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## Is Las Vegas the Next Silicon Valley? A First Look at Brookings Top 100 Metro Data on Advanced Industries

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# ADVANCED INDUSTRIES ACCELERATOR PROGRAMS

Colorado  
Office of Economic  
Development and  
International  
Trade



## Is Las Vegas the Next Silicon Valley? A First Look at Brookings Top 100 Metro Data on Advanced Industries

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# First: What's a Location Quotient?

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**From the Bureau of Labor Statistics:**

**“If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the reference area. For example (assuming the U.S. as the reference area), Las Vegas will have an LQ greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole.”**

# Location Quotients: Las Vegas 2014

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Industry Name	Las Vegas LQ 2 <sup>nd</sup> Q 2014
Construction	1.17
Education	0.53
Finance & Insurance	0.66
Health Services	0.64
Information	0.56
Leisure and Hospitality	3.01
Manufacturing	0.28
Professional and Business Services	1.00
Trade, Transportation and Utilities	1.00

# Behind the Location Quotient Numbers

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**Las Vegas Posts Solid LQ Numbers in Trade and Business Services; Both Sectors Have Helped in the Job Recovery**

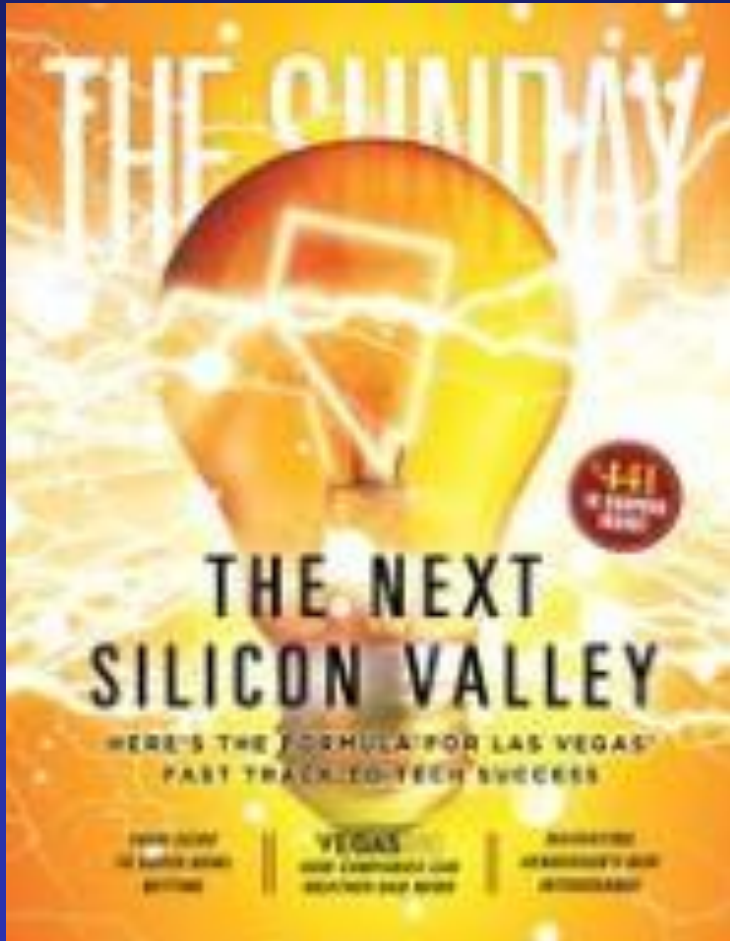
**The Las Vegas 0.53 LQ in Education is a Very Low Employment Share for a Big Metro and Reflects an Under Investment in K-16 by State**

**The Las Vegas 0.64 LQ in Health is Last Among the Top 100 U.S. Metros—A Shortage of \$6 Billion Per Year in GRP**



# Las Vegas as the Next Silicon Valley?

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**Despite the Buzz, Las Vegas is Not on Track to be the Next Silicon Valley—Based on the Low LQ Numbers in Information and Manufacturing**

