

An Interview with Virginia Valentine

Perspectives from the COVID-19 Pandemic: Leadership and Learning in Nevada

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Each interviewee had the opportunity to review their transcript. All measures have been taken to preserve the style and language of the interviewee. This interview features Virginia Valentine, President and CEO of Nevada Resorts Association and was conducted on 5/2/22 by John Hudak and Kelliann Beavers. This interview covers topics including reflections on leadership, organizational challenges, and opportunities for collaboration.

Interview with Virginia Valentine

Date: 5-2-2022

SPEAKERS: John Hudak, Virginia Valentine, Kelliann Beavers

John Hudak [00:02]

All right, Virginia. Thanks a lot for your time today. Just for the record, you consent to us recording this conversation, correct?

Virginia Valentine [00:13]

I do.

John Hudak [00:15]

And you consent to the consent form that we emailed along prior to this conversation?

Virginia Valentine [00:22]

Yes.

John Hudak [00:21]

Thank you. Well, Virginia, my name is John Hudak. I'm a Senior Fellow at the Brookings Institution in Washington, D.C., but I split my time between Washington and Las Vegas doing work with UNLV's Brookings Mountain West. And I'm joined today by my colleague, Kelliann Beavers, who's a Research Associate at the Lincy Institute at UNLV as well.

And we're going to be chatting a bit today about the COVID pandemic, the recession that followed the pandemic, and the response of the business community in particular in Southern Nevada, but too, the real mess that came about as a result of COVID.

The way we're going to split this up is, Kelliann is going to take the first part of the interview. I'm going to interject along the way if I have some clarification questions, and then I'm going to ask some questions toward the end.

Given your role in the organization and the organization that you represent, I was hoping – just to flag for you – if you could split, or rather, be specific when you're talking about the organization itself, or perhaps separately, the responsiveness of the members that are part of the organization if that makes sense.

Virginia Valentine [01:40]

You want me to make it clear when I'm speaking of my own opinion, or about something there's industry consensus on?

John Hudak [01:44]

Yes– so if I asked you, for instance, what was your organization's response to the COVID-19 recession? If you were talking about how your organization responded specifically, different

from, let's say, how MGM responded or Sands responded, certain things that they did. If you could just be specific when you're differentiating between the two.

Virginia Valentine [02:11]

Okay.

John Hudak [02:12]

Okay, cool. I appreciate that. Kelliann, do you want to kick off?

Kelliann Beavers [02:16]

Yes, I'll be happy to. Thank you again for your time. The first question is very general. Can you describe your position and your role in your organization?

Virginia Valentine [02:25]

Yeah. I'm the President and CEO of the Nevada Resort Association.

Kelliann Beavers [02:31]

And the second question is, how did you see your role or your organization's role during the pandemic?

Virginia Valentine [02:39]

Well, looking back – because we didn't – there was nothing in my job description that said, "pandemic response." So I would say, we obviously advocated for the industry. But probably, the biggest thing we did was to try to keep the lines of communication open between regulatory agencies. Because the executive orders – I don't know how many there finally were – maybe they're still issuing them, 40? I want to say 48, maybe? Those came – and I don't know if you've read any of them as far as trying to read them. But if you start with an executive order – and I'm going to make these numbers up, 52. And then you see that Section 2 of that EO removes Section 11 of EO 35, which amended Section 6 of EO 7 – it gets incredibly confusing to understand what the current requirements are.

So we spent a lot of time trying to interpret on our own, where we could, and getting clarification where we could. And additionally, in the resort industry, you had OSHA doing inspections, business license departments doing inspections, and city and county business licenses. And on top of that, you had gaming, right? So you had people on the floor trying to keep track of the gaming requirements, not to mention the health district too, which was also inspecting everything from all of the new COVID requirements, but also, things that had to do with food, beverage, hotel rooms, everything that the health district does, all of the environmental requirements, everything. Questions like, "Well, what do we do with the garbage?" I mean, it turns out, you can basically treat the solid waste like you treat everything else, but nobody knew that.

