

Report:  
NORTHERN NEVADA DATABASE OF ASSETS



Presented to:  
NORTHERN NEVADA DEVELOPMENT AUTHORITY

# REPORT: Northern Nevada Database of Assets

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The “Northern Nevada Database of Assets” is the first part in the development of a Regional Economic Development Strategy Initiative (NorthernNVision) for the 7 counties (Carson City, Churchill, Douglas, Lyon, Mineral, Pershing, and Storey) in the northern Nevada region under the oversight of the Northern Nevada Development Authority (NNDa) and the Western Nevada Development District (WNDD.)

The major purpose of the NorthernNVision project is to determine the unique assets of each county within the northern Nevada region and develop recommendations to enhance and market those assets in a way that will attract investment to the region.

### The Issue

The northern Nevada region is a thriving and growing region centered on the capital city of Nevada, Carson City. Over the past 15 years, the counties surrounding Reno and Carson City have experienced tremendous change, driven primarily by unparalleled growth by people attracted to the region's high quality of life and excellent business climate.

However, **this growth has also triggered challenges.** It has increased threats to the region's environment and natural resources, transportation infrastructure, and cost of living, as well as highlighting the need to cooperate and plan regionally for sustainable economic growth. As costs - particularly housing costs - are driven up, the region's historical economic base of gaming and tourism are strained to provide quality, high wage jobs for residents. Threats to the gaming industry from Indian gaming and consumer spending sensitivities further compound the need to diversify the economy with higher wage, higher impact industries.

**The time is NOW for a regional plan of this nature to position northern Nevada for economic prosperity and resident opportunity.** Building from a position of strength and attractiveness, the region can craft a progressive vision of where it wants to be over the next 5-10 years and be selective, but smart, about the industries that it will attract.

### Overview of the Project

NNDa hired AngelouEconomics (AE) to develop a strategy for ensuring that the northern Nevada region targets new industries that are aligned with the visions of the region's communities and the people living here. For the next eight months, AE will be working closely with the Steering Committee of the NNDa to develop a plan that will result in the creation of visions, goals, strategies, and project priorities.

A primary component in the development of this plan is public input. AE has asked businesses and residents to take a brief on-line survey that has currently been taken by 670 residents and 99 business owners. AE will be conducting focus groups and interviews with CEO's, city personnel, elected officials, industry leaders and private citizens in each county.

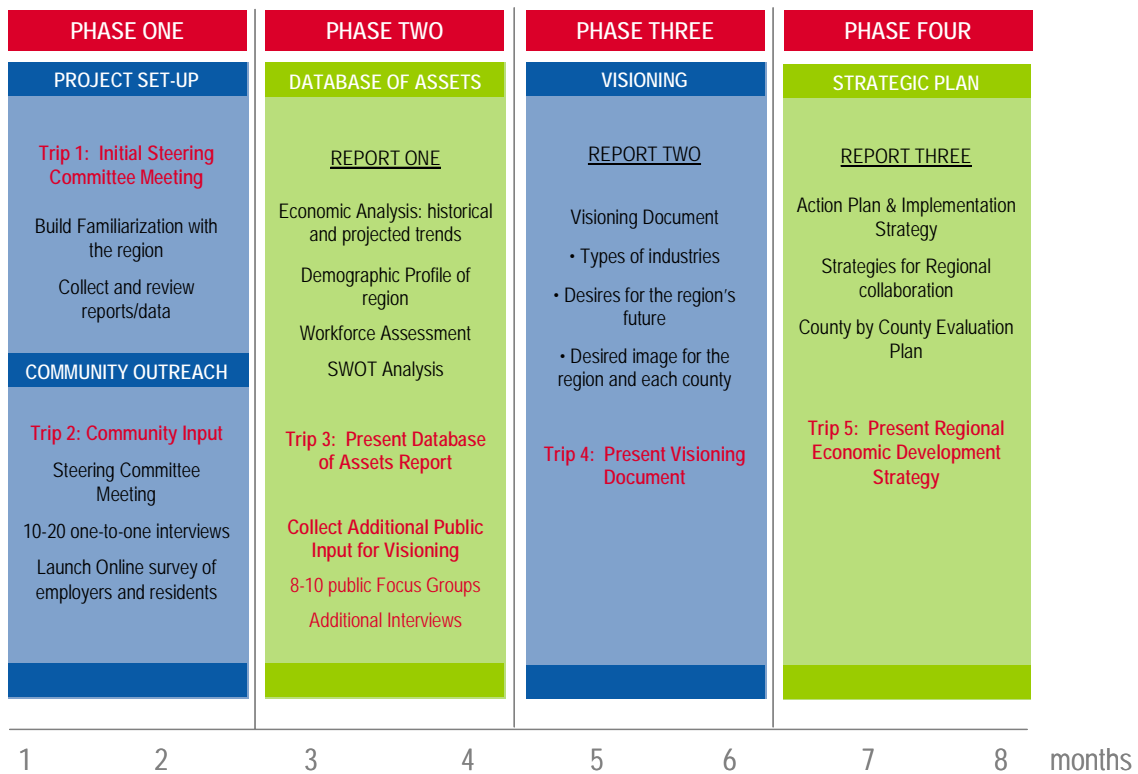
The project will result in the deliverance of 3 reports. The first report is the “Database of Assets” report. It profiles the region and individual counties’ economy, demographic composition, and workforce composition. The second report is the “Visioning Document.” This document will outline the unique visions and target industries for both the region and individual counties, while identifying and analyzing the issues and opportunities that need to be addressed in order to achieve those visions.

The final report is the “Regional Economic Development Strategy.” This strategy will synthesize the findings and outline an action plan and implementation strategy that capitalizes on the region’s strengths and encourages regional collaboration. Although the approach is regional, each county will have an individual evaluation plan to measure success.

### Our Approach to the Database of Assets

This first report, the “Database of Assets”, has the primary purpose of laying the foundation for future reports and recommendations. It profiles the region’s economic base, demographic composition, and workforce on a variety of data metrics. The analysis has been completed at both a regional and county level, with individual sections for each of the 7 counties.

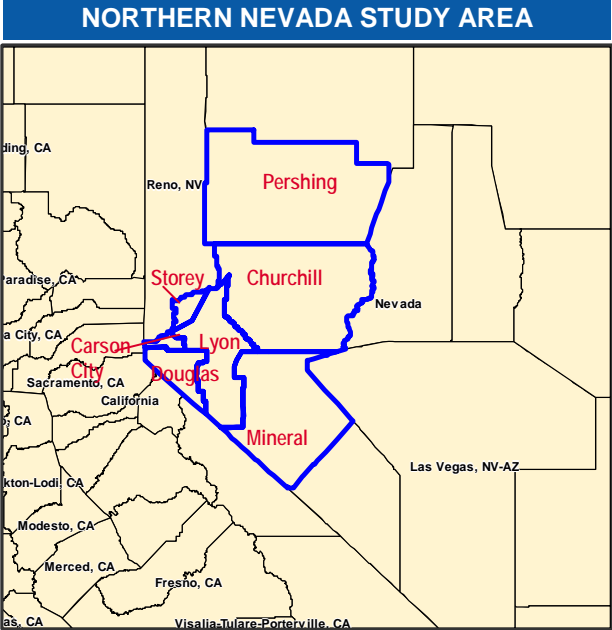
This Database of Assets Report marks the end of Phase Two in a four-phase project. The information in this report will be used to develop the Visioning Documents and the target industries and recommendations in the Regional Economic Development Strategy. The chart below provides an overview of the strategic planning process for NorthernNVision.



## Welcome to Northern Nevada

In this section, we outline the economic, demographic, and industry trends shaping the northern Nevada region.

The northern Nevada region has attracted enviable attention as a contender in the global marketplace, but now has the opportunity to proactively position itself for selective, high impact investment through this regional and collaborative planning process. The region must recognize that, when a prospect considers a site in the Western U.S., the region has a better opportunity of attracting them by leveraging the strengths of the entire northern Nevada region and matching the unique assets of the individual communities to the prospect's needs. As the primary entity for the northern Nevada region's economic development efforts, there must be a central clearinghouse for all client / prospect interaction offering a targeted and cohesive approach to business recruitment, retention, and marketing efforts in the region. This not only ensures that all available assets are offered to the prospect, but also that the region delivers one unified message to industry executives and site selectors.



The geographic coverage area for this analysis is the 7-county region covered by WNDD and the Western Nevada Community College (WNCC) system. These counties include Carson City, Churchill, Douglas, Lyon, Mineral, Pershing, and Storey.

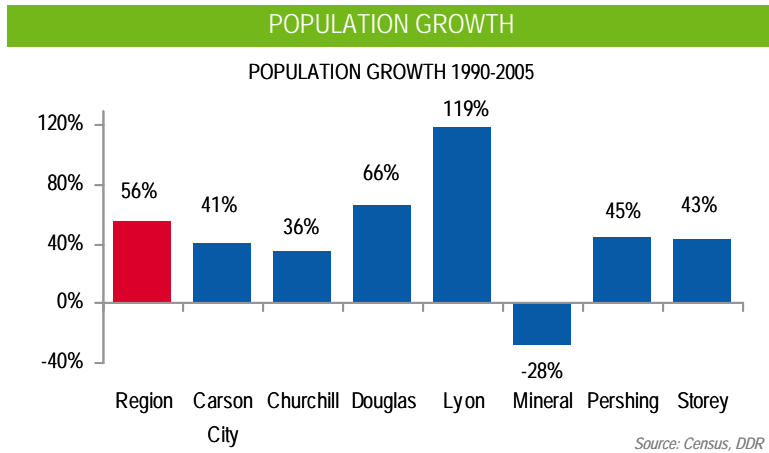
The next section highlights the region's composition, while subsequent pages breakout key characteristics of each county as compared to state and national averages.

## NORTHERN NEVADA DEMOGRAPHIC PROFILE

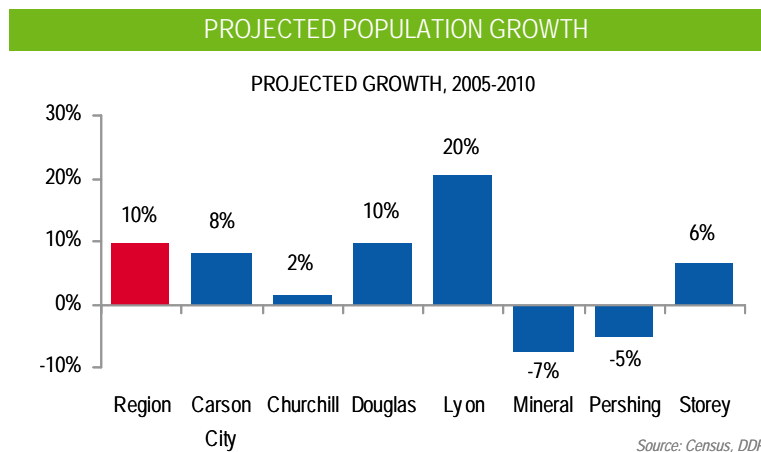
### Population

For 19 straight years, the state of Nevada has been the fastest growing state in the nation. Northern Nevada is no exception to that trend.

The northern Nevada region has experienced dramatic population growth since 1990. Between 1990 and 2005, population increased by 56% and is now over 185,000. This steady growth is expected to continue, with regional population nearing 204,000 residents by 2010.



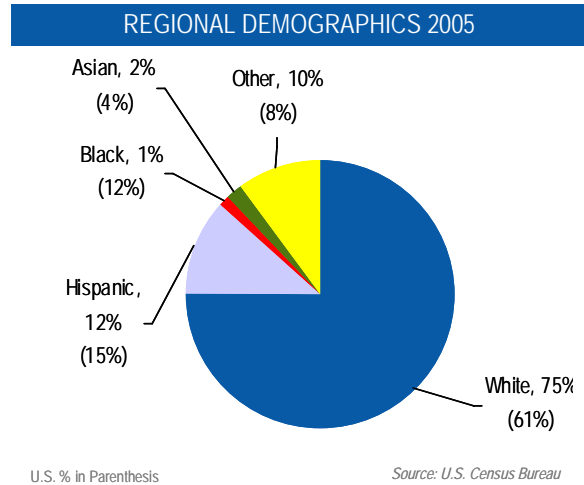
- Population growth is concentrated in the counties immediately surrounding Carson City.
- Between 1990 and 2005, growth was positive in all counties but Mineral, and was most dramatic in the suburban counties of Lyon (119%) and Douglas (66%).
- On average, steady growth is projected to continue through 2010. Between 2005 and 2010, regional population is expected to increase by 10%, led once again by Douglas and Lyon counties.
- Two counties are projected to see population decreases: Mineral and Pershing.
- Between 2000 and 2004, Nevada had the highest per capita net domestic in-migration of any state in the U.S., and California was the primary migrating state to Nevada.



## Diversity

As a whole, the 7-county region is less diverse than the national average.

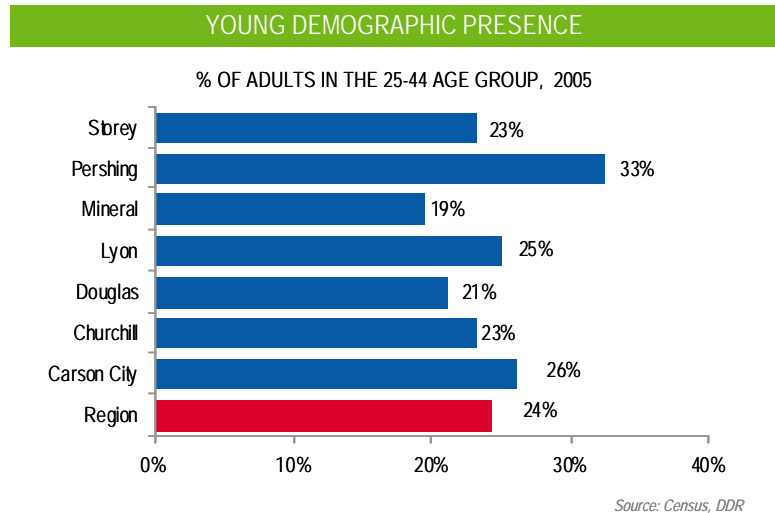
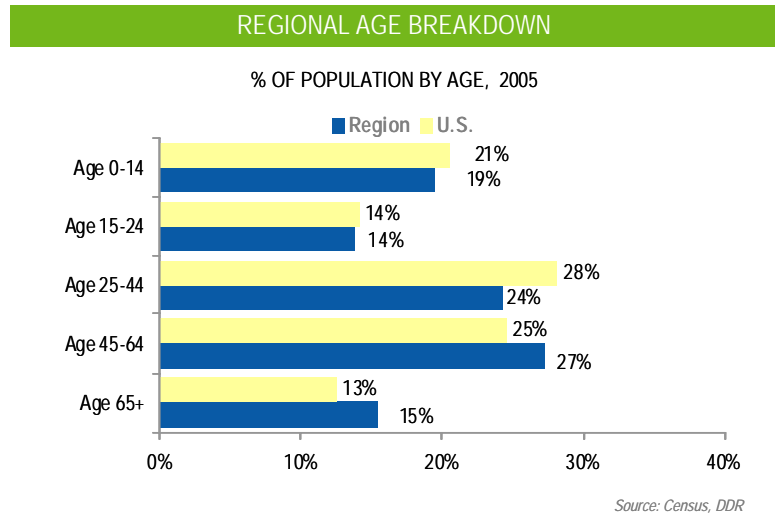
- Only 25% of the region is classified as a race other than white, compared with 39% nationally.
- Only 1% of the region's population is classified as black, compared to 12% nationally.
- Hispanics, although representing only 12% of the population, are growing at a rapid pace. Between 1990 and 2005, the region's Hispanic population grew by 152%, almost three times the growth rate of the overall population.
- Diversity ensures that people of all backgrounds will feel comfortable working in the region.



## Age Levels

The northern Nevada region is consistently ranked as one of the best places in the country for retirees, and the growth in this segment is reflected with an older than average resident population.

- The median age in the region is 39.9, ranging from 33.8 in Churchill County to 46.1 in Storey County. This is significantly higher than the national average of 36.3.
- Although the 65+ category represents only 15% of the population, growth in this population segment between 1990 and 2005 was 75%, compared to 19% nationally.
- The 25 - 44 age category represents only 24% of the



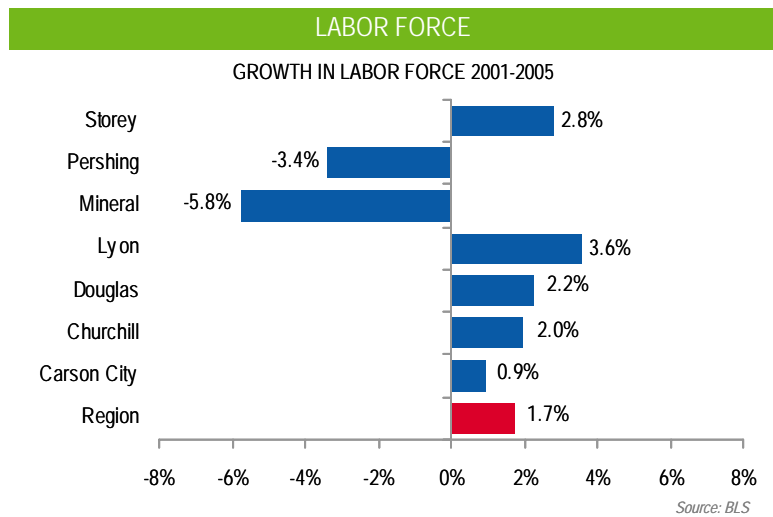
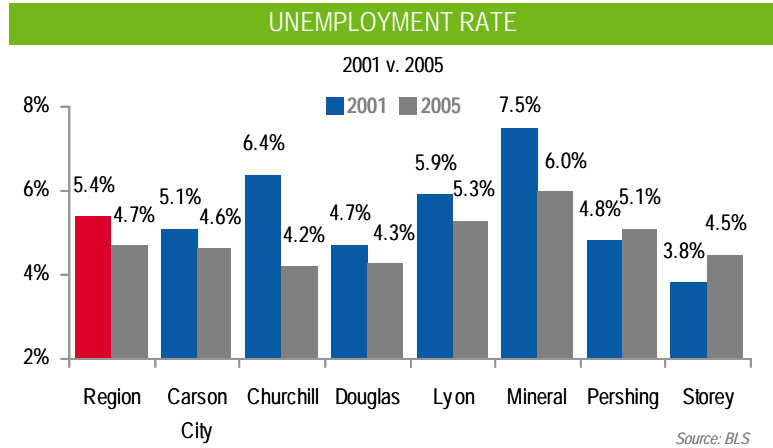
population in the entire region, ranging from 33% in Pershing County due to its large prison population to 19% in Mineral County.

- This is an important demographic to study because it represents the early stage workforce. This demographic is also critical to the economic vitality of a region because it is where many business owners and entrepreneurs can be found. Typically, technology companies choose regions that have 33% or more of their residents in this age group.

### Labor Force and Employment

The northern Nevada region is experiencing steady labor force growth and improving employment levels for most counties. However, **labor force growth has not been as robust as population growth** as many new residents to the area are retirees not entering the labor force.

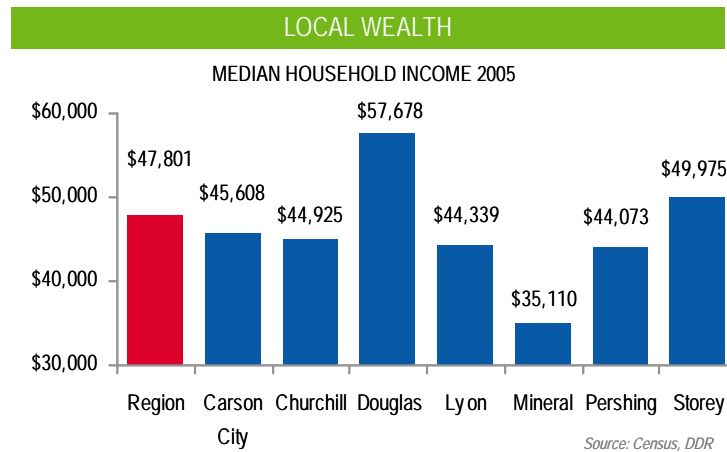
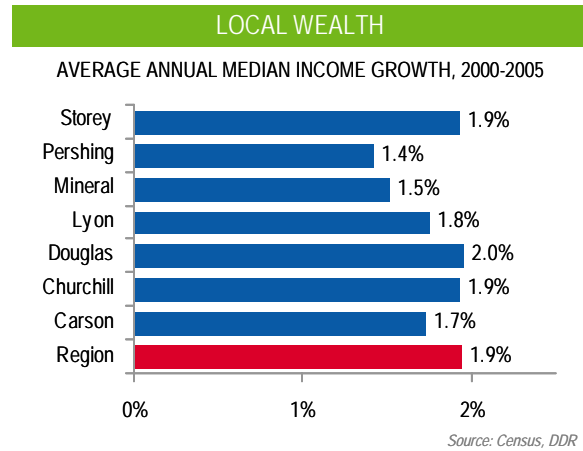
- The regional unemployment rate (4.7%) has declined since 2001. Only 2 counties (Pershing and Storey) have seen rising unemployment levels over the 4-year time period.
- Mineral County has the highest unemployment rate in the region, at 6.0%, while Churchill County has the lowest unemployment rate, at 4.2%.
- Most of the region saw steady labor force growth between 2001 and 2005. The region's labor force grew by 1.7%, a figure held down only by declining rates in Mineral and Pershing counties.



## Income

Every county in the region has experienced steady income growth over the past few years.

- The region's median household income is \$47,801, ranging from \$35,110 in rural Mineral County to \$57,678 in suburban Douglas County.
- Annual income growth rates between 2000 and 2005 average 1.9%, ranging from 1.4% in Pershing County to 2.0% in Douglas County.
- Wage levels will need to continue to grow to attract individuals that can both live and work in the region because costs continue to rise.



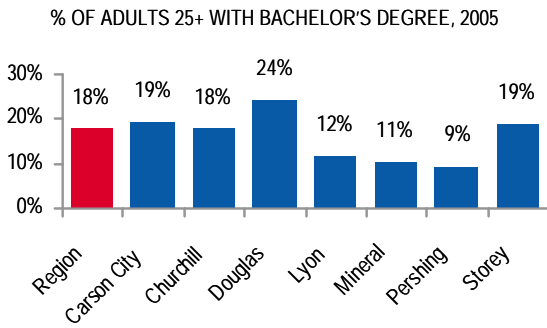
## Education

In general, educational attainment in the 7-county region lags the national average. **On average, there are less college-educated residents in the northern Nevada region than in comparable regions.** But there are wide discrepancies between individual counties.

- Within the region, only 18% of residents have at least a bachelor's degree, compared with 27% in the U.S.
- Although these figures range from 9% to Storey County to 24% in Douglas County, no county exceeds the national average.
- On the other hand, compared to the national high school dropout average of 18%, the region has a lower percentage of residents without a high school diploma – only 15%.