**According to Brookings, Las Vegas is Ranked 97 out of 100 in Share of Advanced Tech Workers**



# Brookings Advanced Industry Super Cluster

## The 50 Industries That Constitute the Advanced Industries Sector

### MANUFACTURING

Aerospace Products and Parts

Agr., Construction, and Mining Machinery

Aluminum Production and Processing

Audio and Video Equipment

Basic Chemicals

Clay Products

Commercial and Service Industry Machinery

Communications Equipment

Computers and Peripheral Equipment

Electric Lighting Equipment

Electrical Equipment

Engines, Turbines, and Power Trans. Equipment

Foundries

Household Appliances

Industrial Machinery

Iron, Steel, and Ferroalloys

Motor Vehicle Bodies and Trailers

Motor Vehicle Parts

Motor Vehicles

Navigation, Measurement, and Control Instruments

Other Chemical Products

Other Electrical Equipment and Components

Other General Purpose Machinery

Other Miscellaneous Manufacturing

Other Nonmetallic Mineral Products

Other Transportation Equipment

Pesticides, Fertilizers, and Other Agr. Chemicals

Petroleum and Coal Products

Pharmaceuticals and Medicine

Railroad Rolling Stock

Resins and Synthetic Rubbers, Fibers, and Filaments

Semiconductors and Other Electronic Components

Ship and Boat Building

Medical Equipment and Supplies

Reproducing Magnetic and Optical Media

### ENERGY

Electric Power Generation, Trans., and Distribution

Metal Ore Mining

Oil and Gas Extraction

### SERVICES

Architecture and Engineering

Cable and Other Subscription Programming

Computer Systems Design

Data Processing and Hosting

Medical and Diagnostic Laboratories

Mgmt., Scientific, and Technical Consulting

Other Information Services

Other Telecommunications

Satellite Telecommunications

Scientific Research and Development

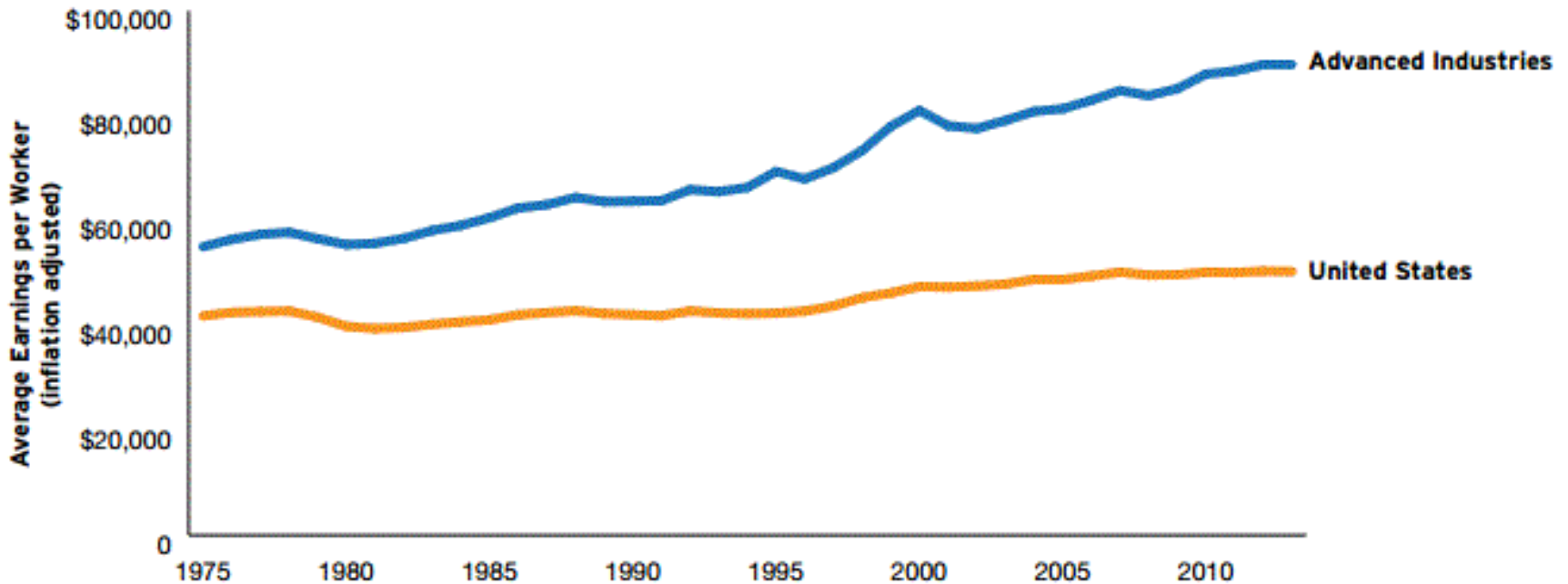
Software Publishers

Wireless Telecommunications Carriers

# Brookings Metro Policy: Advanced Industry

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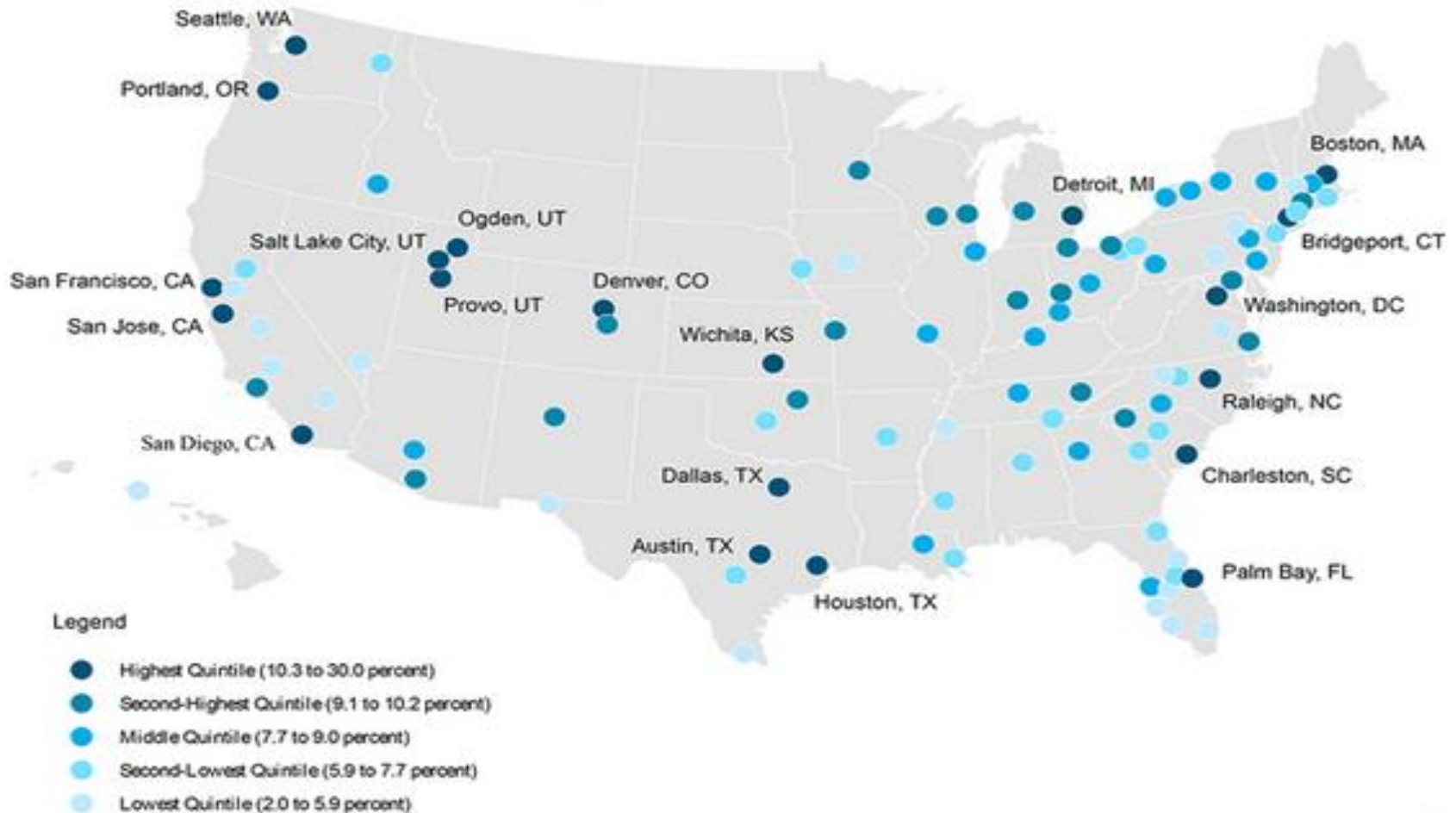
**Since 1975, average earnings in advanced industries have increased almost five times as fast as those in the overall economy**





