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THE DYNAMICS OF LABOR FORCE PARTICIPATION IN POST-PANDEMIC NEVADA:

A Statewide Analysis

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EXECUTIVE SUMMARY

This report is another collaboration between the University of Nevada, Las Vegas (UNLV), Lee Business School's Center for Business and Economic Research (CBER) and the Guinn Center. It expands on our previous labor force participation rate (LFPR) study to assess whether the effects of the COVID-19 pandemic recession continue to suppress Nevada's LFPR. We have added 2022 data to the analysis to determine if our prior conclusions still hold. Specifically, we examine whether the post-pandemic decline in the LFPR can be attributed to the local economic structure, especially its dependence on the leisure and hospitality sector, and whether the relative lack of higher education among the workforce hurts Nevada's LFPR. Please note that data for 2020 is not included in this report because the U.S. Census Bureau did not release its standard 2020 ACS 1-year Public Use Microdata Sample (PUMS) data due to the impacts of the pandemic.¹

We examine the new data and compare it to pre-pandemic numbers from the perspective of different age groups, school enrollment for younger adults, educational attainment, gender, and marital status. We also consider the effects of migration and the return of older workers to the labor force, as well as how the transition from the pandemic economy affected Nevada's unemployment rate. Finally, we consider that the pandemic experience revealed structural weaknesses caused by Nevada's lack of economic diversification. Each section of the report has key takeaways to consider, followed by a deep dive into detailed findings.

The report concludes with potential policy considerations, drawn from best practices and emerging trends in other states and nations. Some of the opportunities explored include; (1) improving Nevada's education-to-career pathways; (2) redoubling efforts to employ people with disabilities; (3) workforce development strategies that have been successful in other states; and (4) how occupational licensing might be modified to the benefit of the state's professionals, employers, and economy.



¹ American Community Survey Office. AMERICAN COMMUNITY SURVEY 2020 1-YEAR Experimental PUMS File ReadMe. Nov. 2021. https://www.census.gov/programs-surveys/acs/experimental/2020/documentation/pums/ACS2020_PUMS_README.pdf.

INTRODUCTION

Definition, Background, and Previous Findings

The LFPR is generally defined as the percentage of the working age population, ages 16 and older, that is either employed or actively seeking employment. It reflects the extent to which the available labor supply is engaged in or available for work within the economy. For clarification, the unemployment rate reflects the subset of the labor force actively seeking work but not currently employed.

The COVID-19 pandemic triggered a recession that uniquely impacted Nevada, worsening the state's labor force imbalances. Nevada's unemployment rate soared to **30.6 percent** in April 2020 before falling to **5.5 percent** by February 2023. However, the labor force participation rate (LFPR) remained **2.9 percentage** points lower than pre-pandemic levels; it was **64.3 percent** in February 2020 and **61.4 percent** in February 2023. This was the third-largest decline among all U.S. states during this period. Nevada's LFPR ranking also dropped from 20th to 32nd. Over the same period, eight states—Alaska, Illinois, Louisiana, New Jersey, North Dakota, Oklahoma, Oregon, and Utah—experienced an increase in their LFPR.

The UNLV Lee Business School's Center for Business and Economic Research (CEBR) and the Guinn Center conducted research on factors influencing Nevada's pre- and post-pandemic LFPR using data from the Nevada P-20 to Workforce Research Data System (NPWR), the Nevada Department of Employment, Training and Rehabilitation, and the U.S. Census American Community Survey (ACS). Our initial report, which was released in 2023, found that the post-pandemic decline in the LFPR can be attributed to local economic structure and educational factors.² Nevada's labor force was affected significantly by its dependence on the leisure and hospitality industry. Leisure and hospitality—the state's largest sector—saw the most significant decline in LFPR, from **88.3 percent** in 2019 to **82.4 percent** in 2021.

Across the U.S., the leisure and hospitality industry has struggled to fully recover after the pandemic. This challenge is particularly evident in Nevada, especially in Clark County, where industry growth is relatively slow due to wages being the fourth lowest among all employment sectors. Although Nevada pays its leisure and hospitality workers more than any other state, and the industry's wage growth in recent years has outpaced inflation, Nevada's workers may still be economically motivated to transition to higher-paying sectors.

Nevada also faces obstacles with comparatively low levels of educational attainment in its labor force, which has contributed to the state's lower LFPR. Between 2019 and 2022, the LFPR for Nevadans with less than a bachelor's degree declined, while it rose slightly for those with a bachelor's degree or higher. Compared to other states, especially the surrounding states, Nevada attracted fewer college-educated migrants in 2022, ranking 43rd nationally. In addition, the tourism-based economic structure may limit opportunities for labor force members with college degrees to grow further, contributing to the lower LFPR for college degree holders.



Nevada also struggles with comparatively low levels of educational attainment in its labor force, which has contributed to the state's lower LFPR.

