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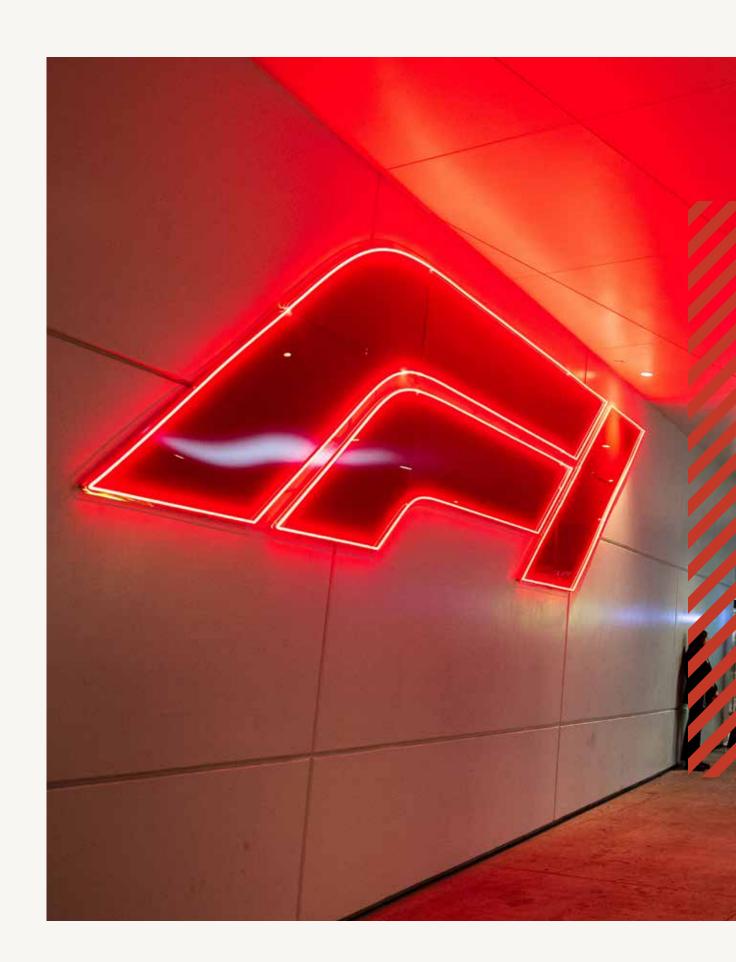
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# **EXECUTIVE SUMMARY**

The Southern Nevada community welcomed the Las Vegas Grand Prix back on Saturday, November 23, to the 3.8-mile track which includes a 1.1-mile straightway along the iconic Las Vegas Strip. The Las Vegas Grand Prix was one of two-dozen races held during 2024 hosted by Formula 1 (F1), which boasts the highest level of single-seat, open-wheel and open-cockpit professional motor racing in the world. Major events, such as the Las Vegas Grand Prix, generate significant positive impacts for Southern Nevada's tourism industry and the broader economy. The highlights below provide key facts, figures and considerations about the impact of the race on Southern Nevada.

- Las Vegas Grand Prix Maintains Its Position as a Mega-Event for the Southern Nevada Community. Overall event attendance during race week reached 306,000, inclusive of spectators, special event attendees, team personnel, media and other supporting staff. When converting event attendance into visitation to the region, a total of nearly 175,000 unique travelers from around the world descended upon the Las Vegas area for the Las Vegas Grand Prix.
- ▶ Aggregate Economic Impacts Sourced to F1 and Las Vegas Grand Prix Exceeded \$934 Million in its Second Year. The combination of overall visitor spending and F1 investments into infrastructure and event operations during 2024 generated \$934 million in economic activity throughout the Southern Nevada community. Additional details are included in the visitor and operations/event hosting sections below.
- ▶ The Economic Impact of Event-Specific Visitor Spending totaled \$556 Million. Visitors that traveled to Las Vegas and attended the event stayed 3.7 nights on average and spent more than \$2,400 on non-race-related expenditures, including hotel rooms, food and beverage, local transportation, shopping, gambling and entertainment. To be clear, the \$2,400 per visitor does not include the cost of Las Vegas Grand Prix tickets; rather, it reflects the direct economic benefits to Las Vegas from visitor expenditures outside the race itself. After accounting for visitor and business displacement, net visitor spending reached \$336 million. Indirect (vendor) and induced (employee spending) impacts contributed another \$220 million, resulting in a combined economic impact of \$556 million. Stated otherwise, for every dollar spent in the local economy, roughly \$1.65 of economic activity was generated.