# Brookings Metro Policy: Advanced Industry

**Advanced Industry Share of Total Employment  
100 Largest Metro Areas, 2013**



# Advanced Industries: Mountain West States

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Mountain State	2014 Population	A.I. Rank for U.S.	A.I. Rank for M.W.	Total State Emp.	Total State Output
Arizona	6,731,484	24	4	210,970	\$41.6
Colorado	5,355,866	10	2	241,230	\$55.5
Idaho	1,634,464	37	5	47,530	\$8.1
Nevada	2,839,009	49	6	61,030	\$16.1
New Mexico	2,085,572	21	3	70,840	\$15.3
Utah	2,942,902	6	1	137,400	\$24.0

**Source: Brookings Metro Policy Program. Note: Rank for Advance Industry is Based on the Share of Total Employment. Output Figures are in Billions**

# Advanced Industries: Top Ten Metros in MW

Region/Metro	State	2013 POP	Rank US	Rank MW	Emp.	Output
Sun Corridor	AZ	5,395,306	-	-	187,050	\$ 35.3
Phoenix	AZ	4,398,762	50	8	152,920	\$ 28.6
Tucson	AZ	996,544	35	7	34,130	\$ 6.7
Front Range	CO	3,375,795	-	-	162,600	\$ 35.7
Denver	CO	2,697,476	20	4	134,760	\$ 30.0
Col Springs	CO	678,319	33	6	27,840	\$ 5.7
Boise	ID	650,288	56	9	22,900	\$ 4.3
Las Vegas	NV	2,027,868	97	10	30,810	\$ 6.0
Albuquerque	NM	902,797	25	5	37,460	\$ 6.6
Wasatch Front	UT	2,324,302	-	-	123,210	\$ 20.1
SLC	UT	1,140,483	15	3	71,590	\$ 11.1
Ogden	UT	621,580	14	2	26,530	\$ 4.6
Provo	UT	562,239	12	1	25,090	\$ 4.4

# Advanced Industries: Top Ten Metros in MW

Region/Metro	State	% AI Emp. Reg./Metro	% AI Output Reg./Metro	Average AI Pay 2013	Average Pay 2013
Sun Corridor	AZ	8.5%	15.7%	\$88,495	\$48,757
Phoenix	AZ	8.3%	15.2%	\$91,960	\$49,800
Tucson	AZ	9.2%	18.1%	\$73,230	\$44,160
Front Range	CO	10.1%	19.9%	\$101,056	\$57,216
Denver	CO	10.3%	19.8%	\$100,250	\$59,630
Col Springs	CO	9.3%	20.5%	\$104,280	\$47,560
Boise	ID	8.0%	17.1%	\$81,320	\$40,790
Las Vegas	NV	3.6%	7.1%	\$81,320	\$46,090
Albuquerque	NM	9.9%	17.5%	\$76,190	\$44,570
Wasatch Front	UT	11.4%	19.2%	\$67,895	\$44,336
SLC	UT	11.1%	16.5%	\$70,410	\$48,780
Ogden	UT	11.3%	20.5%	\$60,580	\$40,180
Provo	UT	12.0%	23.2%	\$70,990	\$39,940