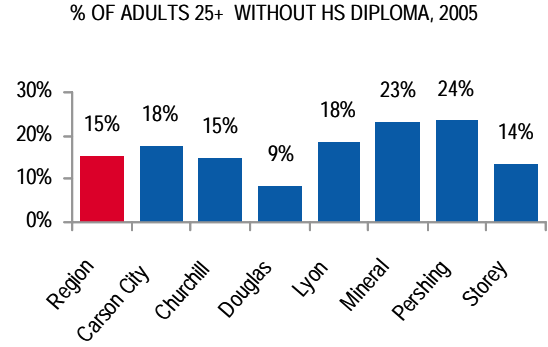
- Studies have repeatedly shown the close parallel between the level of education and the level of income. This parallel holds true in the northern Nevada region: Douglas and Storey counties have both the highest median incomes and highest % of residents with a bachelor's degree and lowest % without high school diplomas.

**EDUCATIONAL ATTAINMENT**



Source: Census, DDR

**EDUCATIONAL ATTAINMENT**



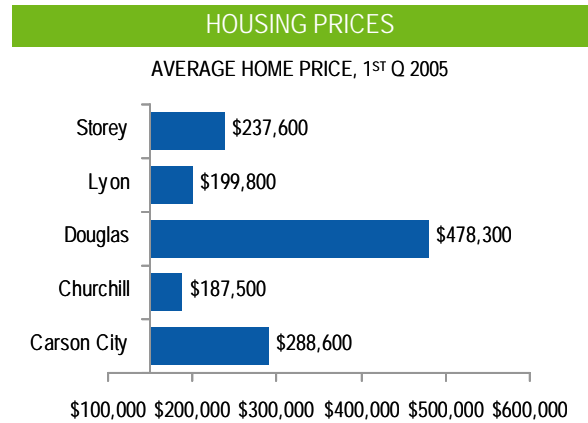
Source: Census, DDR

## NORTHERN NEVADA BUSINESS CLIMATE PROFILE

### Cost of Living

The northern Nevada region has a cost of living 11% above the national average, as calculated by ACCRA's cost of living index. Housing costs that are 26% above the national average drives this high cost of living.

- On a county-by-county basis, housing prices vary dramatically. Douglas County has the highest average home price, while Churchill County has the lowest average home price.
- Statistics for Mineral County and Pershing County were not available.
- Northern Nevada's pricey housing market makes it difficult for local businesses to recruit new employees from states where housing is more affordable.
- The average housing affordability index in the urbanized portions of northern Nevada is 7.0, compared to the U.S. average of 3.5. Therefore, housing is twice as unaffordable for northern Nevada residents as it is for the average U.S. resident.
- This high cost of housing is exacerbated by the fact that, in contrast to other states, most of Nevada is not privately owned. The federal government owns 92% of the land in Nevada.**



Source: Northern Nevada MLS

### Taxes

Nevada has no corporate income tax, personal income tax, unitary tax, franchise tax, inventory tax, inheritance tax, estate and/or gift tax, or special intangible tax.

Current tax information is shown below:

**Sales Tax** – Sales tax rates vary by county. In the 7-county northern Nevada region, they range from a low of 6.5% to 7.25%. On average, 45% of all local government revenue is derived from sales tax receipts.

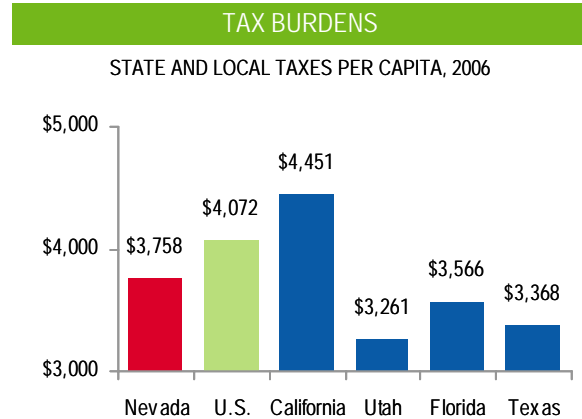
**Property Tax** – All property in Nevada is assessed at only 35% of appraised value. The state limits the rate of property tax to a total of \$3.64 for each \$100 of assessed valuation. Nevada also provides a partial abatement of property taxes by applying a 3% or 8% per year cap in growth on residences. The 8% per year growth cap applies to residences that are not owner occupied, land, commercial buildings, business personal property, aircraft, etc.

Modified Business Tax (MBT) - A MBT is imposed as an excise tax on Nevada employers. The MBT is based on employee gross less a qualified deduction for employee health insurance benefits paid by the employer. The MBT rate is 2.0% for financial institutions and 0.7% for all other state employers.

The state also offers a variety of tax abatements and deferrals to qualifying businesses.

Although most relocating businesses in Nevada come from California, a higher tax state, total local and state taxes per capita in Nevada are actually higher than many other states noted for their excellent business climate.

State and local tax burdens in Nevada equal \$3,758 per capita, compared to \$4,451 in California and \$3,261 in neighboring Utah.



Source: The Tax Foundation

### Transportation

Interstate 80 and U.S. Highway 395 serve northern Nevada. I-80 provides east/west access to Sacramento, San Francisco, and Salt Lake City, while Highway 395 provides north/south access to the Pacific Northwest and Los Angeles. U.S. Highway 50 provides east/west access to the key economic and housing markets in the 7 county region.

The closest major airport is the Reno/Tahoe International Airport in Washoe County. The airport is served by every major airline and offers 160 flights daily. The convenient location and low cost fares into and out of Reno/Tahoe have been cited as a major strength of the region.

Other commercial airports in the region include the Pershing County Airport, Minden-Tahoe Airport (Douglas County), Silver Springs Airport (Lyon County), and the Hawthorne Municipal Airport (Mineral County).

Northern Nevada is also served by the Union Pacific and Burlington Northern Santa Fe railroads. Both have intermodal yards and container freight facilities.

### Utilities

Excellent utility providers, including the Sierra Pacific Power Company, offer competitive electric, gas, and telecommunications rates. However, limited water availability, poor allocation, and rising costs continue to be a primary threat to the region's business climate and quality of life. In Nevada, 70% of the total water supply comes from surface water. The Humboldt, Carson, Walker, and Truckee rivers provide the primary water sources for northern Nevada.

Continued exploration of water conservation measures, allocation policies, and reclamation projects should be encouraged throughout the region.

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## NORTHERN NEVADA INDUSTRY AND WORKFORCE PROFILE

### Industry Cluster Analysis

The northern Nevada region's top industry clusters are Energy and Natural Resources, Hotels and Entertainment, and Aerospace and Defense.

The analysis below illustrates the growth/decline in the region's clusters since 1998.

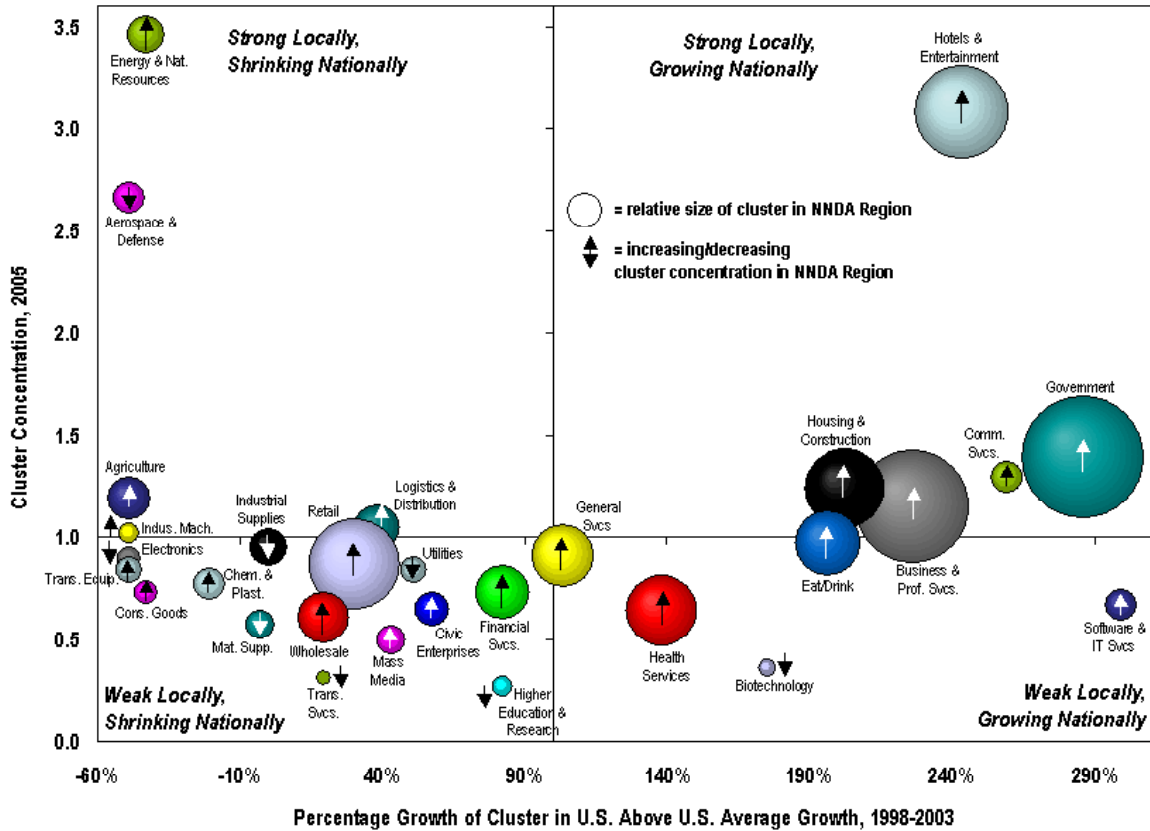
Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A cluster ratio, or location quotient (LQ), is an indication of the local employment concentration of an industry relative to the U.S. A value of one means that the industry is equal to the U.S., while a value of two illustrates that the area's share of industry employees is twice that of the U.S.

A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:

## NNDA Region Cluster Potential



The chart illustrates several key issues that must be addressed through this strategic planning process:

- Most of the region's industries are located in the lower left hand quadrant, indicating weak clusters that are declining on the national level. The region must begin to focus on more industries that are growing nationally.
- Most of the clusters that are strong locally and growing nationally are low paying and non-primary industries: Government, Housing, Eat/Drink, and Accommodations.
- Opportunities exist in several higher wage industries that are gaining strength within the region: Business and Professional Services, Health Services, and Software and IT Services.

## Industry Cluster Breakdown

The following chart provides cluster data, 2005 employment, 1-year employment growth, and a 10-year growth forecast at the local and national level for the 15 largest industries in the region. The top four employment categories for the 7-county area are accommodations, food services, specialty contractors, and amusement industries. These top employment categories are also strong clusters in the area and are

expected to grow significantly in the long term, although accommodation employment has experienced a decline over the past year.

NAICS	Description	Cluster	2004 Employment	One Year Growth	State 10 Year Growth Forecast	U.S. 10 Year Growth Forecast
10	Total All Ind	1.0	59,334	2.3%	40.7%	14.1%
721	Accommodation	8.1	7,910	-1.3%	42.0%	16.9%
722	Food Svcs & Drinking Places	0.9	4,310	0.2%	49.0%	16.4%
238	Specialty Trade Contractors	1.5	3,625	18.9%	NA	NA
713	Amusement, Gambling, & Recreation Ind	3.5	2,589	11.2%	42.4%	26.6%
621	Ambulatory Health Care Svcs	0.9	2,331	6.3%	42.3%	42.2%
236	Construction of Buildings	2.2	1,924	15.3%	35.7%	NA
541	Professional, Scientific, & Tech Svcs	0.4	1,611	3.8%	NA	NA
336	Transportation Equip Mftg	1.5	1,399	6.6%	15.3%	5.4%
522	Credit Intermediation & Related Activities	0.8	1,267	9.5%	51.2%	NA
441	Motor Vehicle & Parts Dealers	1.2	1,253	2.4%	NA	NA
445	Food & Beverage Stores	0.8	1,170	-0.4%	40.1%	NA
444	Building Material & Supplies Dealers	1.6	1,054	9.0%	51.8%	NA
423	Merchant Wholesalers, Durable Goods	0.6	938	-2.3%	42.2%	NA
332	Fabricated Metal Product Mftg	1.1	883	10.9%	37.3%	-1.9%
531	Real Estate	1.1	857	12.6%	NA	18.2%

Source: Bureau of Labor Statistics

## Industry Education and Wages

The following chart lists the percentage of jobs in each industry that require a bachelor's degree or higher, the average industry wages at the county and national level, as well as the wage differential. Educational requirements have a direct correlation to average wages and provide an indication of the necessary skill sets of the workforce.

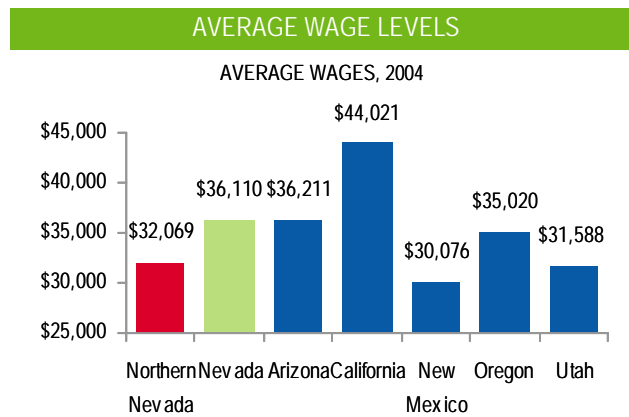
Professional, scientific & technical services, credit intermediation, merchant wholesalers, and ambulatory services are among the large employment sectors that require higher educational levels. However, on average, only 18% of the jobs require bachelors' degrees, and the region pays wages lower than the U.S. average for every one of the industries requiring high levels of education.

The 7-county region has an average wage of \$32,069, below the national average of \$39,127. Only 4 of the top 15 industries in the region pay higher than U.S. average wages: accommodations, amusement industries, motor vehicle dealers, and food and beverage stores.

NAICS	Description	% of Jobs Requiring Bachelor's	Average Regional Wage	Average U.S. Wage	Wage Differential
10	Total All Ind	18%	\$32,069	\$39,127	82%
721	Accommodation	12%	\$27,031	\$22,661	119%
722	Food Svcs & Drinking Places	9%	\$12,328	\$13,099	94%
238	Specialty Trade Contractors	8%	\$32,065	\$37,643	85%
713	Amusement, Gambling, & Recreation Ind	16%	\$19,817	\$17,927	111%
621	Ambulatory Health Care Svcs	24%	\$46,525	\$46,443	100%
236	Construction of Buildings	13%	\$35,569	\$44,765	79%
541	Professional, Scientific, & Tech Svcs	46%	\$52,465	\$62,536	84%
336	Transportation Equip Mftg	17%	\$37,971	\$57,079	67%
522	Credit Intermediation & Related Activities	29%	\$39,813	\$53,924	74%
441	Motor Vehicle & Parts Dealers	16%	\$41,602	\$38,705	107%
445	Food & Beverage Stores	12%	\$27,228	\$20,145	135%
444	Building Material & Garden Equip & Supplies Dealers	18%	\$24,833	\$28,603	87%
423	Merchant Wholesalers, Durable Goods	25%	\$38,878	\$54,248	72%
332	Fabricated Metal Product Mftg	14%	\$41,037	\$41,192	100%
531	Real Estate	21%	\$30,351	\$39,243	77%

Source: Bureau of Labor Statistics

When compared to state and neighboring state averages, the wage levels continue to rank fairly low. Although regional wage levels in the Western U.S. trail national levels (with the exception of California), the northern Nevada region lags the rest of the state and all but 2 neighboring states.



Source: BLS

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## REGIONAL SUMMARY

The 7-county region under consideration has seen tremendous growth levels because it has inherent strengths that are attractive to a wide range of people:

- Abundant recreational opportunities
- Excellent business cost climate, with low taxes and energy costs
- Strong sense of community pride and excellent quality of life for families and retirees
- Central location in Western U.S., with easy access to mountains, coasts, and large urban areas
- Expanding presence on the national scene

Although most of the northern Nevada region is projected to continue to see tremendous growth levels, the analysis above highlights several key issues that must be addressed by this strategic planning process:

- The lack of diverse, high wage primary industry job opportunities
- Rising cost of living and unaffordable housing for many in the workforce partially driven by lack of privately held land and in-migration from California
- The lack of a young professional workforce that will serve as the backbone of an expanding economy
- Lagging educational attainment that prevents many in the region's workforce from qualifying for higher wage opportunities
- Infrastructure and natural resource strain on the region due to tremendous growth

Solutions to these key issues (and others) will be addressed through recommendations outlined in future reports.

The remainder of the report breaks down the key economic, demographic, and workforce characteristics of each of the region's 7 counties: Carson City, Churchill County, Douglas County, Lyon County, Mineral County, Pershing County, and Storey County.

Carson City is Nevada's capital city of 57,139 and is a unique, consolidated municipality. In 1969 Ormsby County was merged into Carson City to consolidate government services. Like most of the other counties in the region, Carson City was created in 1861. It was named for the famous western explorer Christopher "Kit" Carson.

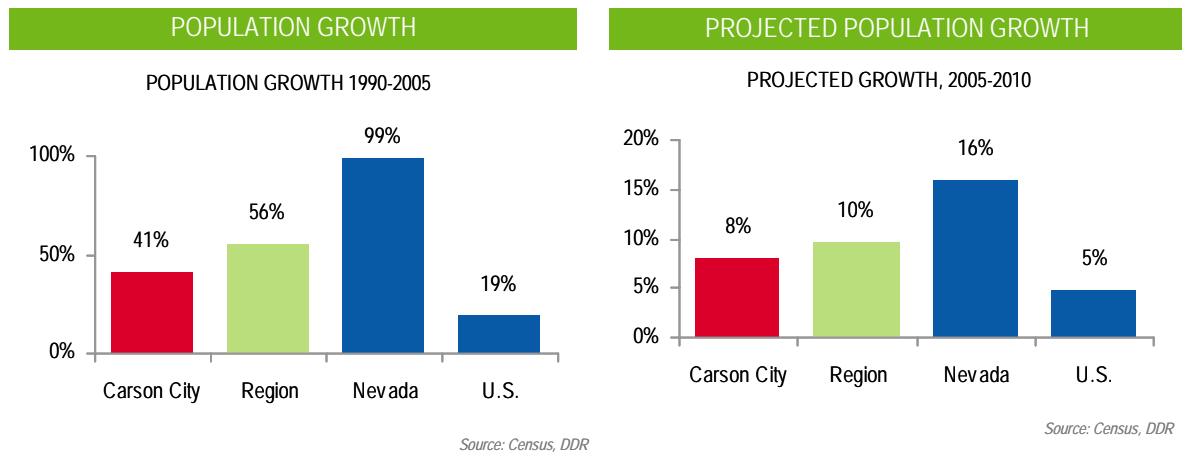
Carson City's major employers include Chromalloy Nevada, HealthSouth, Costco, Harley Davidson Credit Corporation, PCC Structural, and Mission Industries. Carson City has quietly become Nevada's leading manufacturing city with 14% of its workers in manufacturing, compared to the state average of 4%.

"The Rating Guide to Life in America's Small Cities" rated Carson City as the 19th best "micropolitan area" in the nation. The recent book "Boomtown USA" from the National Association of Industrial & Office Properties ranked Carson City in its top 50 communities in the West for the greatest opportunities for business, jobs and lifestyle and a favorite relocation spot for companies interested in low taxes, affordable housing and real estate costs, and an abundant labor force.

### Population

Carson City experienced significant population growth between 1990 and 2005. In 2005, the population stood at 57,139 and is expected to be 61,722 by 2010.

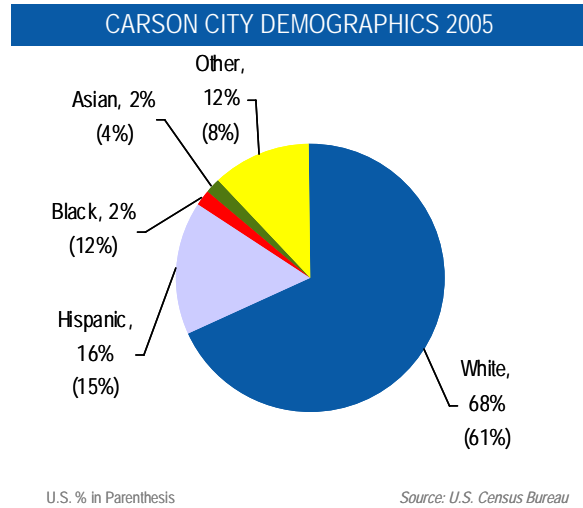
- Carson City's population grew by 41% between 1990 and 2005. This outpaced the national average, but trailed the region and state growth rates. This is to be expected, as land is not as available within Carson City as it is throughout the region and **the county is considered "landlocked."**
- At 8%, projected population growth between 2005 and 2010 is also expected to outpace the nation, but lag the state and region.
- Steady population growth is an attribute that many expanding companies look for, and if managed, will be a positive for Carson City's economic future. However, **given the landlocked nature of the city, continued growth will require higher density development.**



## Diversity

On average, Carson City is **slightly less diverse** than the nation.

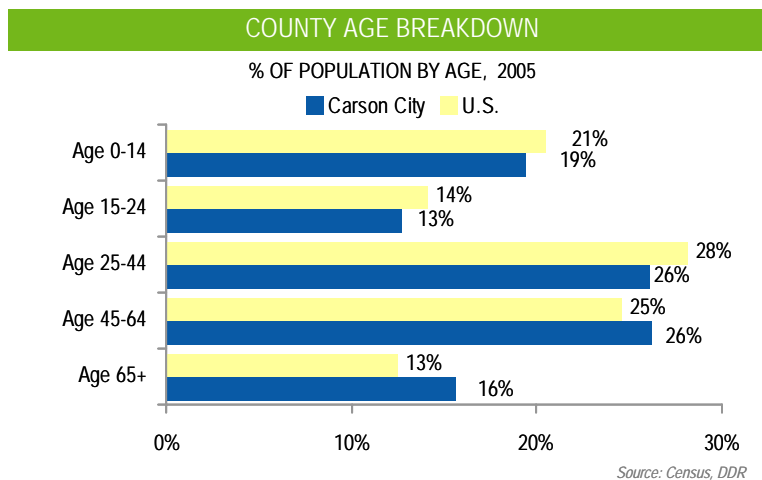
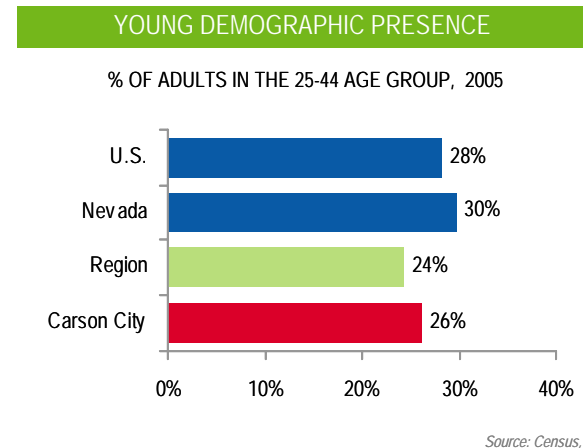
- Non-white residents comprise 31% of the population, compared to 39% nationally.
- The % of Black and Asian residents is well below that of the national average.
- Diversity helps to ensure that people of all backgrounds will feel comfortable working in this community.



## Age Levels

Carson City has an **older than average resident population**.

