas to determine tourism's bounce back after the terrorist attacks of 9/11. While many gamers live in Las Vegas and nearby suburbs, Las Vegas is a bastion of tourism boasting over 35 million visitors in 2001. A majority of those who visit Las Vegas situate themselves on the Strip and gaming revenues are one way of measuring the success of tourism in the city. However, since 9/11, the amount of tourists dwindled, occupancy rates declined, and gaming revenues on the Strip were down 12% in the last quarter of 2001 (National Gaming Summary 2002).

Other issues impacted tourism activity in Las Vegas as well such as the decline of the national economy, but gaming markets throughout the United States experienced an increase in revenues such as in Indiana, Illinois, Iowa, California, and Mississippi despite national economic downturns. Even Atlantic City, so close to New York, experienced an increase in revenues in the first quarter of 2002. Gaming analysts argue that many gamers are choosing not to travel to popular destinations for gaming entertainment as a result of 9/11, and are spending their gambling dollars closer to home.

Although travel took a hit after 9/11 and the convention industry slowed down as well across the U.S., tourism continued to thrive in 2002. According to the Travel Industry Association of America, summer travel was forecasted to increase 2% from summer 2001. Although trip length was expected to be shorter and dollars spent were to be less, Americans stated that they planned to travel for leisure purposes in the summer of 2002. And, Nevada was listed as 6th in the Top Ten Destinations travelers would like to visit during the summer of 2002 (TIA 2002). Despite this, Las Vegas continued to see an overall decline in tourism numbers and resulting gaming revenues.

According to the Las Vegas Convention and Visitors Bureau, in March of 2002 visitor volume was down 1.2%, which was the fifth month in a row of tourism decline. In the first six months of 2002, tourism was down 2.3% and gaming revenue was down 4.1% as well. It was not until November that increases were seen in tourist numbers and gaming revenues. In comparison to 2001, those numbers are not anticipated to be an adequate measurement of growth given the severe decline after 9/11. So, after years of increasing visitors and gaming revenues in Las Vegas, 2002 remained flat in relationship to 2001 demonstrating that Las Vegas, although still a popular destination, was hard hit by both the attacks of 9/11 and the decline of the national economy.

All of this is to be expected. All over the United States travel was down, but Las Vegas is a special case. For years Las Vegas has been nationally and internationally known as an adult playground with its mega resorts and concentrated vice in the form of gambling and adult entertainment. Arguably, terrorism has targeted Las Vegas in a particular way. With its post-modern architecture and grandiosity, it can be posited that in many ways the Strip itself is a

theme park rendition of the World Trade Centers where money and status are interlinked as a true American symbol of capitalism and corporate determinism. One was high-brow, rising in the New York skyline as a symbol of American freedom and prosperity. The Strip, on the other hand, is less revered as a place of status, but nevertheless, it symbolizes the same American values of freedom and greed. It lacks corporate polish, business suits, and commuter lifestyles that the WTC epitomized, but the Strip comes from the same American values where people are free to do as they please, make money, celebrate their winnings, and shop from a dearth of options located in every casino.

Given their symbolic similarities, it is no wonder that Las Vegas suffered a decline in tourism and gamers stayed away from the Strip and played close to home. America placed on orange alerts throughout 2002 in reaction to potential terrorist attacks and as negotiations with Iraq lead to war, the Las Vegas Strip seemed a prime target for those who opposed American capitalist growth and material celebration. Therefore, gamers who would typically travel to Vegas for entertainment purposes spent their gaming budgets elsewhere, thus increasing gaming revenues in alternate gaming markets while Las Vegas, the bastion of gambling enterprises, lost its share of potential gamers and felt its impact through lay-offs, decline in hotel occupancy and room rates, and cancelled conventions.

What the future holds for Las Vegas is uncertain. Recent reports from the Convention and Visitors Bureau demonstrate that Las Vegas tops the worldwide search list for Ask Jeeves search engine on the Internet and that it is considered the number one trade show destination for 2003 according to Tradeshow Week magazine (Las Vegas CVB 2003). Visitor numbers are on the rise, but a full bounce back is not expected to occur until late 2003, early 2004. The national economy and the war in Iraq along with continued terrorist threats are anticipated to keep tourism at bay in Las Vegas. Therefore, gamers will continue to play closer to home increasing gaming revenues in local markets, but the how the Strip will fare remains to be seen for 2003.

References

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