Nevada Economic Outlook
Regional Perspectives

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• Demographic Trends & Forecast
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Employment Growth (1990-2018)

- Fastest growth among neighboring states since 1995 (2.23 times bigger job market, 1990-2018)
- Over 28-year period, 86% faster growth than U.S. average
- From the trough in 2010, the growth (2010-18) in Nevada faster than U.S. by 10%
- Faster labor market growth attract migrants from other states
Industrial Growth in Nevada (1990-2018)

- TNF Employment: 620,800 in 1990 ➔ 1,386,500 in 2018 (223% growth over 28-year period)
- Cyclical Industries: Construction, L&H, P&BS, TTU
- Steady but continuous growth: E&HS
- Fastest growth since the Great Recession (2008): E&HS, P&BS, MNF
Population Growth of Nevada (1990-2050)

Population in 1990 = 100

- 1.22 million in 1990
- 2.72 million in 2010
- 3.08 million in 2018
- 3.68 million in 2030
- 4.26 million in 2040
- 4.86 million in 2050
2 Major Metropolitan Areas in NV

- **Southern NV**: LV-Henderson
- **Northern NV**: Carson City-Reno

Mining Counties:
- 8 Counties specialized in Mining

Rural Counties:
- 5 Counties
Two Major Metros in Nevada

• LV-Henderson-Paradise Metro in Southern Nevada
  — Highly specialized in ‘Leisure & Hospitality’ (29.0% of TNF) ➔ 2.65 of LQ (2018)
  — Fastest growing sectors
    • ‘Education & Health Services’: 499% growth over 1990-2018
    • ‘Professional & Business Services’: 411% growth over 1990-2018
  — Approximately 73.6% of total population & 72.6% of total jobs in Nevada (2018)

• State Capital in Northern Nevada
  — Two Metros: Reno-Sparks MSA & Carson City MSA
  — Specialized in ‘Leisure & Hospitality’ (1.40), ‘Construction’ (1.34) & ‘TTU’ (1.13)
  — Fastest growing sectors
    • ‘Professional & Business Services’: 286% growth over 1990-2018
    • ‘Manufacturing’: 247% growth over 1990-2018
  — Approximately 17.2% of total population & 19.8% of total jobs in Nevada (2018)
Two Non-Metro Regions in Nevada

• **Mining Counties in Nevada (2018)**
  — 8 Counties highly specialized in Mining industry
    • Closed to 40 times more specialized in Mining compared to US Avg.
    • About 18.6% of TNF jobs in Mining or
    • Approximately 13,500 Mining jobs
  — Population share decreased from 7.2% in 1990 to 4.6% in 2018
  — TNF job share decreased from at 7.0% in 1990 to 4.0% in 2018

• **Rural Counties in Nevada**
  — 5 rural Counties: Four in Northern Nevada and one in Southern Nevada
  — Non-metro & Not specialized in Mining
  — Population share decreased from 6.3% in 1990 to 4.5% in 2018
  — TNF job share decreased from at 5.9% in 1990 to 3.5% in 2018
Fast Population Growth in Nevada

• Fastest Population Growth Prior to Great Recession
  — Nevada: fastest population growth (248.6%) from 1990 to 2018
  — Much faster than US Avg. at 131.8% and CA Avg. at 133.6%
  — Faster than regional competitors: 193.8% in Arizona & 181.3% in Utah

• After Great Recession, growth continues
  — But, at much slower annual growth rates

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<td>Utah</td>
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  — During Great Recession: lagging behind Utah (1.74%)
  — Regain the top rank with the fastest growth since 2014
Population Growth of Sub-State Regions in Nevada (1990-2050)

- USA: 3.6 million in 2050
- Nevada: 1.9 million in 2007, 2.1 million in 2016, 3.0 million in 2036
- Southern NV
- Northern NV
- Mining NV
- Rural NV