KEY FINDINGS

- Labor force participation rates in Nevada declined from 2019 to 2022 among most age groups except those 55 and older.
- Considering the labor force participation rate in 2019, we estimate that Nevada had approximately **10,900** fewer workers in the labor force in 2022.
- The LFPR for individuals ages 16 to 34 enrolled in school in Nevada decreased from **53.0 percent** in 2019 to **50.0 percent** in 2022, partly contributing to the overall decline in the LFPR for this age group. This might reflect higher unemployment rates among this group when they were in the labor force or increased average personal income among those neither enrolled in school nor in the labor force.
- An additional year of data indicates that educational attainment is not the primary factor behind the lower labor participation rate in 2022 compared to the pre-pandemic level. Nevertheless, educational attainment remains closely linked to labor participation.
- Married males experienced the largest decrease in LFPR.
- A lack of economic diversification may continue to explain why Nevada's labor participation rate in 2022 was lower than in 2019. At the industry level, the labor force in the leisure and hospitality sector plummeted by **11.8 percent** from 2019 to 2022, while most other sectors experienced gains during the same period.
- We estimate that approximately **10,800** former workers in the leisure and hospitality sector remained out of the labor force. This represents all but 100 of the 10,900 statewide lost workers mentioned above. Data suggests some workers viewed the pandemic as an opportunity for early retirement,³ some had difficulty finding childcare in the wake of market contractions caused by the pandemic,⁴ and others previously had jobs that were temporarily or permanently eliminated.⁵
- Nationally, the leisure and hospitality sector had the highest unemployment rate at **6.6 percent** in 2022, followed by the retail sector at **5.2 percent**. These two industries represented over **30 percent** of Nevada's labor force in 2022, compared to about **20 percent** for the U.S.



3 Applied Analysis. Pressing Forward: The Northern Nevada Economy. 2022. https://www.appliedanalysis.com/presentations/edawn/2022/2022%20EDAWN_BrianGordon_AppliedAnalysis.pdf.

4 Roedel, Kaleb. "A Nightmare: Reno-Sparks Parents Struggle to Find Child Care as Pandemic Lingers On." KUNR Public Radio, KUNR, 22 Dec. 2021, www.kunr.org/local-stories/2021-12-22/reno-sparks-parents-struggle-affordable-child-care-pandemic-lingers.

5 Roedel, Kaleb. "A Nightmare: Reno-Sparks Parents Struggle to Find Child Care as Pandemic Lingers On." KUNR Public Radio, KUNR, 22 Dec. 2021, www.kunr.org/local-stories/2021-12-22/reno-sparks-parents-struggle-affordable-child-care-pandemic-lingers.

METHODOLOGY

In this study, the CBER and Guinn Center teams sought to answer research questions about changes and trends in Nevada's labor force participation rate from 2019 to 2022. We used publicly available longitudinal data and applied a quantitative and comparative approach to analyze the data. Building on our previous report, released in December 2023, this updated study incorporates newer data to assess whether the economic effects of the COVID-19 pandemic continued to impact Nevada's workforce engagement.

Data Sources

The data presented primarily comes from:

- The U.S. Census Bureau's American Community Survey (ACS) 1-Year Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022. Please note that the 2020 ACS 1-year PUMS data were not released due to pandemic-related disruptions;
- The Nevada P-20 to Workforce Research Data System (NPWR), a statewide longitudinal data system that links education and workforce data; and
- Supplementary data from the U.S. Bureau of Labor Statistics, Federal Reserve Economic Data, and other sources.

Analytical Approach

The various datasets, combined with CBER's calculations in some instances, enabled an analysis of LFPR over time and across various demographic and industry sectors. Comparisons were made between pre- and post-pandemic data to examine changes during this time of economic upheaval. Special attention was given to certain data, including age-based workforce subgroups, particularly those aged 16 to 34 and 55-plus; labor force participants with and without bachelor's degrees; gender and marital status; and domestic and international migration into Nevada and its relationship to LFPR. We also focused on changes in specific labor sectors, especially leisure and hospitality, given its significance to Nevada's economy and its steep decline in employment numbers during the pandemic. Nevada's LFPR trends were also contextualized by contrasting them with national outcomes and patterns in the ACS data.

The insights resulting from our analysis were used to generate detailed findings highlighted in the "Key Takeaways" subsections of the "Factors and Findings" section. These were then used to close out the report with a discussion of policy considerations based on additional research into best practices and successes in other domestic and international jurisdictions.

Limitations

Several study limitations should be acknowledged. First, the exclusion of 2020 ACS PUMS data causes a gap in the year-to-year trend analysis. Second, while NPWR offers useful in-state data, it does not capture national labor force trends that might affect Nevada or the employment outcomes of those who left the state. Third, ACS data are subject to sampling variability, particularly for smaller subgroups. However, by drawing on multiple datasets, each with distinct strengths, we believe our cross-referenced results ensure a more reliable and comprehensive understanding of Nevada's labor force changes.



SECTION I: LABOR FORCE PARTICIPATION RATE FACTORS AND FINDINGS

LABOR FORCE PARTICIPATION RATE BY AGE GROUP

Section Takeaways

- From pre- to post-pandemic, Nevada's LFPR dropped for all age groups, except those over age 55. As a result, Nevada had an estimated 10,900 fewer workers. At the same time, the U.S. saw gains across all but one age group; it was down one-tenth of a percent among those aged 20 to 24.
- The higher LFPR for older Nevadans seems to reflect a significant increase in the percentage of them with college degrees—a demographic that tends to be in the workforce.
- It appears that younger and older Nevadans may be experiencing different trends and influences in their labor force participation.



