

The World City of Gaming

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There are many routes to world city status. Most places get there by being financial, trade, or manufacturing hubs, or as is the case with the biggest and most connected world cities, a concentration of all three. Las Vegas took a different path. It achieved world city status via one key sector—gaming.

Almost no one saw Las Vegas evolving into a world city. Even in the late 20th century few predicted the region could ever reach 1 million residents, let alone reach 2 million. In 1970, Jerome Pickard, a demographer working at the Urban Land Institute in Washington, DC, projected major U.S. metropolitan area populations to the year 2000. These estimates were perfect, but for one exception—he missed Las Vegas. Las Vegas at the time seemed like a one trick town. Its main industry, gambling or “gaming,” was unique to Nevada. Sure, the city already featured landmark hotels and the famous “Strip” was by then iconic enough to influence American architectural theory, but the idea of an overgrown honky-tonk town as a world city seemed a stretch.

A generation later, what changed? To start, gaming has spread throughout the U.S. and the world. First, Atlantic City, New Jersey, allowed gaming in the late 1970s and then the floodgates opened. Soon people could gamble on riverboats in the Mississippi and off the Gulf Coast. The Supreme Court ruled that Native Americans could operate casinos—and they did just about everywhere. Every time gaming expanded, analysts predicted the demise of Las Vegas. Yet history shows that the widespread diffusion of gaming only induced a bigger appetite for it. Many people who gambled on a riverboat or at a local Indian casino were really just warming up for Las Vegas.

The gaming industry in Las Vegas has matured in multiple ways, offering a host of complementary activities. One of the first was the strengthened Las Vegas tie to Hollywood and entertainment. By the 1980s, Las Vegas became one of the world’s largest venues for live entertainment, surpassing even Broadway in New York. The city then began to add function after function related to tourism—food, shopping, and perhaps most importantly of all, conventions.

At the same time, a series of secondary economic drivers transformed the city over several decades. The casino and entertainment complex constructed in Las Vegas by 1970s induced a growth in airline connections and convention business. The city had enough tourism to warrant non-stop links to almost every major city in the U.S. The scale of tourism worked to keep landing fees among the lowest of any hub airport. By 2008, McCarran Airport ranked 15th in the world for passenger traffic, with 44,074,707 passengers passing through the terminal, and 6th in airplane “movements,” which includes take offs and landings.

The presence of so many hotel rooms and the fact that their use is cyclical (with high demands on weekends) facilitated the emergence of the largest convention business in the U.S. Most trade shows occur from Sunday to Wednesday nights and fill hotel rooms that would otherwise go empty had the city only catered to leisure travelers. Las Vegas’ capacity for conventions is now so great that the nation’s largest trade shows have literally nowhere else to go, making the city a permanent annual feature in their industries. If Las Vegas did not exist, it would have to be invented for the massive convention space alone.

Further, Las Vegas now leads the globe in the production of services specific to gaming. The city is to gaming what Houston is to energy, the command and control center in a booming global business. Like Houston, whose initial energy business growth came

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from nearby oil wells, Las Vegas' initial advantage derived from being home to the first large-scale gaming industry. Las Vegas—its image, style, and excitement—is itself the leading brand in gaming worldwide. For the moment, every new gambling center seeks a vicarious identity with this brand as a form of business legitimacy.

As gaming spreads Las Vegas firms that specialize in building and managing mega-resorts and entertainment complexes build, design, or consult on new gambling centers from Singapore to Macau, China. In the current recession, as gaming revenue plummeted in Las Vegas, properties in much of the rest of the world performed well. This geographic diversification strengthened the bottom line for such Las Vegas-based companies as MGM Resorts International, Wynn Resorts, and the Las Vegas Sands Corporation.

Rather than become a new ghost town, as some urbanists imagine, Las Vegas in fact has a bright future, one that will continue to befuddle its many critics while enriching the opportunities of its citizens.