820,000 in 1990
Population Growth among Sub-State Regions

- **Fastest Population Growth Prior to Great Recession in**
  - Southern NV: fastest population growth (252.9%) from 1990 to 2008
  - Followed by Rural NV with 175.5% and Northern NV at 158.2%

- **Population Growth during Great Recession (2008-2013)**
  - Sluggish growth in Northern NV (0.69% annual average)
  - Net loss in Rural NV (-0.34% annual average)

- **After Great Recession, growth continues**
  - But, at slower annual growth rates

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<td>Southern NV</td>
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<td>1.15%</td>
<td>1.88%</td>
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<tr>
<td>Northern NV</td>
<td>2.62%</td>
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<td>Mining NV</td>
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- Southern NV still leads population growth, but growth gaps expect to decrease
- After 2021, population growth expects to stabilize
Similar Aging Trend between US and Nevada, but NV will age faster after 2036

Outliers in Aging Pattern
- Faster aging in Oregon (1980-2020) & in California (2020-2040)
- Youngest state: Utah due to high birth rate
Grayer Nevada led by Rural & Mining Nevada

- **Rapidly aging Rural & Mining Nevada (1990-2030)**

- **Aging Pattern in Metro Nevada**
  - Southern NV: younger than U.S. avg. but expect to accelerate after 2036
  - Northern NV: aging speed slowed down since 2015
Aging Trend in Nevada

• Median Age in Nevada higher than US Avg. after 2042
  — Early 1970s to late 1990s: Nevada was older than US Avg.
  — Since 1999 Nevada became slightly younger than US Avg.
  — Faster aging in Nevada expected after mid-2030s

• Historically, Aging in Nevada led by Non-metro Regions
  — Especially, rapidly aging in Rural Nevada (1970-2018)
  — Fastest aging speed in Mining Nevada (1990-2010)
  — Mining Nevada will get younger from 2030 to 2050, especially in
    ▪ White Pine, Lander, and Nye counties
    ▪ Possibly explained by expanded labor demand from Mining industry

• Contrasting Aging Patterns between Two Metro Regions (2010-50)
  — Northern Nevada: older but slower aging pattern compared to state Avg.
  — Southern Nevada: younger than state avg. but will age faster after 2036
  ➔ Aging in NV for the next decades led by Southern Nevada from 2020 to 2050
Hispanic Pop. Growth of Nevada (1990-2050)

- 127,800 in 1990
- 653,400 in 2007
- 887,200 in 2018
- 1.27 million in 2030
- 1.93 million in 2050
Hispanic Pop. Growth of Sub-State Regions in Nevada (1990-2050)

- 85,800 in 1990
- 705,800 in 2018
- 517,000 in 2007
- 997,100 in 2030
- 1.48 million in 2050
Skyrocketing Growth of Hispanics in Nevada

- Fastest Growth of Hispanic Population in Region (1990-2018)
  - Avg. growth of Hispanic in US: 266.9% (1990~2018)
  - Growth in Nevada: 694.5% (887,300 Hispanics, 2018)
  - Nevada’s Hispanic population growth much faster than Utah, Arizona & California

- Forecast for Hispanic Growth (2018-2050)
  - Continue to maintain rapid growth in Nevada
  - After 2020, second fastest in the region only next to Utah

- Growth of Hispanic among 4 Sub-State Regions
  - Led by Southern Nevada, followed by Northern Nevada
  - Mining Nevada with similar growth pattern for US

- Overall Population Growth in Nevada & in Southern Nevada
  - Led by skyrocketing growth of Hispanic population
    ➔ Brownier Nevada
Employment Growth in Nevada (1990-2050)

- 1.64 million in 2007
- 2.27 million in 2030
- 1.83 million in 2018
- 3.02 million in 2050

Employment in 1990:
- US: 750,300
- Nevada: 750,300

Employment in 2018:
- US: 1.83 million
- Nevada: 1.83 million

Employment in 2050:
- US: 3.02 million
- Nevada: 3.02 million
Total Employment Growth in Nevada