So what we did, in terms of our role and the pandemic response, we also – I was on a – the association was represented on the Clark County Regional Policy Committee, with a lot of – primarily, it was emergency management and group, but there were some business interests that

were represented there too. So, again, that was about trying to understand what was going on. Trying to stay compliant. Compliance is a big part of my industry.

Kelliann Beavers [05:12]

Thank you for that. The next question is, which groups do you believe were hardest hit by the COVID recession?

Virginia Valentine [05:21]

Groups, meaning businesses, or individuals? What's – I don't understand that question.

Kelliann Beavers [05:28]

Businesses would be a fine answer, or demographics. However you perceive that. John, feel free to clarify if you want it answered differently.

John Hudak [05:34]

Yeah-

Virginia Valentine [05:35]

That's probably enough. I don't think any industry was hit harder than the Resort Industry. My brother came here for the first time several years ago, and he said, "When do the casinos close?" And I said, "They don't. They never do." In fact, you are not permitted to stop operating, even – as you can imagine, when you're handling that much cash, if the casino wants to shut down for any period of time, the Gaming Control Board has to come in and count chips and cash, shut down gaming machines, and gaming on the floor. I mean, there's a whole regulatory process for closing. Because they operate 24/7, most didn't have locking doors.

But anyway, this industry shut down on short order and was closed for 78 days, and when they were allowed to open, they did not open to full capacity. Some of those properties are still not open. And it affected everything from – at some point, capacity restrictions make it uneconomical to operate a restaurant. And it's fine to say, "Be six feet apart." Try to do that in something like an employee dining room. It was extremely challenging.

So I would say, this industry was hit harder than anybody else. On top of that, there were no meetings and conventions for a period of time. There was no live entertainment. There was no international travel for an extended period of time, and hotel occupancy was way down. So really, I can't think of – I mean, completely across the entire integrated business resort model, every single area was either closed or extremely reduced to comply with pandemic regulations, so it was a pretty amazing time.

So I would say, the industry did get their heads around it pretty quick. Three of the international operators had already been through closures in Macao. And so they got it, "Here's what we've got to do." They all hired their own health and safety experts, and national experts, on disease control and infection, from some of the best institutions in the country. And probably – I mean, they just got to it right away. Nobody's going to come here if they don't feel safe, so health and safety was the top priority for this industry.

John Hudak [07:48]

Virginia, if I could jump in quickly. That impact is the direct impact on your industry. But could you talk, a little bit also, about the indirect impact? How the industry has indirect economic effects throughout the state.

Virginia Valentine [08:03]

Sure. In an integrated resort – I don't know if any of you have ever done a back of house tour, but you have small businesses coming and going all day long. They're picking up laundry, they're picking up the recycling, solid waste, they're delivering produce, all of those things. They're providing transport back and forth from the airport or other locations. So all of those businesses, when we shut down, they shut down too. So, on top of that, we had crazy supply chain issues too. I think everybody was affected across the resort.

So other indirect – of course, there were properties that continued health insurance benefits and a few paid employees all the way through closure. There were also employee assistance programs run by the resorts. There were people who we tried to assist with getting unemployment insurance. There were programs set up to provide things like food. In terms of both the employees and the community-at-large, I think that Brian Gordon or one of the economists in town could give you the whole rundown on the indirect economic effects. But it's pretty huge – because then, all those people, who aren't making money or haven't gotten their unemployment insurance, now, they don't have any income and they're creating greater pressure on social services. Something like one in four workers in the state is employed in the tourism industry. Unemployment ripples through the whole economy here because then those employees also don't have money that they might go spend at some other local business. So it was quite a big ripple.

A lot of other businesses, indirectly and directly, impacted were the businesses that support the resorts. The food and beverage companies, cleaning products, paper and linen suppliers, the recycling companies, the laundry companies, the companies that lease space inside a resort like retail and restaurants and the travel and tour companies. Also the marketing companies and companies that provide technology that support the resort industry were impacted. Resorts are not unlike small cities and they are platforms for a wide range of small businesses.

