

Nevada's Plan for Recovery and Resilience

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! The Public Health and Economic Challenge

Nevada: Ground Zero

The Global Situation

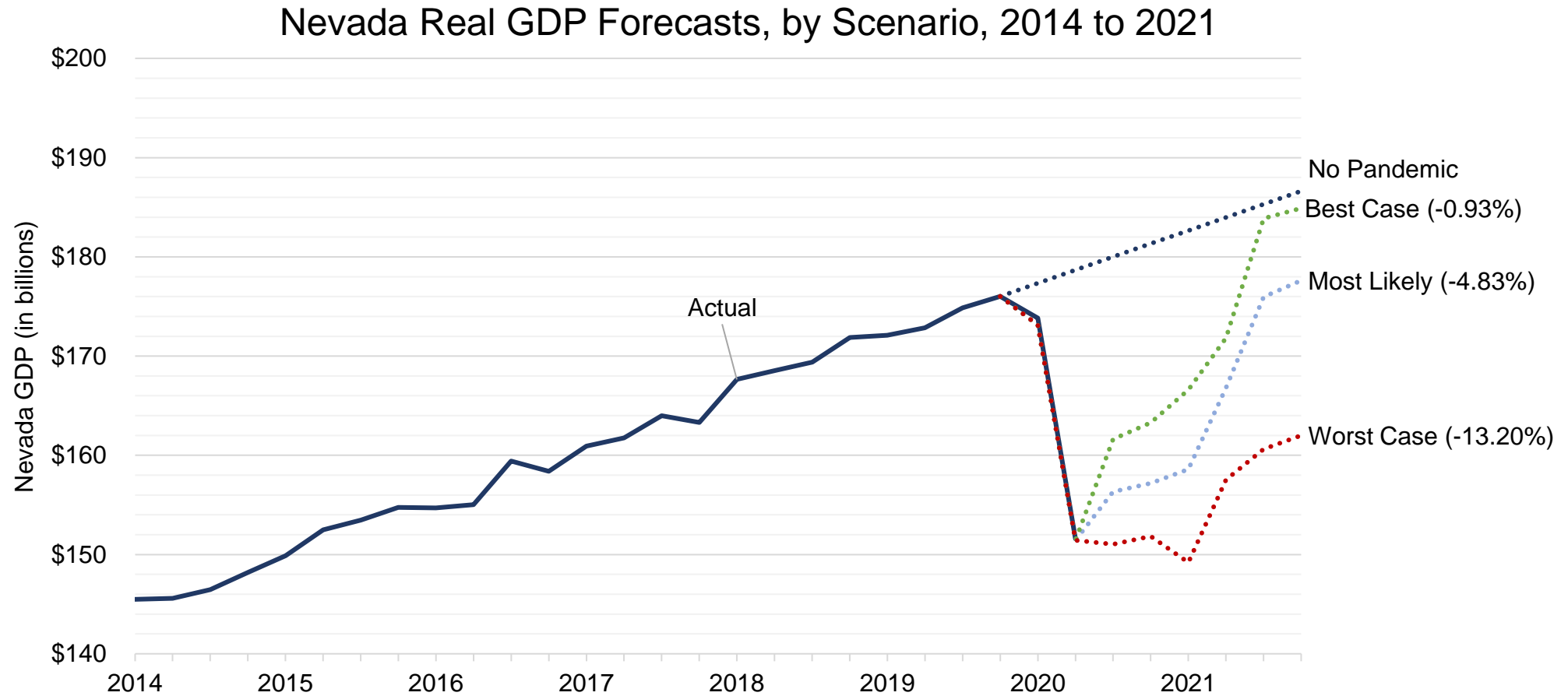
The global pandemic, COVID-19, has put a strain on all public health and economic systems. It has led to another worldwide recession.



Nevada's Outlook

Nevada is particularly exposed with a procyclical economy. The added impact of the pandemic on travel and hospitality makes this exposure worse.

Nevada: Ground Zero



Nevada Real GDP Forecasts, by Scenario, 2014 to 2021. Source: RCG Economics and U.S. Bureau of Economic Analysis.

Nevada: Action Plan for Recovery & Resilience

The Governor's Office of Economic Development (GOED) has worked with stakeholders, elected officials, business organizations, workers, and employers to develop an action plan for immediate economic recovery and long-term resilience.

Immediate Recovery

GOED and partners are targeting a variety of coordination, information, and leadership challenges (workforce, regulation, business services).

Long-Term Resilience

GOED is working with stakeholders to pursue visionary policies that set Nevada apart for the future, continuing the state's drive for resilience and diversification.