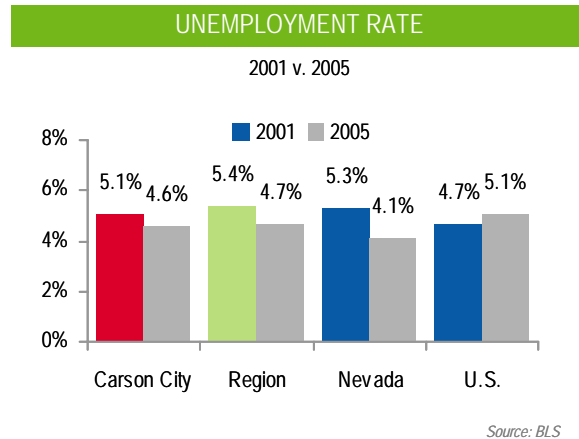
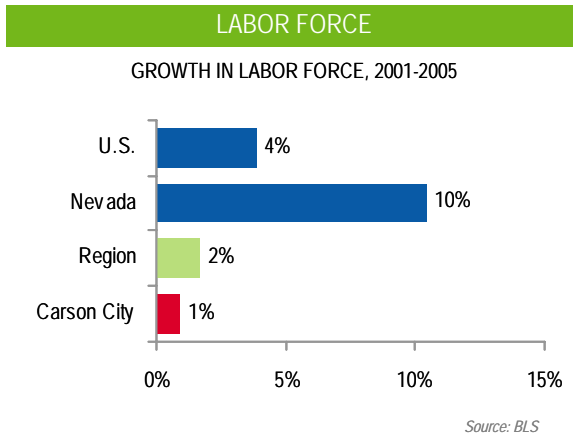
- The **median age in Carson City is 40.2**, almost 4 years older than the national average of 36.3.
- Additionally, the age categories less than 44 are all represented in a lower proportion in Carson City, while the age categories greater than 44 are represented in a larger proportion.
- 26% of the population is between 25 and 44**, the early stage workforce. This is higher than the regional average (24%) but on lower with the state (30%) and national averages (28%).



## Labor Force & Employment

Carson City is experiencing **meager labor force growth**, although unemployment levels are relatively low.

- The county's labor force grew by only 1% between 2001 and 2005, one quarter of the national average and one-half of the regional average.
- Along with the rest of the northern Nevada region, Carson City experienced a decline in the unemployment rates between 2001 and 2005. Currently, the unemployment rate of 4.6% is lower than both the regional and national rates.
- A combination of skilled workers and a modest unemployment level may actually be attractive to companies looking for available labor.



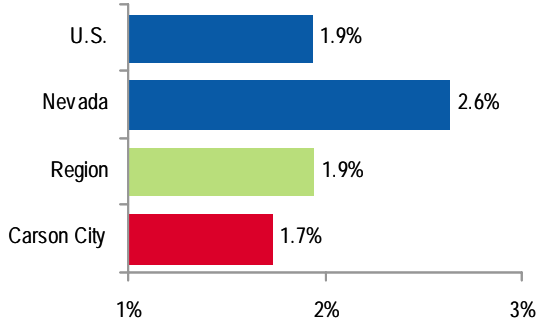
## Income

Carson City's income levels are slightly lower than the comparison regions.

- The **median income of \$45,608 is 5% lower than the regional median of \$47,801.**
- Incomes are growing at a steady pace of 1.7% annually, but this represents slower growth than the regional, state, and national averages. If this pace continues, the gap between incomes within the city and the region will continue to widen.
- 25% of Carson City's households earn less than \$25,000 annually, slightly less than the U.S. rate of 26%.

**LOCAL WEALTH**

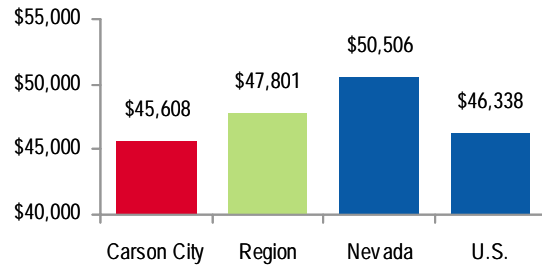
AVERAGE ANNUAL MEDIAN INCOME GROWTH, 2000-2005



Source: Census, DDR

**LOCAL WEALTH**

MEDIAN HOUSEHOLD INCOME 2005



Source: Census, DDR

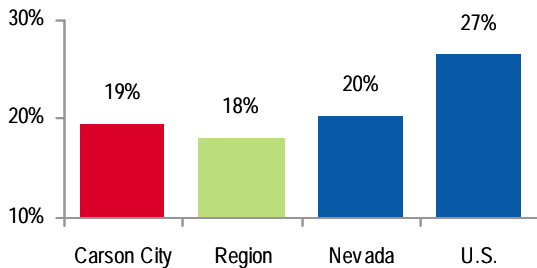
**Education**

On average, Carson City residents have a comparable education level to that of the entire northern Nevada region.

- Only 19% of city residents have a bachelor's degree or higher, compared to 27% in the nation. Although this exceeds the region's average of 18%, the discrepancy between the national average is of concern.
- However, high school achievement rates compare well to the region, state, and national averages. Only 18% of adults over 25 do not have a high school diploma, equal to the national average.
- These figures would be worrisome to companies seeking a highly skilled workforce. They would be more likely to locate in a surrounding county with a higher percentage of college-educated residents.

**EDUCATIONAL ATTAINMENT**

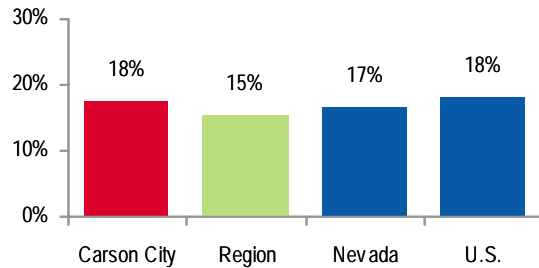
% OF ADULTS 25+ WITH BACHELOR'S DEGREE, 2005



Source: Census, DDR

**EDUCATIONAL ATTAINMENT**

% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005

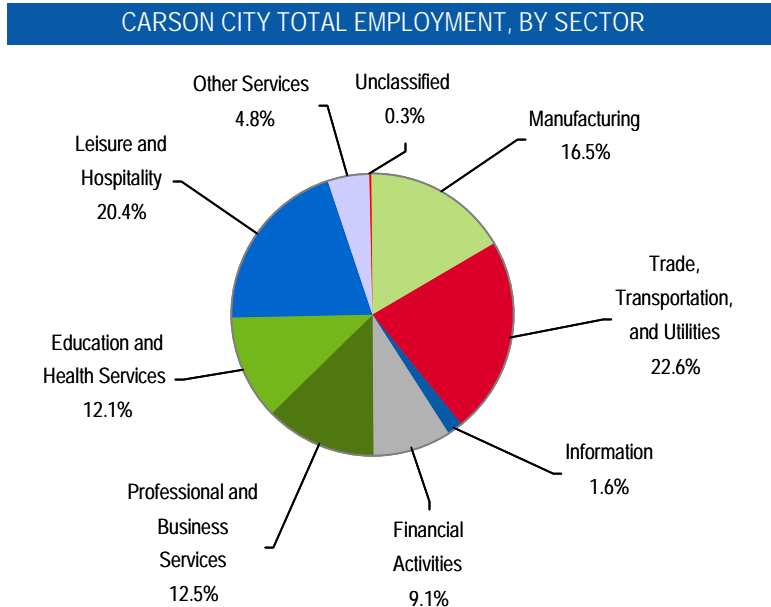


Source: Census, DDR

## Employment Base

Employment in Carson City covers a wide range of industries. However, **the county is dominated by 3 primary sectors: TTU, Leisure and Hospitality, and Manufacturing.**

- TTU accounts for 23% of all employment within the county.
- The top three industries account for 59% of all employment.



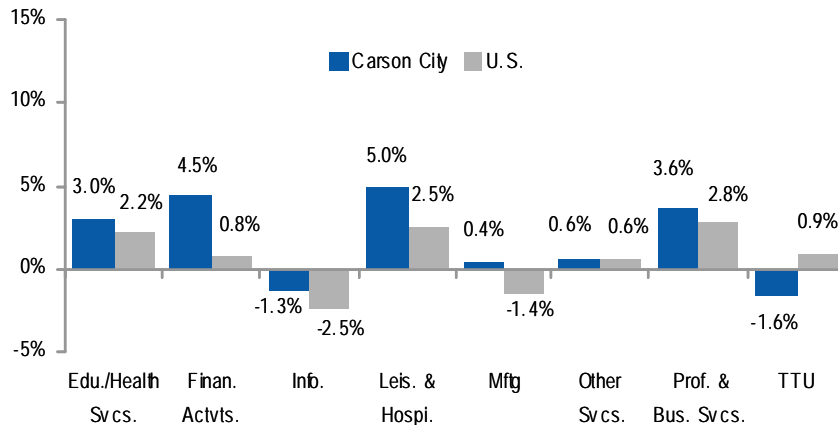
## Industry Growth Trends

When compared to national growth trends, **employment within the county is growing at a higher rate.**

- Total employment grew by 3%, compared to 1.3% national growth.
- No employment categories saw significant declines; only TTU (-1.6%) and Information (-1.3%) saw any decline at all.
- Leisure and hospitality employment, driven by the gaming and tourism industry, grew at a pace double that of the national average.

## INDUSTRY GROWTH

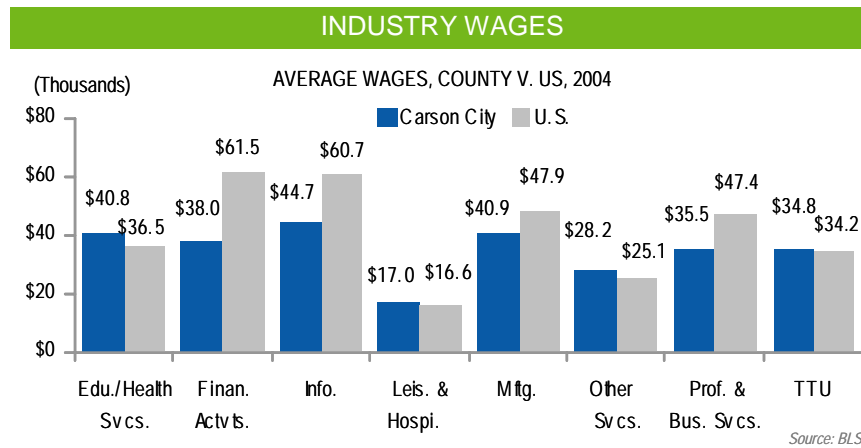
INDUSTRY GROWTH, COUNTY V. US, 2003-2004



## Wages

On average, wages within Carson City are well below that of the national average.

- The average wage for all industries within the county is \$32,706, compared to the national average of \$39,127.
- Although many categories compare favorably to the national average, average wages in Financial Activities, Information, and Professional Services are significantly lower than the national averages, while wages in Education, Other Service, and Unclassified employment are significantly higher.
- Although low wage rates can be beneficial for employers, employees may desire wages more comparable to the national average, especially when factoring in high housing costs in Carson City.



## Industry Cluster Analysis

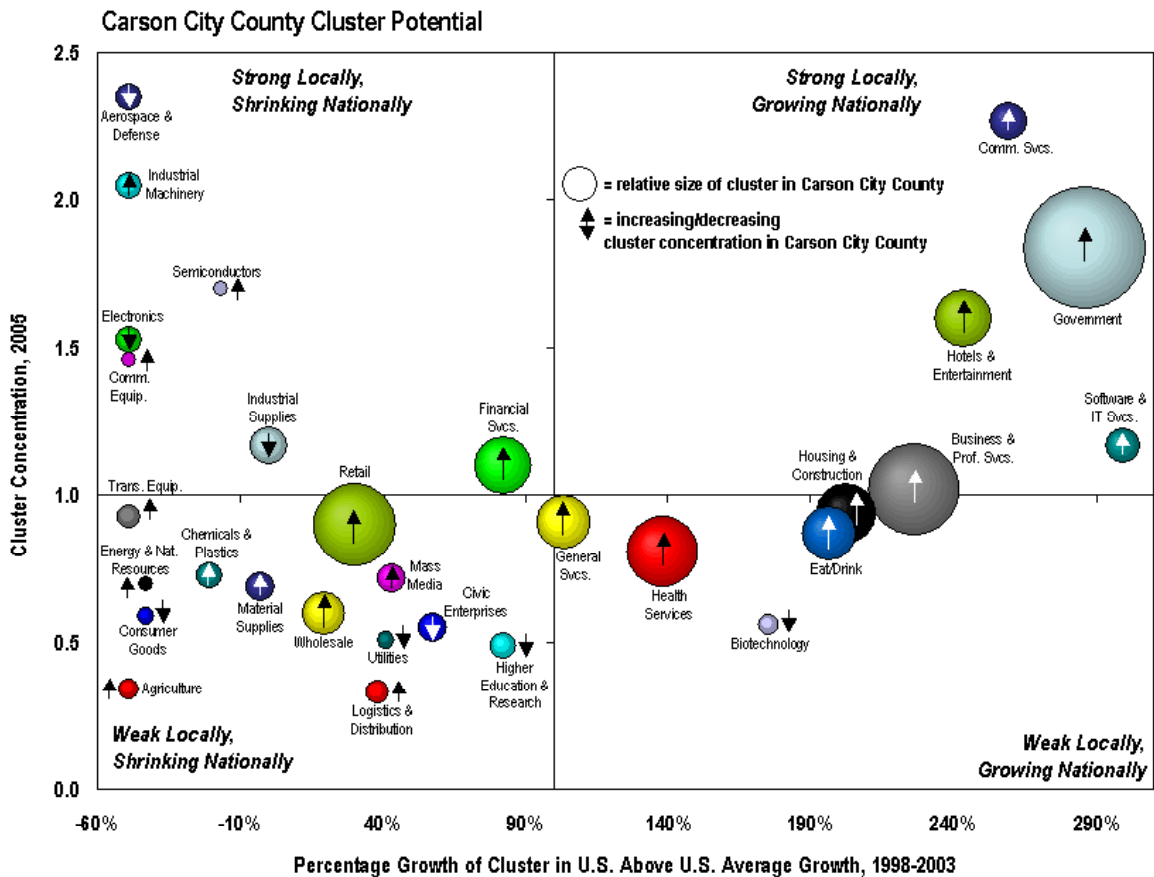
Carson City's largest industry clusters exist in Aerospace and Defense, Industrial Machinery, Communication Services, and Government.

The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:



The chart illustrates several key issues:

- Most of Carson City's industries are located in the lower left hand quadrant, indicating weak clusters that are declining on the national level. **The city must begin to focus on more industries that are growing nationally.**
- The city's strongest cluster, Aerospace and Defense, has been declining in strength over the past few years.
- Opportunities exist in several higher wage industries that are gaining strength within the region: Software and IT Services, Financial Services, Business and Professional Services, and Communication Services.

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## Carson City Summary

Overall, Carson City has several strengths that make it an attractive place to live and work, including:

- The presence of state government employment as the capital of Nevada
- Steady population and employment growth rates
- National recognition as great place to live, work, and retire
- Presence as the manufacturing hub of Nevada

However, this quantitative analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Landlocked nature of city drives up housing prices, making them unaffordable for most employees
- Low wage rates compound the unaffordability of the region
- Meager income growth rates indicate a trend that will continue to exacerbate the gap between cost of living and wage levels
- An older than average population limits the number of high-impact employers that would be interested in relocating to the region
- The city does not have a strong, diverse industry base: most industry clusters are declining on the national level

Churchill County, Nevada is located in the northwest portion of the state approximately one hour east of Reno and Carson City. Churchill County, created on November 25, 1861, takes its name from Mexican War hero Brigadier General Sylvester Churchill. It is the eighth smallest county among Nevada's seventeen counties.

The county contains a substantial farming district with lush, green farm fields and cottonwood groves that greet drivers traveling on Highway 50, the famed "Loneliest Highway in America". Fallon, its county seat and major city, offers a small town atmosphere near the major metropolitan area of Reno and Carson City.

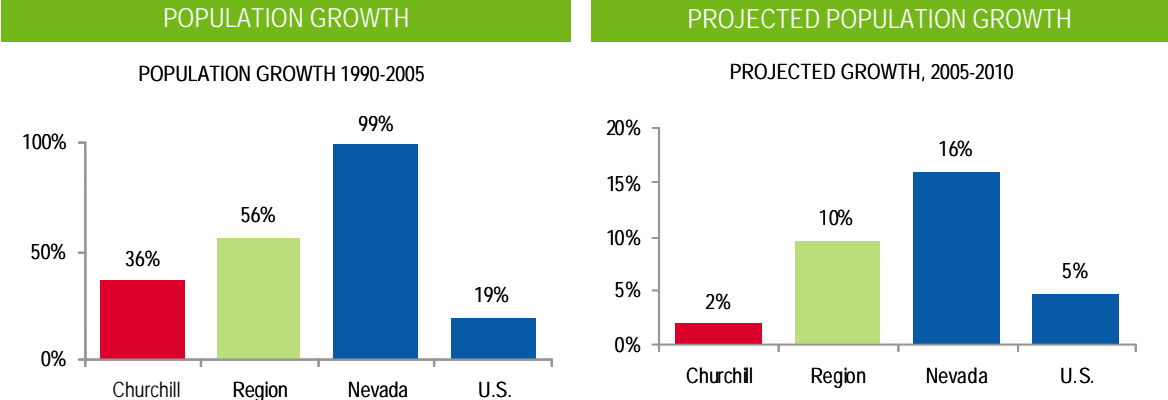
It is also home to NAS Fallon, the only Naval Facility where advanced integrated Carrier Air Wing strike training can take place, combining realistic flight training in electronic warfare, air-to-ground, air-to-air weapons delivery, special weapons delivery, and enemy evasion tactics. NAS Fallon is home to the Top Gun Academy.

Churchill County's major, private, non-casino employers include Churchill Community Hospital, Wal-Mart, Boeing Aerospace Operations, SMI Joist, and A&K Earthmovers.

**Population**

Churchill County is a rural county that experienced steady population growth between 1990 and 2005, but did not grow as quickly as the surrounding northern Nevada region. The 2005 population of the county was 24,399. However, this growth is expected to slow over the next few years.

- County population grew by 36% between 1990 and 2005. Although this outpaced the nation, it was slower than the northern Nevada region and Nevada as a whole.
- Between 2005 and 2009, the growth rate is only expected to be 2%, compared to 10% for the region and 16% for the state. This equates to an annual growth rate of less than 1%.
- Steady, but controlled population growth is an attribute that many expanding companies look for, and if it can continue, will be a positive for Churchill's economic future.



Source: Census, DDR

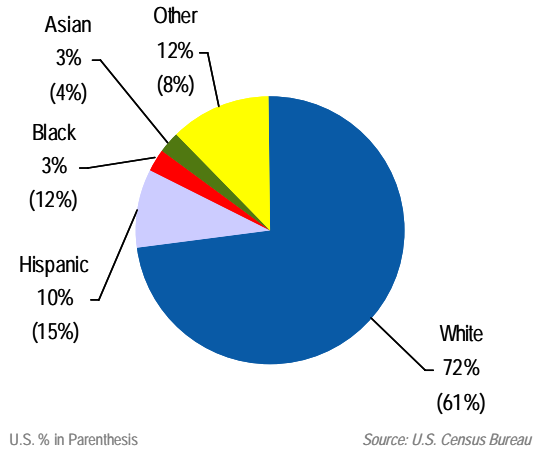
Source: Census, DDR

## Diversity

On average, Churchill County is **less diverse** than the nation.

- Non-white residents comprise 26% of the population, compared to 39% nationally.
- However, there are a large percentage of residents that consider themselves "Other"; most of these are Native Americans. Churchill County is home to the Fallon Paiute-Shoshone Indian Reservation and Colony, with approximately 1,000 residents.
- More diversity would help to ensure that people of all backgrounds feel comfortable working in this community.

## CHURCHILL COUNTY DEMOGRAPHICS 2005



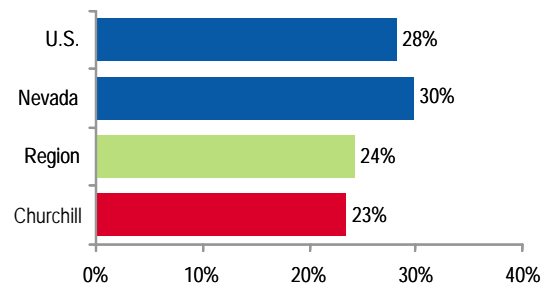
## Age Levels

Churchill County is the **youngest county** in the northern Nevada region.

- The **median age in Churchill County is 33.8**, dramatically younger than the national average of 36.3.
- Children under the age of 14 make up 27% of the county's population**, compared to 21% nationally, but no other age category is significantly more represented within the county.
- Only 23% of the population is between 25 and 44**, the early stage workforce. This is lower than the regional (24%), state (30%), and national averages (28%).
- Most companies desire a much greater % of persons 25-44, since these make up the majority of their labor pool. However, if the young

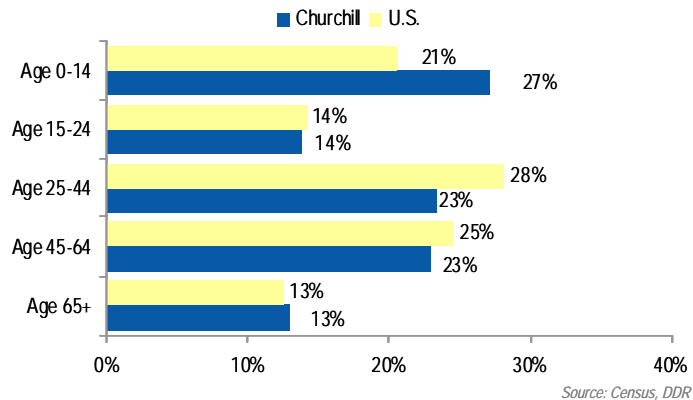
## YOUNG DEMOGRAPHIC PRESENCE

% OF ADULTS IN THE 25-44 AGE GROUP, 2005



## COUNTY AGE BREAKDOWN

% OF POPULATION BY AGE, 2005

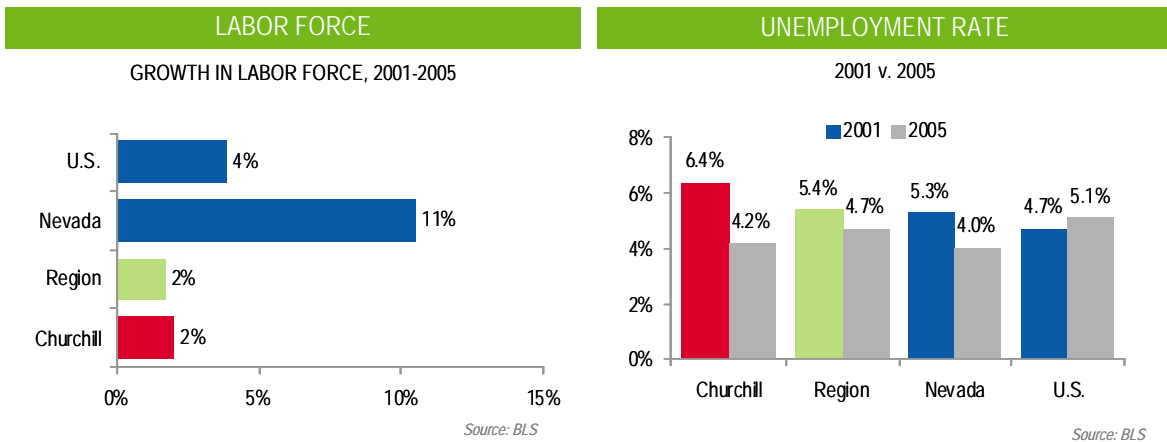


population under 24 can be captured to stay in Churchill County, this figure will significantly change over the next 10 years.