And the pandemic impacted state and local budgets. Last biennium, tourism taxes accounted for 34% of the state's general fund.

John Hudak [09:47]

Thanks.

Kelliann Beavers [09:50]

The next question is: How, if at all, did your organization's goals change to accommodate groups that were hardest hit?

Virginia Valentine [10:06]

In the job we do on the legislative and regulatory fronts, I think those bills precipitated by the pandemic became the biggest bills of the 2021 session and of a special session in 2020. So I would say, not that the work, so much, changed, but the focus changed, and it was pretty much –

became very much about employment labor, health standards, meeting those requirements. And just communication, communication, communication. People were so concerned that they were going to get it wrong. That they were going to get fined or sanctioned, or even a bad Tweet, or a bad Yelp. So I mean, everybody was hyper-focused on ensuring the health and safety requirements – and then, there's one thing business hates is uncertainty.

So we were trying, to the extent that we could, to tell what was coming, and get in front of it or prepare for it. We tried to keep the lines of communication open with, primarily, the gaming control board, the governor's office and the health districts and the counties. Those were probably the key ones. The state did have regular meetings of a COVID task force, and we were more in a position of watching those. But those were also good sources of information; because we were not only watching regulations, we were also watching positivity rate, the case rate, the development of the vaccine, the vaccine playbook, and why hospitality workers were not considered essential workers. Hospitality workers were some of the last to qualify for the vaccine.

And at the same time, we're hearing about how vaccines are getting dumped because the agencies were not able to get them into people's arms. And we are begging for people to come to injection sites. When resort workers became eligible, the resorts offered to set up sites and provide injectors. That presented challenges because they had to obtain special licensing waivers and meet storage requirements for the vaccines. But our group was ready to do anything, invest any amount of resources to helping solve that problem, and it was very difficult to do because the regulatory structure just doesn't allow for that kind of flexibility.

John Hudak [12:16]

And as a public-facing industry, you're also, from what you had just said, Virginia, you're dealing with monitoring positivity rates and things like that from your consumer base. But then I assume you're also trying to monitor that internally, as people are contracting it, making sure that contact tracing and all is happening within the organizations, correct?

Virginia Valentine [12:38] That is correct, and there were specific requirements for doing that. At one point, daily screening of employees and guests, and contact tracing notifications of employees and guests were required. So all that, I would lump into that compliance area. And I will say, it was really difficult when you start to put CDC guidance into the statutes because the CDC changed their mind about almost everything almost every month. And so, you were now – I mean, think about this: if the CDC could only change their minds every two years (because our legislature only meets every two years), or only update their guidance every two years, think about what we would be doing today. I mean we would still be six feet apart, wearing masks. Only groups of less than 50 could meet.

And the mask guidance is a great example. Because first we're told, "Don't wear masks," then you're told, "Wear an N95 mask." "Only an N95 mask is a good mask." Then it was, just any cloth mask will be okay. And now there's this whole debate about maybe masks don't do anything at all. So I don't know. But I'd tell you, that was one of the challenges we faced, is that we'd get very locked into these specific, prescriptive statutory requirements – and the virus itself changed, right?

So now, interesting enough, and the *New York Times* and others reported about this. But there's no correlation between hospitalizations and positivity now. If anything, it's an inverse correlation because as the case rate's still going up a little bit because of the Omicron variants, hospitalizations have gone down. And so the main argument for those closures in the first place, and the social distancing, the masks, and everything else was not to overwhelm the healthcare system. And now, the healthcare system is not overwhelmed, but we are still complying with a lot of regulations that were adopted for when that was of serious concern and the most important thing.

John Hudak [14:33]

Thank you.

Kelliann Beavers [14:36]

The next question is, can you discuss if there were collaborative efforts across non-government organizations or otherwise?