The goal: Good jobs today, better jobs tomorrow



Background

Overview: State of Nevada

Nevada's output and employment recovered completely from the Great Recession. Nevada ranks in the middle of its peers in terms of overall recovery, with increased population and job growth.

Peer State Rankings

| State | Percent Change in GDP 2011-2017 | Percent Change in Population 2011-2017 | Decline in Unemployment Rate 2011-2017 | Workforce Participation Rate 2017 |
|---------------|------------------------------------|---|---|--------------------------------------|
| Arizona | 3 | 4 | 4 | 5 |
| Colorado | 1 | 3 | 2 | 2 |
| Nevada | 4 | 2 | 1 | 4 |
| New Mexico | 6 | 6 | 6 | 6 |
| Oregon | 5 | 5 | 3 | 3 |
| Utah | 2 | 1 | 5 | 1 |

Nevada added
285,000
jobs since 2010.



Overview: Targeting Industries, Occupations, and Skills

Nevada has begun the transition away from dependence on hospitality, gaming, and entertainment. These activities will continue to remain important, but employment has grown much more quickly in other, targeted sectors.

Nevada has an opportunity to pioneer creative and innovative initiatives to transition workers into higher-wage occupations in targeted sub-sectors.



Percent Change, 2011 – 2017: 1.82%
Jobs in 2017: 14,169



Overview: Asset Map

The SRI team mapped Nevada's assets and identified state-wide strengths and weaknesses in six principal areas: innovation ecosystem, economy, physical infrastructure, quality of life, governance, and natural resources.

Innovation Ecosystem

- + Entrepreneurial and risk-taking population
- Coordination lacking among the state's innovation system

Economy

Diversification of Economic Base

- + Shift from tourism and gaming towards high-skill industries
- Many jobs added in lower-skill elements of high-skill industries

Skilled Workforce Attraction/Retention

- + Attraction of many historically underrepresented occupations
- Highly educated spouses unable to find jobs in some areas

Overview: Asset Map

Physical Infrastructure

Energy

- + Significant renewable energy integration into electrical grid
- Dependent on imports for fuel to meet energy needs

Broadband

- + Strong connectivity and high speeds in metropolitan areas
- Weak connectivity and lack of redundancy in rural communities

Transportation

- + Strong air and road connectivity in major metropolitan areas
- Lack of consistent funding for roads that require significant repairs

Housing

- + New home builds increasing throughout the state
- New homebuyers increasingly priced out in metropolitan areas

Quality of Life

Health

- + Positioned for significant growth in healthcare
- Continuing shortage of medical professionals

Safety

- + Significant progress in reducing property and violent crime
- Crime still a pervasive issue in many communities

Education

- + K-12 education system contains nationally-ranked high performers
- Underperformance a result of underfunding and overcrowding

Recreation

- + Open land for exploration and outdoor recreation
- Ability to attract families harmed by an incomplete image of the state ("Sin City")

Overview: Asset Map

Governance

Institutional Assets

- + Responsive state and local offices for economic development
- Collaboration lacking among economic development organizations

Taxation

- + Low-tax environment attractive to business
- Low-tax environment limiting to investments that could attract businesses

Business-Friendly Environment

- + Easy access to decisionmakers
- Tax abatements not meeting the needs of technology companies

Natural Resources

Land

- + Majority of the state's land open to the public for recreation
- Extensive federal land ownership problematic for expanding cities and land usage

Minerals

- + Lithium a new opportunity for the state's mining industry
- Mining industry and its technology not well-understood

Water

- + Experienced in conservation efforts to save water
- Current water resources threatened by rapid growth

Overview: SWOT Analysis

A SWOT analysis serves as the basis for strategy by highlighting sources of strength and weakness that may be addressed, opportunities to be realized, and dangers and difficulties to be avoided.

Strength

Culture and Quality of Life

- Enterprising migrants
- Frontier spirit
- Artists, musicians, and performers
- Outdoor enthusiasts

Governance

- Low taxes and regulation
- “Small state” advantage

Industry

- Increasing diversification
- Value-chain opportunities

Infrastructure

- Inexpensive energy
- Increasing use of renewable energy
- Advanced water management
- Urban connectivity
- Stable environment

Innovation

- Connections to the West Coast
- Low barriers for new businesses
- Pervasive small business ethic

Workforce and Education

- Established models of success
- Workforce Innovations for a New Nevada (WINN) and other career and technical education (CTE) booster programs