# **EXECUTIVE SUMMARY**

- ▶ F1 and Las Vegas Grand Prix Also Invested Hundreds of Millions of Dollars in Infrastructure, Operations and Event Hosting. The direct economic impact within the local community, which excludes out-of-market purchases, totaled approximately \$213 million. The ripple effect of this spending (including indirect and induced) translated into \$378 million of economic activity for the Las Vegas area.
- ▶ Wages to Local Workers Reached \$284 Million During 2024. Inclusive of event-related activity, company operations, event operations and the labor to support overall visitor spending, approximately \$284 million in local salaries and wages were infused into the economy during 2024.
- ▶ **Job Impacts for Local Workers Were Significant.** Race-related infrastructure and operations, along with company operations and visitor spending, supported 2,790 direct positions and another 1,712 indirect and induced workers in Southern Nevada. Combined, the second year of the Las Vegas Grand Prix sustained 4,502 jobs within the economy.
- Las Vegas Grand Prix Generated Substantial State and Local Taxes. The Las Vegas Grand Prix generated \$45 million in tax revenues for state and local governments during 2024. Among the most significant beneficiaries of this tax revenue were the state general fund, Clark County's general fund and the Clark County School District. This includes a wide range of taxes, including live entertainment taxes, room taxes, sales and use taxes, gaming-related taxes, property taxes and commerce taxes.
- ▶ Media Exposure for Las Vegas Spanned a Global Audience as a Result of the Las Vegas Grand Prix. Media reach during race week (the period from Monday, November 18 to Tuesday, November 26) included approximately 33,700 stories and over 706 billion impressions, equating to a publicity value in excess of \$6 billion. Social media reach of F1, Las Vegas and the event itself was 3.9 billion, while an additional 407 million videos were viewed across F1 and Las Vegas Grand Prix channels. Television viewership during race weekend reached over 56.1 million.
- ▶ Formula 1 is Community Building. In its second year, the Las Vegas Grand Prix continued to expand its support for the local community. The group donated over 170,000 pounds of food and beverage items to Three Square Food Bank and The Aftermarket. Other donations benefited organizations such as Shine a Light Foundation, Veterans Village and Las Vegas Livestock. Las Vegas Grand Prix also engaged with the local community by welcoming 600 middle school students from the Clark County School District and UNLV School of Engineering Racing Club students to behind-the-scenes tours. They also engaged in learning F1-STEM career paths from industry experts.

### **ECONOMIC IMPACT IN 2024**

SOURCED TO OPERATIONS AND NET VISITOR SPENDING



**ECONOMIC IMPACT** 

\$934M

OPERATIONS

\$378M

NET VISITOR SPENDING

5556



SALARIES AND WAGES

\$284M

OPERATIONS

\$1.46M

NET VISITOR SPENDING

\$1.38 \( \text{1} \)



4,502

OPERATIONS
2,025

NET VISITOR SPENDING

2,477



### **EVENT SUMMARY**









### RACE RESULTS

- 1. **GEORGE RUSSELL**
- 2. **LEWIS HAMILTON**
- 3. CARLOS SAINZ
- 4. CHARLES LECLERC

- 5. MAX VERSTAPPEN
- 6. LANDO NORRIS
- 7. **OSCAR PIASTRI**
- 8. **NICO HULKENBERG**

- 9. YUKI TSUNODA
- 10. **SERGIO PEREZ**
- 11. FERNANDO ALONSO
- 12. **KEVIN MAGNUSSEN**

- 13. **ZHOU GUANYU**
- **14. FRANCO COLAPINTO**
- 15. LANCE STROLL
- 16. LIAM LAWSON

- 17. **ESTEBAN OCON**
- **18. VALTTERI BOTTAS**
- 19. **ALEXANDER ALBON**
- 20. PIERRE GASLY



### **EVENT SUMMARY**

**VISITOR PROFILE** 







### VISITOR SPENDING PROFILE

NET VISITOR SPENDING IN SOUTHERN NEVADA
DURING RACE WEEK REACHED





THE AVERAGE VISITOR TO THE LAS VEGAS AREA FOR THE GRAND PRIX SPENT A TOTAL OF OVER

\$2,400

WHILE IN TOWN
(NEARLY 2X THE TYPICAL, NON-FORMULA 1 VISITOR)