Virginia Valentine [14:44]

Oh, yeah. And I'm going to say, I'll give you two really great examples of that. But it happened across everything, from helping employees to helping the community. One was, we got into the "Great Mask Shortage," because we had a testing shortage, and then we had a mask shortage, and then we had a vaccine shortage. But during the testing, there were employers who were testing their employees – I don't remember the frequency – but there were some operators who actually brought in their own tests or sent their tests to outside labs, so the testing demand didn't overwhelm the labs here. Eventually, the labs here stepped up and pretty quickly were able to process huge numbers of tests. That wasn't the case in the beginning. You had to wait three days to even get a result. So I think that was one place where the resorts unburdened, maybe, the public health infrastructure.

The other example, and I just love this is – I called the Sands. And we were on a call, and I think I said something like, "Yeah, they have this huge mask shortage. There are just not enough masks for anybody." And the Sands Corporation flew a jet to Macao and brought masks from China here and gave them to the county for first responders, healthcare workers, and other critical areas that needed them. So literally, the kind of resource where somebody says, "Well, we've got a jet here and we've got masks in China. We'll just go get masks." I mean, I don't know of anyplace else like that.

One of the other things that happened when we closed is if you can imagine: you've got 6,000 hotel rooms, and you're planning to make breakfast for at least 6,000 people plus all your employees in the morning. You may have 100,000 eggs. I don't know how many eggs you have. A lot, right? So now you've got all these eggs, produce, meat, stuff that's perishable. So a lot of that was given to employees and food banks. And so, pretty quickly, they tried to get all of that out into the hands of the community and people who could use that. So yes, there were all kinds of collaborative efforts, and that's – just to name a few.

John Hudak [16:55]

If I could follow up quickly, Virginia. Did you also see collaborative efforts between your

members, that, during normal times, might function as competitors, but were working together to try to get this right?

Virginia Valentine [17:07]

Yes. I think that's probably one of the great myths about this industry is that everybody's fighting with everybody, and they are all competitors. But at the end of the day, they all agree that the destination must be safe. You can even take this to the higher level of the country. But Las Vegas or Nevada won't be perceived as a safe destination if one hotel is having rampant COVID and another property isn't, because you know how this works now in social media, right? People are going to get the idea that nowhere in Nevada is safe. – I used to work in flood control. One shot of an area that was flooded, and people would think the entire valley was underwater because of one shot. So the resorts did work collaboratively with that. There were collaborative around legislation, they were collaborative – when we got to the vaccine shortage, and resorts were doing pop-up clinics at their locations, anybody could show up. Anybody could show up at those. It could be a member of the community; a guest or employee from Caesars could get vaccinated at MGM. I mean they just came together for that. Those vaccines were all free to whoever wanted them.

So yeah, I would say, there were a lot of collaborative efforts like that. They were very aligned when it comes to things like what they thought were the best health and safety practices and they shared that information publicly on their websites. And like I said, they consulted with national experts from places like Johns Hopkins and MIT, and they had all these amazing – and you could probably still look online and find their health and safety plans and see who developed them. And so they felt like they had some expertise, and they went and got the best people in the country and the health and safety plans were shared on the internet so that those without access to national experts benefitted from the recommendations used by those that did.. And so they did have informed ideas on what they worked and didn't work, and there was a very good alignment on those issues.

Kelliann Beavers [18:48]

Thank you. What do you wish the different levels of government would have done or could do differently, in response to the economic recession during the pandemic?

Virginia Valentine [19:13]

The Association members, the large resorts, did not benefit from programs like the Paycheck Protection Program and other programs designed for small businesses.

Clark County stood up a “COVID Hotel” and provided transport. Unfortunately, guests who tested positive couldn't fly home and some were too sick to drive but not sick enough to require hospitalization and resorts couldn't prevent guests who tested positive from spreading COVID. Having a safe place to house and give the level of support they needed was extremely helpful. Clark County also provided transport for those guest who stayed at the COVID Hotel and one of our members volunteered to house these guests one of their smaller properties where the space was manageable. The county also provided food, laundry services, and telemedicine to these

guests. This was one of the most helpful things that any government did for us during the pandemic.

