

Improving Las Vegas Healthcare Industry and Its Potential for Economic Diversification

Center for Business and Economic
Research, UNLV



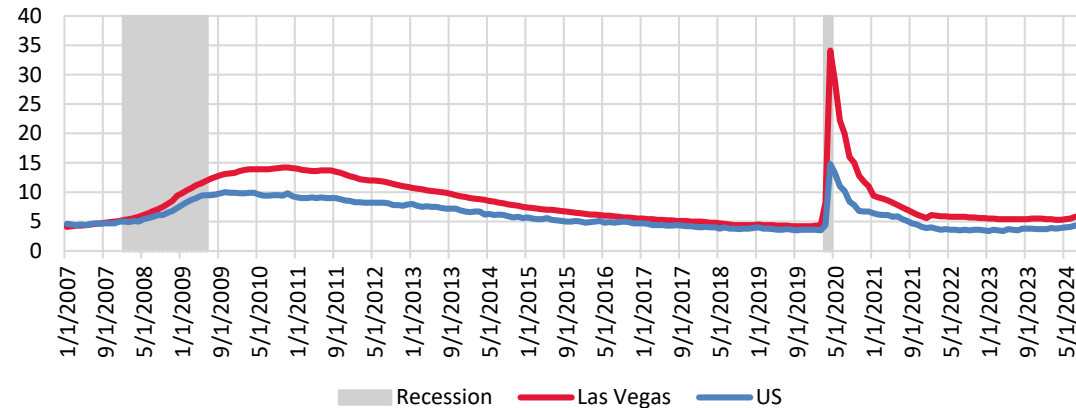
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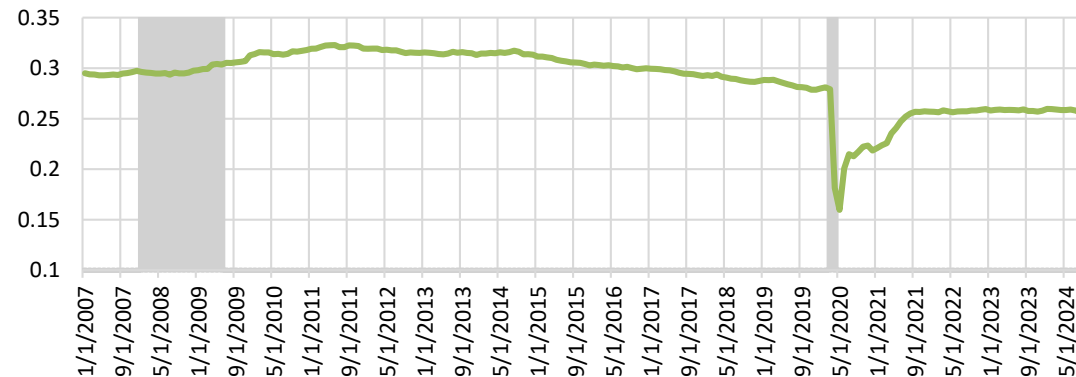
Background

- Las Vegas Global Economic Alliance (LVGEA) – Southern Nevada’s regional development authority – plans to update its 10-year targets for attracting new companies to Southern Nevada and increasing the region's economic resiliency.
- Las Vegas’s largest industry is leisure and hospitality, accounting for **26 percent** of total employment.
- Las Vegas’s economy was highly vulnerable during both the Great Recession and the COVID-19 recession

Unemployment Rate



Leisure and Hospitality Employment Share



Sources: U.S. Bureau of Labor Statistics

“Our findings demonstrate that economic diversification has the two-pronged effect of attenuating the immediate impact and the relative persistence of a shock in a small regional economy to local housing values. Our modeling exercise shows that diversity catalyzes the resiliency of the housing markets to climate shocks.”

N. Edward Coulson, Shawn J. McCoy, Ian K. McDonough, “Economic diversification and the resiliency hypothesis: Evidence from the impact of natural disasters on regional housing values,” *Regional Science and Urban Economics*, Volume 85, (2020), 103581, ISSN 0166-0462: 13,
<https://doi.org/10.1016/j.regsciurbeco.2020.103581>.