• Employment Growth Trend Prior to Great Recession (1990-2007)
  — Nevada’s growth is the fastest: 218.9%
  — Higher than close neighbors: Arizona (183.7%) & Utah (180.7%)
  — Much faster than US Avg. (131.1%) & California (124.8%)

• Huge Job Losses in Nevada during Great Recession (2007-2010)
  — 10.3% of losses over 3-year period in Nevada, followed by 8.4% in Arizona
  — Much worse than US avg. (3.9%), Utah (3.5%) & California (6.1%)

• After Recession, Job Recovery & Further Growth in Nevada (2010-2050)

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Employment Growth of Sub-State Regions in Nevada (1990-2050)

- 451,600 in 1990
- 1.18 million in 2007
- 1.69 million in 2030
- 1.34 million in 2018
- 2.30 million in 2050
Total Employment Growth among Sub-State Regions

• Employment Growth Trend Prior to Great Recession (1990-2007)
  — Fastest Southern Nevada’s growth (260.6%) leading statewide growth
  — Much Higher than Rural NV (151.8%) & Northern NV (163.5%)
  — Mining NV (131.3%) suffered from sluggish job growth

• Huge Job Losses in Nevada Metros during Great Recession (2007-2010)
  — 13.6% of losses over 3-year period Rural NV & 11.5% loss in Northern NV
  — 10.1% loss in Southern NV
  — Only 4.3% loss in Mining NV

• After Recession, Job Recovery & Further Growth in Nevada (2010-2050)

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Rapidly growing service sectors will lead overall job growth (2020-2050)
- ‘Education & Health Services’, ‘Financial Services’, ‘Other Services’, ‘Professional & Business Services’

Slowly Growing Specialized Sectors (2020-2050)
Rapidly growing service sectors will lead overall job growth (2020-2050)
- ‘Education & Health Services’, ‘Financial Services’, ‘Other Services’, ‘Professional & Business Services’

Slowly Growing Specialized Sectors (2020-2050)
Leading sectors for overall job growth (2020-2050)
- ‘Trade, Transportation & Utilities’ and ‘Mining’

Slower growth (2020-2050)
- ‘Leisure & Hospitality’ and ‘Government’
Rapidly growing service sectors & TTU will lead overall job growth (2020-2050)
- ‘Financial Services’, ‘Trade, Transportation & Utilities’ and ‘Education & Health Services’

Slowly Growing Sectors (2020-2050)
- ‘Leisure & Hospitality’ and ‘Government’
Summary (1)

• Population Growth in Nevada Continues
  — Reaching to 4.86 million by 2050
  — Southern Nevada continues to lead the growth for the next two decades
  — Stimulated by in-migrants chasing growing job market in Nevada
  — Rapidly growing Hispanic population compensates aging in Nevada

• Demographic Shift in Nevada
  — National trend on ‘Grayer’ and ‘Brownier’
  — More noticeable in Nevada, mainly led by Southern Nevada

• Four Sub-State Region’s Population Growth
  — Southern Nevada leads growth
  — All regions show faster growth than US
Summary (2)

• Faster Labor Market Growth in Nevada
  — Over 1990-2050, Nevada’s growth is faster than US average by 190%
  — Southern Nevada continues to lead the growth for the next three decades
  — Job growth in Nevada will attract more in-migrants ➔ population growth
  — Expanded local market for various services will stimulate sectoral growth

• Job Growth in Four Sub-state Regions
  — Metro Nevada will benefit from the population growth
  — Mining & Rural Nevada lagging behind the national employment growth

• Sectoral Growth in Four Sub-state Regions
  — Non-traditional sectors in Metro Nevada will grow faster than specialized sectors
  — TTU and Mining industries will lead the job growth in Mining Nevada
  — Services for residents in Rural Nevada ➔ Industrial diversification will happen for the next decades
Question and Discussion

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