# DEFINING IMPACTS, APPROACH & METHODOLOGY

### **ECONOMIC IMPACT ANALYSIS**

Formula 1 engaged research firm Applied Analysis to develop an event-specific impact assessment model for the Formula 1 Las Vegas Grand Prix. The model includes economic impacts sourced to the race itself and year-round event development and promotion spending by Formula 1 and Las Vegas Grand Prix. The impacts noted are for the Las Vegas metropolitan area, generally defined as the local economy. Background data on the US and international race expenditures were obtained from over 5,000 attendee surveys. Surveys were commissioned by Formula 1 and were completed in the days following race weekend. An economic and fiscal impact assessment model was then created to estimate direct, indirect (supplier) and induced (employee spending) impacts sourced to the Formula 1 Las Vegas Grand Prix.



#### **ECONOMIC OUTPUT**

IMPACT OF TOTAL SPENDING WITHIN THE LOCAL ECONOMY



RLEN

**TUDOR** 

HUGO

## WAGES AND

IMPACT ON PERSONAL INCOMES FOR LOCAL RESIDENTS



#### **EMPLOYMENT**

IMPACT ON THE NUMBER OF JOBS WITHIN THE LOCAL ECONOMY



# DEFINING IMPACTS, APPROACH & METHODOLOGY

### RIPPLE EFFECT



#### **DIRECT IMPACT**

Generated by direct spending of Formula 1, Las Vegas Grand Prix and its partners, along with visitors the event is responsible for bringing to the market

#### INDIRECT IMPACT

Secondary impact generated by suppliers and businesses supporting the economic activities of Formula 1 and its visitors

#### INDUCED IMPACT

Sourced to businesses that are supported by the spending of employees supported by direct impacts

### TOTAL IMPACT

The sum of direct, indirect and induced impacts (often referred to as the "ripple effect")



#### METHODOLOGY

#### **IMPLAN Model**

- 1 of 3 nationally recognized impact analysis software tools
- Developed by Minnesota IMPLAN Group,
   Inc. and used by more than 1,000 public and private institutions
- IMPLAN is an input-output model that utilizes complex economic equations to explain how the "outputs" of one industry become the "inputs" of others, and vice versa
- This relationship is sometimes referred to as the "multiplier effect", illustrating how changes in one sector of the economy can affect other sectors

#### **Limitations and Assumptions**

- Input-output models, as is the case with all econometric models, are not without their limitations; the statistical model used in this analysis, IMPLAN, for example, assumes that capital and labor are used in fixed proportions
- This means that for every job created or lost, a fixed change in investment, income and employment results
- In reality, developers, consumers and governments respond to stimuli in complex ways, including changing the mix of capital or labor as well as the types and frequencies of investment
- Importantly, each impacting force has its own unique characteristics, affecting how consumers and businesses respond to the given change

Note: Totals may not sum due to rounding.