Economic Diversification: Las Vegas Today vs Current Forecasted in 2040

Today

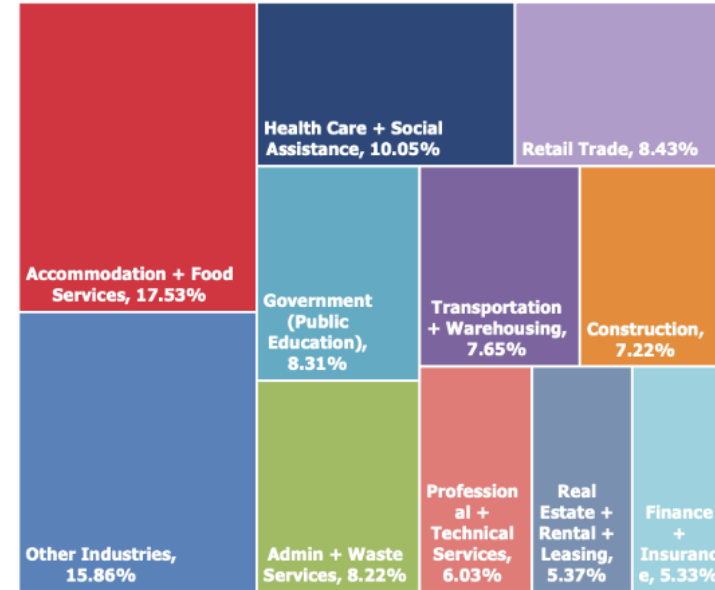


C+

Hachman score: 77.4

Source: CBER 2022 using data from 2023 Clark County Population Forecast.