Another thing that would have helped would have been to help the state verify eligibility for unemployment insurance. We had a couple of conversations with the unemployment insurance people early on. They weren't able to get a lot of data up into the system for employees. And there's a process – I'm not intimately familiar with the process, but it includes verifying when and who was separated and what severance they received as a part of the application. There's something in the statute that prohibited this. But we, at one point offered up –several of our employers had experience with this, I think one from another state. We worked with the Culinary union on this. We had hoped to be able to send data files of resort employees who had been separated including when and what they were compensated. We told the state, we can verify the employee information.. Let us give you that information. And that never did happen, and I think that would have taken a lot of pressure off the state. It would have also helped – we talked about secondary or indirect impacts. It would have helped a lot of those employees. I can't imagine going without a paycheck for as long as some of these people did. It's quite devastating, I think, emotionally, mentally, and of course, economically for those families.

So I think that's one thing that would have helped. If we could have figured out how to make the employers a part of that process to streamline it. I think they've learned a lot, and I think they're going to be a lot smarter going forward. And the new Director, Elisa Cafferata, I think she's on top of it, and she's doing everything one person could do, I think, to try to make the process better.

As you know, everybody thought at the beginning of this – you know what the PPE program is, the Paycheck Protection Program. That was for employers with under 500 employees. I don't have any members with less than 500, so I can't tell you that helped, and I can't say anybody was – nobody expected that big gaming companies are going to get a handout, and they didn't.

Also, we're looking more for reasonable interpretations on enforcement of all the COVID directives. One of the challenges for us was, all of a sudden, hospitality workers, who are trained to be nice, had to take on the role of enforcing the mask directive.

So I think in terms of the pandemic recession, if that's what we're calling it, most agencies were very helpful. There are a few things that they could have done that would have helped resorts operate, instead of living under this constant fear of the next directive. But for the most part, like I said, I think most of the agencies were pretty good about giving advice and pro information. And back to communication, one thing that would have been helpful in the beginning, would have been more advance notice on when executive orders became effective. In the beginning, it was like "Okay, this directive is effective at midnight tonight," and we're like, midnight tonight? Some directive required producing new signage and installing it, staff training, informing guests, and removing or rearranging furniture, and installing plexiglass barriers between gaming positions. These are all things that take time.

So I think one of the things would have helped is to have some time to implement directives after they were announced so the operators had a couple of days to figure out how to implement new

requirements. Or, even better, before the directives were written, ask the industry what they thought would be the best way to accomplish the desired outcome before issuing prescriptive requirements. For example, when there were concerns about the virus being airborne, the ask the industry for input on the best way to mitigate in a resort environment or where do you think the signage should go or how do you think the capacity limitations should work? The resort operators are compliance oriented and risk averse. They are not going to unnecessarily incur liability.

And so, I guess maybe I should summarize. Soliciting input before new directives became effective. Allowing time to implement after new requirements were imposed. Communicating throughout because we needed time to explain to the employees and guests the changes. And there were a lot of changes. I think the industry was pretty quick to respond.

Kelliann Beavers [24:03]

Not at all. That was wonderful. Thank you so much for sharing and clarifying for us what the experience was like.

The next question, you have also spoken to some. So, again, this is just if something comes to mind. Were there groups in the community or otherwise that you successfully engaged with during the pandemic?

Virginia Valentine [24:24]

Yeah. I think a lot of us all got to know each other pretty well. And in fact, it was funny because there was someone in the Governor's Office of Energy who – I mean through Zoom, she's like, "Oh, after years of emailing, I'm finally meeting you in person." Interacting with people I would not have met was probably a little bit of a silver lining. For example, I probably would have never spoken to the state epidemiologist before COVID. I knew the emergency management people a little bit before the pandemic but spent a lot of time meeting with them during the pandemic response. There were people in Health and Human Services, people at the Gaming Control Board, the Health District, and in the Department of Industrial Relations, that we got to know quite well. In the beginning, we had weekly calls with the new (at the time) Chairwoman of the Gaming Control Board, and she was terrific. She was on top of questions. If it wasn't clear, she'd issue guidance. So that was super helpful.