## Labor Force & Employment

Churchill County has experienced **steady labor force growth** and low unemployment rates.

- The county's labor force grew by 2% between 2001 and 2005, on par with the region's growth, but lower than the state and national rates.
- Along with the northern Nevada region, Churchill County experienced a decline in the unemployment rates between 2001 and 2005. The decline between 6.4% and 4.2% is the most significant decline of any of the 7 counties within the northern Nevada region.



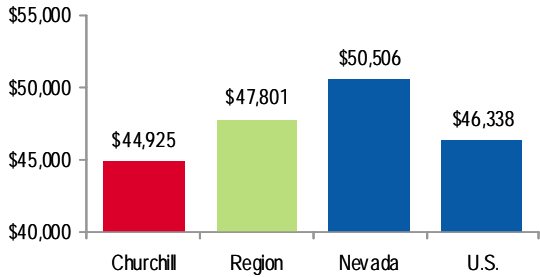
## Income

Churchill County's **income levels are relatively low** when compared to the larger regions.

- The county's median income of \$44,925 is 6% lower than the regional median of \$47,801. It is also lower than both the state and national medians.
- Incomes are growing at a steady pace of 1.9% annually, on par with the region and state.
- 23% of Churchill County's households earn less than \$25,000 annually, less than the U.S. rate of 26%.

LOCAL WEALTH

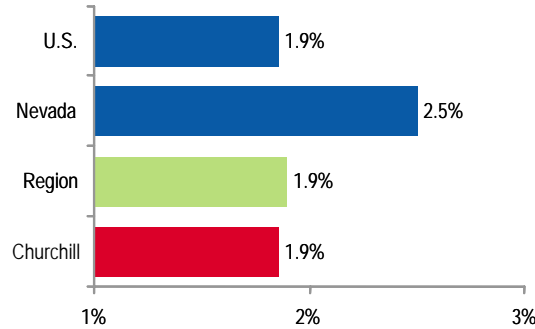
MEDIAN HOUSEHOLD INCOME 2005



Source: Census, DDR

LOCAL WEALTH

AVERAGE ANNUAL MEDIAN INCOME GROWTH, 2000-2005



Source: Census, DDR

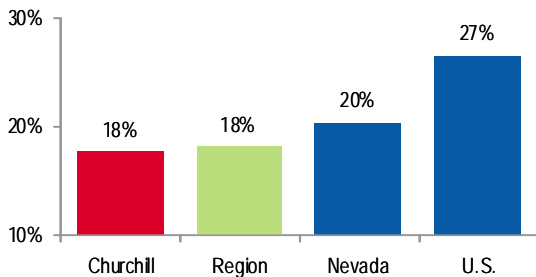
Education

On average, Churchill County residents do not have a comparable education level to that of the nation.

- Only 18% of county residents have a bachelor’s degree or higher, compared to 27% in the nation. This is also lower than the state average of 20%.
- However, on the flip side, a low percentage of Churchill County residents are without a high school diploma. In fact, only 15% of county residents do not have a high school diploma, compared to 18% nationally.
- However, many high impact industries would be discouraged by the college figures. They would be more likely to locate in a surrounding county with a higher percentage of educated residents.

EDUCATIONAL ATTAINMENT

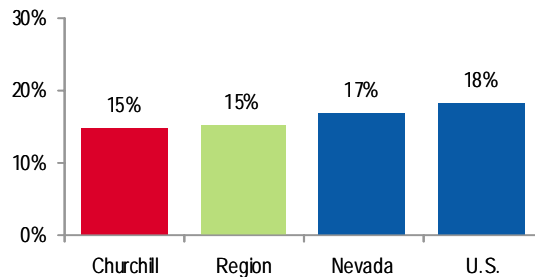
% OF ADULTS 25+ WITH BACHELOR’S DEGREE, 2005



Source: Census, DDR

EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005



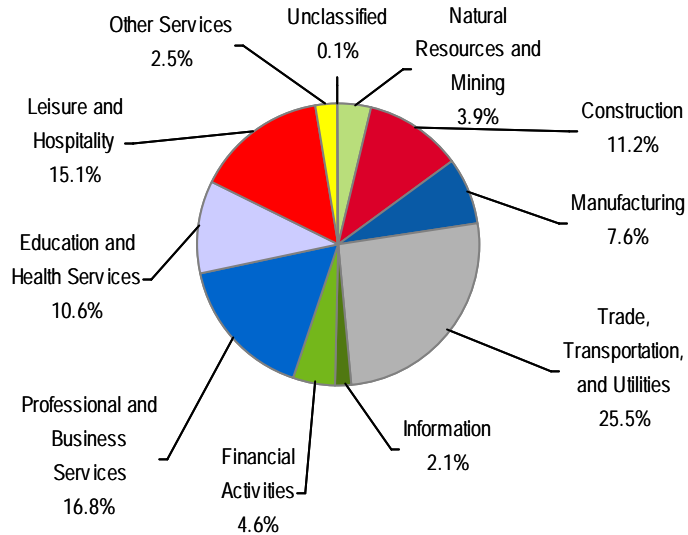
Source: Census, DDR

## Employment Base

Employment in Churchill County covers a wide range of industries. However, the county is dominated by TTU employment.

- TTU accounts for more than one-quarter of all employment within the county.
- Professional Services (17%) and Leisure and Hospitality (15%) are the next largest industries.

## CHURCHILL COUNTY TOTAL EMPLOYMENT, BY SECTOR



Source: BLS

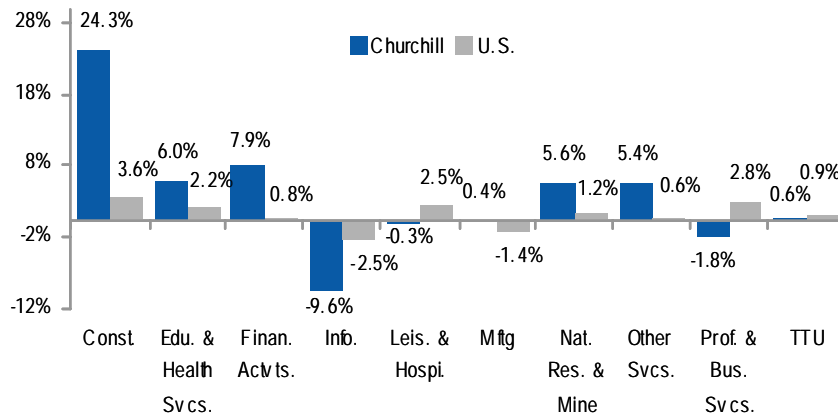
## Industry Growth Trends

When compared to national growth trends, employment within the county is growing at a higher rate.

- Total employment within the county grew by 3.2% between 2003 and 2004, compared to 1.3% nationally.
- Employment within Construction grew 24% over the last year, compared to 4% nationally. Other rapidly growing industries include Financial Activities, Education and Health Services, and Natural Resources
- However, there was also a 10% decline in Information employment. While the industry declined at a national level, the decline was more pronounced within Churchill County.

## INDUSTRY GROWTH

INDUSTRY GROWTH, COUNTY V. US, 2003-2004

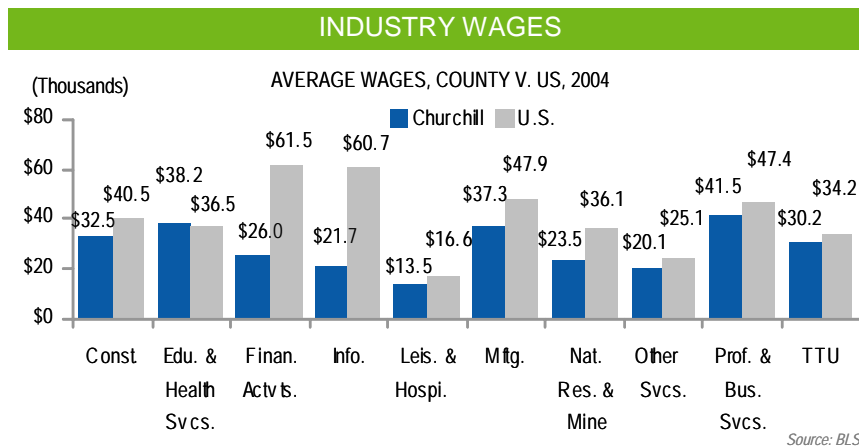


Source: BLS

## Wages

On average, wages within Churchill County are below that of the national average.

- The average wage for all industries within the county is \$28,822, compared to the national average of \$39,127.
- Average wage for all sectors except Education and Health Services falls below that of the U.S. average.
- Although low wage rates can be beneficial for employers, employees may desire wages more comparable to the national average.



## Industry Cluster Analysis

Churchill County's largest industry clusters exist in Energy and Natural Resources, Agriculture, Industrial Supplies, and Utilities.

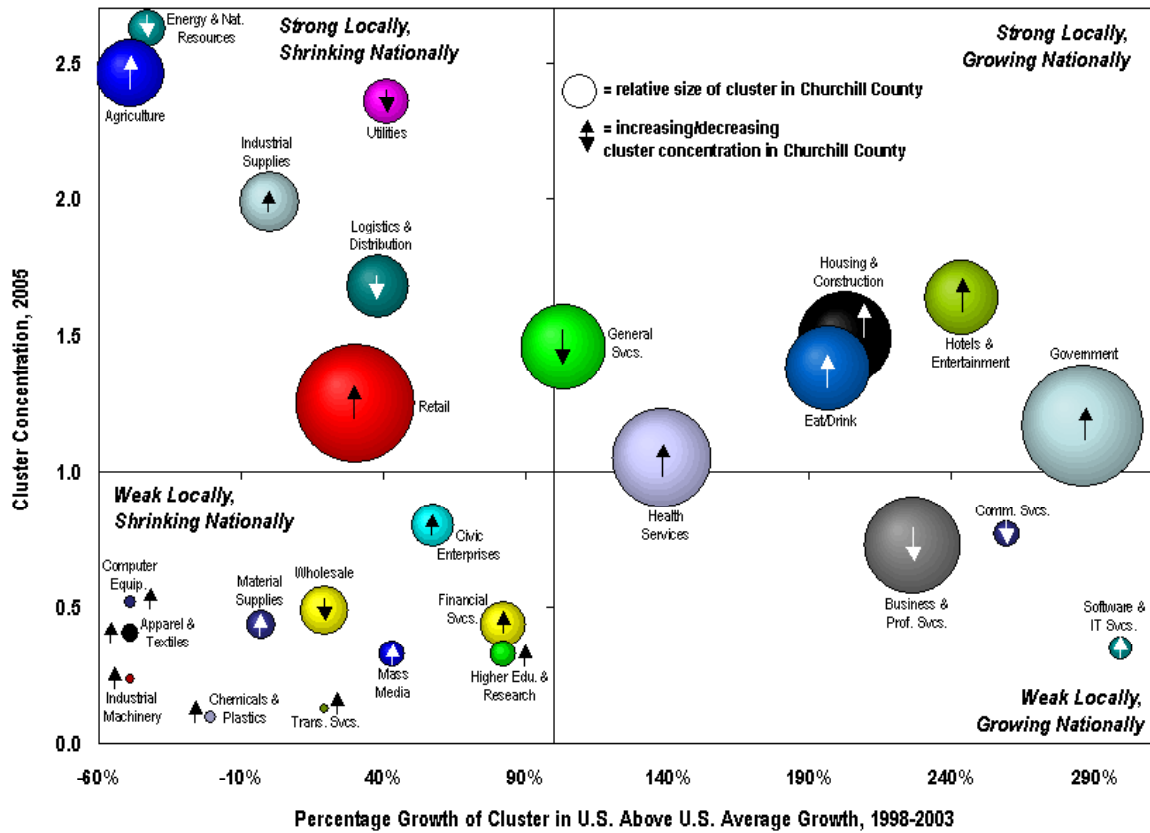
The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:

### Churchill County Cluster Potential



The chart illustrates several key issues that should be addressed through this strategic planning process:

- Most of Churchill County's strong clusters exist in industries that are declining at a national level.
- Most of the county's largest employer industries – Government, Retail, Health Services, Housing and Construction – are gaining strength and offering more employment opportunities to county residents.

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## Churchill County Summary

Overall, Churchill County has several strengths that make it an attractive place to live and work, including:

- Major employers and attractions, including NAS Fallon, Boeing, and regional health services
- Strong employment and labor force growth rates
- Quality of life that is attractive to both retirees and young families
- Central location within the 7 county region

However, this analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Extremely low wage rates and educational attainment levels make it difficult to attract high-impact employees and investment, and as costs rise, contribute to a lower quality of life
- Very large percentage of young children under the age of 14 may put stress on the school system
- Only 23% of the population is between 25 and 44 – the primary workforce category

Douglas County has a population of 45,940. It was named after Senator Stephen Douglas, who opposed Abraham Lincoln in the 1860 U.S. presidential election. Combining small town charm with productive farmland and world class skiing on the southern shores of Lake Tahoe, Douglas County has attracted tremendous growth.

Douglas County's major private, non-casino employers include Bently Nevada, Wal-Mart, Travel Systems Limited, Carson Valley Medical Center, and Home Depot.

There are no incorporated cities in Douglas County, but the county's principal towns are Minden/Gardnerville, Stateline/Kingsbury, and Genoa.

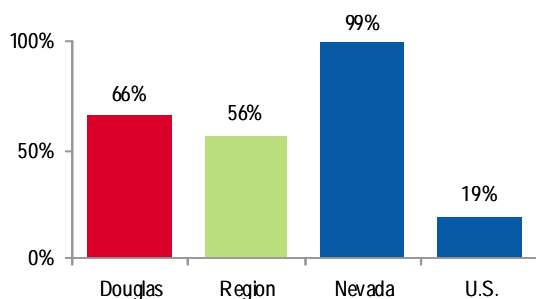
## Population

Douglas County experienced **rapid population growth** between 1990 and 2005. The 2005 population of the county was 45,940. This pace of growth is expected to remain steady over the next 5 years.

- County population grew by 66% between 1990 and 2005. This outpaced the region and nation, but lagged the state growth driven by the southern half of the state.
- Between 2005 and 2010, the growth rate is expected to be 10%, compared to 10% for the region and 16% for the state.
- Steady population growth is an attribute that many expanding companies look for, but it must be managed well and successfully.

### POPULATION GROWTH

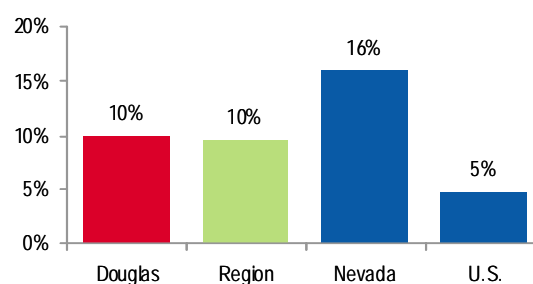
POPULATION GROWTH 1990-2005



Source: Census, DDR

### PROJECTED POPULATION GROWTH

PROJECTED GROWTH, 2005-2010



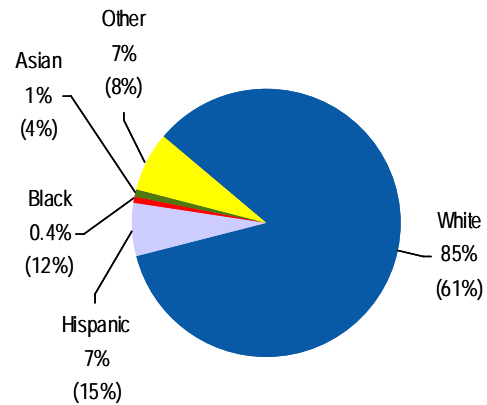
Source: Census, DDR

## Diversity

On average, Douglas County is **significantly less diverse** than the nation.

- Non-white residents comprise only 15% of the population, compared to 39% nationally.
- Blacks comprise less than 1% of the entire population.
- More diversity would help to ensure that people of all backgrounds feel comfortable working in this community.

### DOUGLAS COUNTY DEMOGRAPHICS 2005



U.S. % in Parenthesis

Source: U.S. Census Bureau

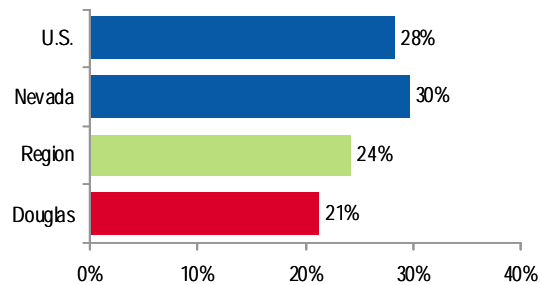
## Age Levels

Douglas County is a significantly older than average county and that brings significant workforce ramifications. Many retirees are attracted to its excellent quality of life and outdoor amenities.

- The median age in Douglas County is 44.4, dramatically higher than the national average of 36.3.
- 50% of the population is over 45, compared to 38% nationally.
- Only 21% of the population is between 25 and 44, the early stage workforce. This is lower than the regional average (24%) and the state (30%) and national (28%) averages.
- Most companies desire a much greater % of persons 25-44, since these make up the majority of their labor pool.
- As the population ages, there is also less probability for additional child bearing and future population growth.

### YOUNG DEMOGRAPHIC PRESENCE

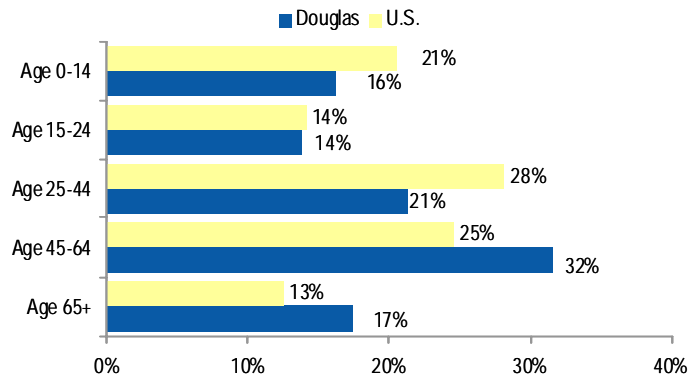
% OF ADULTS IN THE 25-44 AGE GROUP, 2005



Source: Census, DDR

### COUNTY AGE BREAKDOWN

% OF POPULATION BY AGE, 2005



Source: Census, DDR

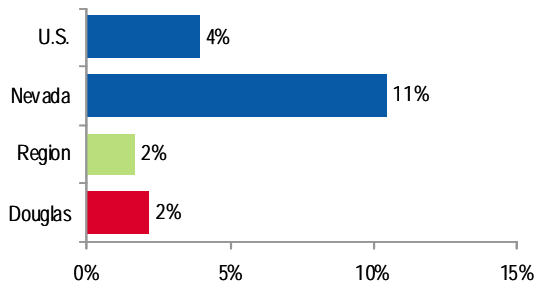
## Labor Force & Employment

Douglas County's labor force growth has been steady, but lagging overall population growth as many new residents do not enter the labor force.

- The county's labor force grew by 2% between 2001 and 2005, on par with the region's growth rate, but half that of the national rate.
- Along with the rest of the northern Nevada region, Douglas County experienced a decrease in the unemployment rates between 2001 and 2005. Current unemployment rates stand at 4.3%.

### LABOR FORCE

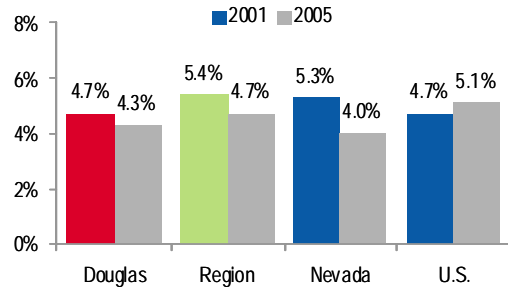
GROWTH IN LABOR FORCE, 2001-2005



Source: BLS

### UNEMPLOYMENT RATE

2001 v. 2005



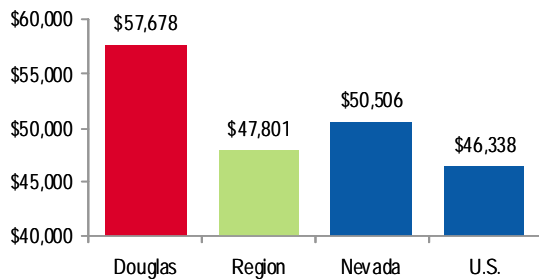
Source: BLS

## Income

Douglas County's median income is significantly higher than comparable benchmarks.

### LOCAL WEALTH

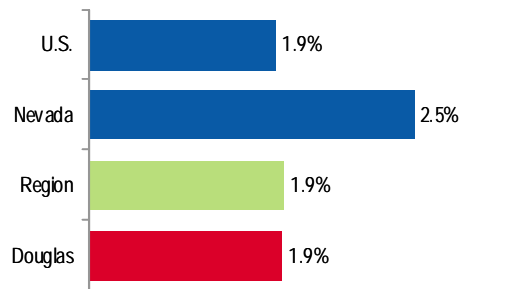
MEDIAN HOUSEHOLD INCOME 2005



Source: Census, DDR

### LOCAL WEALTH

AVERAGE ANNUAL MEDIAN INCOME GROWTH, 2000-2005



Source: Census, DDR

- The county's median income of \$57,678 is 21% higher than the regional median of \$47,801. It is also higher than both the state and national medians.
- Incomes are growing at a steady pace of 1.9% annually.
- 18% of Douglas County's households earn less than \$25,000 annually, significantly less than the U.S. rate of 26%.

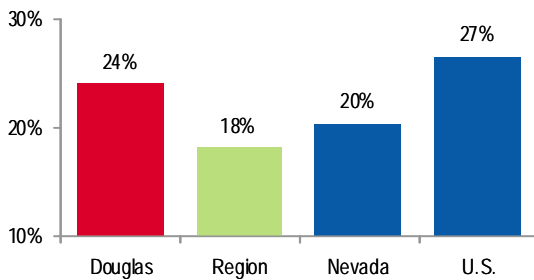
## Education

Douglas County has the highest educational attainment of any county in the northern Nevada region.

- 24% of county residents have a bachelor's degree or higher, compared to 18% in the region. Although the county outperforms the state and region in this category, it continues to lag the U.S. average of 27%.
- High educational attainment is also reflected in the low % of residents without a high school diploma. Only 9% of county residents do not have a diploma, compared to 18% nationally.
- Although these educational figures are highly attractive to high-impact businesses, they are tempered by the low rate of residents within the labor force and the county's high median age.

