



## Southern Nevada Economic Baseline

Evaluating the sufficiency of southern Nevada's tourism-related infrastructure rightly begins with a set of baseline assumptions regarding how the region's economy will evolve into the foreseeable future. Respecting the inherent uncertainty in forward-looking estimates, the assumptions set forth below are intended to provide a general baseline of expected growth through 2050.

**Population Growth.** Southern Nevada's population base has expanded faster than any other U.S. region of its size during the past 45 years. Growing from 273,300 residents in 1970 to 2.07 million in 2014, Clark County reported a nation-leading annual growth rate of 4.7 percent. The region's growth is attributable to a number of factors, including robust job growth, population migration trends that favor the West/Southwest and higher rates of retirement. Looking forward, southern Nevada's population growth is expected to continue to outpace national averages, albeit at a slower annual growth rate. By 2050, Clark County's population will reach 3.25 million, an average annual growth rate of 1.3 percent.

**Employment Growth and Diversification.** Like population, southern Nevada has tended to outpace national averages in new job formation. Since 1980, the region's employment growth rate has averaged 4.2 percent; the national average during the same period was only 1.3 percent. Labor force employment in southern Nevada is currently 1.2 million and is dominated by the leisure and hospitality sector, which directly accounts for 303,924 positions, or 26 percent of all employment. Indirect and induced impacts of the primary tourism sector are also significant, rippling through every sector of the local economy. Looking forward, annual employment growth is expected to be slower than historical averages for the region but still outpace national averages. By 2050, southern Nevada's employment base will reach 1.63 million, growing at an average annual rate of just over 1 percent. Every sector of the southern Nevada economy is anticipated to add jobs during this period; however, the overall economy will reduce its relative dependence on the leisure and hospitality sector, with that segment falling to roughly 20.6 percent of the employment base by 2050.

**Tourism Growth.** Southern Nevada welcomed 41 million visitors in 2014, a value that is expected to grow to 59.2 million by 2050. This translates into an average growth rate of just over 1 percent per year, significantly slower than the 3.7 percent average annual growth rate reported during the past 35 years. "Las Vegas" is expected to remain a premier resort destination globally, with maintained or enhanced competitive advantages in leisure travel, conventions, trade shows and special events. Diversification within the industry is also anticipated to continue. Visitor trends are forecast to shift during the projection period to reflect an increasingly diverse demographic profile and an increasing share of visitors from international points of origin. Investment will continue in tourism-related assets including resort-casinos; convention centers; special event venues; retail centers; bars, restaurants and night/day clubs; and other related assets.

**Urban Form.** Southern Nevada is anticipated to remain a dynamic and attractive urban area for residents, businesses and visitors alike. The resort corridor, broadly defined, will remain at the core of the region's economy as its largest source of employment, business activity, and state and local tax revenue. The industry will also face greater competition domestically and internationally. Growth, as well as land and resources limitations, will put increasing pressure on development densities. Existing infrastructure will be insufficient to meet the demands of future growth, and existing infrastructure will require higher operations and maintenance costs as it ages.