Weakness

Innovation

- Immature mentor networks
- Lack of early-stage funding
- Underutilized tools and programs
- Weak connections to research institutions

Infrastructure

- Energy market uncertainty
- Water rights
- Rural broadband connectivity
- Congestion in suburban and urban areas
- Federal land ownership

Governance

- Tax abatements
- Property tax limitations
- Impact of the Knowledge Fund
- Economic development

collaboration

Culture and Quality of Life

- Housing affordability
- Low trust in government institutions
- Lack of collaboration
- Poor health indicators
- Harsh desert climate

Workforce and Education

- Weak institutional performance
- Lack of K-12 and higher education funding
- Low educational attainment
- Poor career guidance for mid-skill workers
- Shortages in building and other skilled trades

Industry

- Persistently low wages

Overview: SWOT Analysis

There are regional, national, and international developments that represent opportunities for Nevada businesses and policy makers. Some external challenges cannot be addressed directly by Nevada leaders, but only managed.



Opportunity

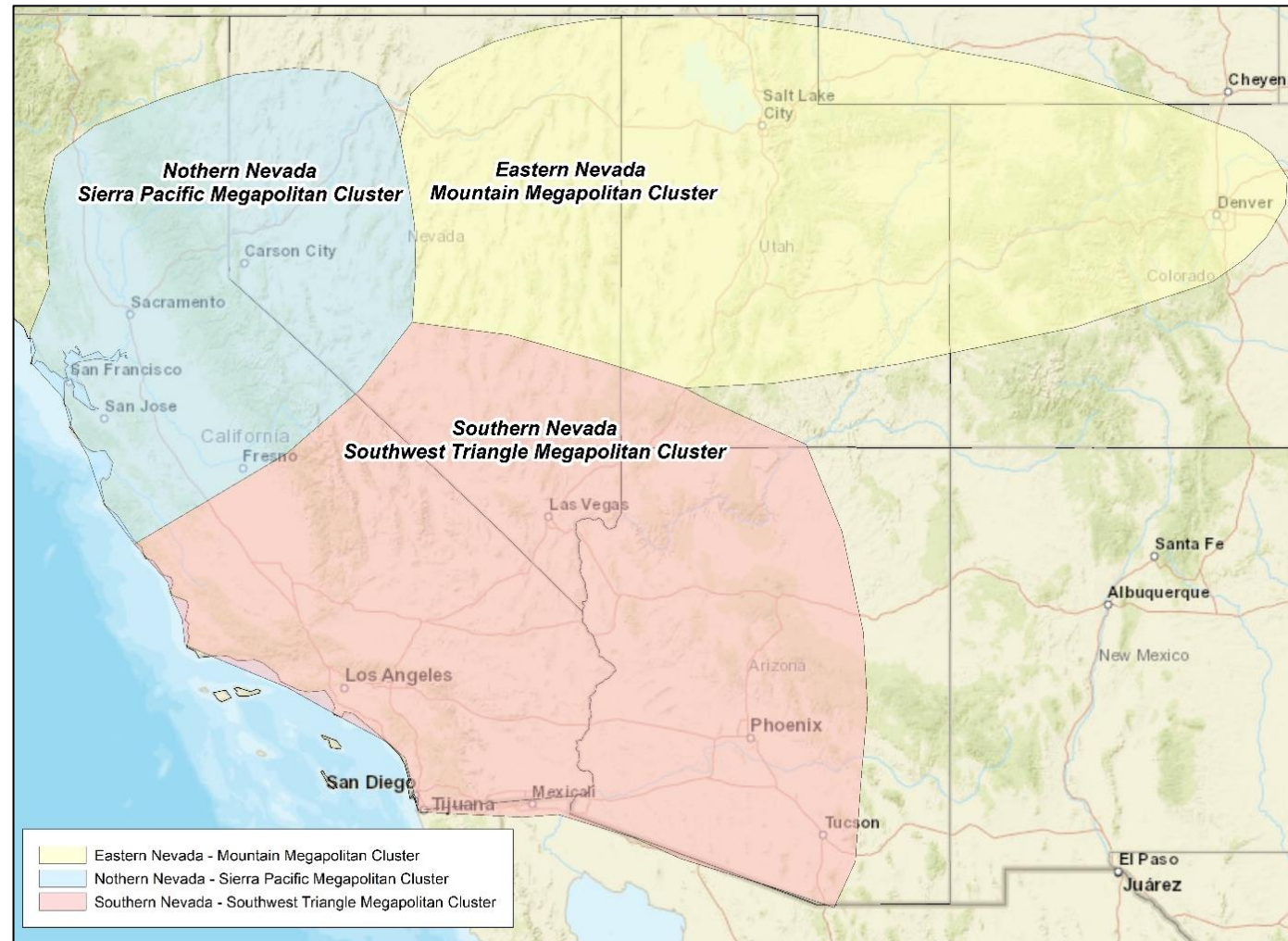
- Access to West Coast networks
- Access to Mountain West markets
- Las Vegas world brand
- Opportunities for mining diversification
- Testbed for new technologies
- Mobile Millennials and Generation Z
- West Coast costs and congestion