2040



C+

Hachman score: 78.6

Most Diversified MSAs Similar in Size to Las Vegas

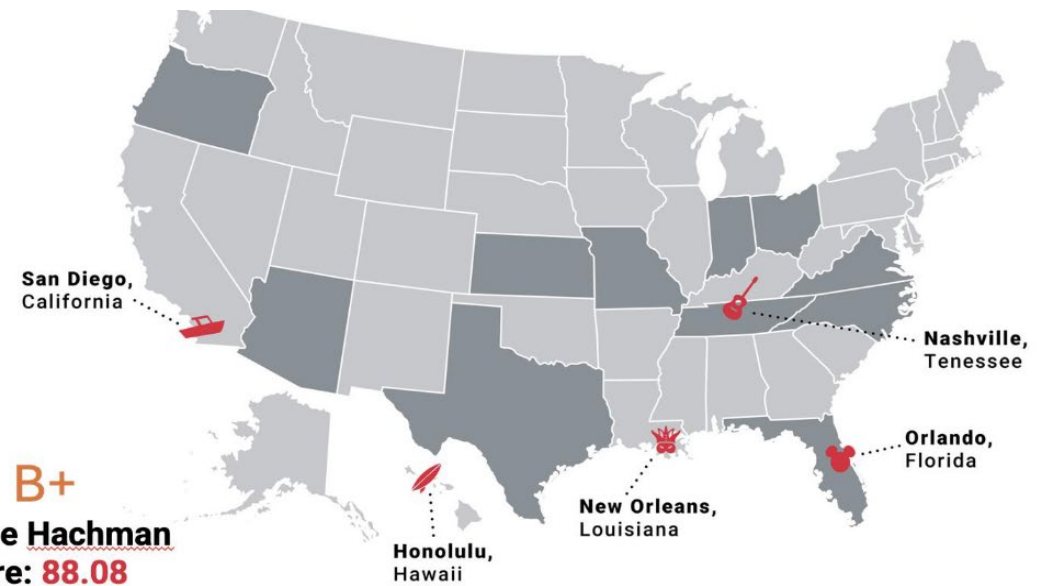


A+

Average Hachman Score: 98.12

Source: Bureau of Labor Statistics, 2023 & CBER Analysis

Leisure and Hospitality Metropolitan Peers Similar in Size to Las Vegas

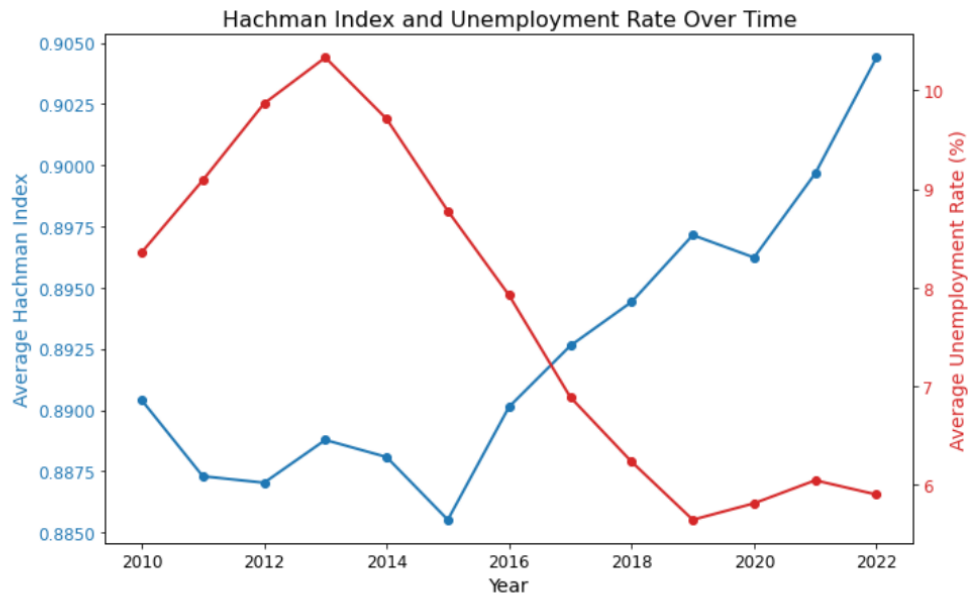


B+

Average Hachman Score: 88.08

Source: Bureau of Labor Statistics, 2023 & CBER Analysis

Average Unemployment Rates in Selected Counties and Hachman Index Scores



Source: (Bureau, American Community Survey 1-year Estimates: Orlando, Tampa, Urban Honolulu, New Orleans, Las Vegas, Nashville - Davidson, San Antonio, Phoenix, San Diego 2010-2021) 2024

Average Hachman Scores and Unemployment Rates for Selected U.S. Cities (2010-2022)

CITY, STATE	HACHMAN SCORE	UNEMPLOYMENT RATE
Las Vegas city, Nevada	0.73	0.098769
Nashville-Davidson metropolitan government (balance), Tennessee	0.96	0.063923
New Orleans city, Louisiana	0.89	0.099385
Orlando city, Florida	0.84	0.080462
Phoenix city, Arizona	0.95	0.074769
Reno city, Nevada	0.91	0.076923
San Antonio city, Texas	0.96	0.069538
San Diego city, California	0.94	0.074769
Tampa city, Florida	0.91	0.088538
Urban Honolulu CDP, Hawaii	0.86	0.046154

