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Smart Growth Strategies: Mountain West Metros

Issac Hernandez-Alcaraz

University of Nevada, Las Vegas, issac.hernandez-alcaraz@unlv.edu

Caitlin J. Saladino

Brookings Mountain West & The Lincy Institute, caitlin.saladino@unlv.edu

William E. Brown Jr.

Brookings Mountain West, william.brown@unlv.edu

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SMART GROWTH STRATEGIES: MOUNTAIN WEST METROS

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Prepared by: Issac Hernandez-Alcaraz, Caitlin J. Saladino, and William E. Brown, Jr.

PURPOSE:

This fact sheet examines data on smart growth strategies provided by the Brookings Institution’s Smart Growth Tool¹ and includes data on the economic and industry overview of Metropolitan Statistical Areas (MSAs) in five Mountain West states (Arizona, Colorado, Nevada, New Mexico, and Utah).² The Smart Growth Tool identifies high-impact economic and workforce development strategies that may help states and MSAs achieve inclusive and sustainable growth.

ABOUT THE DATA:

The original report includes data from 384 U.S. Metropolitan Statistical Areas (MSAs) and 393 Economic Development Districts covered by the smart growth and mobility toolkit to support industry and workforce development. This analysis utilizes the job mobility and smart growth toolkit to highlight data-driven insights into the most feasible opportunity industries in various metros.

Industries can be understood as a set of business establishments producing similar goods and services. The data provided offers a comprehensive analysis of industries in metros within the Mountain West region. This approach provides insights into various aspects of the industries, including their economic impact, feasibility for employment growth, level of complexity, potential opportunities for development, and the quality of jobs.

KEY FINDINGS:

1. Among Mountain West metros, Denver-Aurora Lakewood, CO has the highest median wage per year (\$54,329) and the highest rate of “good jobs” (43.0%), or jobs that pay more than the local median wage and include employer provided health insurance.
2. Among Mountain West metros, Las Vegas-Henderson Paradise, NV has the largest number of industries with above-average shares of good jobs (100) that pay more than the local median wage (\$38,100) and include employer provided insurance. At the same time, Las Vegas-Henderson Paradise, NV also has the lowest rate of “good jobs” in the Mountain West (39.9%).
3. Salt Lake City, UT has the largest share of feasible opportunity industries among Mountain West metros, where two industries within the MSA have a feasibility score above 0.5, indicating a higher likelihood of appearing in the region or having success in job growth.
4. In the Phoenix-Mesa-Chandler, AZ MSA, the opportunity industry of Computer Systems Design and Related Services has a total number of 32,758 jobs, and yet generates the lowest percentage of “good jobs” for those without a bachelor’s degree (23.7%) among Mountain West metros.

¹ 2021 Edition *Brookings*. www.smartgrowthcities.io/#/city-outlook

² The U.S. Office of Management and Budget (OMB) defines metropolitan areas as those having an urbanized area population of at least 50,000, plus adjacent territory that has a high degree of social and economic integration measured by commuting ties.

Table 1 offers an economic overview of Mountain West metros which includes the number of jobs in 2020, local economic complexity, median wage (per year), and the rate of “good jobs” in each area. Local economic complexity is the average complexity of all the industries with a high local presence in the MSA. Greater local economic complexity scores indicate that an MSA has a diverse range of industries that require specialized skills and advanced technology. The median wage per year refers to per capita income over the previous 12 months and is used to establish the average per-person income for each MSA as well as to assess the population's standard of living and quality of life. “Good jobs” are considered those that pay more than the local median wage and include employer-provided health insurance.

Salt Lake City, UT has the highest local economic complexity (2.915), indicating a diverse range of industries that require specialized skills and advanced technology. In contrast, Albuquerque, NM has the lowest local economic complexity (1.1751), suggesting a less diverse industry mix with a higher concentration of less specialized and lower-skilled industries.

Table 1: Economic Overview in Mountain West Metropolitan Statistical Areas (MSAs)

Mountain West MSA	Employment in 2020 (in jobs)	Local Economic Complexity	Median Wage per year	Rate of “Good Jobs”
Phoenix-Mesa-Chandler, AZ	2,296,875	2.732	\$44,667	41.3%
Denver-Aurora-Lakewood, CO	1,600,957	2.825	\$54,329	43.0%
Las Vegas-Henderson-Paradise, NV	983,664	2.674	\$38,100	39.9%
Salt Lake City, UT	800,698	2.915	\$46,904	43.2%
Albuquerque, NM	402,960	1.751	\$42,062	40.5%

*Adapted from “Job Mobility and Smart Growth Cities Tool”. *Brookings*. www.smartgrowthcities.io/#/city-outlook

Table 2 displays an industry overview of Mountain West MSAs including the number of industries with below-average local presence, the number of tradable industries, the number of industries that have an above-average share of “good jobs,” and the number of priority industries. The local presence measure determines the relevance of an occupation in the MSA in comparison to its importance in the national economy. Tradable industries are those that provide products or services that can be exported outside of the MSA, and they are key to sustaining economic growth. Above-average jobs pay more than the local median wage and include employer-provided health insurance. Priority industries refers to industries that have low local presence, a high share of good jobs, and are tradable. The original report shows all Mountain West metros have 176 tradable industries each. Salt Lake City, UT houses the lowest number of industries with below-average local presence (169). Las Vegas-Henderson Paradise, NV has the highest number of industries with above-average good jobs (100). In terms of priority industries, Utah has the fewest (21), whereas Las Vegas-Henderson Paradise, NV leads with the highest number of priority industries (52).