Detailed Findings

In the previous report, we found that Nevada's LFPR declined from **63.1 percent** in 2019 to **62.5 percent** in 2021, mainly due to a drop among those without college degrees, which decreased from **61.4 percent** in 2019 to **60.2 percent** in 2021. Meanwhile, the LFPR for those with college degrees increased from **68.7 percent** to **69.2 percent** over the same period. In 2022, the state's aggregate LFPR edged up by just **0.1 percent** from 2021 to **62.6 percent**, as shown in Table 1. This was still well below the pre-pandemic level, according to our analysis of the American Community Survey (ACS) 1-Year PUMS data.⁶

When disaggregated by age group, as shown in Table 1 on the following page, the LFPR in Nevada declined from 2019 to 2022 among most age groups except those 55 and older. We estimate that Nevada had approximately **10,900** fewer workers in the labor force in 2022 compared to 2019. The LFPR for the United States saw gains across most age groups except for those ages 20 to 24, which experienced a slight **0.1 percent** decline.



⁶ U.S. Census Bureau. Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022 1-Year American Community Survey. Accessed August 2024.
<https://www.census.gov/programs-surveys/acs/microdata/access.html>.

Table 1. Labor Force Participation Rate by Age Group:
Nevada vs. the United States

| | NEVADA | | | UNITED STATES | | |
|--|--------|-------|-------|---------------|-------|-------|
| Age Group | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| 16 to 19 years | 41.1% | 40.5% | 39.1% | 39.3% | 38.8% | 40.3% |
| 20 to 24 years | 78.6% | 77.4% | 77.0% | 74.3% | 72.8% | 74.2% |
| 25 to 34 years | 81.8% | 81.1% | 81.5% | 82.8% | 82.1% | 83.2% |
| 35 to 44 years | 82.5% | 81.2% | 81.8% | 82.7% | 82.1% | 83.0% |
| 45 to 54 years | 81.4% | 81.2% | 81.3% | 81.3% | 81.2% | 82.1% |
| 55 to 64 years | 62.2% | 61.8% | 64.3% | 65.8% | 66.1% | 66.4% |
| 65 and over | 16.8% | 17.7% | 17.5% | 18.6% | 18.6% | 18.7% |
| Data Aggregated into Larger Age Groups | | | | | | |
| 16 and over | 63.1% | 62.5% | 62.6% | 63.1% | 62.5% | 63.0% |
| 25 to 54 years | 81.9% | 81.2% | 81.5% | 82.3% | 81.8% | 82.8% |
| 25 to 64 years | 77.3% | 76.6% | 77.5% | 78.2% | 77.9% | 78.8% |

Source: U.S. Census Bureau; CBER's calculation⁷

The LFPR among older populations in Nevada increased by a greater percentage than the U.S. average. That is, those ages 55 to 64 climbed by **2.1 percent** from 2019 to 2022, and those ages 65 and over experienced a **0.7 percent** rise over the same period. These increases were higher than the U.S. average gains of **0.6** and **0.1 percent** for those age groups.

What this means: A significant jump in the LFPR for Nevadans aged 55 to 64 primarily reflected a demographic share increase for those who had a bachelor's degree or higher. That is, Nevadans in this age group with college degrees increased by **12.2 percent** from 2019 to 2022, while the counterpart age group without college degrees decreased by **1.4 percent**. The LFPR for those with a bachelor's degree or more is higher across all age groups.

In our previous report, we suggested that the drop in the labor participation rate for those aged 55 to 64 might have been influenced by their educational levels, similar to the overall declines among younger age groups with limited job opportunities due to the COVID-19 pandemic. However, with an additional year of data, we found the LFPR for ages 55 to 64 increased for those with and without college degrees in 2022.

What this means: Younger and older age groups in Nevada may be experiencing different trends and influences in labor participation. Thanks to the increased LFPR among individuals at the higher end of the age range, the 2022 LFPR for Nevadans aged 26 to 64 surpassed its pre-pandemic level of **77.3 percent**.

⁷ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey.
https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6S8i2QWcCM00Yi0/edit?usp=sharing.

SCHOOL ENROLLMENT

Section Takeaways

- School enrollment among Nevada's youth and young adults remained flat before and after the pandemic despite a nationwide decrease. However, whether or not they were in school, their LFPR dropped.
- Nevadans without college degrees earn more than their national counterparts, while those with degrees do worse. Thus, Nevadans may have less incentive to get a college degree because the return on investment is lower than in other states. Youth and young adults ages 16 to 34 not enrolled in school saw a reduced LFPR, which means it was not school keeping the younger generation from working.
- Nevada's high unemployment rate during the pandemic may have discouraged workers from seeking jobs afterward, due to changes in their family living and income situation, or structural changes in their former field of employment.

Detailed Findings

To be considered out of the labor force, a person aged 16 or older must not be employed or collecting unemployment benefits. This includes retirees, students, caregivers, and others who are neither working nor seeking jobs.⁸ Since students typically do not participate in the labor force, we analyzed the ACS PUMS data for individuals aged 16 to 34 to determine if school enrollment among the younger population resulted in Nevada's workforce recovery lag.

As shown in Table 2, Nevada's school enrollment for those ages 16 to 34 in 2022 remained at the same level as in 2019, despite a nationwide enrollment decrease for this age group. When disaggregated by school enrollment status (Table 3), both groups in Nevada experienced lower participation rates compared to pre-pandemic levels. Specifically, the LFPR for individuals ages 16 to 34 enrolled in school in Nevada decreased from **53.0 percent** in 2019 to **50.0 percent** in 2022, partly contributing to the overall decline in the LFPR for this age group.

This percentage decline was greater than the national average, which saw a decrease from **51.3 percent** to **50.8 percent** over the same period.