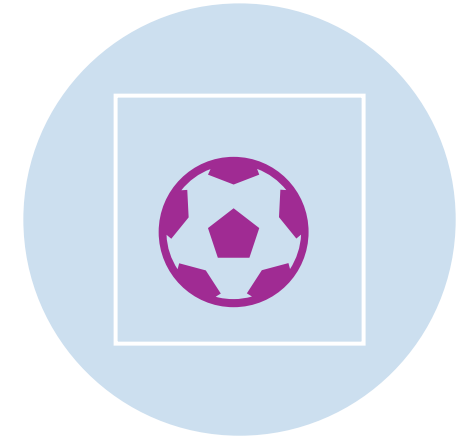
Suggested Scenarios



MANUFACTURING



HEALTHCARE

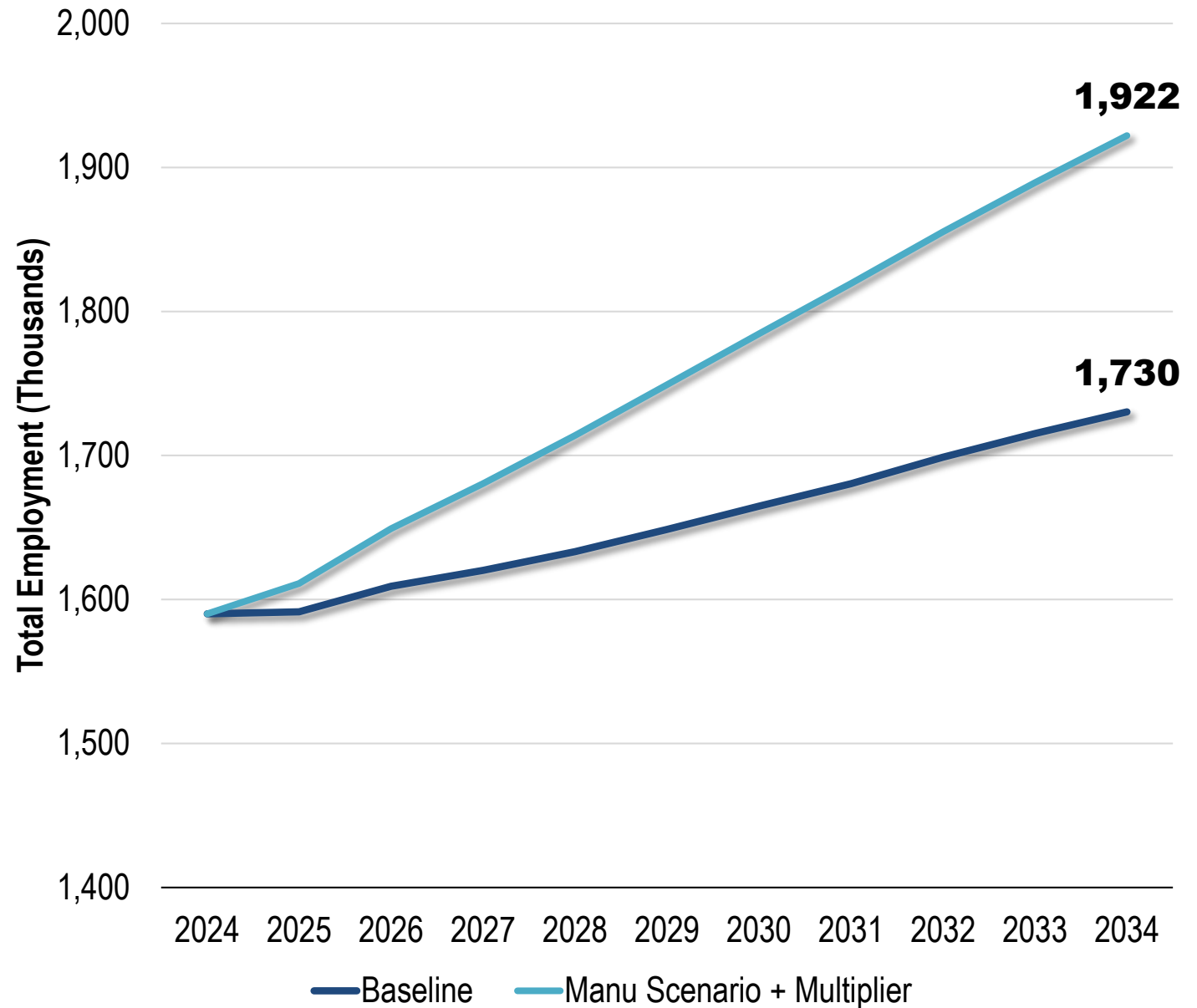


ENTERTAINMENT, SPORTS,
& FILM INDUSTRY

Option 1: 10-Year Target: **Manufacturing**

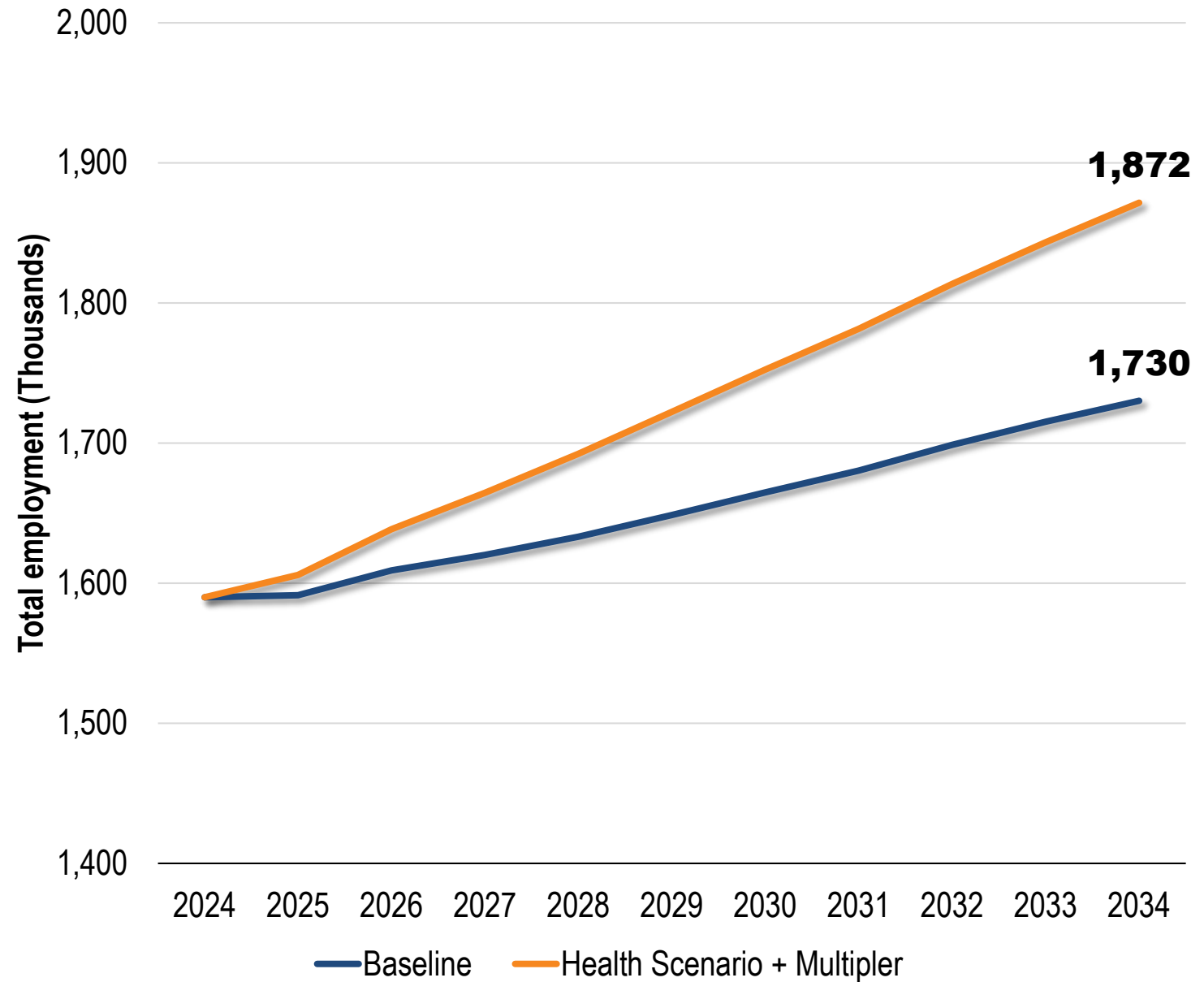
- Direct Jobs: ~80,000 manu jobs by 2034 (~2.5 times current manu jobs)
- Total additional jobs to 2034 Forecast: 191,866
- Top 5 employment gains include:
 - Manufacturing: 83,046 (43.3%)
 - Construction: 13,116 (6.8%)
 - Administrative: 11,319 (5.9%)
 - Retail Trade: 11,895 (6.2%)
 - Transportation & Warehousing: 8,040 (4.2%)

• **Hachman score: 85.7 ~ B**



Option 2: 10-Year Target: **Healthcare**

- Direct healthcare employment: 61,673
- Total additional jobs to 2034 Forecast: 123,285 with top net gain in jobs for:
 - Healthcare: 71,347 (50.4%)
 - Construction: 9,083 (6.4%)
 - Administrative: 9,060 (6.4%)
 - Retail Trade: 8,231 (5.8%)
 - Real estate: 7,803 (5.5%)
- Hachman Score: 83.5 ~ **B**

