

Executive Summary

Each year, the Regional Transportation Commission (RTC), the Southern Nevada Water Authority (SNWA), the Southern Nevada Regional Planning Coalition (SNRPC), the Center for Business and Economic Research (CBER) at the University of Nevada, Las Vegas, and a group of community demographers and analysts work together to provide a long-term forecast of economic and demographic variables influencing Clark County's population growth. The primary goal is to develop a long-term forecast of the Clark County population that is consistent with the structural economic characteristics of the county. Toward this end, we employ a general-equilibrium demographic and economic model developed by Regional Economic Models, Inc. (REMI), specifically for Clark County.

The model recalibration incorporates the most recent available information regarding the national gross domestic product forecast, local employment growth, local transit investment, and an amenity factor representing negative externalities from local growth. The resulting long-term forecast predicts positive population growth throughout the range of the forecast without attempting to capture short-term economic uncertainty. By 2035, we predict that Clark County's population will reach approximately 3 million. By 2050, we predict that it will reach nearly 3.6 million.

Table 1 summarizes the population forecast. The population in Clark County is predicted to grow at a rate of 2.3 percent in 2011. Though seemingly optimistic, our growth-rate forecast is consistent with the beginning recovery of the Clark County economy in 2011, as predicted by the CBER at its 2011 Southern Nevada Economic Outlook Conference. Despite short-term economic uncertainties and model difficulties, we note that this forecast is intended for medium- to long-term planning purposes. In the

medium term, the population growth rate vacillates around 2.5 percent as the Southern Nevada economy continues to recover. In the long term, population growth begins to taper off as the maturing economy attracts fewer economic migrants. By 2020, population growth has declined to 1.7 percent. By 2050, the growth reaches 1.2 percent, just above the estimated long-term national population growth rate of 1 percent. This represents a long-term convergence to the national average annual population growth rate, which is projected to stabilize at around 1 percent after 2020.

As is typical of any forecast, there are potential risks which could lead to either over- or underestimated population growth in the short run. The principal risk to our forecast is the recovery of the Southern Nevada economy in the short term. The assumption underlying this forecast is that the local economy will begin to show signs of recovery in 2011. To the extent that the short-term economic outlook differs, the short-run forecasts will differ. We believe, however, that these risks tend to arise from short-run uncertainty; whereas, our forecasts are primarily meant to be long-run planning tools.