### EDUCATIONAL ATTAINMENT

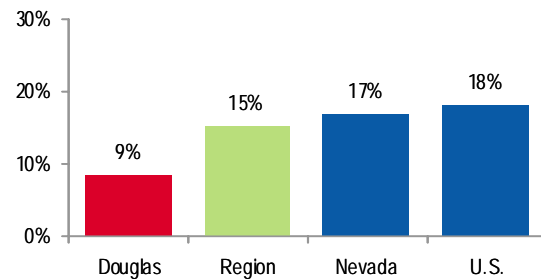
% OF ADULTS 25+ WITH BACHELOR'S DEGREE, 2005



Source: Census, DDR

### EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005



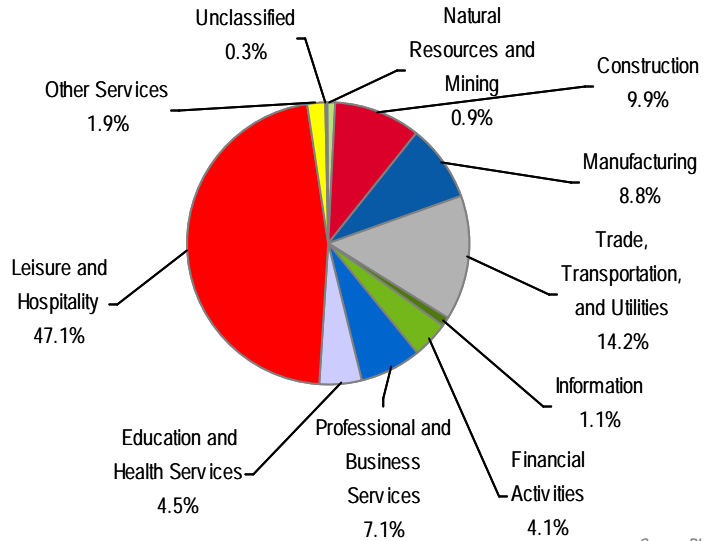
Source: Census, DDR

## Employment Base

Employment in Douglas County is heavily dominated by Leisure and Hospitality employment serving the Lake Tahoe region.

- Leisure and Hospitality accounts for 47% of all county employment.
- The two largest sectors, TTU and Leisure, account for over 60% of employment.
- This is significant because while Douglas County is one of the most expensive northern Nevada counties to live in, its primary employers are extremely low wage.

DOUGLAS COUNTY TOTAL EMPLOYMENT, BY SECTOR



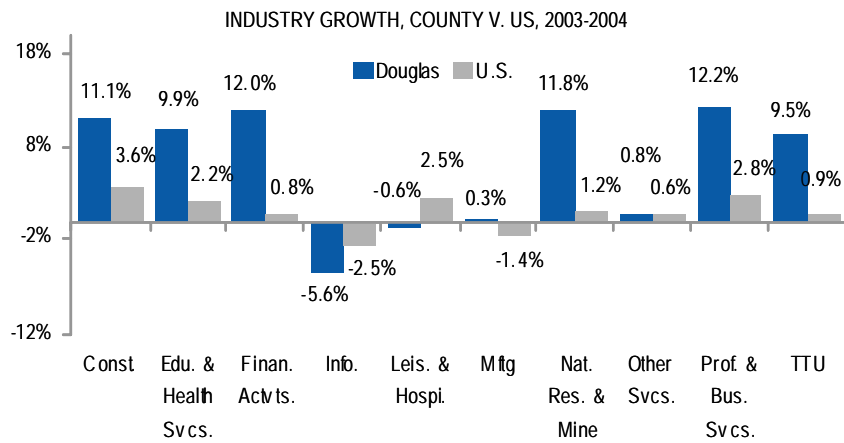
Source: BLS

## Industry Growth Trends

When compared to national growth trends, employment within the county is growing at a higher rate.

- Total county employment grew by 4% between 2003 and 2004.
- Professional Services, Financial Activities, Natural Resources, and Construction employment increased most rapidly, while Information employment decreased by 5.6%.
- The large increases in the most rapidly growing industries significantly exceed national growth rates.

INDUSTRY GROWTH

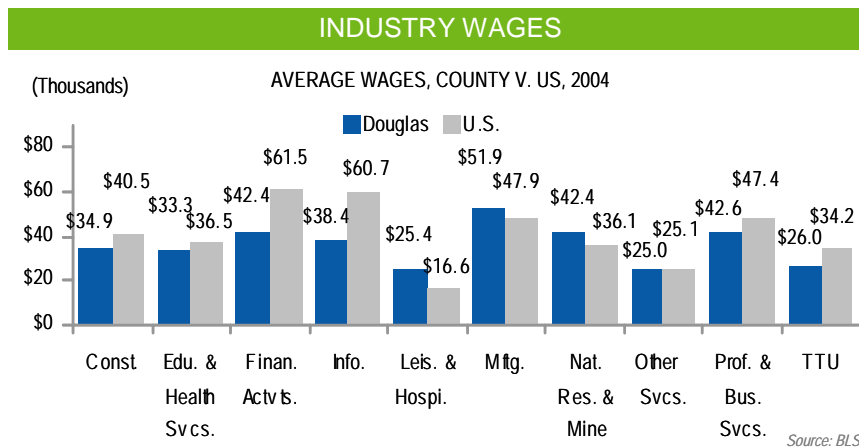


Source: BLS

## Wages

On average, wages paid within Douglas County are well below that of the national average, even though household incomes are high.

- The average wage for all industries within the county is \$31,258, compared to the national average of \$39,127.
- The most significant gap between county and national wages occurs within the Information and Financial Activities industries – both high wage industries.
- The discrepancy between low wage rates and high-income rates is due to the large retiree population that has income that is not employer-based.



## Industry Cluster Analysis

Douglas County's largest industry clusters exist in Hotels and Entertainment, Housing and Construction, and Agriculture.

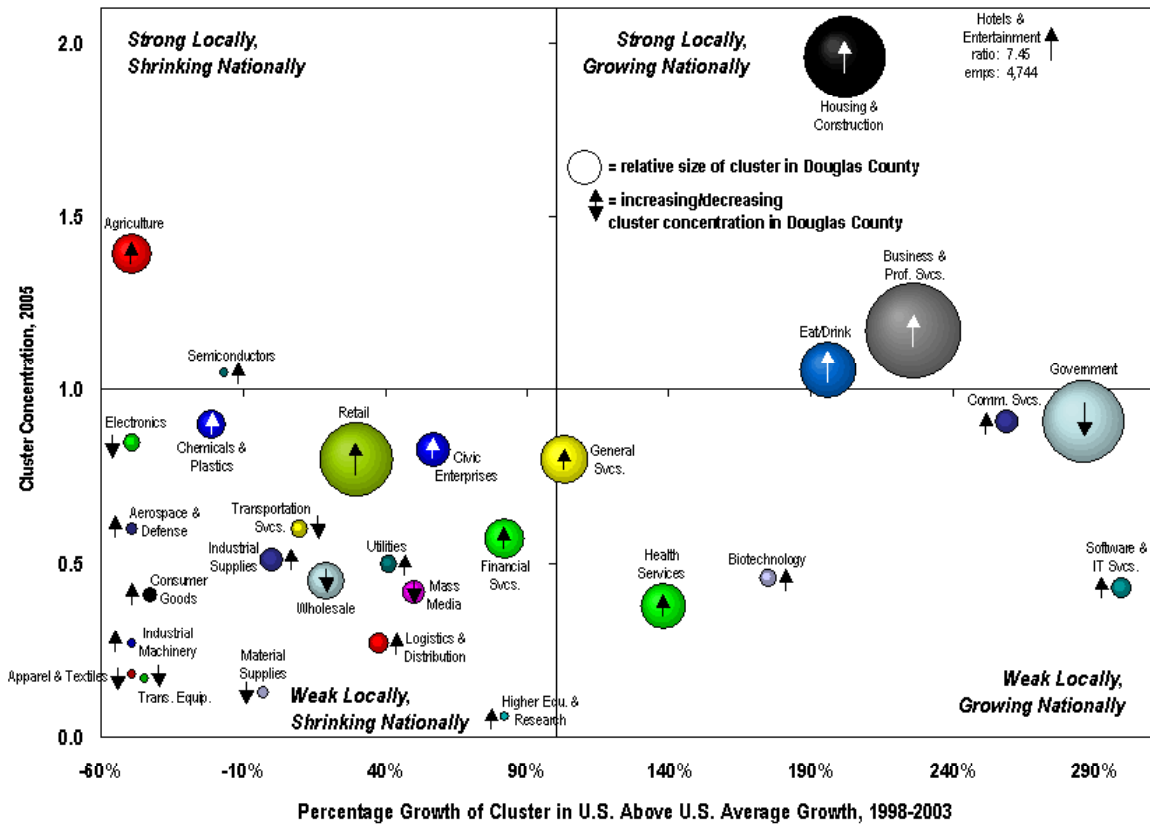
The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:

### Douglas County Cluster Potential



The chart illustrates the following key issues:

- Douglas County’s economy is not diversified, and the county has very few strong clusters.
- Most of the industry base is concentrated in industries that are declining at the national level.
- High wage industries are not readily found within the county, yet it is one of the most expensive counties to live in.

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## Douglas County Summary

Overall, Douglas County has several strengths that make it an attractive place to live and work, including:

- Proximity to Lake Tahoe and abundant recreational opportunities
- High median incomes and income growth
- Higher-than-average educational levels, as compared to region

However, this analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Highest cost of living and housing prices of any northern Nevada county
- High income levels, but low wage levels, indicate that the working person cannot afford to live in the county
- Lack of diversified industry base; leisure and hospitality employment accounts for 47% of all employment and the county has very few strong industry clusters that pay high wages

Lyon County has a population of 43,895 and is the fastest growing county in the state. It was named after Captain Robert Lyon, one of the volunteers in the Pyramid Lake War of 1860. Lyon County is the 4th smallest county in Nevada, covering approximately 2,024 square miles.

Tremendous residential growth is straining the county's transportation infrastructure, school system, natural resources, and affordability.

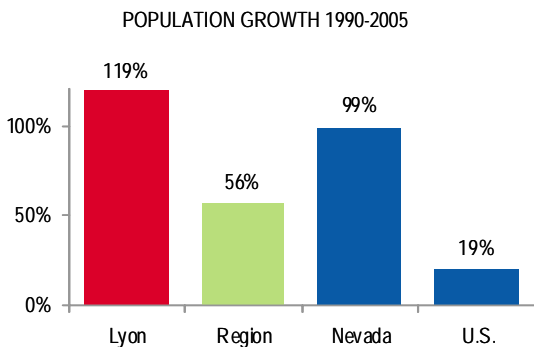
Lyon County's major private, non-casino employers include Amazon.com, Quebecor World Nevada, MSC Industrial Supply, South Lyon Medical Center, and Capital Drywall.

### Population

Lyon County is home to 43,895. This represents a **119% increase since 1990**. Population is expected to reach 52,887 by 2010.

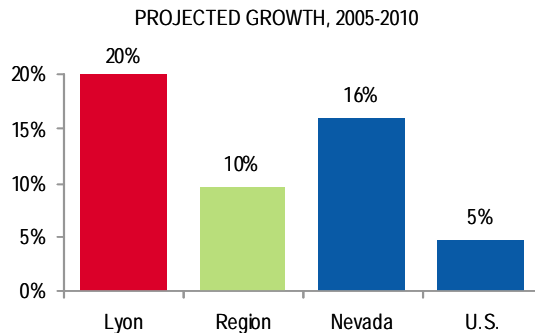
- The dramatic growth rate between 1990 and 2005 far exceeded the region, state, and national averages.
- The county is projected to **continue to exceed average growth rates through 2010**, with 20% additional growth.
- If managed properly, this steady population growth is attractive to expanding companies because it should lead to an increase in the available labor pool.

#### POPULATION GROWTH



Source: Census, DDR

#### PROJECTED POPULATION GROWTH

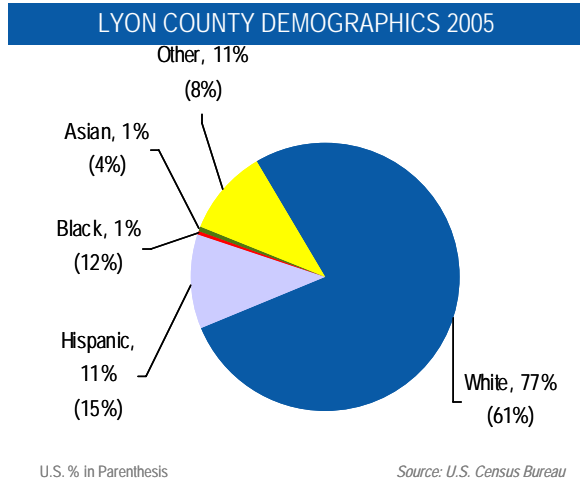


Source: Census, DDR

## Diversity

On average, Lyon County is **less diverse** than the nation.

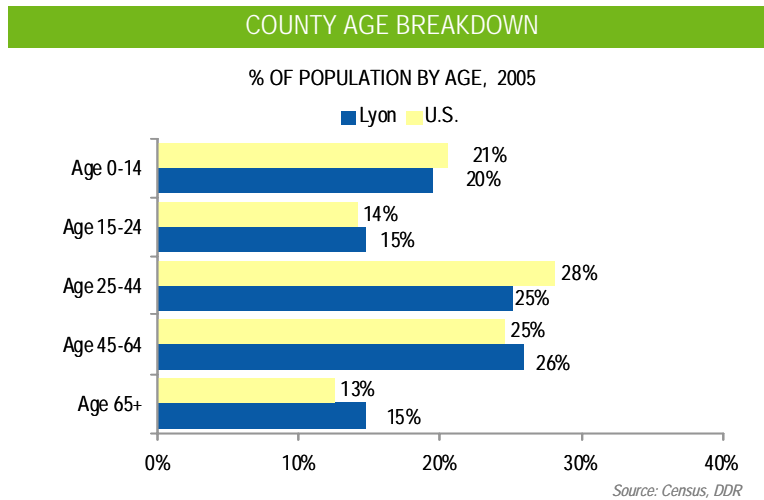
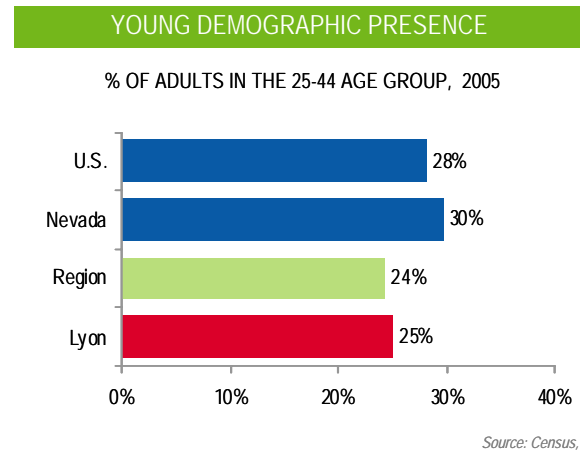
- Only 23% of the county's population is non-white, compared to 39% at the national level.
- However, residents that classify themselves as "other, comprise 11% of the population.
- Diversity helps to ensure that people of all backgrounds feel comfortable working in this community.



## Age Levels

Like most of the 7-county region, Lyon County has an **older than average population**.

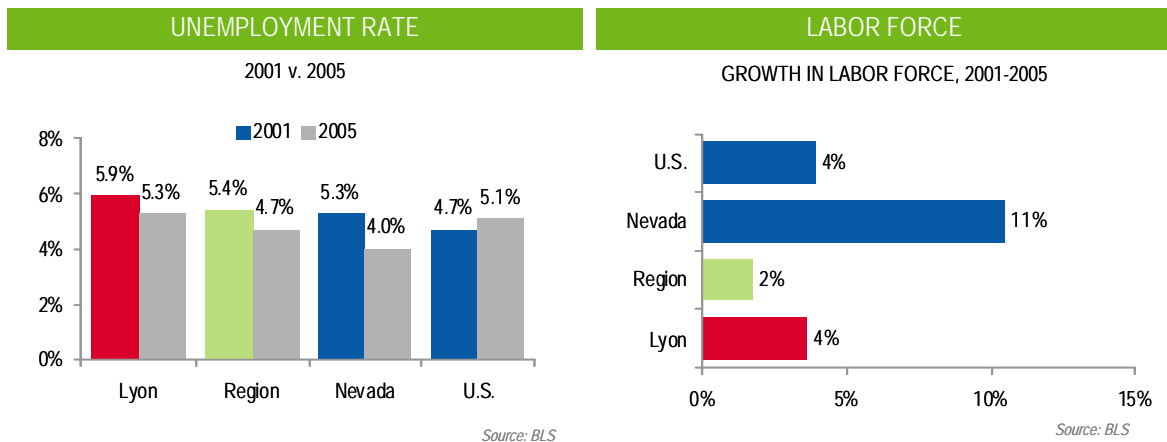
- The median age in Lyon County is 38.4, 2.1 years higher than the national average of 36.3.
- 25% of the population is between 25 and 44**, the early stage workforce. This is higher than the regional average (24%), but lower than the state and national averages.



## Labor Force & Employment

Over the past four years, Lyon County has experienced steady labor force growth but fairly high unemployment rates.

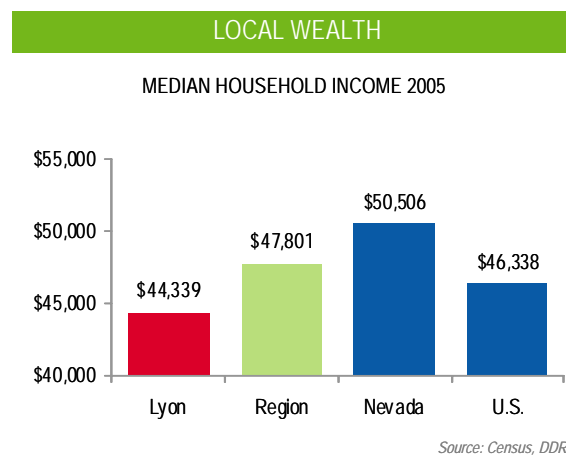
- The county's labor force grew by 4% between 2001 and 2005, double the regional average and on par with the nation.
- Although Lyon County's unemployment rate declined from 5.9% in 2001 to 5.3% in 2005, the 5.3% rate is still higher than regional, state, and national rates.
- Although this indicates the availability of labor, higher than average unemployment rates may raise red flags in the minds of employers concerned about the economic health and spending power within a region.



## Income

Lyon County's income levels are significantly lower than the regional, state, and national medians.

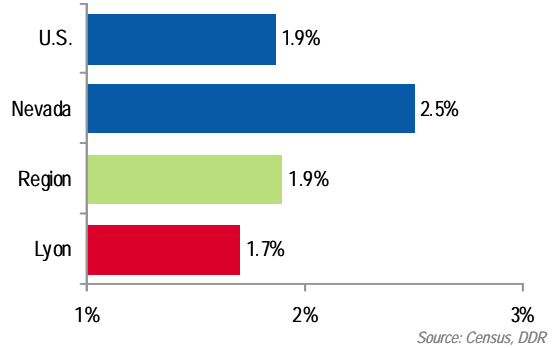
- The county's median income of \$44,339 is 7% lower than the regional median of \$47,801.
- Incomes are growing at a steady, but slow pace of 1.7% annually. If income growth continues to lag the national average, it will become more and more difficult to afford to live in Lyon County.



- 24% of county households have incomes below \$25,000 annually, compared to 26% nationally.

**LOCAL WEALTH**

AVERAGE ANNUAL MEDIAN INCOME GROWTH, 2000-2005



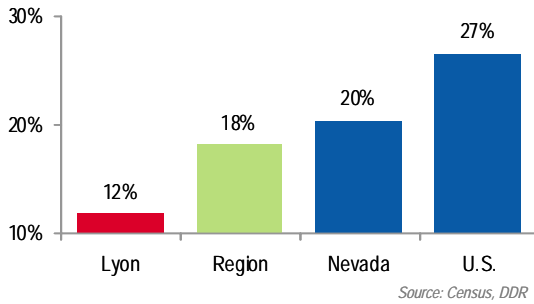
**Education**

On average, Lyon County residents do not have a comparable education level to that of the northern Nevada region.

- Only 12% of county residents have a bachelor's degree or higher, compared to 18% in the region. This is also lower than the state (20%) and national averages (27%).
- 18% of Lyon residents do not have a high school diploma. This figure is higher than comparable rates.
- These figures would be worrisome to companies seeking a highly skilled workforce. They would be more likely to locate in a surrounding county with a higher percentage of educated residents.

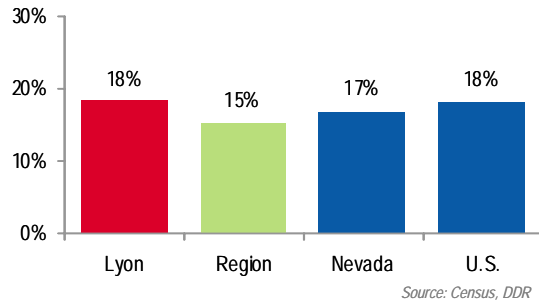
**EDUCATIONAL ATTAINMENT**

% OF ADULTS 25+ WITH BACHELOR'S DEGREE, 2005



**EDUCATIONAL ATTAINMENT**

% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005



## Employment Base

Employment in Lyon County is dominated by 2 industries: Manufacturing and Trade, Transportation, and Utilities (TTU).

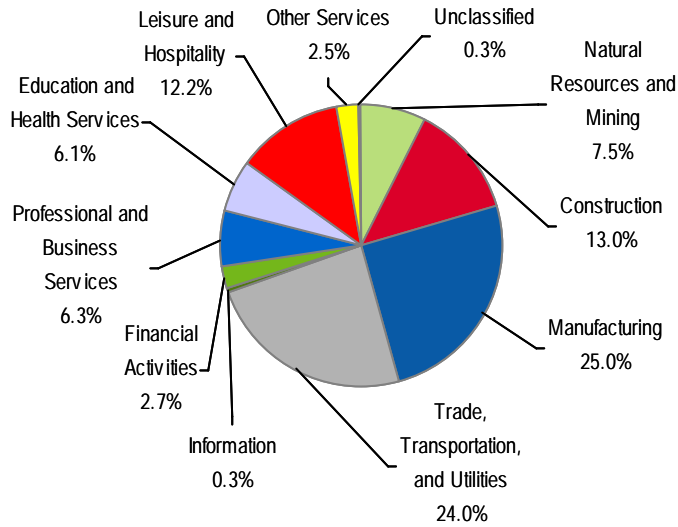
- These 2 industries account for 49% of all county employment.
- Other industries are smaller, but well represented.

## Industry Growth Trends

Lyon County's employment growth was negative between 2003 and 2004

- Total employment between 2003 and 2004 declined by -4.3%, compared to the national rate of 1.3%.
- Construction (27%) and Financial Activities (12%) employment increased most rapidly, while Professional Business Services employment decreased by 62%.
- Other Services, Information, and Natural Resources employment also declined over this time period.