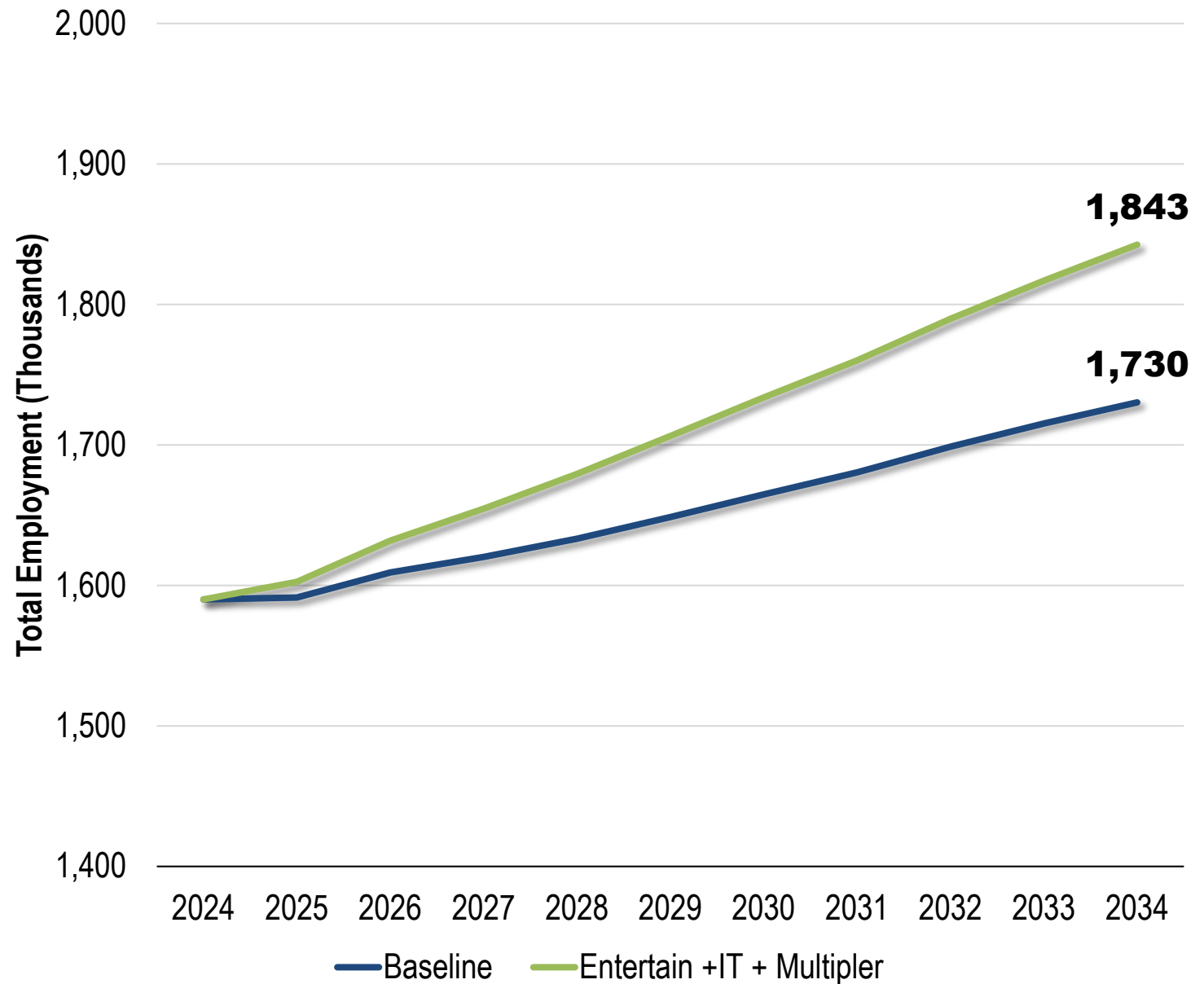


Option 3

10-year Target: **Entertainment, sports, & Film Industry**

- Direct Jobs (Sports + Film): 47,422
- Total additional jobs to 2034 Forecast is 112,280 with the top net gain in jobs for:
 - Arts, Entertainment, and recreation: 48,912 (18.3%)
 - IT: 7,292 (6.9%)
 - Construction: 7,223 (6.4%)
 - State and Local Government: 6,283 (5.6%)
 - Retail Trade: 6,238 (5.6%)