Table 2: Industry Overview in Mountain West Metropolitan Statistical Areas (MSAs)

Mountain West MSA	# of Industries with Below-Average Local Presence	# of Tradable Industries	# of Industries with Above-Average Shares of Good Jobs	# of Priority Industries
Albuquerque, NM	213	176	93	50
Las Vegas-Henderson-Paradise, NV	204	176	100	52
Phoenix-Mesa-Chandler, AZ	187	176	89	36
Denver-Aurora-Lakewood, CO	172	176	77	24
Salt Lake City, UT	169	176	76	21

*Adapted from “Job Mobility and Smart Growth Cities Tool”. *Brookings*. www.smartgrowthcities.io/#/city-outlook

Table 3 displays the most feasible opportunity industries in Mountain West metros. Higher feasibility scores indicate that industries are more likely to appear in a region – or have success in growing faster than the average – in terms of employment. For instance, the Petroleum and Petroleum Products Merchant Wholesalers industry in Albuquerque, NM has the lowest feasibility score among Mountain West MSAs (0.319), indicating a weaker likelihood of employment growth compared to industries with higher feasibility scores. In Salt Lake City, UT, the Management, Scientific, and Technical Consulting industry has the highest feasibility score of 0.515, suggesting a greater likelihood of success in employment growth compared to other observed industries among Mountain West metros.

Table 3: The Most Feasible Opportunity Industries in Mountain West Metropolitan Statistical Areas (MSAs)

Mountain West MSA	Industry	Jobs	Feasibility
Salt Lake City, UT	Management, Scientific and Technical Consulting	9,546	0.515
	Other Financial Investment Activities	3,050	0.505
	Insurance Carriers	6,784	0.491
Albuquerque, NM	Nonmetallic Mineral Mining and Quarrying	120	0.325
	Petroleum and Petroleum Products Merchant Wholesalers	181	0.319
	Support Activities for Mining	67	0.415
Denver-Aurora-Lakewood, CO	Scientific Research and Development Services	5,759	0.371
	Wholesale Electronic Markets and Agents and Brokers	3,022	0.354
	Colleges Universities and Professional Schools	12,911	0.349
Las Vegas-Henderson- Paradise, NV	Management Scientific and Technical Consulting Services	6,725	0.347
	Architectural Engineering and Related Services	9,184	0.334
	Other Financial Investment Activities	1,848	0.333
Phoenix-Mesa-Chandler, AZ	Computer Systems Design and Related Services	32,758	0.433
	Software Publishers	4,753	0.421
	Other Financial Investment Activities	7,262	0.415

*Adapted from "Job Mobility and Smart Growth Cities Tool". *Brookings*. www.smartgrowthcities.io/#/city-outlook

Table 4 displays complex opportunity industries in Mountain West metros. More complex industries have a stronger likelihood of growing at a faster rate and creating better jobs. Even then, the feasibility metric of complex industries can vary. Albuquerque, NM has a relatively low number of jobs in the Software Publishers industry (191), low feasibility score (0.256), and a high complexity rating of 13.061, which shows that the industry mix is diverse but is likely to grow at a slower rate in terms of employment compared to industries with higher feasibility scores. Despite varying levels of feasibility, the Mountain West has industries with a high level of complexity. For instance, the Other Software Publishers industry in Las Vegas-Henderson-Paradise, NV has a complexity score of 13.061 and a feasibility score of 0.319. Having a higher complexity score relative to other industries shows that the Software Publishers industry in the Las Vegas-Henderson-Paradise, NV MSA is likely to grow faster and create better jobs.