So I would say, we also collaborated with the larger business community. The Vegas Chamber organized a group of trade associations for regular meetings. The Retail Association and the Trucking Association provided insights on the supply chain challenges. They had information that otherwise would not have been available to us. They knew the details and they had data. That's their business. They understood all of that. The Hospital Association also participated in these calls. They had real time information on ICU capacity, bed availability, and respirators, and they were able to explain the impacts of the pandemic on related issues like the postponement of elective surgeries. They were able to say, "Here's what's going on in the hospitals." "Here's what this looks like for us."

So, again, there was a lot of communication. These various groups came together, and it was really helpful. Because everybody then had, instead of their own business, they had the 60,000-

foot view of what was happening across other industries. And it was just – even if there was no actionable information, just that sense of, "I think I know what's going on", I think really helped keep people calm." I don't want say it gave them a sense of say, "control," but a feeling that they were not going to get caught completely flat-footed on something.

Kelliann Beavers [26:40]

This is the last question that I'll ask, and then John will ask some questions. From your perspective, were there more effective policies or programs in place to deal with the COVID recession relative to the Great Recession? This can be about local to federal levels. It could have to do with federal relief. State-level policy. Private sector responses. Anything that you might have observed between those two moments in time?

Virginia Valentine [27:09]

This was such a different – I know you're coming up from an economic perspective. It feels just very different. And I'll tell you one, big difference. During the Great Recession I was in a position where we had to lay a lot of people off because of revenue shortfalls. There was high unemployment and little demand. After reopening after pandemic closures, we had the opposite happening where we have low unemployment and high demand, a critical labor shortage. And so, I think that makes the great recession and the COVID recession very different. During the great recession, government tried to take care of people who are not coming back to work, compared the pandemic recession/recovery where business and government couldn't bring people back fast enough. Recovery was much slower during the great recession than the pandemic recovery. The labor shortage during the pandemic recovery had the effect of upward wage pressure. I think it's a little bit of a different dynamic.

I think now, one of the things we're seeing in this COVID recession is kind of wild inflation and not just on fuel prices and goods but also government services. On July 1st, everything's going up, from health inspection fees, water rates are going up, sewer rates are going up, Southwest Gas has a rate increase, Nevada Energy has planned rate increases. The minimum wage goes up on July 1st. We don't have a lot of minimum-wage jobs in the resort industry. But if you increase the minimum wage, that causes upward pressure throughout job classifications.

It's a little different, than what we were dealing with in the Great Recession. It was basically, people having enough disposable income, to travel or to visit the local casinos. So I'm not qualified (laughs) to say how they're really different. I can't explain it maybe in the terms that an economist would, what that translated to.

John Hudak [29:14]

I'm going to build on that a little bit, Virginia. You had talked a bit about shortages right now in the workforce. Can you talk a little bit about how that's affecting the resources throughout the State of Nevada? Are you experiencing that type of inability to fill a number of jobs, that are happening in other industries? Or have a lot of people, who were furloughed or paused, or what-have-you, are they coming back in the numbers that you'd like to see?

Virginia Valentine [29:47]

The situation is changing so fast. What I can tell you is it seems to be getting better. But in what

felt – I don't want to call it "the bottom of it" because I don't really know what's happening next. But – so, I don't know if you mean things like, there were restaurants that closed because they didn't have staff. There were plenty of signs on restaurants noting that they were not open on Mondays anymore, or they were closing earlier or were not open for lunch. There were places, in the restaurant, the food service industry, that just didn't have enough people, and just couldn't be open the way they were before the pandemic.

The legislature actually put into state law that hotel rooms had to be cleaned every day so that a guest room attendant had to go into your room every day. And there were mandatory quarantine and PTO requirements in statute that far exceeded the CDC requirements. Another bill required a protracted process of contacting former employees to offer them their jobs back before new employees could be hired. Consequently, at the same time resorts were required to provide mandatory PTO of 10 days and up to 14 days off employees and another bill required a protracted process of rehiring employees, and then resorts had to meet the additional room cleaning requirements. Staffing became a limiting factor in room capacity.