• Hachman Score: 79.7 ~ **C+**

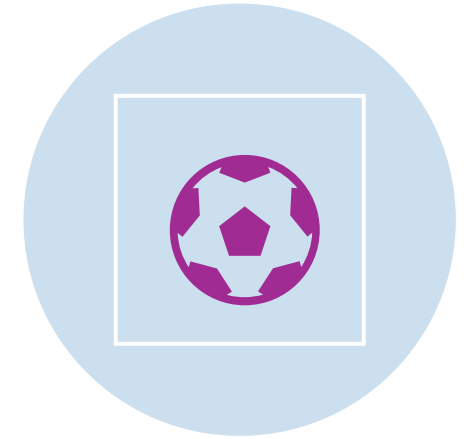




MANUFACTURING



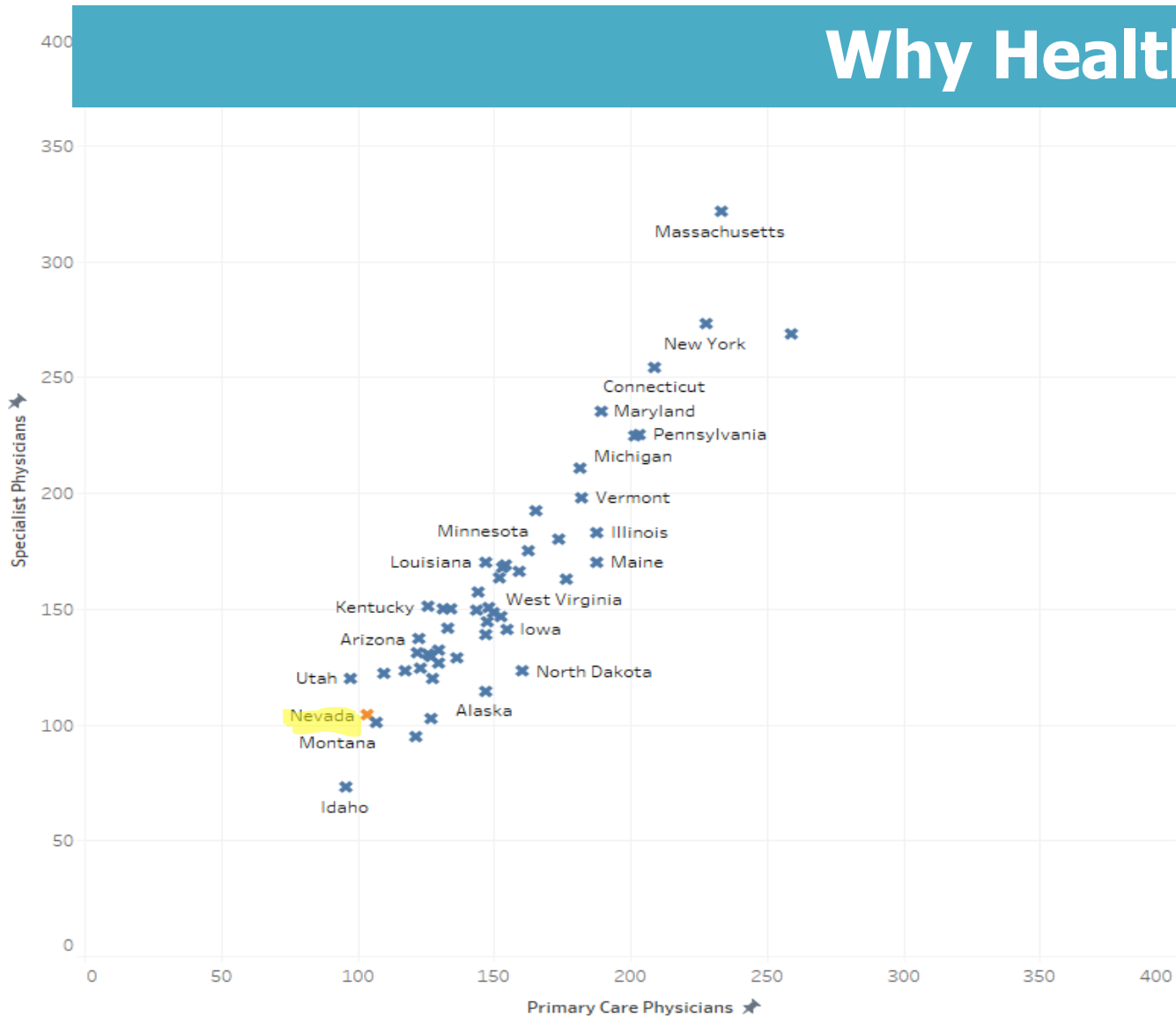
HEALTHCARE



ENTERTAINMENT, SPORTS, &
INFORMATION TECHNOLOGY



Why Healthcare?



Sum of Primary Care Physicians vs. sum of Specialist Physicians. Color shows details about Color Nevada. The marks are labeled by

- Nevada ranks 47th out of 50 states in the number of active primary care physicians and 45th out of 50 in the number of active specialist physicians.
- Healthcare employment in Clark County accounted for 8.4 percent of total employment in 2022, compared to 11.1 percent for the US (BEA).
- 54.9 healthcare employees per 1,000 people in Clark County, significantly lower than the US average of 70.5 per 1,000 people.
- We had about 2.4 million residents and 43 million visitors (~118,000 visitors per day) in 2023.