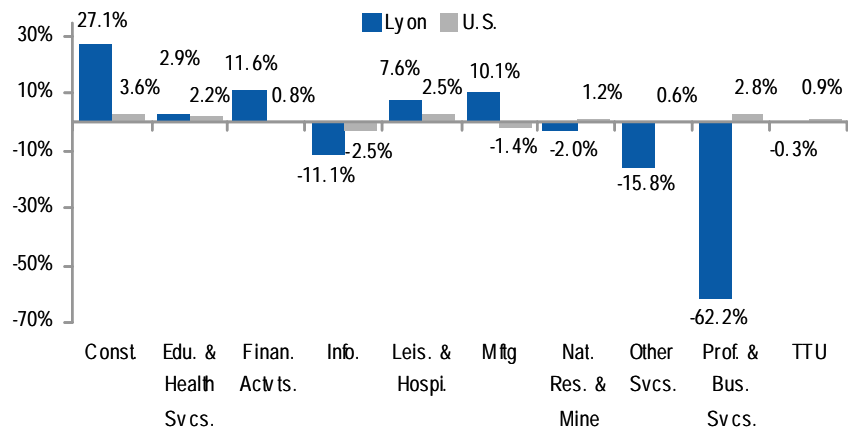
### LYON COUNTY TOTAL EMPLOYMENT, BY SECTOR



Source: BLS

### INDUSTRY GROWTH

INDUSTRY GROWTH, COUNTY V. US, 2003-2004

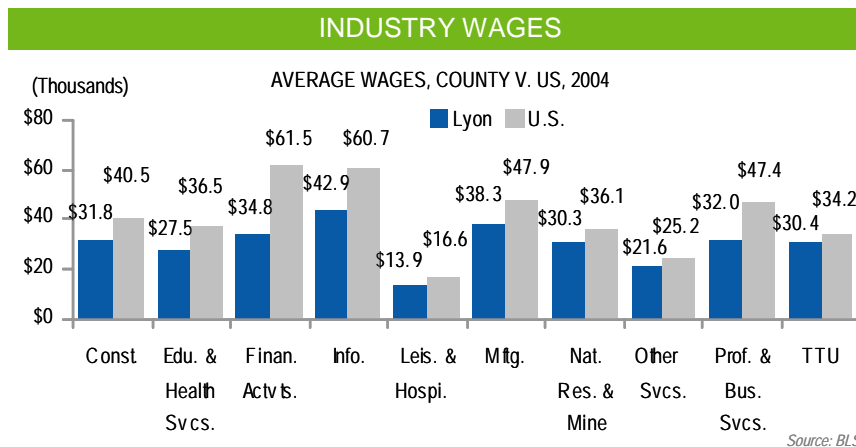


Source: BLS

## Wages

On average, wages within Lyon County are well below that of the national average.

- The average wage for all industries within the county is \$30,205, compared to the national average of \$39,127.
- Average wages for all sectors falls below that of the U.S. average.
- Although low wage rates can be beneficial for employers, employees may desire wages more comparable to the national average.



## Industry Cluster Analysis

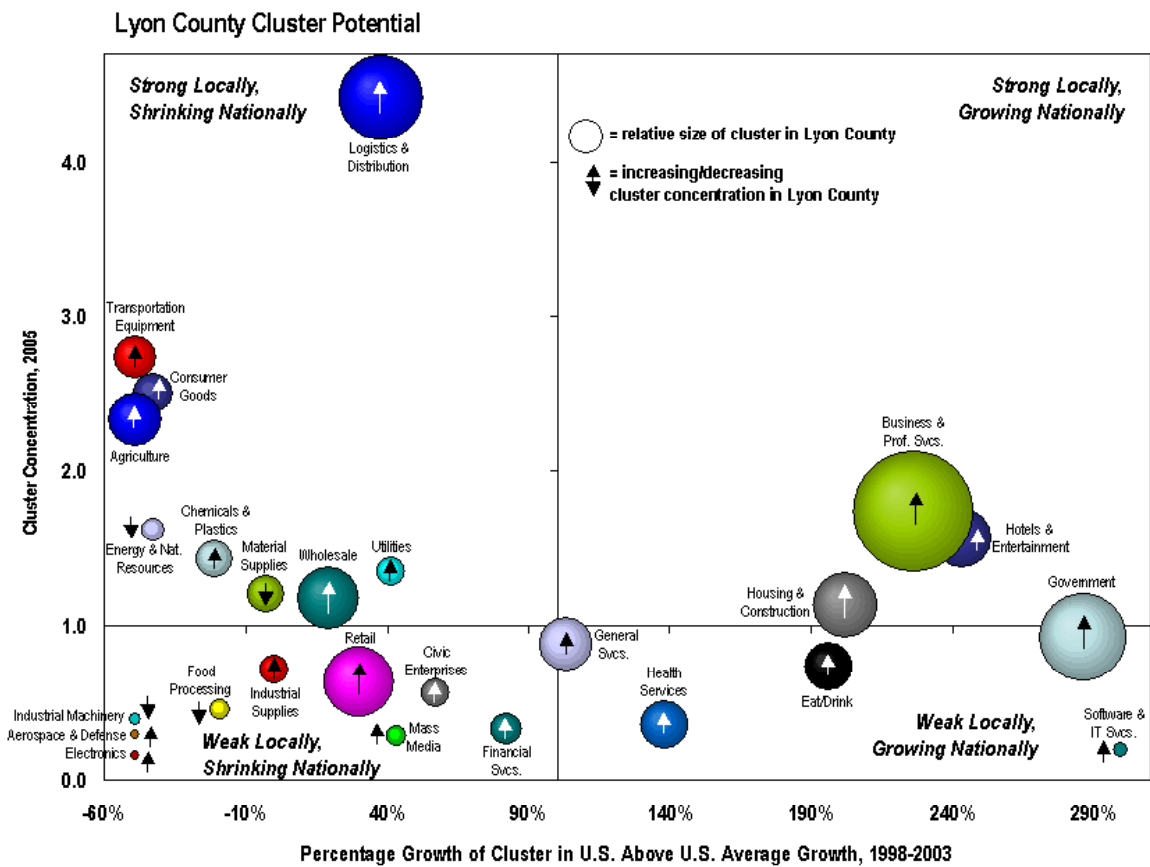
Lyon County's largest industry clusters exist in Logistics and Distribution, Transportation Equipment, Consumer Goods, and Agriculture.

The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:



The chart illustrates several key issues:

- Most of Lyon County's clusters exist in declining industries.
- However, the county's strongest clusters appear to be gaining strength in spite of national declines.

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## Lyon County Summary

Overall, Lyon County has several strengths that make it an attractive place to live and work, including:

- Relatively low home prices make Lyon County affordable and attractive to the working class in the region
- Additional population growth is attracting additional commercial and retail businesses
- Compared to the region, Lyon County has a higher than average early stage workforce population, making it a more attractive location for employers

However, this analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Average wages for all employment sectors falls below that of the U.S. average
- Rapid growth is putting tremendous strain on water supply and infrastructure
- Rising unemployment levels and declining employment growth levels leading to lower quality of life

Mineral County was formed in 1911 and is home to 4,639 people, the smallest county in the northern Nevada region. In its 2005 BRAC recommendations, the U.S. Department of Defense recommended the closure of the “world’s largest ammunition depot” and largest industrial activity in the state of Nevada - the Hawthorne Army Depot in Mineral County.

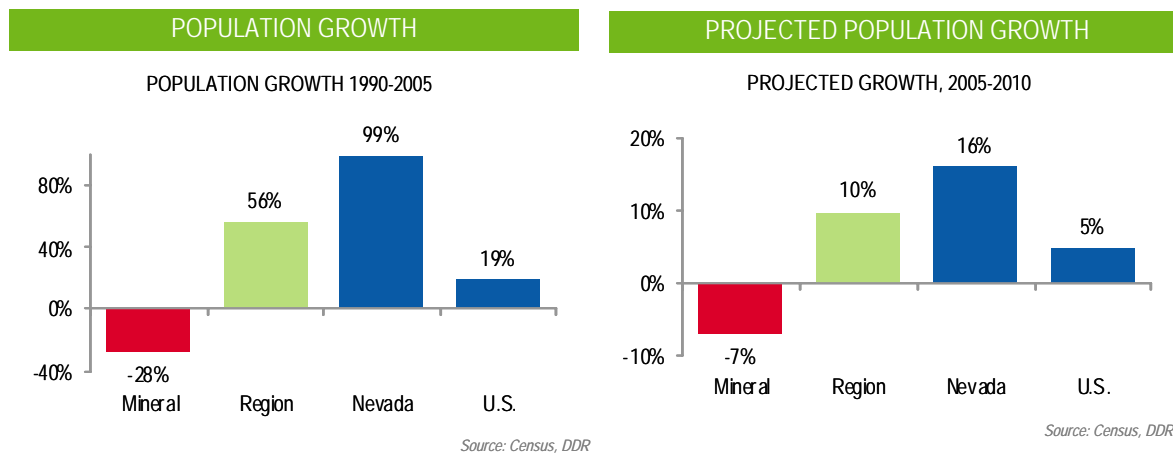
Although spared closure by the BRAC commission’s vote in August 2005, calculation of the effects of the base’s potential closure alerted Mineral County to the need to diversify its economic base in order to have a sustainable economy.

In addition to the Army Depot, Mineral County’s major private, non-casino employers include Fisher Sand and Gravel and Safeway Stores.

### Population

Mineral County is home to 4,639. This represents a **28% decline since 1990**, driven primarily by cutbacks at the Hawthorne Army Ammunition Depot. Population is expected to continue to decline over the next 5 years

- The dramatic decline between 1990 and 2005 is inconsistent with all other counties within the region.
- The county is projected to continue to decline through 2010, with 7% additional population loss.
- Unless this trend is reversed, it will be difficult to attract additional employers to the region.

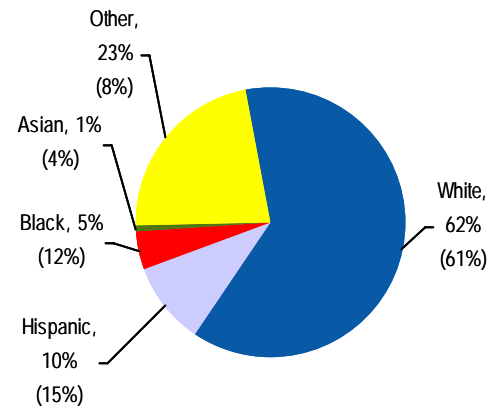


## Diversity

On average, Mineral County is equally as diverse as the nation.

- Non-whites comprise 38% of the county's population, compared to 39% at the national level.
- Residents that classify themselves as "other" account for almost one-quarter of the population. These residents are primarily of Native American descent.
- Diversity helps to ensure that people of all backgrounds feel comfortable working in this community.

### MINERAL COUNTY DEMOGRAPHICS 2005



U.S. % in Parenthesis

Source: U.S. Census Bureau

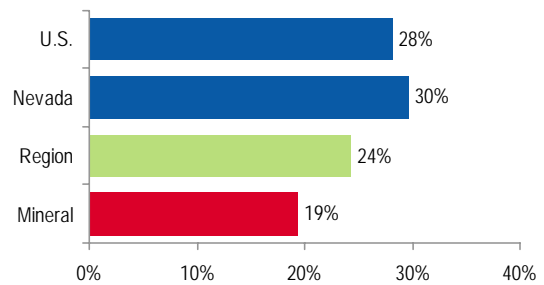
## Age Levels

Like most of the 7-county region, Mineral County has an older than average population.

- The median age in Mineral County is 44.8, 8.5 years higher than the national average of 36.3.
- Only 19% of the population is between 25 and 44, the early stage workforce. This is lower than all comparable regions.
- Additionally, 49% of the county's population is over the age of 45. Significant labor shortages will exist if this trend continues.

### YOUNG DEMOGRAPHIC PRESENCE

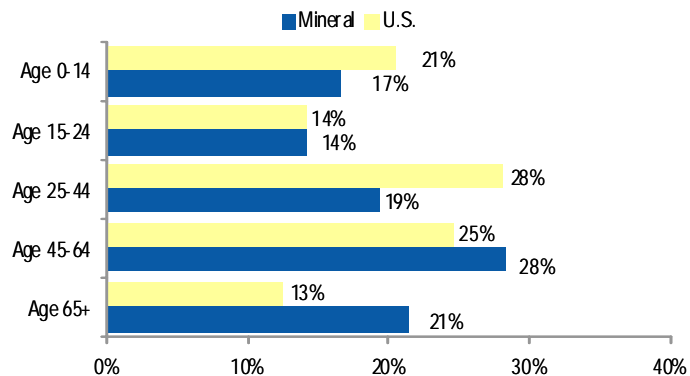
% OF ADULTS IN THE 25-44 AGE GROUP, 2005



Source: Census, DDR

### COUNTY AGE BREAKDOWN

% OF POPULATION BY AGE, 2005

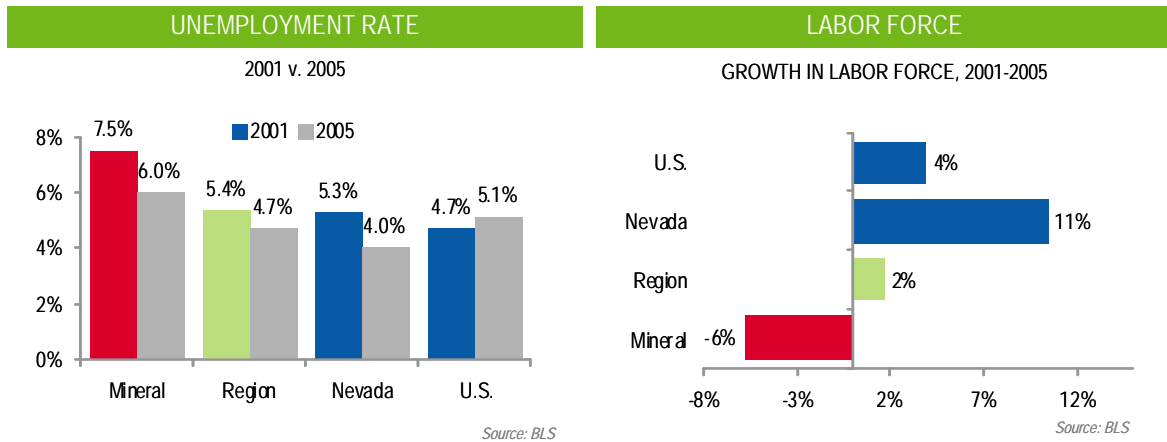


Source: Census, DDR

## Labor Force & Employment

Paralleling its population loss, Mineral County has also seen labor force declines over the past 4 years.

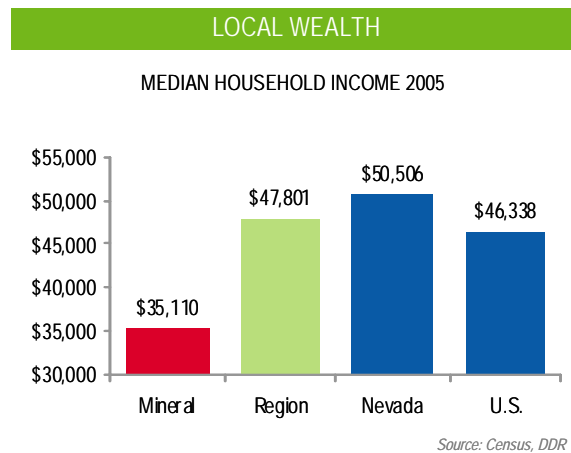
- The county's **labor force declined by 6%** between 2001 and 2005.
- Although Mineral County's unemployment rate declined from 7.5% in 2001 to 6.0% in 2005, the 6.0% rate is still higher than regional, state, and national rates.
- The decline in both labor force participation and unemployment indicates that many of the county's residents have removed themselves from the labor force, either voluntarily or through retirement.



## Income

Mineral County's income levels are significantly lower than the regional, state, and national medians.

- The county's median income of \$35,110 is **27% lower** than the regional median of \$47,801.
- Incomes are growing at a steady, but slow pace of 1.5% annually.



- Of additional concern is the fact that 36% of county households have incomes below \$25,000 annually, compared to 26% nationally.

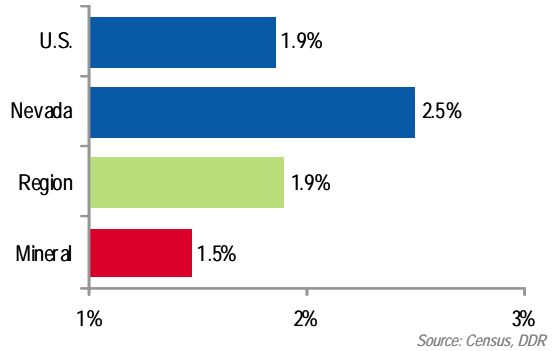
### Education

On average, Mineral County residents do not have a comparable education level to that of the entire northern Nevada region.

- Only 11% of county residents have a bachelor's degree or higher, compared to 18% in the region. This is also lower than the state (20%) and national averages (27%).
- 23% of Mineral residents do not have a high school diploma. This figure is higher than comparable rates.
- These figures would be worrisome to companies seeking a highly skilled workforce. They would be more likely to locate in a surrounding county with a higher percentage of educated residents.

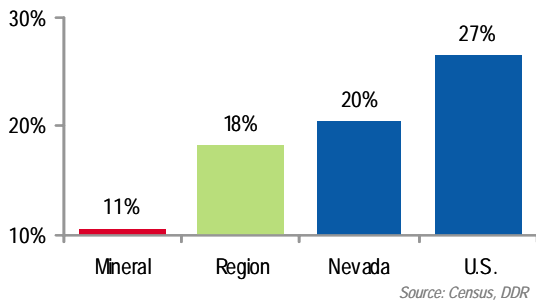
### LOCAL WEALTH

AVERAGE ANNUAL MEDIAN INCOME GROWTH, 2000-2005



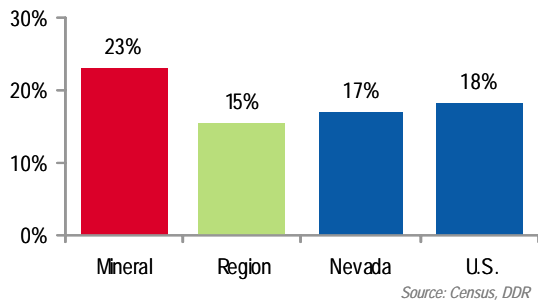
### EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITH BACHELOR'S DEGREE, 2005



### EDUCATIONAL ATTAINMENT

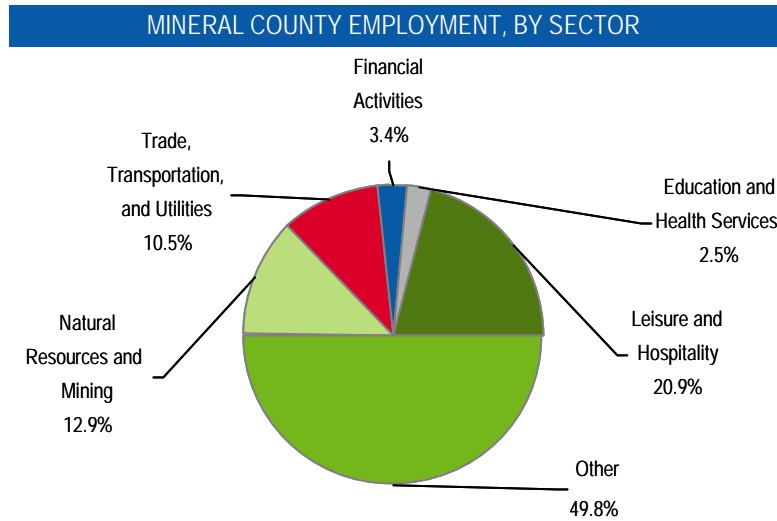
% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005



## Employment Base

Employment in Mineral County is dominated by the Hawthorne Army Ammunition Depot and its auxiliary services.

- Today, the depot employs approximately 600 of the county's 1,900 jobs.
- The Depot was originally scheduled for closure through the BRAC process but was saved at the last minute. It was estimated that if the base closed, the county would have lost 37% of its workforce and half of the workforce in the city of Hawthorne

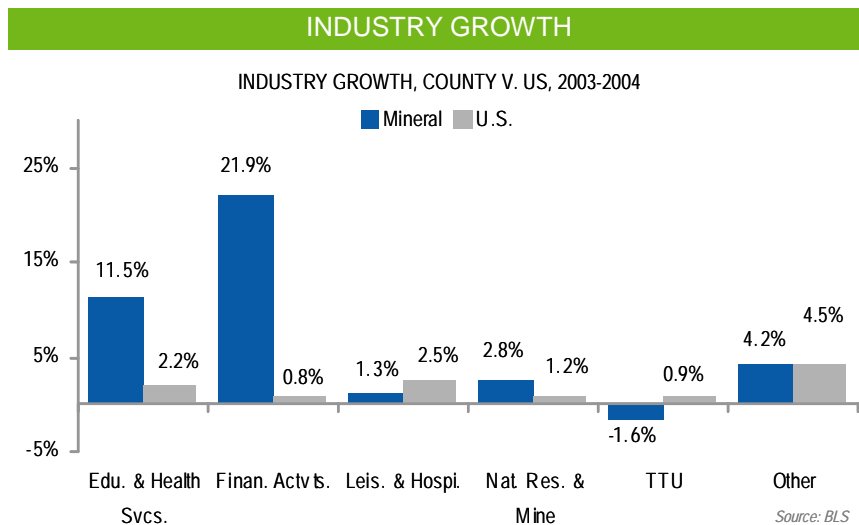


Source: BLS

## Industry Growth Trends

There appears to be some positive light over the past few years for Mineral County. Total employment grew between 2003 and 2004.

- Total employment between 2003 and 2004 grew by 3.4%, compared to the national rate of 1.3%.
- Financial Activities (22%) and Education (12%) employment increased most rapidly, while TTU employment decreased by 2%.

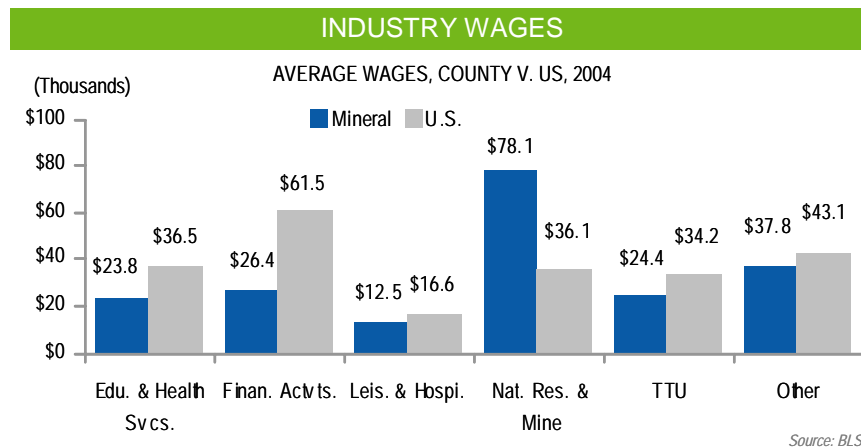


Source: BLS

## Wages

On average, wages within Mineral County are well below that of the national average.

- The average wage for all industries within the county is \$24,421, compared to the national average of \$39,127.
- Average wage for all sectors except Natural Resources falls below that of the U.S. average. Financial Activities, in particular, pay extremely low wages within the county.



## Industry Cluster Analysis

Mineral County's largest industry clusters exist in Aerospace and Defense, Energy and Natural Resource, and Hotels and Entertainment.