# **ECONOMIC IMPACTS**

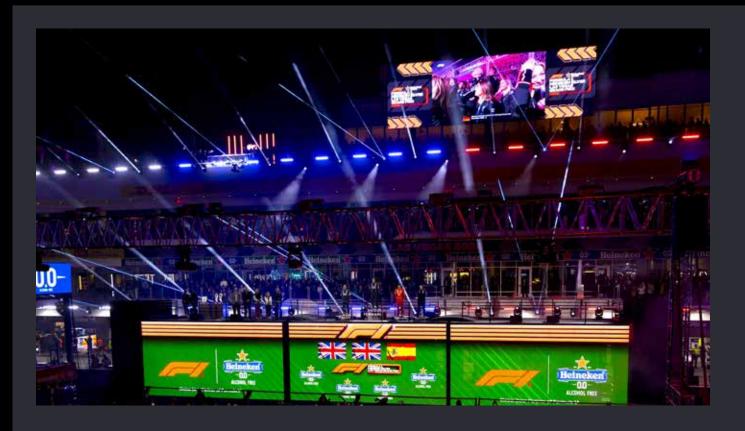
### INFRASTRUCTURE AND OPERATIONS

Throughout the course of the year, Las Vegas Grand Prix maintains a permanent, year-round operation that is charged with making necessary infrastructure improvements to support the event and conduct all promotional activities. The organization is ultimately responsible for race-weekend execution, which are both labor and capital intensive.

Overall direct spending that remained within the local market totaled approximately \$213 million. Indirect impacts associated with the spending, which largely reflect vendor purchases, translated into an additional \$70 million of economic activity. The impact of induced activity, or employee spending, contributed another \$95 million in impact. The combined economic impact of infrastructure and operational activity reached \$387 million.

Beyond the output during 2024, total wages supported as a result of Las Vegas Grand Prix's infrastructure and operations reached \$146 million. Overall, a total of 2,025 local jobs were supported during 2024 as a result of the Las Vegas Grand Prix.









\$146M



Impact Type	Direct	Indirect	Induced	Total
Economic Output	\$213M	\$70M	\$95M	\$378M
Salaries and Wages	\$91M	\$26M	\$29M	\$146M
Employment	1,168	348	509	2,025



### VISITOR SPENDING (NET)

Overall net visitor spending by attendees while in the Southern Nevada market area reached approximately \$336 million. When the ripple effect of that spending is considered, total economic impact is estimated at \$556 million. Perhaps just as important are the \$138 million in salaries and wages that supported 2,477 local workers as a result of the Las Vegas Grand Prix.

Visitor spending not only supported businesses in the leisure and hospitality sector (e.g., hotel personnel, restaurant workers and retail merchants), it also rippled through the economy supporting suppliers of major industries and neighborhood businesses such as grocery stores, medical establishments and automobile shops when direct wages and salaries are spent throughout the community.

These net impacts reflect consider selected visitors that would typically travel to the Las Vegas area and may have been displaced as a result of the event. As such, this analysis contemplates displaced visitor and business spending.







# NET VISITOR SPENDING AND OPERATIONS

When the operational activities and net visitor spending are aggregated, the overall economic impacts reach \$934 million in 2024, supporting \$284 million in salaries and wages for 4,502 local workers.



**ECONOMIC IMPACT** 

\$934M



SALARIES AND WAGES

\$284M



**EMPLOYMENT** 

4,502

Impact Type	Direct	Indirect	Induced	Total
Economic Output	\$549M	\$162M	\$223M	\$934M
Salaries and Wages	\$182M	\$47M	\$56M	\$284M
Employment	2,790	685	1,028	4,502



# FISCAL IMPACTS

Nevada has several hundred taxes, fees, exactions and charges that are levied on businesses, residents and visitors. However, for purposes of this analysis, the most notable public revenue sources have been included to highlight key some of the largest taxation categories and key beneficiaries of those taxes. Taxes inuring to the federal government, while significant, are omitted from this analysis as this analysis is specific to state and local impacts.

By contrast to the economic impacts analyzed in the preceding sections, fiscal impacts reflect only the direct consequence of the Las Vegas Grand Prix. This approach is a function of the "near impossibility" of accurately predicting the secondary fiscal consequences of the event's activities as well as the potential for double counting. As such, the impacts cited herein should be considered conservative estimates.

The following highlights selected public revenue sources:





#### Live Entertainment Tax

This tax applies to live performances, including concerts, theater shows, and other entertainment events, including the Las Vegas Grand Prix. The tax rate is 9 percent on ticket sales, contributing significantly to the state's general fund.



### Transient Lodging (Room) Tax

Nevada imposes taxes on short-term lodging rentals, including hotel stays and vacation rentals. This tax is crucial, especially in areas like Las Vegas, where tourism is a major economic driver. The tax rate varies by jurisdiction and benefits various entities but is generally around 13 percent overall.



