Metropolitan *Las Vegas*  
Challenges and Opportunities

Nevada Vision Stakeholder Group  
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Why Brookings Mountain West cares

Challenges and emerging opportunities
One reason is growth

Metro Las Vegas grew by 17 percent between 2000 and 2007 (or 2.5 percent a year!)
One reason is growth

Since then, however, growth has slowed to precipitously—and for now has turned negative

Metro Las Vegas will likely record a net loss of nearly 18,000 people this year

Source: U.S. Census Bureau Population Estimates data and metropolitan Las Vegas estimates for 2009 from Applied Analysis
Another is the invention here in the Mountain region of new urban forms
And we’re here because you’re at ground zero of the world economic crisis
In this regard, there is growing consensus the nation’s economies need to reposition.

“The rebuilt American economy must be more export-oriented and less consumption-oriented”

-Lawrence Summers, Director, National Economic Council
And indeed, consumption is down nationally and the savings rate is rising.

Source: Bureau of Economic Analysis, 1947 Q1-2009 Q1
And yet, this is problematic given Vegas’ – and so Nevada’s – hyper-dependency on consumption. 

Share of metro private sector GDP from food, drinking, leisure, hospitality, construction, and real estate.
In fact, Las Vegas exports very few hard goods beyond consumption.

Value of exported goods as a share of gross metropolitan product, 2006

- Albuquerque, NM: 6.8%
- Colorado Springs, CO: 10.0%
- Denver-Aurora, CO: 2.8%
- Las Vegas: 1.1%
- Phoenix-Mesa: 6.1%
- Salt Lake City, UT: 8.9%
- Tucson, AZ: 2.5%

Source: International Trade Administration and the Bureau of Economic Analysis

Metro average: 8.9%
All of which means: ?
Why Brookings Mountain West cares

Challenges and emerging opportunities
To help places assess their standing, we have developed a *Blueprint for American Prosperity*
The *Blueprint* is a deep-going prosperity analysis framework and federal policy agenda for metros.
According to the *Blueprint*, true prosperity depends on achieving three types of growth:

- **Productive growth** that boosts innovation and productivity and so generates quality jobs and rising incomes.
- **Inclusive growth** that fosters a strong middle class by addressing the training and education needs of an increasingly diverse population.
- **Sustainable growth** that promotes sensible urban form, reduces resource consumption and emissions, and protects the environment.
To achieve these goals, the nation must leverage four key assets and improve regional governance:

- Infrastructure
- Innovation
- Human Capital
- Sustainable, Quality Places
- Improved governance networks
So how is Las Vegas doing?
Vegas faces serious challenges…but it also has momentum

Infrastructure

Innovation

Sustainable, Quality Places
Like the other Mountain metros, greater Las Vegas is underserved by interstates.

Las Vegas and Phoenix are the largest two adjacent metros not served by an interstate highway.

I-15—linking Las Vegas and LA—offers only two lanes each direction in some places.

Source: Federal Highway Administration
Greater Las Vegas and the rest of the megas are also undersupplied with intercity rail.

The lack of rail service between Las Vegas and cities such as Los Angeles and Phoenix results in long travel times on strained highways.
And yet, “Mountain Megas” has helped reenergize discussions of I-11

Source: Maricopa Association of Governments
A high speed rail link with southern California is now in the mix

Source: U.S. Department of Transportation
And McCarran International Airport remains a world class asset

The hub ranked as America’s 6th busiest airport in 2008, just behind fifth-place Denver and ahead of 10th-place Phoenix.

Source: Airports Council International
Challenges

Infrastructure

Innovation

Sustainable, Quality Places
R&D is a critical driver of innovation and productivity but Vegas conducts little of it.

Top 100 Metro Average: 0.43%

<table>
<thead>
<tr>
<th>City</th>
<th>Share of Employment in R&amp;D, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver-Aurora, CO</td>
<td>0.24%</td>
</tr>
<tr>
<td>Las Vegas-Paradise, NV</td>
<td>0.13%</td>
</tr>
<tr>
<td>Phoenix-Scottsdale, AZ</td>
<td>0.07%</td>
</tr>
<tr>
<td>Salt Lake City, UT</td>
<td>0.15%</td>
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<tr>
<td>Tucson, AZ</td>
<td>0.12%</td>
</tr>
</tbody>
</table>

Source: Analysis of 2005 Census data by Ned Hill
Patenting rates remain low

Source: U.S. Trade & Patent Office

<table>
<thead>
<tr>
<th>City</th>
<th>Patent Rate per 100,000 people per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Jose CA</td>
<td>475.4</td>
</tr>
<tr>
<td>Albuquerque</td>
<td>48.6</td>
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<tr>
<td>Colorado Springs</td>
<td>72.0</td>
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<tr>
<td>Denver</td>
<td>26.8</td>
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<tr>
<td>Las Vegas</td>
<td>28.8</td>
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<tr>
<td>Phoenix</td>
<td>34.9</td>
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<tr>
<td>Salt Lake City</td>
<td>151.4</td>
</tr>
<tr>
<td>Tucson</td>
<td>76.3</td>
</tr>
</tbody>
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Utility patents by city per 100,000 people per year, 2000-2009
Partly as a result Las Vegas remains pretty weak in critical green export activities.

And yet, Las Vegas’ productivity continues to outstrip most regional competitors.
The convening-hospitality-gaming sector remains a world-class source of export income and innovation.
And natural assets, focus, and convening power are building new sectors
Challenges

Infrastructure

Innovation

Sustainable, Quality Places
Climate change has heightened water supply questions

Source: U.S. Bureau of Reclamation
And while natural growth constraints have fueled relatively dense development, policy choices have left the region auto-dependent and poorly linked.
And yet, a strong, dense job core represents an important starting point.

Source: Elizabeth Kneebone (Brookings, 2009)

Ninety percent of Las Vegas area jobs are located within 10 miles of the city center.
Radical new urban design is beginning to retrofit the autoscape
Huge strides are being made on other aspects of sustainability, such as water.
And the region has shifted faster, and farther, toward renewables than anywhere.
Partly as a result, Las Vegas’s carbon footprint remains below the national and regional average.

Source: “Shrinking the Carbon Footprint of Metropolitan America” (Brookings, 2008)
In short, Las Vegas faces the future with significant promise... if it uses its time well.
For More Information

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