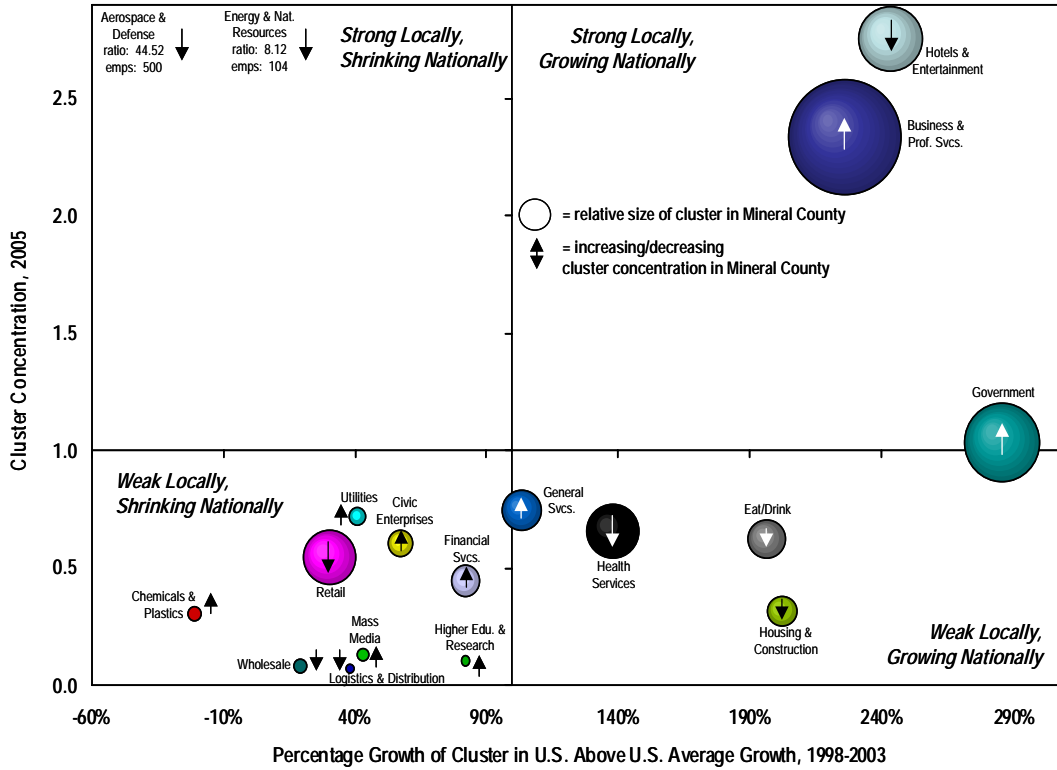
The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:

### Mineral County Cluster Potential



The chart illustrates several key issues:

- Most of Mineral County's clusters declined in strength over the past 5 years.
- The county has very few industry clusters, but appears to have some momentum to expand Business and Professional Services opportunities.

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## Mineral County Summary

Overall, Mineral County has several strengths that make it an attractive place to live and work, including:

- Tremendous diversity of backgrounds, from Native American to Hispanic to African-American
- Employment growth over the most recent years
- Recreational opportunities at Walker Lake
- Significant employment presence and stature at the Hawthorne Army Depot
- Tremendous community pride

However, this analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Declining population and labor force growth over the past 15 years is projected to continue unless significant new employment announcements are made
- The county has the lowest % of early stage workforce (25 to 44) of any county in the region and a rapidly aging population
- Low educational attainment levels will continue to depress wage and income levels if not addressed

Pershing County is a rural county that is home to 6,305 people. The county is named for General John Pershing and was created out of Humboldt County in 1919 as the last county in the state of Nevada to be created. The county seat and principal city is Lovelock, which lies along the Humboldt River and is the site of the Humboldt Project, a federal water reclamation project.

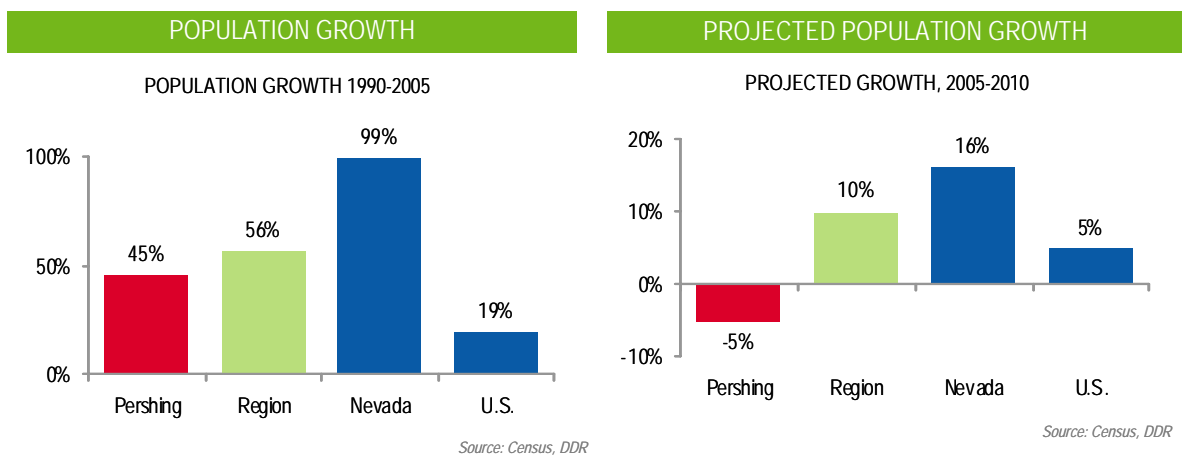
Pershing County's largest private, non-casino employers include Coeur Rochester, Inc, Eagle –Picher Minerals, Florida Canyon Mining, and the Mill City Truck Stop. However, the Coeur Rochester mine is in closure mode.

The population and demographic statistics of Pershing County are greatly affected by its prison population. Approximately 21% of the county's population, or 1,300 residents, is prison-based. Among other statistics, these figures affect racial composition, population growth, and age levels. Most of these prisoners actually come from Clark and Washoe counties.

### Population

Pershing County is home to 6,305 people. This represents a 45% increase since 1990. However, population is expected to decline to 5,971 by 2010.

- The significant growth rate between 1990 and 2005 far exceeded the national average, but still lagged the region and state.
- However, the majority of this growth occurred between 1990 and 2000. Since 2000, Pershing County has lost almost 400 residents, or 6%. The county is projected to continue to this trend through 2010, with a decline of 5%.

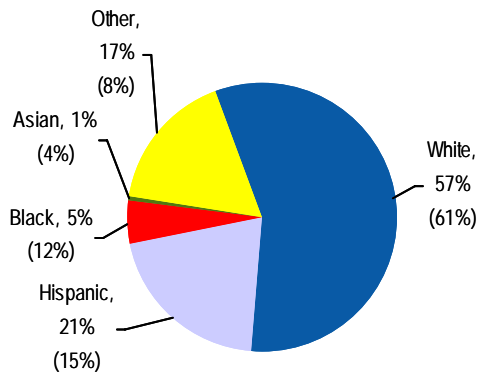


## Diversity

Pershing County is the only county in the northern Nevada region that is more diverse than the nation. However, the **prison-based population drives much of this diversity.**

- 43% of the county's population is non-white, compared to 39% at the national level.
- Hispanics and Native Americans make up almost 40% of the county's population.

### PERSHING COUNTY DEMOGRAPHICS 2005



U.S. % in Parenthesis

Source: U.S. Census Bureau

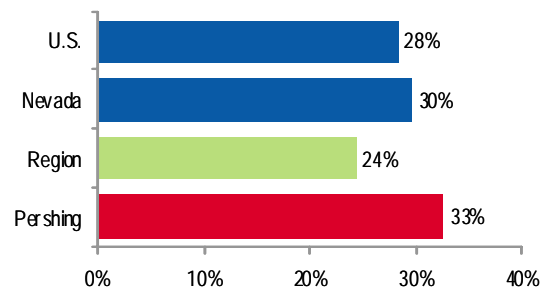
## Age Levels

Pershing has one of the youngest populations of any of the 7 counties in the study area.

- The median age in Pershing County is 36.2, almost equal to the national average of 36.3.
- 33% of the population is between 25 and 44, the early stage workforce. This is higher than the regional average, state, and national averages.
- However, **this figure does not necessarily foretell excellent labor force prospects** because a substantial portion of the 25 to 44 population are prison inmates.

### YOUNG DEMOGRAPHIC PRESENCE

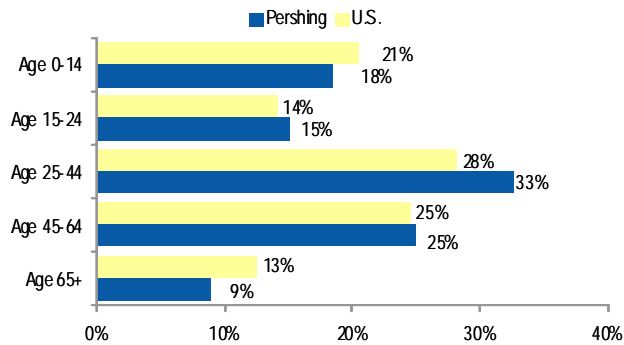
% OF ADULTS IN THE 25-44 AGE GROUP, 2005



Source: Census, DDR

### COUNTY AGE BREAKDOWN

% OF POPULATION BY AGE, 2005

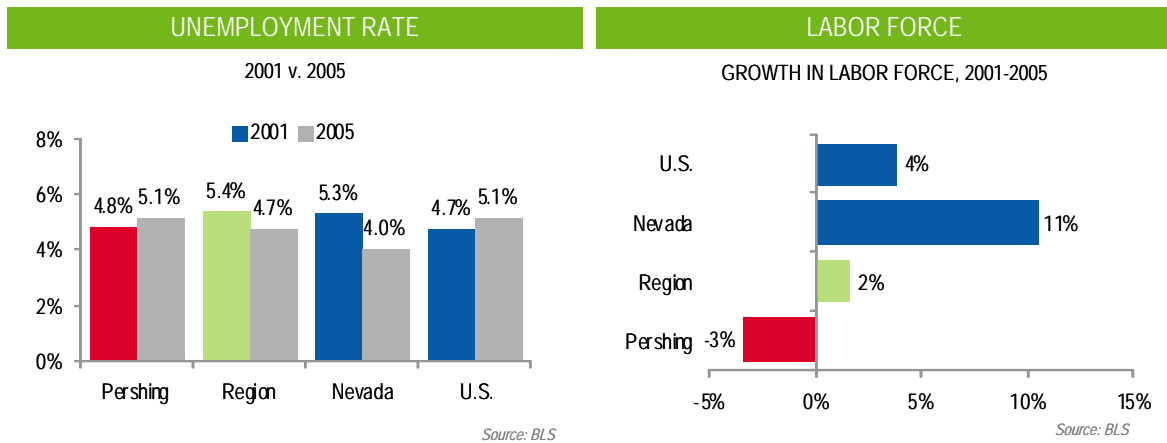


Source: Census, DDR

## Labor Force & Employment

Coinciding with declining population over the last 5 years, labor force growth also declined.

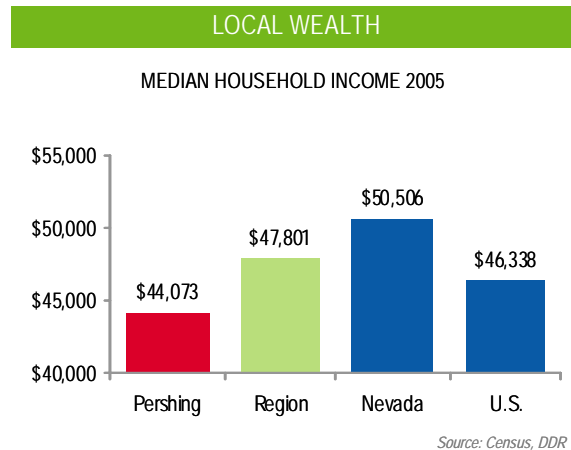
- The county's labor force declined by 3% between 2001 and 2005.
- Unemployment rates also rose from 4.8% to 5.1% over the same period.
- The root causes of the recent population and employment declines must be addressed through this process.



## Income

Pershing County's income levels are significantly lower than the regional, state, and national medians.

- The county's median income of \$44,073 is 7% lower than the regional median of \$47,801.
- Incomes are growing at a steady, but lagging pace of 1.4% annually, representing the slowest growth among the counties. If income growth continues to lag the national average, it will become more and more difficult to live in Pershing County.

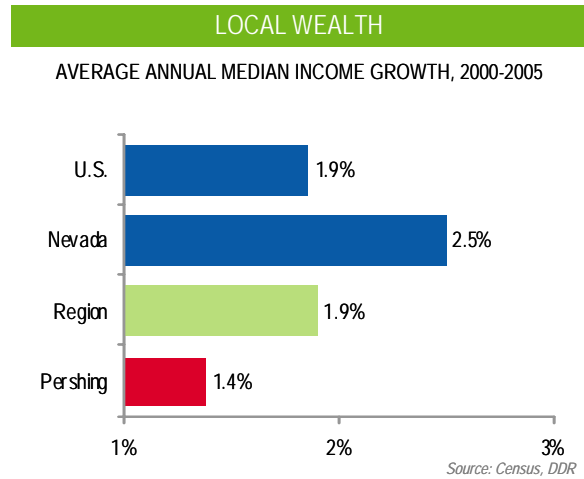


- Of additional concern is the fact that 30% of county households have incomes below \$25,000 annually, compared to 26% nationally.

### Education

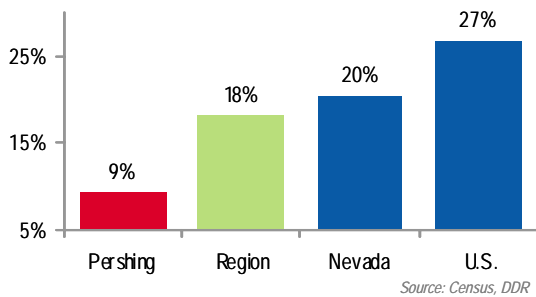
On average, Pershing County residents have the lowest educational attainment of any of the 7 counties. The prison population also impacts these figures.

- Only 9% of county residents have a bachelor's degree or higher, compared to 18% in the region. This is also dramatically lower than the state (20%) and national averages (27%).
- 24% of Pershing residents do not have a high school diploma. This figure is significantly higher than comparable rates.
- These figures are extremely worrisome to companies seeking a highly skilled workforce. They would be more likely to locate in a surrounding county with a higher percentage of educated residents.



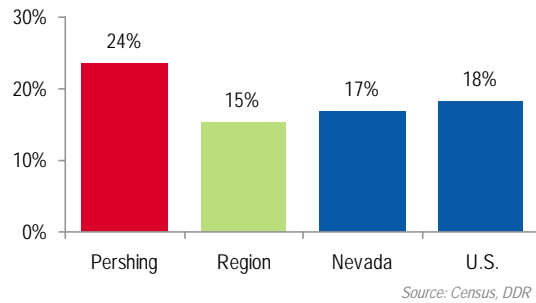
### EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITH BACHELOR'S DEGREE, 2005



### EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005

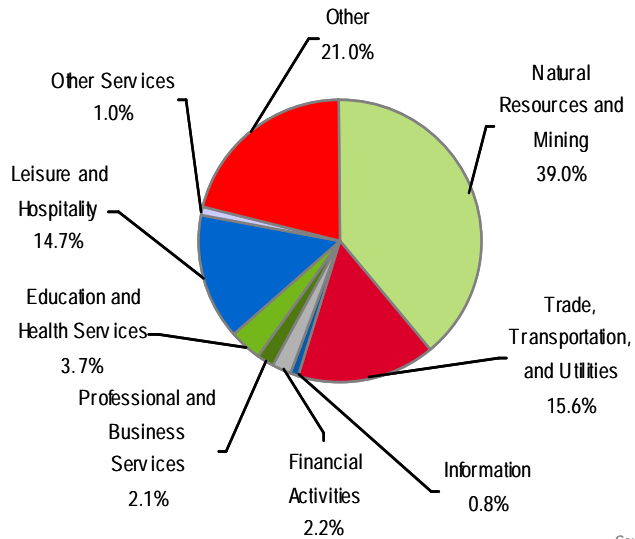


## Employment Base

Employment in Pershing County is dominated by Natural Resource and Mining.

- **Natural Resource employment accounts for 39% of all employment within the county.**
- The closure of the Coeur Rochester mine will dramatically affect Natural Resource employment, as the company employs nearly 300 employees.
- Other, TTU, and Leisure and Hospitality are also well represented.

## PERSHING COUNTY EMPLOYMENT, BY SECTOR



Source: BLS

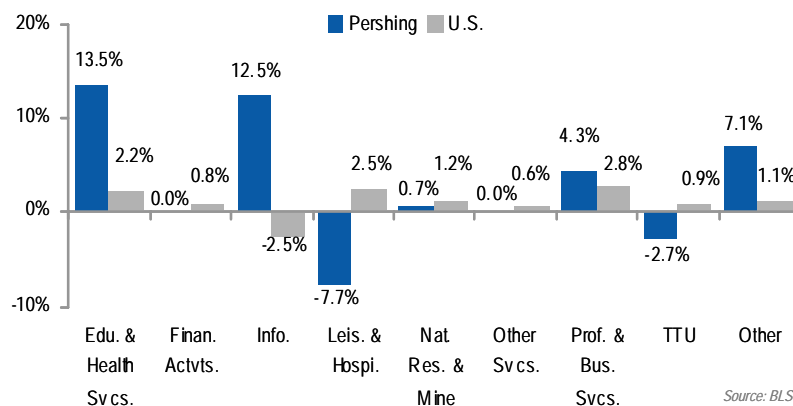
## Industry Growth Trends

Pershing County's employment growth was slight between 2003 and 2004.

- **Total employment between 2003 and 2004 grew by 0.8%**, compared to the national rate of 1.3%.
- Education and Health Services (14%) and Information (13%) employment increased most rapidly, while Leisure and Hospitality employment decreased by 8%.
- The large increase in Information services is in contrast to a decline at the national level and is an excellent trend.

## INDUSTRY GROWTH

INDUSTRY GROWTH, COUNTY V. US, 2003-2004

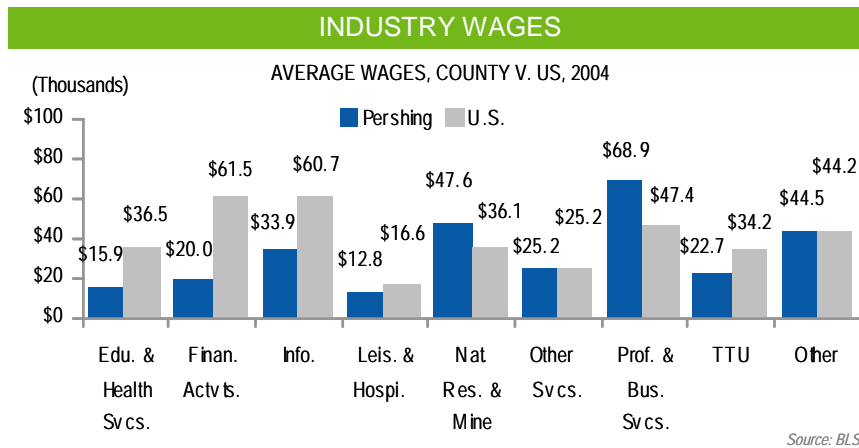


Source: BLS

## Wages

On average, wages within Pershing County are well below that of the national average and are **the lowest of the northern Nevada region**.

- The average wage for all industries within the county is \$21,623, compared to the national average of \$39,127.
- Average wage for all sectors except Professional and Business Services and Natural Resources fall below that of the U.S. average.
- Although low wage rates can be beneficial for employers, employees may desire wages more comparable to the national average.



## Industry Cluster Analysis

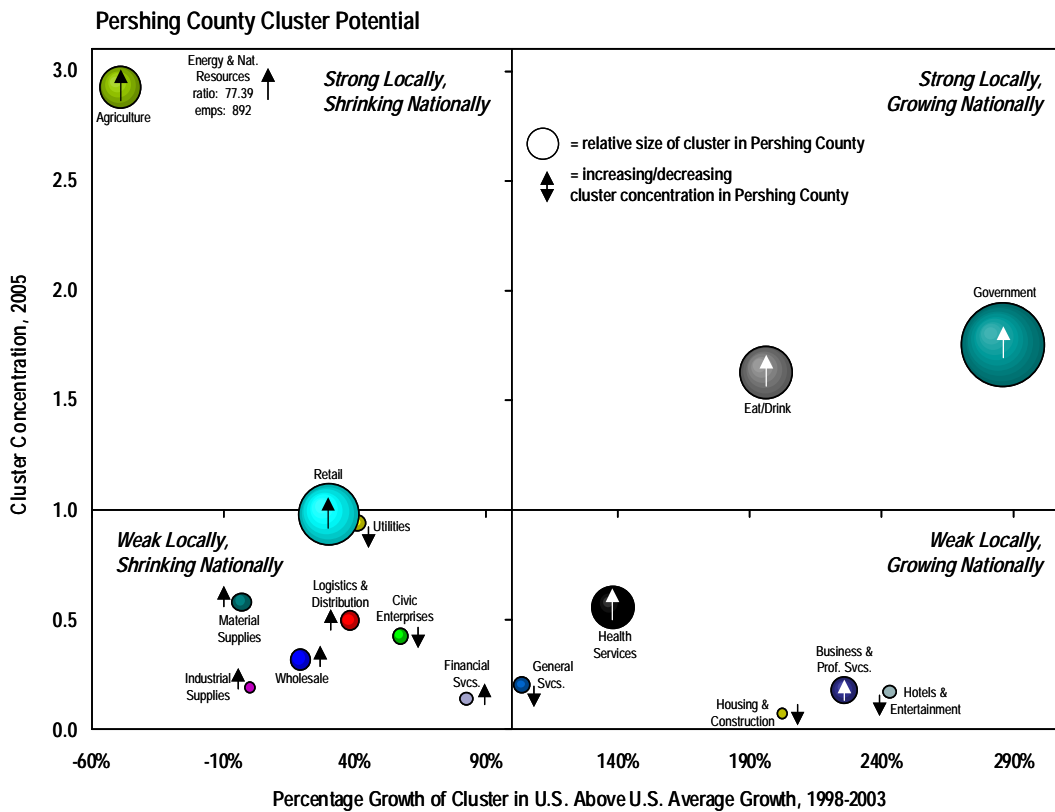
Pershing County's largest industry clusters exist in Logistics and Distribution, Transportation Equipment, Consumer Goods, and Agriculture.

The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:



The chart illustrates several key issues that must be addressed through this planning process:

- Pershing County has very few industry clusters.
- Most of Pershing County's clusters exist in declining industries, particularly its strong clusters of Energy and Natural Resources and Agriculture.
- The only clusters that are strong locally and growing nationally are the non-primary industries of Government and Eat/Drink.

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## Pershing County Summary

It is difficult to get a full picture of Pershing County because of the large prison population. However, it is clear that the county has:

- A diverse, young population
- Great community pride
- Historical, intact community of Lovelock

However, this analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Labor force growth declines and projected population declines signal negative economic trends
- Extremely low wage levels hinder economic opportunity
- The closure of Coeur-Rochester mine, one of the county's largest employers, will have significant economic ramifications over the next few years.
- The county has few industry clusters, with the exception of Agriculture, Energy and Natural Resources, Government, and Eat/Drink

Storey County is home to 3,623 people. Storey County history dates to 1859, when gold was discovered, prompting a rush from the mining districts of California. The county was formally created in 1861 and named for Captain Edward Faris Storey, one of the first residents of Virginia City and a commander in the Pyramid Lake War of 1860. Storey County covers approximately 262 square miles and is the 2nd smallest county in Nevada.

