

Building boom expected to create 113,500 casino jobs

Casino operators believe they will have no problem filling hotel rooms with guests and packing casinos with free-spending gamblers during the current building boom, which is expected to bring at least four new resorts to the Strip and an estimated 45,000 more hotel rooms to the Las Vegas market by 2012.

Finding enough employees to clean the rooms, work the restaurants and staff the casinos may not be as easy.

Deutsche Bank Securities, in a report to its investors, said the Las Vegas casino industry will need to hire some 113,500 workers for the positions being created by the new resorts. Analysts for the Wall Street investment house believe if the current growth rate in Clark County's population continues unabated, there will be a shortfall of some 25,000 jobs left unfilled.

Bill Lerner, who authored the report for Deutsche Bank, said older casinos will be hit by the open positions as qualified workers flee for newer and more attractive opportunities. Lerner said a job shift took place during the most recent casino hiring wave in 2005 and 2006. Wynn Las Vegas, the South Coast (now called South Point) and the Red Rock Resort hired workers from competing casino properties.

„Las Vegas resorts have not had an issue attracting labor, particularly at the newer high-end properties,“ Lerner wrote in the report that was released last month.

He said Wynn received more than 110,000 applications for 9,000 positions while Station Casinos had 100,000 applications for 2,600 jobs at Red Rock Resort. The bulk of those applications, he said, came from workers at existing Las Vegas properties.

„We believe this could occur with new supply as well, shifting workers to the newest properties, and potentially causing a shortage at older properties, “ Lerner said. „Ultimately, we expect if there were a shortage, properties could buy labor if necessary, while the economy nationwide could play a part as well. We expect that a labor crunch could weigh on property margins.“

The resort corridor is already swelling with construction activity. Las Vegas Sands Corp. plans to open the USD 1.8 billion Palazzo later this year with 3,025 rooms. Wynn Resorts Ltd. has begun construction on Encore, a USD 1.4 billion, 2,000-room resort expected to open in 2008. MGM Mirage’s USD 7 billion Project CityCenter, which includes a 4,000-room hotel-casino and four high-rise condominiums and condo-hotels totaling 2,700 rooms, is also under way.

Meanwhile, Boyd Gaming Corp., is preparing the closed Stardust site for Echelon Place, a USD 4 billion project that totals 5,300 hotel rooms. Also, Station Casinos is expected to break ground this month on Aliante Station, a USD 600 million hotel-casino in North Las Vegas.

According to Deutsche Bank, the number of potential jobs is based on a formula of 2.5 workers per hotel room. The investment house also believes that Clark County’s estimated average growth rate of 7,300 new residents a month through 2012 will miss the mark.

„Historically, Las Vegas population increases have fallen short of that level, with the exception of 2004 which came close with an average of almost 8,800 new residents a month,“ Lerner said.

He added that the economy nationwide could play a role in bringing more potential workers to Southern Nevada.

„For instance, high unemployment rates in another region could spur workers to move to Las Vegas,“ Lerner said.

D. Taylor, the secretary-treasurer of Culinary Workers Local 226, which represents more than 60,000 hotel and restaurant employees, agreed that a labor shortage could be on the horizon unless the casino companies begin taking steps to avert the crunch. He said the middle to upper end of the job scale would be the most impacted unless the industry undertakes a serious job training program.

Taylor said the union's Culinary Training Academy graduates 3,000 employees annually, but he'd like to see that figure climb to 7,000.

„The companies need to break through rhetoric and create internal training and mentoring programs for their workers,“ Taylor said. „Some have embraced that concept and it will be a big issue in the upcoming contract talks. It's imperative for the industry that a career ladder inside these companies be created so employees can develop different skills in order to better themselves.“

Casino operators are mostly unconcerned about a potential labor shortage. Seeing the amount of applications filed for recent casino openings give them hope of similar numbers.

Las Vegas Sands spokesman Ron Reese said the company should begin the process for filling an anticipated 4,000 positions at the Palazzo this spring.

On the other end of the timeline, Boyd Gaming spokesman Rob Stillwell doesn't think the labor pool will dry up when Echelon Place is ready to hire workers, possibly by 2010.

Meanwhile, MGM Mirage is already taking steps to staff 12,000 positions at Project CityCenter, which covers the hotel-casino and Vdara condo tower.

The development isn't expected to open until 2009.

Richard Vosburgh, senior vice president of human resources for

MGM Mirage who is overseeing the CityCenter hiring, said at least half of the development's employees will come from other company hotel-casinos. MGM Mirage operates 10 Strip casinos.

„Because 12,000 is a starting point, the ripple effect is creating a tsunami,“ Vosburgh said. „We'll have to fill the same position two or three times because some will leave Mirage for CityCenter and another person will leave (Treasure Island) for that position at the Mirage. That will create some challenges.“

MGM Mirage expects 100,000 applications for jobs at CityCenter, which will be hiring workers after the Palazzo and Encore have filled their staffs.

„Sometimes, you'll get 10 applications for one position and three or four for another,“ said Michael Peltyn, vice president of staff for CityCenter.

„That's where we're challenged to grow the applicant pool,“ he added.