Employed students in Nevada earn more than the U.S. average. This aligns with our finding that individuals without college degrees in Nevada generally had higher personal income than the national average across all age groups. However, the average personal income for individuals with college degrees was lower across all age groups except for those aged 45 to 54. This may lead to lower school enrollment in Nevada as the opportunity cost of obtaining a degree is higher than the U.S. average.

Among those not enrolled in school, Nevada also experienced a decreased LFPR from **81.2 percent** in 2019 to **80.6 percent** in 2022, while the U.S. experienced a slight gain of **0.2 percent** over the same period.

***What this means:** The decline in the LFPR among the younger generation in Nevada was not primarily driven by school enrollment.*



⁸ Federal Reserve Economic Data (FRED). Not in Labor Force. Accessed August 2024. <https://fred.stlouisfed.org/categories/32448>.

Table 2. Percentage of Individuals Aged 16 to 34 Enrolled in School:
Nevada vs. the United States

| | NEVADA | | | UNITED STATES | | |
|-----------------|--------|-------|-------|---------------|-------|-------|
| Age Group | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| 16 to 19 years | 77.8% | 79.8% | 77.0% | 84.9% | 84.0% | 83.9% |
| 20 to 24 years | 27.6% | 29.6% | 28.5% | 40.8% | 39.2% | 38.2% |
| 25 to 34 years | 11.1% | 11.0% | 10.0% | 11.3% | 10.9% | 10.5% |
| Aggregated Data | | | | | | |
| 16 to 34 years | 27.4% | 28.4% | 27.4% | 33.8% | 33.3% | 32.8% |

Source: U.S. Census Bureau; CBER's calculation⁹



⁹ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey.
https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku65SBi2QWc-CMQ0Yi0/edit?usp=sharing.

Table 3. Selected Economic Characteristics of Individuals Aged 16 to 34 by School Enrollment Status

Individuals Aged 16 to 34 Enrolled in School

| | NEVADA | | | UNITED STATES | | |
|-------------------------|----------|----------|----------|---------------|----------|----------|
| Economic Characteristic | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| Bachelor's or higher | 10.7% | 13.3% | 11.5% | 13.4% | 14.1% | 14.2% |
| LFPR | 53.0% | 52.3% | 50.0% | 51.3% | 49.9% | 50.8% |
| Unemployment | 9.5% | 11.9% | 7.5% | 8.7% | 9.5% | 8.0% |
| Average Personal Income | | | | | | |
| Employed | \$22,482 | \$22,624 | \$22,647 | \$18,344 | \$19,958 | \$21,054 |
| Unemployed | \$5,031 | \$6,185 | \$3,909 | \$4,475 | \$6,621 | \$5,327 |
| Not in the labor force | \$1,279 | \$2,102 | \$1,797 | \$2,241 | \$2,314 | \$2,524 |

Individuals Aged 16 to 34 NOT Enrolled in School

| | NEVADA | | | UNITED STATES | | |
|-------------------------|----------|----------|----------|---------------|----------|----------|
| Economic Characteristic | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| Bachelor's or higher | 18.0% | 20.6% | 18.8% | 29.9% | 31.4% | 32.0% |
| LFPR | 81.2% | 80.6% | 80.6% | 82.3% | 81.1% | 82.5% |
| Unemployment | 6.5% | 11.1% | 7.4% | 6.1% | 8.0% | 5.7% |
| Average Personal Income | | | | | | |
| Employed | \$36,523 | \$41,549 | \$42,460 | \$42,172 | \$45,637 | \$48,663 |
| Unemployed | \$10,650 | \$13,623 | \$12,598 | \$10,395 | \$12,253 | \$12,184 |
| Not in the labor force | \$4,802 | \$7,113 | \$7,190 | \$5,071 | \$5,811 | \$5,864 |

Source: U.S. Census Bureau; CBER's calculation¹⁰

Indicators from Table 3 that might have contributed to a lower participation rate in Nevada after the COVID-19 pandemic include higher unemployment rates during the pandemic and higher average personal income for those not in the labor force. In 2022, the unemployment rate for those ages 16 to 34 not enrolled in school in Nevada was **7.4 percent**, up from **6.5 percent** in 2019. This tight labor market may have discouraged some from seeking work. In comparison, the unemployment rate for the same group in the U.S. was **5.7 percent** in 2022, down from **6.1 percent** in 2019. In addition, the average personal income for those not in the labor force was higher in Nevada than the U.S. average, based on the past 12 months. This may have reduced the necessity for some Nevadans to seek employment.

Table 4 suggests that different factors may have influenced the LFPR for those with and without college degrees. The unemployment rate in Nevada was lower than pre-pandemic levels for individuals ages 16 to 34 with college degrees who were not enrolled in school.

Conversely, individuals aged 16 to 34 without college degrees who were not enrolled in school in Nevada had a higher unemployment rate of **8.5 percent** in 2022, up from **7.3 percent** in 2019. Among this group, those not in the labor force earned an average of **\$6,090** over the previous 12 months in 2022, higher than the U.S. average of **\$5,152** but significantly less than those with college degrees.

