

Hotel Online

News for the Hospitality Executive

Calm Before the Storm: Mega Resorts Scheduled to Open by 2012 in Las Vegas Will Create 50,000 New Jobs

By Arnold M. Knightly, Las Vegas Review-
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Oct. 28, 2007 - The problem is not new.

Gaming properties throughout Clark County have long faced shrinking pools of qualified workers in all areas: from casino floors to restaurants, from the kitchen to the hotel rooms, from the reservation desk to technology support, from valet to management.

"It's one of the same challenges the industry has faced over the last 20 years or so," said Frank Fertitta III, chairman and chief executive officer of Station Casinos. "If you go back to before riverboat gaming spread and gaming spread to all these other jurisdictions, one of the big concerns was the industry is growing faster than the talent pool."

The Strip alone has \$28.8 billion worth of construction projects scheduled to open by 2012, which will create an estimated 50,000 hotel-casino jobs. Off-Strip casino projects are expected to need 15,000 new workers.

"We have students who are very well-qualified," said Stuart Mann, dean of the William F. Harrah College of Hotel Administration at the University of Nevada, Las Vegas. "Unfortunately, we can't graduate enough of them. All the recruiters that come to us say they would take all that we could give them."

Demand for workers has been growing since the opening of The Mirage in 1989, said Joel Lauer, owner of the PCI Dealer School.

Since the early 1990s, casino bosses have been coming to the school to hire dealers even before they had finished

their courses.

Casino operators experience their first real crunch for workers a couple months before a big resort opening. The crunch can last six months to a year after each opening.

"It's the calm before the storm right now," Lauer said about the pending boom in new resorts. "By next month there will be another crunch."

Lauer's assessment that we're experiencing the "calm before the storm" matches research done this summer by the Nevada Department of Employment, Training and Rehabilitation.

With only one project opening late this year, the \$1.8 billion Palazzo, job growth in the travel and accommodations industry is projected to decline 1.6 percent locally in 2007.

However, next year is projected to start a string of steady year-to-year increases in Las Vegas: 3.5 percent job growth in 2008, a 5.7 percent increase in 2009 and an 11.4 percent jump in 2010.

Although the numbers are expected to drop to 2.4 percent in 2011 and 1.1 percent in 2012, new developments that have not had final plans announced -- such as a project planned by a partnership between MGM Mirage, Dubai World and Kerzner International on the north Strip, a Crown Las Vegas project on the former Wet 'n Wild site, a remodeling of the Tropicana or construction of the Plaza at the New Frontier site, could push job growth rates higher.

The figures, based on construction projections provided by the Las Vegas Convention and Visitors Authority, change regularly, department economist Peter Janson said.

Ricky Richard, founder and director of the Crescent School of Gaming and Bartending, said casino companies will have problems filling all the expected new positions.

He said he has not been able to keep up with the job

demand since he arrived in Las Vegas in 2000.

"There are more jobs than graduates," said Richard, who graduates nearly 300 dealers and 250 bartenders each year. "There is no way, combined with the other schools, that we can put out enough warm bodies to fill all the positions."

Lauer agreed with Richard. He said the 450 new dealers PCI trains each year are snatched up as fast as they graduate.

"I've seen it before where they just couldn't fulfill the needs," Lauer said. "They need X number of dealers and it just wasn't happening."

The job crunch isn't affecting just the new megaresorts either.

"It starts at the top and works its way down all the way to break-in houses downtown," Lauer said. "You gotta fill the holes."

Many casinos that traditionally don't take dealers that have no work experience are forced to lower their standards to get dealers on the tables.

Richard McDugal, gaming instruction director for Crescent School, said casino companies also have to deal with natural turnover.

"All the turnover at one casino comes back to other casinos," McDugal said. "When the demand is more than the supply it becomes a big circle."

That means the even some of the high-end Strip casinos will ignore their own experience policies if they are impressed by a new dealer school graduate during an interview.

"I tell my students if they like what they see on an audition, 90 percent of the time they'll hire you," McDugal said.

Another strain on the local work force, but a benefit to

the schools, is the growth of gaming around the country.

If someone wanted to deal cards or run a craps table, Nevada and Atlantic City were for a long time the only two regions those opportunities were available.

With Iowa, which became in 1989 the first state to legalize riverboat gambling, and Illinois, Mississippi, Louisiana, Missouri and Indiana all approving riverboat gambling by 1993, job opportunities in the field abounded.

Indian casinos, which got the legal go-ahead in 1988, added more strain on the job pipeline. By the end of 2006, 423 casinos operated on reservations across the country.

Richard said gaming's growth is good for workers because it allows people to climb from entry-level positions into supervisory roles faster than ever.

The worker shortage has also been good news for the dealer and other schools.

Dealer schools aren't having to fight for new students because there are only a handful of accredited schools in Las Vegas, including Crescent and PCI.

Crescent, on the southeast corner of Flamingo and Sandhill roads, started as a bartending school in New Orleans in 1983. It started training dealers with the beginning of riverboat gambling in the 1990s.

PCI, on Valley View Drive and Charleston Boulevard across from the Clark County Water District, is considering opening a second local school and offering courses online.

Lauer said that in PCI's early days, the school would only have 10 students enrolled at any one time. Now, demand for classes sometimes forces Lauer to move prospective students to later sessions.

One local group is even trying to reach future industry workers even before they graduate from high school.

The Epicurean Charitable Foundation provides financial support and work experience to local high school students interested in working in hospitality.

Rino Armeni, executive marketing director for the wholesaler Southern Wine & Spirits of Nevada, started the foundation in 2001.

The foundation has 14 students on up to \$10,000 per-year scholarships attending UNLV and the Culinary Institute of America.

The scholarship recipients must maintain 3.0 grade-point averages, have no disciplinary issues and do 40 hours of charity work a year.

"We want to produce executives that have a strong foundation," Armeni said. "By exposing them to different parts of our business, by working with them on honesty, integrity and leadership, they will make better people for the business."

Three students whose education was funded by the foundation will graduate this spring.

Armeni said the plan is to triple the number of students on scholarship by 2009. The casinos will probably welcome the help, he adds.

"Is it going to be more strain on the system to find more good, qualified people in a growth environment like this? I think the answer is yes," Fertitta said. "Ultimately we are only as capable as the people who work for us."

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