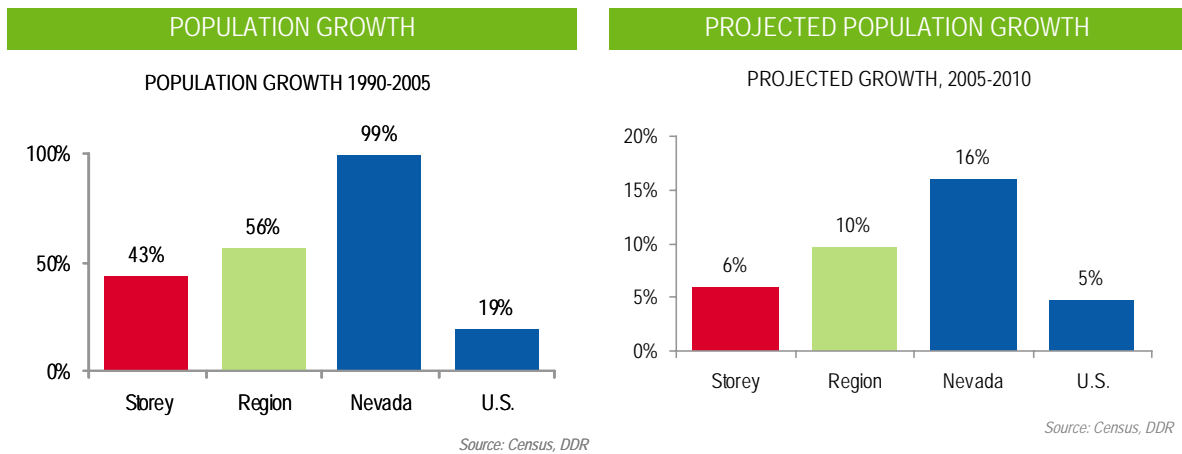
Storey County is also home to Virginia City, at one time the world's richest mining town. Today, Virginia City is remarkably the same as it was during its heyday with the wooden sidewalks, restored mansions, mine tours, "Old West" saloons, and the Piper Opera House.

Storey County's largest private, non-casino employers include Royal Sierra Extrusions, APL Logistics Warehouse, Mars, Inc, Sierra Pacific Power Company, and Eagle-Picher Minerals. The county is also home to the Tahoe Reno Industrial Center, an industrial park with full capacity of 102,000 acres.

### Population

Storey County is home to 3,623. This represents a 43% increase since 1990.

- The steady dramatic growth rate between 1990 and 2005 far exceeded the national average, but lagged the region and state rates.
- The county is projected to continue to exceed average national growth rates through 2010, with 6% additional growth.
- If managed properly, this steady population growth is attractive to expanding companies because it should lead to an increase in the available labor pool.

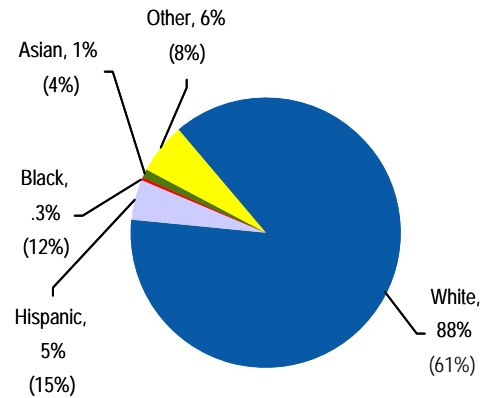


## Diversity

On average, Storey County is **less diverse** than the nation.

- Only 12% of the county's population is non-white, compared to 39% at the national level.
- Diversity helps to ensure that people of all backgrounds feel comfortable working in this community.

## STOREY COUNTY DEMOGRAPHICS 2005



U.S. % in Parenthesis

Source: U.S. Census Bureau

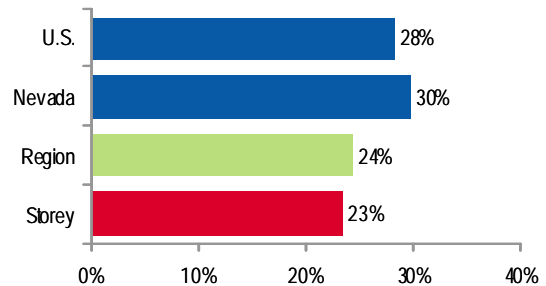
## Age Levels

Storey County has the highest median age of any county in the northern Nevada region.

- The median age in Storey County is 46.1, almost 10 years higher than the national average of 36.3.
- 23% of the population is between 25 and 44, the early stage workforce. This is lower than the regional, state, and national averages.
- Interestingly, 38% of the county's population falls into the 45 to 64 category and only 12% into the under 14 category. If these trends continue, the county will lack sufficient labor force for economic growth.

## YOUNG DEMOGRAPHIC PRESENCE

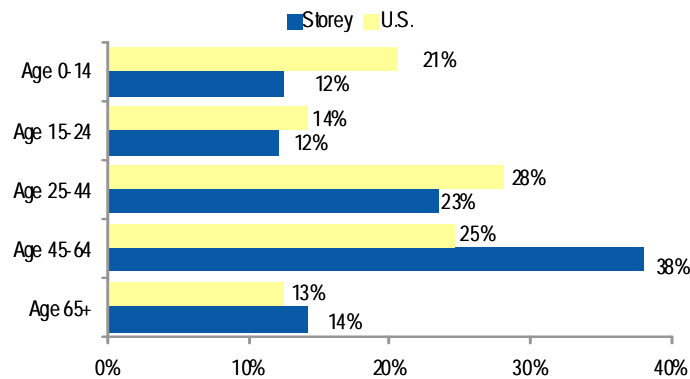
% OF ADULTS IN THE 25-44 AGE GROUP, 2005



Source: Census, DDR

## COUNTY AGE BREAKDOWN

% OF POPULATION BY AGE, 2005



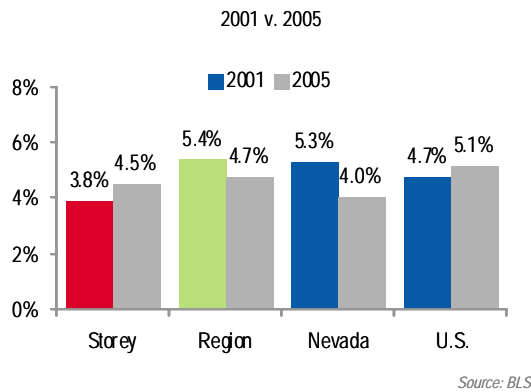
Source: Census, DDR

## Labor Force & Employment

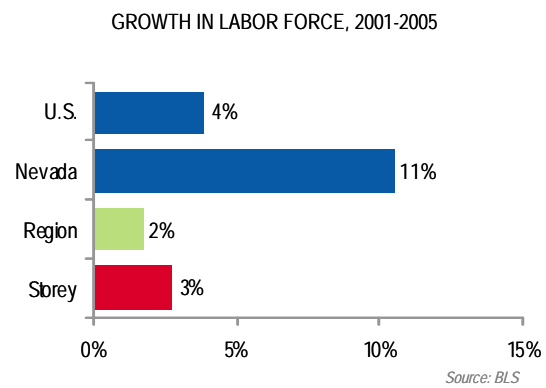
Over the past four years, Storey County has experienced steady labor force growth but fairly high unemployment rates.

- The county's **labor force grew by 3%** between 2001 and 2005, higher than the regional growth rate.
- However, over that same time period, Storey County's unemployment rate rose from 3.8% in 2001 to 4.5% in 2005. Although this is still lower than national averages, the trend is worrisome and may raise red flags for employers looking to expand into the region.

### UNEMPLOYMENT RATE



### LABOR FORCE

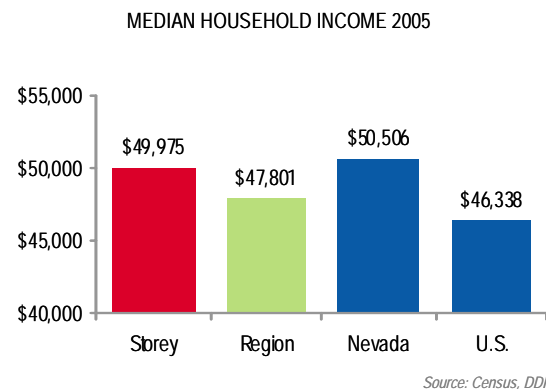


## Income

Storey County's income levels compare favorably to benchmark regions.

- The county's **median income of \$48,975** is **2% higher than the regional median** of \$47,801.
- Incomes are growing at a steady pace of 1.9% annually. This is on par with regional and national averages.

### LOCAL WEALTH



- Only 17% of county households have incomes below \$25,000 annually, compared to 26% nationally.

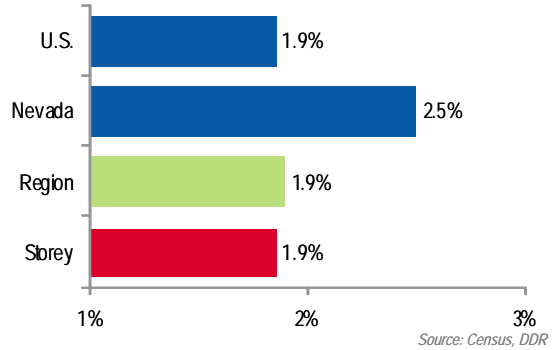
## Education

On average, Storey County residents have a comparable education level to that of the northern Nevada region.

- 19% of county residents have a bachelor's degree or higher, compared to 18% in the region. This is also lower than the state (20%) and national averages (27%).
- Only 14% of Storey residents do not have a high school diploma. This figure is lower than comparable rates.

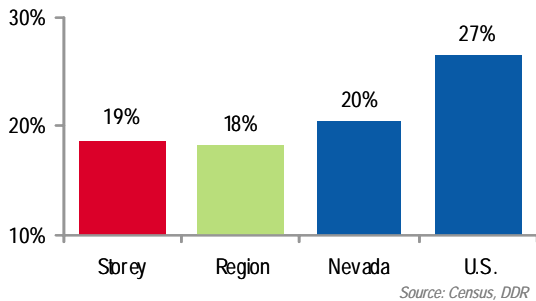
## LOCAL WEALTH

AVERAGE ANNUAL MEDIAN INCOME GROWTH, 2000-2005



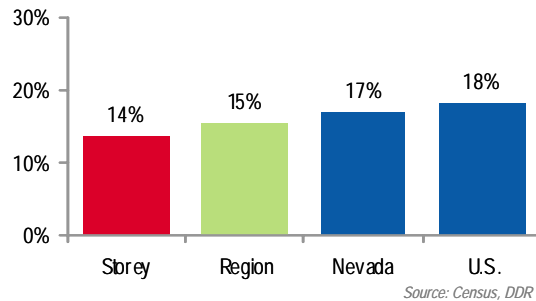
## EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITH BACHELOR'S DEGREE, 2005



## EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITHOUT HS DIPLOMA, 2005

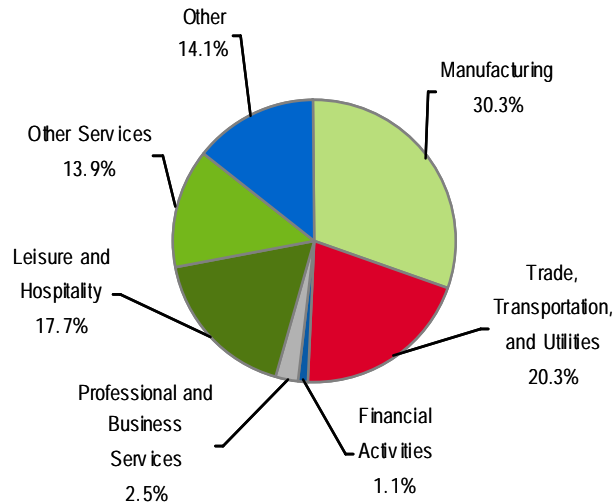


## Employment Base

Employment in Storey County is dominated by 2 industries: Manufacturing and Trade, Transportation, and Utilities (TTU).

- These 2 industries account for 50% of all county employment.
- Very few other industries are represented within the county, indicating the need to continue to diversify.

STOREY COUNTY EMPLOYMENT, BY SECTOR



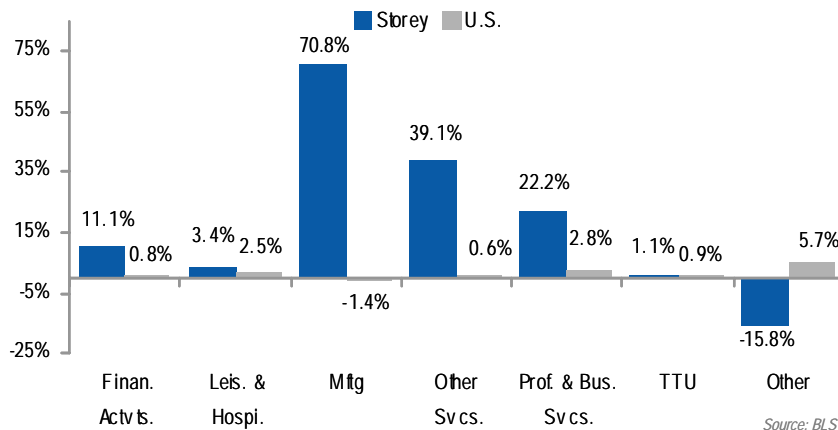
## Industry Growth Trends

Storey County's employment growth was robust between 2003 and 2004

- Total employment between 2003 and 2004 grew by 18%, compared to the national rate of 1.3%. Expanding employment at the Industrial Center drove this robust growth.
- Manufacturing (71%) and Other Services (39%) employment increased most rapidly, while Other employment decreased by 16%.

## INDUSTRY GROWTH

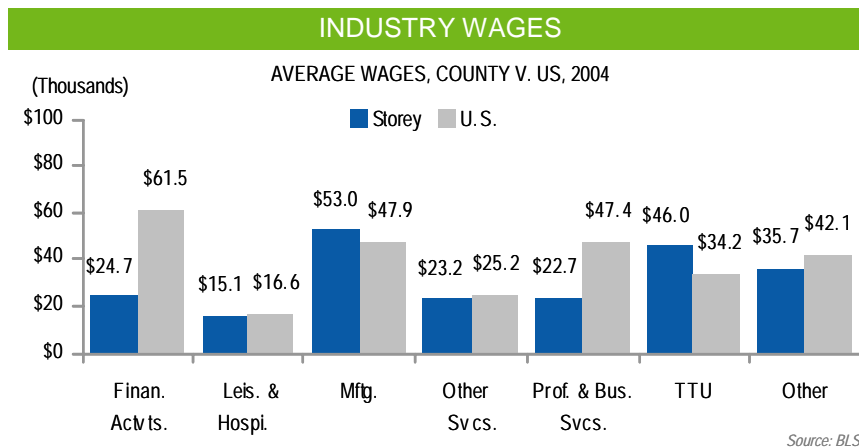
INDUSTRY GROWTH, COUNTY V. US, 2003-2004



## Wages

On average, wages within Storey County are well below that of the national average.

- The average wage for all industries within the county is \$33,613, compared to the national average of \$39,127.
- Average wage for all sectors except Manufacturing and TTU falls below that of the U.S. average.
- Financial Activity wages are particularly low as compared to the nation.



## Industry Cluster Analysis

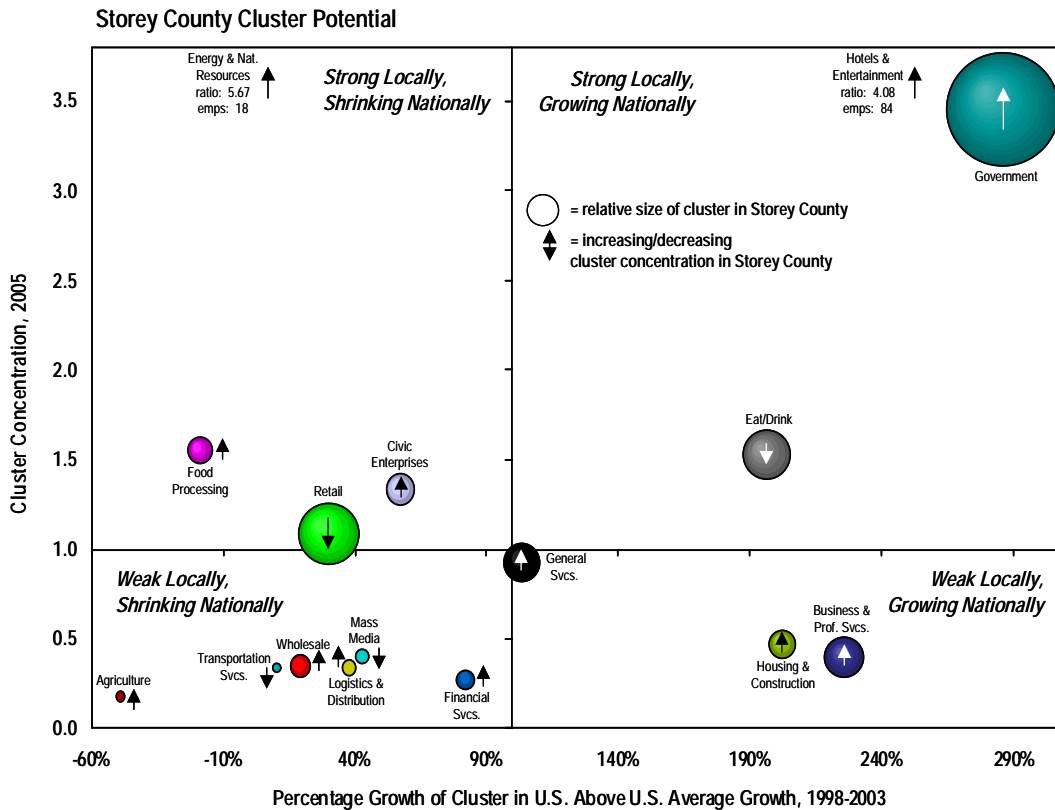
Storey County's largest industry clusters exist in Energy and Natural Resources, Hotels and Entertainment, and Government.

The analysis below illustrates the growth/decline in the region's clusters since 1998.

Clusters can gain strength in two ways:

1. Experiencing above-average growth nationally. This will result in a larger cluster employment concentration in the area.
2. Experiencing an increasing cluster concentration ratio. A growing LQ in a region indicates that a cluster is capturing a larger share of new jobs in the U.S., suggesting an improvement in the region's attractiveness and competitiveness for the cluster.

These two forces are illustrated in the following diagram:



The chart illustrates several key issues that must be addressed throughout this strategic planning process:

- Most of Storey County's clusters exist in declining industries.
- The county's strongest clusters are concentrated in non-primary industries: Government, Hotels, Eat/Drink, Civic Enterprises, and Retail.

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## County Summary

Overall, Storey County has several strengths that make it an attractive place to live and work, including:

- Historical character centered around Virginia City
- Abundant recreational opportunities and mountainous terrain
- Economic expansion potential at Tahoe-Reno Industrial Center
- Robust employment growth
- High income and income growth levels

However, this analysis has revealed key critical issues that must be addressed for the region to fully prosper:

- Storey has the oldest median age in the region; 52% of the population is over the age of 45 and there is a small 25 to 44 age population
- The county's does not have a diversified economic base and its strongest clusters are concentrated in non-primary industries: government, hotels, eat/drink, civic enterprises, and retail
- A lack of age and racial diversity may hinder the county's quality of life and economic opportunities



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This “Database of Assets” report is only a summary of the demographic, economic, and industry factors shaping the 7 county study region. Numbers cannot paint the full picture; therefore, the following report will begin to shape the full range of critical issues facing the region as it combines this quantitative data with the qualitative input received throughout the region.

However, based on the data within this report, the critical demographic, economic, and industry-related issues facing the region are summarized below:

### Regional

- The lack of diverse, high wage primary industry job opportunities;
- Rising cost of living and unaffordable housing for many in the workforce driven by low percentage of private land available and in-migration from California;
- The lack of a young professional workforce that will serve as the backbone of an expanding economy;
- Lagging educational attainment that prevents many in the region’s workforce from qualifying for higher wage opportunities; and
- Infrastructure and natural resource strain on the region due to tremendous growth

### Carson City

- Landlocked nature of city drives up housing prices, making them unaffordable for most employees;
- Low wage rates compound the unaffordability of the region;
- Meager income growth rates indicate a trend that will continue to exacerbate the gap between cost of living and wage levels;
- An older than average population limits the number of high-impact employers that would be interested in relocating to the region; and
- The city does not have a strong, diverse industry base: most industry clusters are declining on the national level.

### Churchill County

- Extremely low wage rates and educational attainment levels make it difficult to attract high-impact employees and investment, and as costs rise, contribute to a lower quality of life;
- Very large percentage of young children under the age of 14 may put stress on the school system; and
- Only 23% of the population is between 25 and 44 – the primary workforce category

### Douglas County

- Highest cost of living and housing prices of any northern Nevada county;
- High income levels, but low wage levels, indicate that the working person cannot afford to live in the county; and
- Lack of diversified industry base; leisure and hospitality employment accounts for 47% of all employment and the county has very few strong industry clusters that pay high wages

### Lyon County

- Average wages for all employment sectors falls below that of the U.S. average;
- Rapid growth is putting tremendous strain on water supply and infrastructure; and
- Rising unemployment levels and declining employment growth levels leading to lower quality of life

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### Mineral County

- Declining population and labor force growth over the past 15 years is projected to continue unless significant new employment announcements are made;
- The county has the lowest % of early stage workforce (25 to 44) of any county in the region and a rapidly aging population; and
- Low educational attainment levels will continue to depress wage and income levels if not addressed

### Pershing County

- Labor force growth declines and projected population declines signal negative economic trends;
- Extremely low wage levels hinder economic opportunity;
- The closure of Coeur-Rochester mine, one of the county's largest employers, will have significant economic ramifications over the next few years; and
- The county has few industry clusters, with the exception of Agriculture, Energy and Natural Resources, Government, and Eat/Drink

### Storey County

- Storey has the oldest median age in the region; 52% of the population is over the age of 45 and there is a small 25 to 44 age population;
- The county's does not have a diversified economic base and its strongest clusters are concentrated in non-primary industries: government, hotels, eat/drink, civic enterprises, and retail; and
- A lack of age and racial diversity may hinder the county's quality of life and economic opportunities

### This Northern Nevada Database of Assets is only the first step in the process of developing the Regional Economic Development Strategy for northern Nevada.

The profiles developed in this report will play a role in the next two reports we will produce for this process:

- The next report, the Visioning Document (Report 2), will outline the unique visions and target industries for both the region and individual counties, while identifying and analyzing the issues and opportunities that need to be addressed in order to achieve those visions. AE will lead focus group discussions and one-on-one interviews that will drive the creation of this document and individual county visions.
- The visions, issues, and opportunities identified and discussed in the Visioning Document will be addressed with recommendations in the Regional Economic Development Strategy (Report 3). This strategy will synthesize the findings and outline an action plan and implementation strategy that capitalizes on the region's strengths and encourages regional collaboration. Although the approach is regional, each county will have an individual evaluation plan to measure success.