Table 4. Selected Economic Characteristics of Individuals Aged 16 to 34 Not Enrolled in School by Educational Attainment

Individuals Aged 16 to 34 NOT Enrolled in School WITH College Degrees

| Economic Characteristic | NEVADA | | | UNITED STATES | | |
|--------------------------------|----------|----------|----------|---------------|-----------|----------|
| | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| LFPR | 91.3% | 91.3% | 90.6% | 92.3% | 92.1% | 92.4% |
| Unemployment | 3.5% | 5.9% | 3.3% | 2.6% | 3.9% | 2.6% |
| Average Personal Income | | | | | | |
| Employed | \$52,933 | \$58,701 | \$63,838 | \$62,147 | \$ 66,057 | \$70,540 |
| Unemployed | \$12,278 | \$14,319 | \$9,216 | \$17,497 | \$17,210 | \$18,240 |
| Not in the labor force* | \$11,014 | \$6,686 | \$18,306 | \$7,942 | \$9,732 | \$10,580 |

Individuals Aged 16 to 34 NOT Enrolled in School WITHOUT College Degrees

| Economic Characteristic | NEVADA | | | UNITED STATES | | |
|--------------------------------|----------|----------|----------|---------------|----------|----------|
| | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| LFPR | 79.0% | 77.8% | 78.3% | 78.0% | 76.1% | 77.8% |
| Unemployment | 7.3% | 12.7% | 8.5% | 7.9% | 10.3% | 7.4% |
| Average Personal Income | | | | | | |
| Employed | \$32,185 | \$35,939 | \$36,406 | \$31,498 | \$33,518 | \$35,834 |
| Unemployed | \$10,449 | \$13,524 | \$12,949 | \$9,193 | \$11,197 | \$10,978 |
| Not in the labor force | \$4,297 | \$7,150 | \$6,090 | \$4,659 | \$5,239 | \$5,152 |

*There is significant annual variability in this line item for Nevada without an obvious explanation. For example, the income for existing residents more than doubled from 2021 to 2022, and for migrants to Nevada, it dropped nearly 90 percent from 2019 to 2021.

Source: U.S. Census Bureau; CBER's calculation¹¹

UNEMPLOYMENT RATE, EDUCATIONAL ATTAINMENT, AND ECONOMIC DIVERSIFICATION

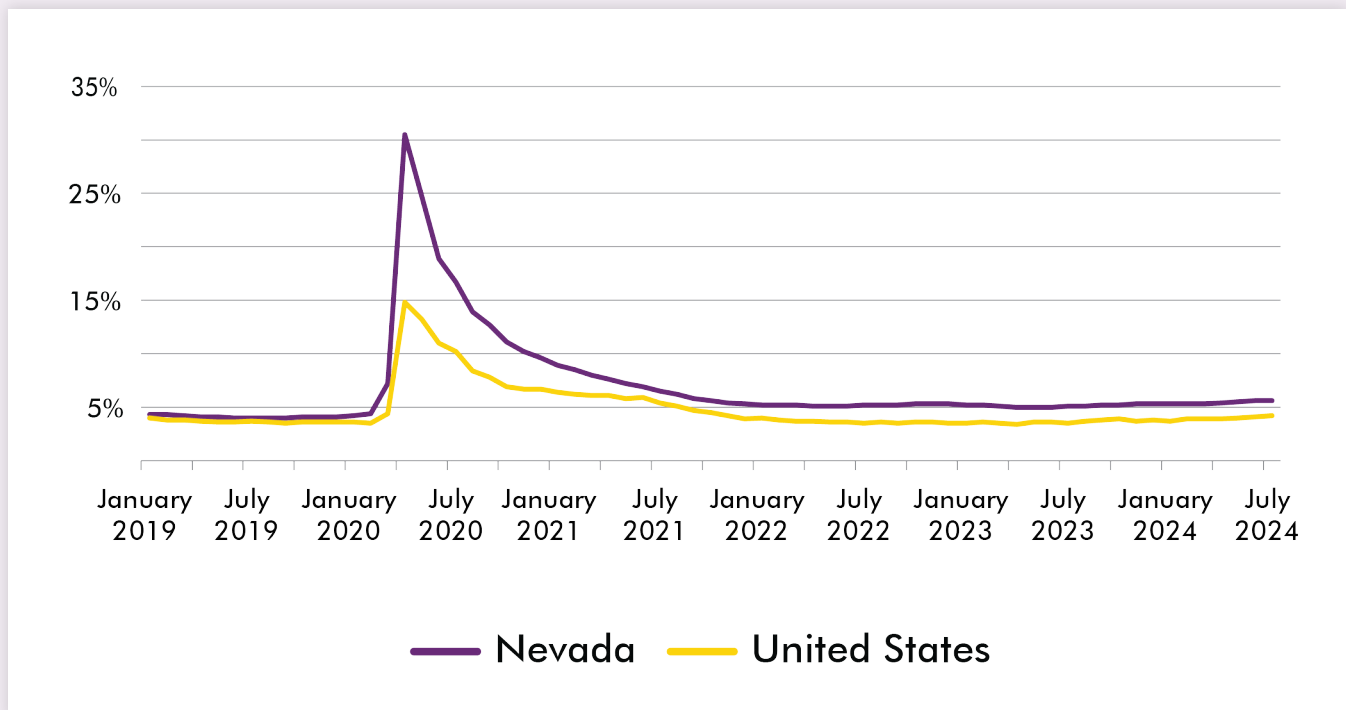
Section Takeaways

- Nevada's unemployment rate during the pandemic was the highest in the nation and remained so in 2024. Discouraged workers possibly contributed to the state's lower labor participation rate.
- Lower educational attainment is not the primary factor behind the continued lower LFPR in 2022, but educational attainment remains closely linked to the overall LFPR.
- A lack of economic diversification may explain Nevada's struggling LFPR. The leisure and hospitality sector accounted for **20 percent** of Nevada's workers in 2022 and nearly all the state's lost workforce participants.