# Advanced Industry: Albuquerque, NM

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Leading Sector	Number of Jobs	Location Quotient
R&D Services	11,130	6.56
Semiconductors	4,910	4.89
Architecture & Engineering	4,220	1.17
Wireless Telecom Carriers	3,640	8.82
Computer Systems Design	2,440	0.53

# Advanced Industry: Boise, ID

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Leading Sector	Number of Jobs	Location Quotient
Semiconductors	7,500	9.95
Architecture & Engineering	2,880	1.06
Computer Equipment	2,230	7.02
Management Consulting	2,090	0.88
Compter Systems Design	1,780	0.52

# Advanced Industry: Colorado Springs

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Leading Sector	Number of Jobs	Location Quotient
Computer Systems Design	8,060	2.26
Architecture & Engineering	4,780	1.69
Management Consulting	2,080	0.84
Semiconductors	1,670	2.12
R&D Services	1,640	1.23

# Advanced Industry: Denver, CO

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Leading Sector	Number of Jobs	Location Quotient
Architecture & Engineering	27,830	2.24
Computer Systems Design	27,410	1.74
Management Consulting	15,250	1.39
Oil & Gas Extraction	6,600	3.61
Aircraft Product & Parts	6,080	1.32



# Advanced Industry: Las Vegas, NV

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Leading Sector	Number of Jobs	Location Quotient
Architecture & Engineering	6,780	0.83
Misc. Manufacturing	4,780	2.85
Computer Systems Design	4,100	0.39
Management Consulting	2,900	0.40
Medical and Diagnostic Laboratories	2,550	1.70

# Advanced Industry: Ogden, UT

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Leading Sector	Number of Jobs	Location Quotient
Motor Vehicle Parts	3,880	4.61
Aircraft Products & Parts	3,570	4.34
Management Consulting	2,860	1.46
Architecture & Engineering	2,570	1.16
Misc. Manufacturing	2,250	4.96

# Advanced Industry: Phoenix, AZ

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Leading Sector	Number of Jobs	Location Quotient
Semiconductors	22,390	4.62
Computer Systems Design	20,460	0.93
Architecture & Engineering	18,340	1.05
Management Consulting	16,320	1.06
Aircraft Products & Parts	14,930	2.32

# Advanced Industry: Provo, UT

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Leading Sector	Number of Jobs	Location Quotient
Computer Systems Design	6,070	2.42
Software Products	3,560	8.08
Semiconductors	1,830	3.31
Web Search Portals and Internet Publishing	1,660	5.74
Data Processing & Hosting	1,640	4.14



# Advanced Industry: Salt Lake City, UT

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Leading Sector	Number of Jobs	Location Quotient
Computer Systems Design	10,320	1.33
Architecture & Engineering	7,990	1.31
Medical Equipment & Supplies	7,870	5.68
Precision Instruments	6,170	3.45
Management Consulting	4,910	0.91

# Advanced Industry: Tucson, AZ

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Leading Sector	Number of Jobs	Location Quotient
Aircraft Products & Parts	11,130	8.54
Architecture & Engineering	3,850	1.09
Computer Systems Design	3,380	0.76
R&D Services	2,140	1.29
Management Consulting	1,960	0.63

# Past Connectivity Has Not Helped Nevada



The Advent of the First Transcontinental Railroad did Little to Lift Nevada—In Fact, in Some Ways it Hurt

**Thank  
You**