Threat

- Impact of climate change
- Exposure to economic cycles
- Uncertain federal policies
- Competition from Mountain West states
- Costs and congestion

Overview: Nevada's Three Megapolitan Clusters



Map Source: Robert E. Lang and Jaewon Lim, Brookings Mountain West—UNLV, 2020



Actions, Strategies, and Capabilities

Priorities for Action

1

Resources for People and Businesses

Immediate Recovery

Support all Nevada agencies that are part of the flow down of federal funds

Long-Term Resilience

Support public action to build an appropriate financial infrastructure for “unbanked” workers to help shelter them from future shocks

Activities could include:

- Consider integration of all state administrative and financial systems (to include payments systems to residents such as UI, TANF, WICK, Medicaid, etc.)
- Foster a community banking network and enhance industrial banking and credit unions

Priorities for Action

2

Business Support and Expansion

Immediate Recovery

Provide guidance to small and medium enterprises [SMEs] on the protocols and practices required to operate under these new conditions

Long-Term Resilience

Develop and share a set of science-based protocols for all businesses, setting a national standard

Activities could include:

- Open business recovery centers within the network of Nevada's [Small Business Development Centers](#) and the Department of Business and Industry
- Increased funding for technology-based entrepreneurship
- Targeted support for technology-based firms in automation and digital technologies

Priorities for Action

3

Workforce for the New Normal and Beyond

Immediate Recovery

Support community colleges in recruiting and graduating students in areas of need, including non-health sectors experiencing high demand

Long-Term Resilience

Support the design of compressed allied health services curricula and other curricula for skills in short supply, with an emphasis on competencies and skills

Activities could include:

- Radical expansion of health services programs at all levels
- Accelerate integration of workforce programs with business needs
- Fund Community College development of accelerated training programs for employers continuing or resuming operations
- Protect funding streams for in-demand and growing academic programs at Nevada's four-year institutions

Priorities for Action

4

New Technologies for Business

Immediate Recovery

Identify appropriate technologies for managing public health and the economy, formulate plans to deploy at scale, and provide guidance to Nevada businesses looking for reliable information

Long-Term Resilience

Develop a vision and actionable strategy to make Nevada the recreational haven of the future, fortified by best-in class measures in public health

Activities could include:

- Support the development of websites and e-commerce capabilities for SMEs
- Aggregate and share vendor information for contactless and online payment systems
- Support the increased use of sensors and other technologies for security and safety

Priorities for Action

5

Data for Decision-Making

Immediate Recovery

Integrate public health data with economic data in order to provide reliable advice to Nevada's businesses and workforce institutions

Long-Term Resilience

Become a one-stop data hub for the state, with an emphasis on the credible communication of information regarding the health of the state's economy and society

Activities could include:

- Integrate state-level data with other states in the Western States Pact
- Distribute Real Time Labor Market Information (RLMI) via RDA and Chamber sites

Visionary Strategies for the Medium Term

As the recovery and resilience plan is implemented, Nevada's leaders should pursue distinctive ideas and initiatives to ensure Nevada's sustained economic and social resilience in the future:

Advanced manufacturing hub

Onshore manufacturing, advanced logistics

World-class zero-carbon economy

Renewable energy, battery supply chain, electric vehicle technologies

Technology

Total connectedness, data hubs, digital public services

Health and wellness

Health services, wellness, sports medicine

Remote work playground

Quality housing, outdoor recreation, arts and entertainment

Capabilities to Realize the Vision

In order to realize the strategies for the future, Nevada will need to build or rebuild key financial and institutional capabilities, combined with realistic statutory actions:

Fully fund the state infrastructure bank

Establish a sovereign wealth fund

Build local networks of innovation and evergreen venture funds

Establish a single office for Micro, Small, and Medium Enterprises (MSME)

Redesign governance and funding mechanisms for the community college system

Follow the state-wide climate plan, including and increase in Nevada's Renewable Portfolio Standard (RPS) and emissions reductions targets

Thank you