Detailed Findings

Nevada's heavy reliance on the leisure and hospitality sector led to temporary or permanent layoffs in the industry and related sectors, resulting in the highest unemployment rate among all 50 states during the COVID-19 pandemic. Nevada's unemployment rate has remained the highest in the nation. It has yet to return to the pre-COVID level, even though the U.S. unemployment rate fully recovered in 2022 (Figure 1).

Figure 1. Unemployment Rate for Nevada and the United States



Source: U.S. Census Bureau; CBER's calculation¹²

¹² U.S. Bureau of Labor Statistics. Unemployment Rate in Nevada [NVUR] and Unemployment Rate [UNRATE]. Retrieved from FRED, Federal Reserve Bank of St. Louis. Accessed August 2024. <https://fred.stlouisfed.org/graph/?g=1te8R>.

Table 5 shows the unemployment rates across age groups. This indicates that Nevada's unemployment rate for those below age 55 in 2022 stayed higher than in 2019, unlike the U.S., which saw a recovery across all age groups. As exhibited in Table 1, groups in Nevada below age 55 experienced lower labor force participation between 2019 and 2022, possibly suggesting that discouraged workers contributed to the state's lower labor participation rate.



**Table 5. Civilian Unemployment Rate by Age Group:
Nevada vs. the United States**

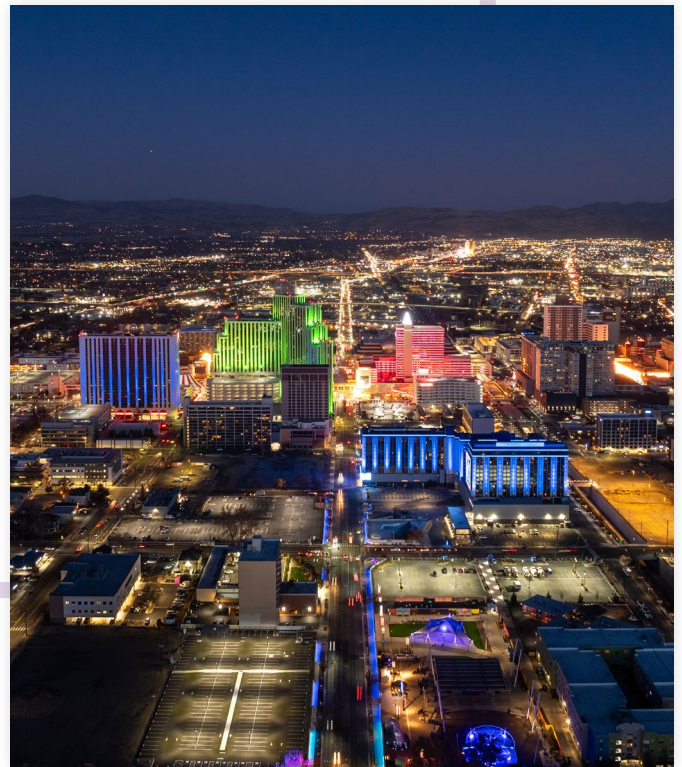
| | NEVADA | | | UNITED STATES | | |
|---|--------|-------|-------|---------------|-------|-------|
| Age Group | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| 16 to 19 years | 19.3% | 16.1% | 16.3% | 14.8% | 13.3% | 12.2% |
| 20 to 24 years | 8.4% | 11.8% | 8.8% | 8.2% | 10.3% | 7.7% |
| 25 to 34 years | 4.6% | 10.3% | 5.4% | 4.7% | 6.7% | 4.5% |
| 35 to 44 years | 3.7% | 8.5% | 4.3% | 3.6% | 5.4% | 3.5% |
| 45 to 54 years | 3.7% | 8.3% | 5.2% | 3.3% | 4.9% | 3.0% |
| 55 to 64 years | 4.5% | 8.2% | 3.6% | 3.0% | 5.0% | 2.9% |
| 65 and over | 4.8% | 13.2% | 4.7% | 3.0% | 5.7% | 3.0% |
| Data Aggregated into Larger Age Groups | | | | | | |
| 16 and over | 5.1% | 9.7% | 5.5% | 4.5% | 6.3% | 4.3% |
| 25 to 54 years | 4.0% | 9.1% | 5.0% | 3.9% | 5.7% | 3.7% |
| 25 to 64 years | 4.1% | 8.9% | 4.7% | 3.7% | 5.5% | 3.5% |

Source: U.S. Census Bureau; CBER's calculation¹³

¹³ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey.
https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6S8i2QWc-CMO0Yt0/edit?usp=sharing.

An additional year of data indicates that educational attainment is not the primary factor behind the lower labor participation rate in 2022 compared to the pre-pandemic level. The LFPR for individuals with college degrees declined to **67.5 percent** in 2022 from **69.2 percent** in 2021 and **68.7 percent** in 2019 (Table 6). For those aged 25 to 64 within this group, the LFPR also fell from **84.0 percent** in 2021 to **83.2 percent** in 2022. The decline was consistent in the prime working age group of 25 to 54, down from **88.3 percent** in 2019 to **87.8 percent** in 2021 and further to **87.3 percent** in 2022.

Nevertheless, educational attainment remains closely linked to the LFPR. Overall, individuals with college degrees have higher labor participation rates across all age groups, both in Nevada and nationally. However, the share of the population aged 16 and over with a bachelor's degree or higher was significantly lower in Nevada at **24.4 percent** compared to **37.3 percent** for the U.S. average in 2022, contributing to Nevada's overall lower labor participation rate compared to the U.S. average.