Table 4: Complex Opportunity Industries in Mountain West Metropolitan Statistical Areas (MSAs)

Mountain West MSA	Industry	Jobs	Complexity	Feasibility
Salt Lake City, UT	Other Financial Investment Activities	3,050	11.261	0.505
	Management Scientific and Technical Consulting Services	9,546	10.210	0.515
	Insurance Carriers	6,784	7.010	0.491
Albuquerque, NM	Software Publishers	191	13.061	0.256
	Computer Systems Design and Related Services	4,079	11.777	0.264
	Scheduled Air Transportation	891	9.633	0.282
Denver-Aurora-Lakewood, CO	Scientific Research and Development Services	5,759	9.679	0.371
	Wholesale Electronic Markets and Agents and Brokers	3,022	3.485	0.354
	Pharmaceutical and Medicine Manufacturing	2,033	3.402	0.339
Las Vegas-Henderson- Paradise, NV	Management Scientific and Technical Consulting Services	6,725	10.210	0.347
	Software Publishers	1,220	13.061	0.319
	Other Financial Investment Activities	7,288	11.777	0.328
Phoenix-Mesa-Chandler, AZ	Software Publishers	4,753	13.061	0.421
	Computer Systems Design and Related Services	32,758	11.777	0.433
	Other Financial Investment Activities	7,262	11.261	0.415

*Adapted from "Job Mobility and Smart Growth Cities Tool". *Brookings*. www.smartgrowthcities.io/#/city-outlook

Table 5 displays industry opportunities to build toward more complexity which derives from having higher per capita incomes through economic growth. The possibility for a given industry to obtain future capabilities to lead to more complex industries is reported as strategic gain. Only industries with low concentrations are used to construct this measure, and therefore industries with more jobs have a strategic gain of 0.000 and industries with a smaller number of jobs have various results. When economic complexity is the goal, strategic gain can help in the prioritization of industries. For instance, higher strategic gain scores like those found in the Albuquerque, NM MSA, where all industries show scores that are between 1.3 and 2.8 indicate strong potential to create higher complexity and generate economic growth.

Table 5: Opportunity Industries to Build Toward Future Complexity in Mountain West Metropolitan Statistical Areas (MSAs)

Mountain West MSA	Industry	Jobs	Strategic Gain	Feasibility
Salt Lake City, UT	Management Scientific and Technical Consulting Services	9,546	0.000	0.515
	Other Financial Investment Activities	3,050	0.000	0.505
	Insurance Carriers	6,784	0.000	0.491
Albuquerque, NM	Software Publishers	191	2.759	0.256
	Other Financial Investment Activities	417	2.598	0.256
	Colleges Universities and Professional School	287	1.354	0.273
Denver-Aurora-Lakewood, CO	Scientific Research and Development Services	5,759	0.000	0.371
	Industrial Machinery Manufacturing	301	0.780	0.299
	Basic Chemical Manufacturing	318	0.600	0.301
Las Vegas-Henderson- Paradise, NV	Securities and Commodity Contracts Intermediation and Brokerage	700	1.733	0.325
	Navigational Measuring Electromedical & Control Instruments Manufacturing	291	1.372	0.289
	Aerospace Product and Part Manufacturing	91	0.949	0.299
Phoenix-Mesa-Chandler, AZ	Computer Systems Design and Related Services	32,758	0.000	0.433
	Software Publishers	4,753	0.000	0.421
	Other Financial Investment Activities	7,262	0.000	0.415

*Adapted from "Job Mobility and Smart Growth Cities Tool". *Brookings*. www.smartgrowthcities.io/#/city-outlook

Table 6 displays opportunity industries and the percentage of “good jobs” without a bachelor’s degree. In Phoenix-Mesa-Chandler, AZ, the Computer Systems Design and Related Services industry has the most jobs (32,758) within other referenced opportunity industries in Mountain West metros, and yet, Phoenix-Mesa-Chandler, AZ has the lowest percent of “good jobs” without a bachelor’s degree in the Computer Systems Design and Related Services Industry (23.7%), with a feasibility of 0.421. In contrast, Denver-Aurora-Lakewood, CO, and Albuquerque, NM have the highest percent of “good jobs” without a bachelor’s degree, found in the Nonmetallic Mineral Mining and Quarrying industry (48.2%).

Table 6: Opportunities Industries to Increase Job Quality in Mountain West Metropolitan Statistical Areas (MSAs)

Mountain West MSA	Industry	Jobs	% of “Good Jobs” without a Bachelor’s Degree	Feasibility
Salt Lake City, UT	Other Financial Investment Activities	3,050	27.6%	0.505
	Insurance Carriers	6,784	29.0%	0.491
Albuquerque, NM	Nonmetallic Mineral Mining and Quarrying	120	48.2%	0.325
	Petroleum and Petroleum Products Merchant Wholesalers	181	43.8%	0.319
Denver-Aurora-Lakewood, CO	Petroleum and Petroleum Products Merchant Wholesalers	770	43.8%	0.307
	Nonmetallic Mineral Mining and Quarrying	275	48.2%	0.279
Las Vegas-Henderson- Paradise, NV	Household Appliances & Electrical & Electronic Goods Merchant Wholesalers	1,604	40.3%	0.308
	Other Financial Investment Activities	1,848	27.6%	0.333
Phoenix-Mesa-Chandler, AZ	Computer Systems Design and Related Services	32,758	23.7%	0.421
	Other Financial Investment Activities	7,262	27.6%	0.415

*Adapted from “Job Mobility and Smart Growth Cities Tool”. *Brookings*, www.smartgrowthcities.io/#/city-outlook