Las Vegas as the American Milan:
Economic Growth in the World Economy

Robert Lang, UNLV Director Brookings Mountain West
Why Milan?
Milan as a Metaphor

- Milan Makes Stuff and is a Tech City
- Milan’s Specialty as a World City is Design and Trade
- Milan is Not a Museum—Unlike Some Other Italian Cities that have Inspired Las Vegas such as Venice and Florence
- Design Needs Flair—We Got Plenty of That and it Plays to a Key Strength
Milan is as Also a Direction

- Toward More Global Connectivity
- Toward a More Diversified Economy
- Toward Signature Styles for the City Such as the Mid Century Modern that Palm Springs Now Plays off of Just Because Sinatra Once Lived There
- Toward a Host of Other Industries that Play to Our Strengths
- Bottom Line: Think Milan
First We Need Some Image Work: Sustainable Las Vegas—Closer to Reality Than You Might Think
Water Use is Dropping!

Nevada is Adopting Renewable Energy

Share of total energy consumption from renewables

Nevada
California
U.S.

Source: Energy Information Administration
Las Vegas has a Low Carbon Footprint

Million metric tons of carbon emitted per capita, 2005

- Colorado Springs: 2.29
- Denver-Aurora: 2.97
- Las Vegas-Paradise: 2.16
- Phoenix-Mesa-Scottsdale: 2.26
- Salt Lake City: 2.91
- Tucson: 3.12

U.S. metro average: 2.50

Source: “Shrinking the Carbon Footprint of Metropolitan America” (Brookings, 2008)
It’s Also Denser Built than the East

Las Vegas

Atlanta
Also, Las Vegas is a “Bridge to Somewhere” and a “World Business Space”
Las Vegas: The Convening City
LA-Las Vegas-Phoenix Connections
## Population Change, 1970-1940

### Southwest Megaregion

(Thousands)

<table>
<thead>
<tr>
<th>Megapolitan Area</th>
<th>1970</th>
<th>2000</th>
<th>2010</th>
<th>2025</th>
<th>2040</th>
<th>Growth '70-'40</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>So Cal</td>
<td>11,976</td>
<td>20,237</td>
<td>22,635</td>
<td>26,386</td>
<td>30,273</td>
<td>18,297</td>
<td>153%</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>323</td>
<td>1,674</td>
<td>2,407</td>
<td>3,416</td>
<td>4,442</td>
<td>4,119</td>
<td>1275%</td>
</tr>
<tr>
<td>Sun Corridor</td>
<td>1,447</td>
<td>4,297</td>
<td>5,699</td>
<td>7,447</td>
<td>9,233</td>
<td>7,786</td>
<td>538%</td>
</tr>
<tr>
<td>Total</td>
<td>13,746</td>
<td>26,208</td>
<td>30,741</td>
<td>37,249</td>
<td>43,948</td>
<td>30,202</td>
<td>220%</td>
</tr>
</tbody>
</table>

Source: Woods & Poole, 2009
We Will See High-Speed Rail
And Interstate 11 to Phoenix
Figure 3.1 Most important cities and their links in the world city network (source: Derudder and Witlox 2005b)
World City Air Network, 2009
Economic Diversification—The Next Frontier
Overlying on Growth & Tourism

Share of metro private sector GDP from food, drinking, leisure, hospitality, construction, and real estate
We Used to Count on Migrants

Where Americans Are Moving
Domestic Migration Density, July 2003 to July 2004*

Values displayed show a positive domestic migration per square mile.

Based on U.S. Census Bureau county-level migration estimates.
Map by the Indiana Business Research Center, April 2005
One More Migrant Wave?

- We Are Due at Least one More Semi-Boom Round of Growth
- Case-Shiller Numbers Point to a Value Gap with California
- Look at RTC Cities in the 1990s—Phoenix, Dallas, and Denver
- In Recovery, Real Estate Overhang can Switch from a Drag on Growth to a Driver of Growth
Case-Shiller Boom/Bust

S&P/Case-Shiller Home Price indices by City

Index Level

Sep 98 Sep 99 Sep 00 Sep 01 Sep 02 Sep 03 Sep 04 Sep 05 Sep 06 Sep 07 Sep 08 Sep 09

Phoenix
Los Angeles
San Diego
San Francisco
Denver
Washington
Miami
Tampa
Chicago
Atlanta
Boston
Detroit
Minneapolis
Charlotte
Las Vegas
New York
Cleveland
Portland
Dallas
Seattle

www.thefundamentalanalyst.com
A Future in Alternative Energy

Source: State of Utah; PNM
Tech Future: The Switch
Repurpose Yucca Mountain
Leverage the Region’s World City Assets
Vegas as a Permanent Trade Show

CEA Now Has Exclusive Rights to the Trademark “World Trade Center Las Vegas” The Consumer Electronics Show will Now Become a Permanent Fixture in Las Vegas...May Others Follow?
And There are Other Big Shows

Comic Con is a Perfect Fit For Las Vegas. This is Now the Biggest Media Show in the Industry and Would Play to the Vegas-Hollywood Connection.
So What’s Holding Las Vegas Back?

- A Relatively Uneducated Workforce—See the Recent Brookings Mountain Monitor
- Las Vegas’s Native-Born Population is Less Educated Than Denver’s *Foreign*-Born One
- We are Dramatically Under Investing in Higher Education
- UNLV Ranks Below New Mexico
A Serious Research University

- The Arizona Plan: Build up the Research University in the Largest Metropolitan Area
- Either Fund UNLV or Cut it Free
- Let UNLV Keep its Out-of-State Tuition
- Allow for Differential Tuition
- UNLV is the Only Graduate School Game in Town—Expand it!
- Leverage Federal Research Funds
Carnegie Research University “Very High” Category

Just 7 Total in the Mountain West:
- 3 in CO, 2 in AZ, 1 in Utah, 1 in NM
- A Big Fat Zero in Nevada
- UNLV/UNR rank with NAU in AZ
- Las Vegas—a Metro with Almost 2 Million—Has the Research Capacity of Flagstaff, AZ or Las Cruces, NM—Wow!
Final Comments

- Make Strategic Investments in Higher Education
- Go After Federal Resources—Stop Leaving our Money on the Table
- Target Businesses that Match Key Clusters and our Comparative Advantages
- Finally, We Should Establish a New Economic Vision for Las Vegas
Thank You!