

Opinion: Las Vegas made a big, bad bet on casinos

Written by Administrator

Tuesday, 01 April 2014 16:32 -



David Frum says the recession hit Las Vegas hard and it hasn't fully recovered.

STORY HIGHLIGHTS Nevada senator says his state is "nowhere close to a normal economy" David Frum: The state made a big bet on the lavish casinos of Las Vegas Since the recession, crowds at the casinos have fallen off, hurting job market, he says Frum: Families that benefited from refinancing their mortgages have had to cut back

Editor's note: David Frum, a CNN contributor, is a contributing editor at The Daily Beast. He is the author of eight books, including a new novel, "Patriots," and a post-election e-book, "Why Romney Lost." Frum was a special assistant to President George W. Bush from 2001 to 2002. The opinions expressed in this commentary are solely those of the author.

(CNN) -- The expensive casinos of Las Vegas look crowded. Tickets to the popular shows sell out. To the tourist, things look back to normal.

Yet as the state's junior U.S. senator [lamented in February](#) , "I can tell you right now Nevada is

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nowhere close to a normal economy." Nevada's unemployment remains the second-highest in the nation, nearly 9%. The housing market there still languishes. New Federal Reserve Chair Janet Yellen acknowledged to Nevada Republican Sen. Dean Heller that full recovery for Nevada glimmers "years away."

Nevada's troubles are more than a local concern. They reveal something important about the condition of the whole U.S. economy.



David Frum

Nevada makes its living from tourism, the state's most important industry, and the tourists come -- or came -- for the casinos. Before 1990, the state of Nevada and Atlantic City, New Jersey, enjoyed something close to a monopoly on the casino industry.

As more states legalized casinos, the Nevada casino industry -- and especially the Las Vegas industry -- responded by moving up-market. Dazzling theme hotels housed lavish theatrical shows and outstanding restaurants. Las Vegas, once a rather seedy place, repositioned itself as a center of glamorous entertainment.

Building the new hotels generated jobs. The people who worked in the hotels needed places to live, and building those homes generated more jobs. All that construction shaped an unusual local economy: Here was a state with low average [educational attainments](#) (only about 22% of Nevadans have a college degree, 45th in the nation), yet a median income [higher than the national average](#).

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The Barrymore is pure, old-school cinematic Vegas, with handmade wallpaper, blue-tufted booths, and a ceiling lined with antique movie reels.

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Massachusetts, Washington, D.C. and Las Vegas, NV. The building was designed by the architect and designed the Blevational Spy

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Nevada State Museum's new \$50 million building will feature a 43-foot-long ichthyosaur.

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and the Nevada Gaming Control Board are jointly liable for the state's financial crisis for

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