Now, if you looked at the ADR, the average daily room rate, you know what happens when supply decreases, demand increases and the costs go up. So the ADR was pretty good, and you might think, well, the industry's doing great. But some of that was a result of there just weren't enough people to open a lot of rooms, so the supply of rooms was constrained and that led to some higher prices.

There were also people who didn't come back to work for a long time. The entertainment industry just got wiped out and group sales (meetings and conventions) were also very slow to recover. The people who put together the exhibits and at trade shows come in and basically build stages and create these amazing events and experiences didn't have jobs to come back to right away. The big shows like COMDEX are planned years in advance and take several weeks, if not months to ship, unload all of their equipment, build stages, configure the meeting space and set up the commissaries.

So people employed in the meeting and convention business were still out of a job. There are still people who are not back at work. There are still jobs that haven't been filled, and there are jobs that haven't come back yet either. The industry is experiencing both of those dynamics at the same time.

John Hudak [32:52]

Some of the people who we've spoken to, Virginia, have talked a bit about, related to the worker shortage of just people who used to live in Las Vegas, moving away, whether it's younger people moving back home to live with their parents, or just moving to more affordable markets. Has your industry experienced a noticeable amount of that type of behavior as part of a worker shortage?

Virginia Valentine [33:18]

I don't have any data on that. But anecdotally, you do hear people just went back to where they came from, and maybe they'll come back at some point. I just haven't seen data on transience. I would suspect that some of that went on. There were also people who didn't come back because

– I mean again, based on anecdotal information we heard that workers who didn't have childcare stayed home while schools were closed. It was challenging for those for whom school basically was default childcare, they didn't have that anymore. For someone who couldn't find affordable childcare, it probably didn't make sense to go back to work. Some speculated that another reason for the labor shortage was that people could get paid to stay home if they took advantage of the pandemic unemployment supplements provided by the state and the federal government.

John Hudak [34:18]

I want to be mindful of your time, Virginia. I've only got a couple of more questions left. The next, and this will be my last one on worker shortages. What types of policies have the industry implemented to try to lure workers back, or to try to increase staffing, as those shortages really began – as the industry really began to feel those shortages?

Virginia Valentine [34:39]

That I'm going to have to defer to the individual companies. So I don't know exactly what they're doing for workforce recruitment. They compete with each other and probably all have their own plans for how to do that. I think you know there have been a number of job fairs, bonuses were offered, they've tried to make it as appealing as possible, and I guess they're having some success with that. You'd have to ask them what kind of programs they're putting in place.

John Hudak [35:09]

Yeah, no worries about that. We can definitely – we can follow up with some of the members.

So two more questions. One is sort of the flipside instead of the worker shortage. Is the industry concerned about COVID, and let's say COVID is sort of the broader period of time we've gone through over the past two years, about there being a long-term impact on consumer behavior or consumer demand within the resort industry.

Virginia Valentine [35:36]

I'm going to kick that one to the LVCVA, which has a whole research department that probably asks questions like that. So I don't know. Cashless systems have gained acceptance. QR code menus, digital keys and other touchless technologies are here to stay.

John Hudak [35:42]

No worries. So my last question, could you talk a little bit about, maybe, two or three organizational changes that have happened at the Resort Association during the pandemic that you're most proud of, that you think might make the Association operate better moving forward, whether it's during moments of crisis, or during normal periods as well?

Virginia Valentine [36:09]

I think the group or the network of people in regulatory agencies we interacted with definitely expanded, and that, I think, has long-term benefits. Because of those relationships, we've had this – been through this pandemic together. Where we had a different kind of relationship, a new relationship. We definitely, got to know each other a lot better. And of course, when you need to communicate or ask a question, or propose a new regulation, or object to new regulation, to have that relationship where you can pick up the phone and call somebody or be on a Zoom with them

and talk through issues with them about your concerns is, I think, really helpful, and I think that's a lasting benefit. Everyone demonstrated that they can work together going forward.