**Table 6. Labor Force Participation Rate by Educational Attainment:
Nevada vs. the United States**

Individuals WITH College Degrees

| | NEVADA | | | UNITED STATES | | |
|---|--------|-------|-------|---------------|-------|-------|
| Age Group | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| 20 to 24 years | 88.2% | 83.8% | 87.4% | 83.8% | 82.7% | 83.7% |
| 25 to 34 years | 89.2% | 88.0% | 88.5% | 90.2% | 90.3% | 90.6% |
| 35 to 44 years | 86.4% | 87.7% | 86.7% | 89.6% | 89.3% | 89.8% |
| 45 to 54 years | 89.4% | 87.7% | 86.9% | 89.5% | 89.3% | 89.6% |
| 55 to 64 years | 67.5% | 68.8% | 69.3% | 75.7% | 75.5% | 75.7% |
| 65 and over | 20.4% | 21.0% | 19.1% | 25.3% | 24.4% | 24.1% |
| Data Aggregated into Larger Age Groups | | | | | | |
| 16 and over | 68.7% | 69.2% | 67.5% | 74.5% | 73.9% | 73.9% |
| 25 to 54 years | 88.3% | 87.8% | 87.3% | 89.8% | 89.6% | 90.0% |
| 25 to 64 years | 83.7% | 84.0% | 83.2% | 86.8% | 86.7% | 87.1% |

Individuals WITHOUT College Degrees

| | NEVADA | | | UNITED STATES | | |
|---|--------|-------|-------|---------------|-------|-------|
| Age Group | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| 16 to 19 years | 41.1% | 40.5% | 39.0% | 39.3% | 38.8% | 40.3% |
| 20 to 24 years | 77.6% | 76.5% | 75.9% | 72.4% | 70.6% | 72.1% |
| 25 to 34 years | 79.4% | 78.5% | 79.1% | 78.4% | 76.8% | 78.3% |
| 35 to 44 years | 81.0% | 78.3% | 79.7% | 78.6% | 77.3% | 78.4% |
| 45 to 54 years | 78.6% | 78.7% | 79.4% | 77.0% | 76.5% | 77.6% |
| 55 to 64 years | 60.5% | 59.6% | 62.4% | 61.6% | 61.9% | 62.2% |
| 65 and over | 15.5% | 16.5% | 16.9% | 16.0% | 16.1% | 16.3% |
| Data Aggregated into Larger Age Groups | | | | | | |
| 16 and over | 61.4% | 60.2% | 61.1% | 58.3% | 57.3% | 58.0% |
| 25 to 54 years | 79.7% | 78.5% | 79.4% | 78.0% | 76.9% | 78.1% |
| 25 to 64 years | 75.1% | 73.8% | 75.5% | 73.6% | 72.8% | 73.8% |

Source: U.S. Census Bureau; CBER's calculation¹⁴

The lack of economic diversification may explain why Nevada's labor participation rate in 2022 was lower than in 2019. At the industry level, the labor force in the leisure and hospitality sector plummeted by **11.8 percent** from 2019 to 2022, while most other sectors experienced gains during the same period (Table 7). Despite this sharp decline, the leisure and hospitality sector still accounted for **1 out of 5** workers in Nevada in 2022, as shown in Table 8. We estimate that approximately **10,800** former workers in this industry remained out of the labor force, constituting almost all the state's **10,900** lost workers.

Moreover, the decline in the public administration labor force (Table 7) may reflect layoffs of temporary workers hired to complete the 2020 Census survey and does not indicate any structural change in this sector's labor force.¹⁵



Table 7. Labor Force Changes in Selected Nevada Industries, 2019–2022

| INDUSTRY | TOTAL | COLLEGE GRADUATES | NON-COLLEGE GRADUATES |
|--------------------------------|-------------|-------------------|-----------------------|
| Public Administration | -5.5% | 4.1% | -11.7% |
| Construction | 7.5% | 2.0% | 8.0% |
| Education | 4.8% | 4.0% | 6.2% |
| Leisure and Hospitality | -11.8% | -9.5% | -12.3% |
| Finance | 15.6% | 11.1% | 18.2% |
| Health Care | 5.4% | 11.0% | 1.4% |
| Manufacturing | 8.9% | 23.5% | 5.1% |
| Professional Services | 16.7% | 34.2% | 8.1% |
| Retail Trade | 4.2% | -6.4% | 6.4% |
| Other Services | 4.8% | 16.1% | 3.3% |
| Transportation and Warehousing | 15.6% | 25.3% | 14.0% |
| Total | 3.1% | 8.6% | 1.0% |

Note: Industries were selected based on having a workforce of more than 50,000 in 2022.

Source: U.S. Census Bureau; CBER's calculation¹⁶

¹⁵ Harris Katelynn. How did the 2020 census affect employment?. February 2022. <https://www.bls.gov/opub/btn/volume-11/how-did-the-2020-census-affect-employment.htm>.