Western Metro Peers

Western Metros with a Population of 1M or more (2022)



MSA	State	Population	Healthcare GDP as a Percent of Total	Healthcare Employment as a Percent of Total	Healthcare Wages and Salaries as a Percent of Total	Healthcare Industry Average Pay Per Employee	Healthcare Employment Per Capita (per 1,000 people)
Las Vegas-Henderson-Paradise	NV	2,322,985	6.5%	8.4%	12.8%	\$ 69,778	54.9
Denver-Aurora-Lakewood	CO	2,985,871	5.8%	8.7%	10.6%	\$ 74,302	66.4
Fresno	CA	1,015,190	12.1%	14.9%	22.6%	\$ 66,195	81.2
Phoenix-Mesa-Chandler	AZ	5,015,678	8.6%	11.1%	15.9%	\$ 75,324	69.7
Riverside-San Bernardino-Ontario	CA	4,667,558	8.7%	11.6%	16.6%	\$ 61,928	59.5
Sacramento-Roseville-Folsom	CA	2,416,702	9.6%	12.0%	17.3%	\$ 80,510	74.0
Salt Lake City	UT	1,266,191	5.0%	7.7%	9.8%	\$ 69,934	64.9
San Diego-Chula Vista-Carlsbad	CA	3,276,208	6.5%	10.2%	12.4%	\$ 71,849	70.6
San Francisco-Oakland-Berkeley	CA	4,579,599	5.0%	10.9%	10.0%	\$ 86,898	82.8
San Jose-Sunnyvale-Santa Clara	CA	1,938,524	3.9%	10.3%	7.2%	\$ 95,261	80.6
Seattle-Tacoma-Bellevue	WA	4,034,248	4.9%	10.0%	10.4%	\$ 82,772	70.0
Tucson	AZ	1,057,597	9.6%	12.5%	18.8%	\$ 64,925	66.2
Urban Honolulu	HI	995,638	8.3%	10.0%	16.1%	\$ 82,331	63.8

Sources: BEA

Closing the Healthcare Gap – 10-Year Target (1)

	2024			2035		
	Baseline*	US Average	Western Metros	Baseline*	US Average	Western Metros
Healthcare GDP as a Percent of Total GDP (\$2012)	7.1%	7.7%	6.4%	8.2%	8.7%	6.9%
Healthcare Employment as a Percent of Total Employment	8.5%	11.2%	10.8%	9.4%	12.2%	11.7%
Healthcare Wages and Salaries as a Percent of Total Wages and Salaries	10.7%	12.2%	9.4%	12.0%	13.5%	10.1%
Healthcare Industry Average Pay Per Employee (nominal)	\$63,711	\$62,678	\$65,140	\$94,329	\$92,113	\$95,168
Healthcare Employment Per Capita (per 1,000 people)	56.0	71.3	72.9	58.0	77.2	78.8
Average Pay per Employee All Jobs (nominal)	\$50,724	\$57,360	\$74,853	\$73,751	\$82,969	\$110,570

* 2024 CBER Population Forecasts

- Without intervention, Las Vegas will continue to face a shortage of healthcare workers in 2035.
- What is the number of direct jobs needed in 2035 to match the US and Western Metro average (healthcare employment as a percent of total employment)?
 - 55,000 additional healthcare jobs to reach the US average
 - 45,000 additional healthcare jobs to match the Western Metro average

Closing the Healthcare Gap – 10-Year Target (2)

	Baseline*	Sim 1 (+55,000)	Sim 2 (+45,000)	US Average	Western Metros
Healthcare GDP as a Percent of Total GDP (\$2012)	8.2%	10.8%	10.3%	8.7%	6.9%
Healthcare Employment as a Percent of Total Employment	9.4%	12.2%	11.7%	12.2%	11.7%
Healthcare Wages and Salaries as a Percent of Total Wages and Salaries	12.0%	15.8%	15.1%	13.5%	10.1%
Healthcare Industry Average Pay Per Employee (nominal)	\$94,329	\$97,409	\$96,908	\$92,113	\$95,168
Healthcare Employment Per Capita (per 1,000 people)	58.0	76.9	73.6	77.2	78.8
Average Pay per Employee All Jobs	\$73,751	\$75,167	\$74,913	\$82,969	\$110,570

- Healthcare employment per capita is projected to be 73.9 and 73.6 per 1,000 people in 2035, which would still be slightly lower than the US average of 77.2 and the Western Metro average of 78.8.
- Since Las Vegas has relied more on lower-wage and lower-productivity industries, healthcare's contribution to GDP and wages is expected to be higher than the US and Western Metro averages.
- Limitation: Our analysis is based on the baseline sub-NAICS code employment ratios for healthcare employment.