#### Sales and Use Tax

This is a significant revenue source for state and local governments. Nevada imposes a state sales tax on tangible goods sold at retail, with additional local sales taxes in various regions, including Clark County.

The rate can vary, but the overall rate in Clark County 8.375 percent.



### Gaming (Percentage Fee) Tax

Nevada relies heavily on the gaming industry. Casinos are taxed on their gaming revenues, with rates that vary depending on the size of the casino. The top-tier tax for non-restricted gaming operations is 6.75 percent, and the revenue inures to the state general fund.



#### **Property Tax**

Property taxes are a key revenue source for state and local governments in Nevada. The tax generates significant funds for local services like education and infrastructure. The pit building is located on property owned by the Las Vegas Grand Prix, which is located in tax district 470 and maintains overall tax rate of 2.9328 per \$100 or assessed value.



#### **Commerce Tax**

This tax applies to businesses with gross revenues over \$4 million annually, regardless of profitability. The tax inures to the benefit of the state general fund.





Warefree in









SOCIAL MEDIA



REACH

3.9B + 407M + 81M + 1.3M +

VIDEO VIEWS ON F1 AND LVGP CHANNELS

INTERACTIONS WITH F1 CONTENT

**MENTIONS** 

SOURCE: LAS VEGAS GRAND PRIX

# SOCIAL IMPACTS

172,000

POUNDS OF FOOD AND BEVERAGE ITEMS DONATED TO THREE SQUARE FOOD BANK AND THE AFTERMARKET

5,000

CLOTHING ITEMS AND OTHER ESSENTIALS TO SHINE A LIGHT FOUNDATION AND VETERANS VILLAGE

76,000

POUNDS OF FOOD SCRAPS (POST-EVENT) WERE SENT TO LAS VEGAS LIVESTOCK

CLARK COUNTY SCHOOL DISTRICT STUDENTS AND UNLV SCHOOL OF ENGINEERING RACING CLUB STUDENTS PARTICIPATED IN A BEHIND-THE-SCENES TOUR AND LEARNED ABOUT F1-STEM CAREERS FROM INDUSTRY EXPERTS



CLARK COUNTY'S COURT APPOINTED SPECIAL ADVOCATES (CASA) VOLUNTEERS AND CHILDREN FROM FIRST NEVADA SERVED IN CEREMONIAL NATIONAL ANTHEM ROLES

CHIEFE.





### ABOUT APPLIED ANALYSIS

Applied Analysis is an economic analysis and broad-based consulting firm founded in 1997, serving both the public and private sectors. Our team has extensive experience in economics, hospitality consulting, market analysis, information technology, finance and other business consulting roles. We apply this knowledge in an effort to develop creative solutions to our clients' challenges. Additionally, our team has extensive experience in preparing economic and fiscal impact analyses. AA has been retained by a number of organizations and industries to review and analyze the economic, fiscal and social impacts of community investments and operations. We have provided services similar to those contained herein on behalf of the following representative clients.

- ► Allegiant Stadium
- ► Association of Gaming Equipment Manufacturers
- ► Boyd Gaming
- ► Caesars Entertainment
- ► City of Henderson
- ► City of Las Vegas

- ► Clark County Regional Flood Control District
- ► Cox Communications
- Desert Research Institute
- Downtown Project
- Formula 1

- Harry Reid International (LAS) Airport
- Las Vegas Convention and Visitors Authority
- Las Vegas Global Economic Alliance
- ► Las Vegas Museum of Art

- ► Las Vegas Stadium Authority
- ► MGM Resorts International
- ▶ Nevada Mining Association
- ► Nevada Resort Association
- ► NV Energy
- ► Oakland Athletics

- Regional Transportation Commission of Southern Nevada
- ► Resorts World Las Vegas
- Southern Nevada Tourism Infrastructure Committee
- ► Station Casinos

- ► T-Mobile Arena
- ► Tesla
- ► Touro University Nevada
- **▶** UFC
- ▶ University of Nevada, Reno
- University of Memphis
- ▶ WWE



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