

A Positive Outlook

The Rise of Restaurants



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**APPLIED
ANALYSIS**

When celebrity chef Wolfgang Puck opened Spago in the Forum Shops at Caesars Palace in 1992, few believed his fine-dining restaurant could survive in a city known for \$1.99 steak-and-eggs specials and all-you-can-eat buffets. Yet Spago not only survived, it thrived, leading a wave of culinary expansion that has elevated Las Vegas among the top cities for fine dining experiences. Nearly 25 years after Puck opened his restaurant, Las Vegas is home to one of the finest collections of world-renowned chefs and restaurants anywhere on the planet.

The growth of fine dining has been central to the ongoing evolution of Las Vegas. As legalized gambling has expanded across the United States and the globe, Las Vegas has responded by expanding its amenities beyond gaming to maintain its position as a top tourist destination. Two decades ago, gaming revenue made up more than half of all revenue for resort hotels along the Las Vegas Strip. Today, gaming accounts for just a third of all revenue. With the development of high-end shopping centers, world-class venues that draw the biggest names in entertainment, and restaurants headed by the top chefs in the culinary world, non-gaming revenue today makes up the majority of revenue. Since 1995, food revenues alone have grown from 11 percent to 16 percent of total resort revenue.

While the growing selection of fine dining destinations has been a boon for Las Vegas tourism, the benefits don't end there. Local residents now have access to the world's best cuisine via a short car ride. Two decades ago, that would have required a trip to Los Angeles or New York. Additionally, restaurants and bars have provided economic opportunities and jobs for southern Nevadans as they proliferated before the Great Recession and, following just a brief decline, after the downturn, became a \$10 billion industry in southern Nevada. Full-service restaurants, which include everything from the celebrity chef establishments on the Strip to neighborhood diners, make up about a third of the sector. Since 2002, the number of full-service restaurants in southern Nevada has nearly doubled from 760 to 1,410, which isn't all that surprising when you consider that Americans are spending more on dining out than ever before. Employment growth at those restaurants has followed a similar trend, expanding from 25,440 jobs in 2002 to 47,870 jobs that paid \$1.2 billion in wages last year.

Whether it's a high-end restaurant run by a Food Network star or a modest family-owned restaurant around the corner, the bottom line of southern Nevada's growing restaurant industry is that we have many more choices for eating out today than just a decade ago. That's great news for our economy and our appetites.