Ask the question again.

John Hudak [37:03]

Sure. I was curious if there were any changes that you made within the Association, or other individuals within your association have made, that will sort of change, a bit, how the Association operates into the future; but that you're particularly proud of, or you think that will be particularly effective.

Virginia Valentine [37:25]

Hmm. I would say, we have a lot more meetings and more frequent meetings, and we have more, probably, subcommittees that are more focused on specialized areas. Because there's a reach – that communication with – before, we dealt primarily with governmental affairs people, legal departments. My board is a mix of resorts north and south. There are some CEOs, general counsels, and a lot of senior VPs of governmental affairs.

During the pandemic, our meetings started to include operations, human resources, risk management, legal departments, and their food and beverage people and just about anyone who had a role in compliance with COVID regulations. I would say, we all got to know each other a lot better, and I think that's a lasting benefit. We have a group that will be meeting today to talk about health district regulations. I think, in a sense, we became a little more – I guess, the pandemic broke down some of the siloes, because had to communicate across those siloes to talk to people who aren't just in the government affairs world. We spent time answering questions for the people who are in operations. We had a whole group that got together on group sales. They actually wrote a manual on how to put on safe events with distance separations, capacity limits, touchless surfaces, food offerings, and everything else that large meetings entail. The Group Sales teams are a *completely* different group from the Government Affairs group.

It was really a great experience getting to know the different people in those groups. Same thing with entertainment. The relationships formed out of necessity. They had to figure out how to ticket events without contact or lining up, They had to figure out how to keep performers safe and how to comply with distance separation requirements between a performer on stage and the audience and how to arrange a theater seating to safely distance guest from each other. There were very specific requirements for ticketing. There were rules for every bit of minutia you could think of. I think got a lot better understanding of how all of these different departments needed to work together, particularly in crisis pandemic, to make an integrated resort function.

John Hudak [39:57]

You had mentioned reaching out to some industry members, specifically for some of those questions that I had asked before and the LVCVA as well. Are there any other individuals or organizations you think, based on the questions that we asked, would be good people to reach out to as well?

Virginia Valentine [40:14]

Well, the LVCVA will probably give you access to their consultant Brian Gordon at Applied Analysis. Brian does a lot of their analytics. He did some work for us early on. The Live Entertainment Tax (LET) was non-existent during closure and when capacity was limited. Likewise gaming revenue was non-existent during closure then down during capacity restrictions, and room revenue was down when there were travel restrictions. International travel and conventions and trade shows are still down but almost all other sources of revenue are back up now close to 2019 levels. Brian can speak to the direct economic impacts and all of the indirect economic impacts.

John Hudak [40:50]

Okay.

Virginia Valentine [40:52]

If you haven't talked to the Chamber, talk to the Chamber.

John Hudak [40:55]

Yep. Yeah. They are on our list, a couple of people from there, for sure. And the people we've spoken to have certainly, sung me your praises as well, as a really good partner to work with, especially during this time.

Virginia Valentine [41:10]

Yeah.

John Hudak [41:11]

Is there anything else? I just wanted to give you one last opportunity. Is there anything else that you wanted to share about your experience, the Association's experience, that we haven't already covered?

Virginia Valentine [41:23]

No, I don't think so.

John Hudak [41:24]

Okay.

Virginia Valentine [41:25]

Probably, but- (laughs) I'll think of it later.

John Hudak [41:26]

Yeah. If you think of something later, please feel free to email me or Kelliann. We'll be happy to add anything via email to this. But in the meantime, thank you so much for your time. You've been very generous with it today, Virginia, and this interview's really helping our research quite a bit.

Virginia Valentine [41:42]

It was very nice to meet you.

John Hudak [41:44]

Likewise. Take care.

Virginia Valentine [41:45]

Bye-bye.

End of Audio [41:56]