¹⁶ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey. https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6SBI2QWc-CMO0Y10/edit?usp=sharing

Table 8. Share of Civilian Labor Force in Selected Industries by Educational Attainment, 2022: Nevada vs. the United States

| Industry | NEVADA | | | UNITED STATES | | |
|--------------------------------|--------|-------------------|-----------------------|---------------|-------------------|-----------------------|
| | Total | College Graduates | Non-College Graduates | Total | College Graduates | Non-College Graduates |
| Public Administration | 3.4% | 5.7% | 2.7% | 4.6% | 6.1% | 3.6% |
| Construction | 7.8% | 2.6% | 9.7% | 7.0% | 2.7% | 9.5% |
| Education | 6.7% | 15.8% | 3.4% | 9.1% | 16.6% | 4.5% |
| Leisure and Hospitality | 20.1% | 12.1% | 23.0% | 8.9% | 4.3% | 11.7% |
| Finance | 5.7% | 7.4% | 5.1% | 6.7% | 9.3% | 5.1% |
| Health Care | 8.0% | 13.2% | 6.1% | 11.4% | 14.0% | 9.8% |
| Manufacturing | 5.4% | 4.8% | 5.6% | 9.8% | 8.0% | 10.9% |
| Professional Services | 12.7% | 18.0% | 10.8% | 12.6% | 17.9% | 9.3% |
| Retail Trade | 11.4% | 6.7% | 13.1% | 11.3% | 6.2% | 14.3% |
| Other Services | 4.8% | 2.4% | 5.6% | 4.7% | 3.5% | 5.5% |
| Transportation and Warehousing | 6.8% | 4.0% | 7.8% | 5.2% | 2.5% | 6.8% |

Note: The share was calculated based on the total labor force by educational attainment, excluding those who were unemployed with no work experience in the last five years or who never worked. For example, 12.1 percent of Nevada's workforce with college degrees, excluding those who had not worked in the last five years, was in the leisure and hospitality sector in 2022.

Source: U.S. Census Bureau; CBER's calculation¹⁷

The increased personal income for individuals not in the labor force from the leisure and hospitality industry may partly explain Nevada's lower labor participation rate in 2022 compared to 2019. Specifically, the average personal income for those who had worked in this industry within the last five years but were not in the labor force in 2022 climbed substantially, reaching **\$20,255**—a **30.3 percent** increase from **\$15,541** in 2019 (Table 9). This increase was notably higher than that of counterpart individuals elsewhere in the U.S.,

where income rose, on average, from **\$10,222** in 2019 to **\$11,105** in 2022 (for those outside of Nevada). In contrast, individuals not in the labor force from other sectors in Nevada experienced a decrease in average personal income, down from **\$30,262** in 2019 to **\$29,187** in 2022. Considering the average personal income for those employed in the leisure and hospitality industry in Nevada was **\$42,105** in 2022, those not in the labor force still earned about **50 percent** of what employed individuals made.

Table 9. Average Personal Income for those Employed, Unemployed, and Not in the Labor Force, 2019–2022: Nevada vs. Other U.S. States

Leisure and Hospitality

| | NEVADA | | | UNITED STATES (Excluding Nevada) | | |
|------------------------|----------|----------|----------|-------------------------------------|----------|----------|
| Classification | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| Employed | \$38,863 | \$37,560 | \$42,105 | \$29,144 | \$30,226 | \$33,302 |
| Unemployed | \$13,563 | \$18,148 | \$12,173 | \$9,969 | \$13,766 | \$10,714 |
| Not in the labor force | \$15,541 | \$15,537 | \$20,255 | \$10,222 | \$10,656 | \$11,105 |

Sectors Excluding Leisure and Hospitality

| | NEVADA | | | UNITED STATES (Excluding Nevada) | | |
|------------------------|----------|----------|----------|-------------------------------------|----------|----------|
| Classification | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| Employed | \$58,010 | \$61,973 | \$64,346 | \$62,355 | \$66,753 | \$70,263 |
| Unemployed | \$18,013 | \$23,048 | \$22,007 | \$20,736 | \$21,246 | \$20,782 |
| Not in the labor force | \$30,262 | \$28,834 | \$29,187 | \$26,452 | \$26,071 | \$27,583 |

Source: U.S. Census Bureau; CBER's calculation¹⁸

The unemployment rate in Nevada's tourism industry was **5.5 percent** in 2022, higher than the **3.3 percent** in 2019. Nationally, this industry had the highest unemployment rate at **6.6 percent** in 2022, followed by the retail sector at **5.2 percent**. These two industries represented over **30 percent** of Nevada's labor force in 2022, compared to about **20 percent** for the U.S.

The lingering effects of COVID-19, including fear and ongoing health concerns, may have also contributed to Nevada's reduced LFPR. Abraham and Rendell estimated that fear of COVID-19 would explain less than **40 percent** of the participation shortfall, or **0.2 percentage points** by December 2022.²⁰ This impact could be more pronounced in Nevada, where the economy hinges on jobs with face-to-face contact.

What this means: The higher unemployment rate in Nevada is partly attributed to its lower economic diversification relative to the national average. Recent findings by CBER indicate that an increase in the Hachman Index, which measures economic diversification, could help reduce long-term unemployment rates.¹⁹

¹⁸ IBID.

¹⁹ Lloyd, Nate. "Hachman Index of Economic Diversity, 2021." <https://d36oiwf74r1rap.cloudfront.net/wp-content/uploads/ERG-Hachman-RB-Mar2023.pdf>.

²⁰ Abraham and Rendell. Where are the Missing Workers?. Brookings Papers on Economic Activity, 2023.

https://www.brookings.edu/wp-content/uploads/2023/03/BPEA_Spring2023_Abraham-Rendell_unembargoed.pdf.

PRIME LABOR FORCE PARTICIPATION RATE BY GENDER AND MARITAL STATUS

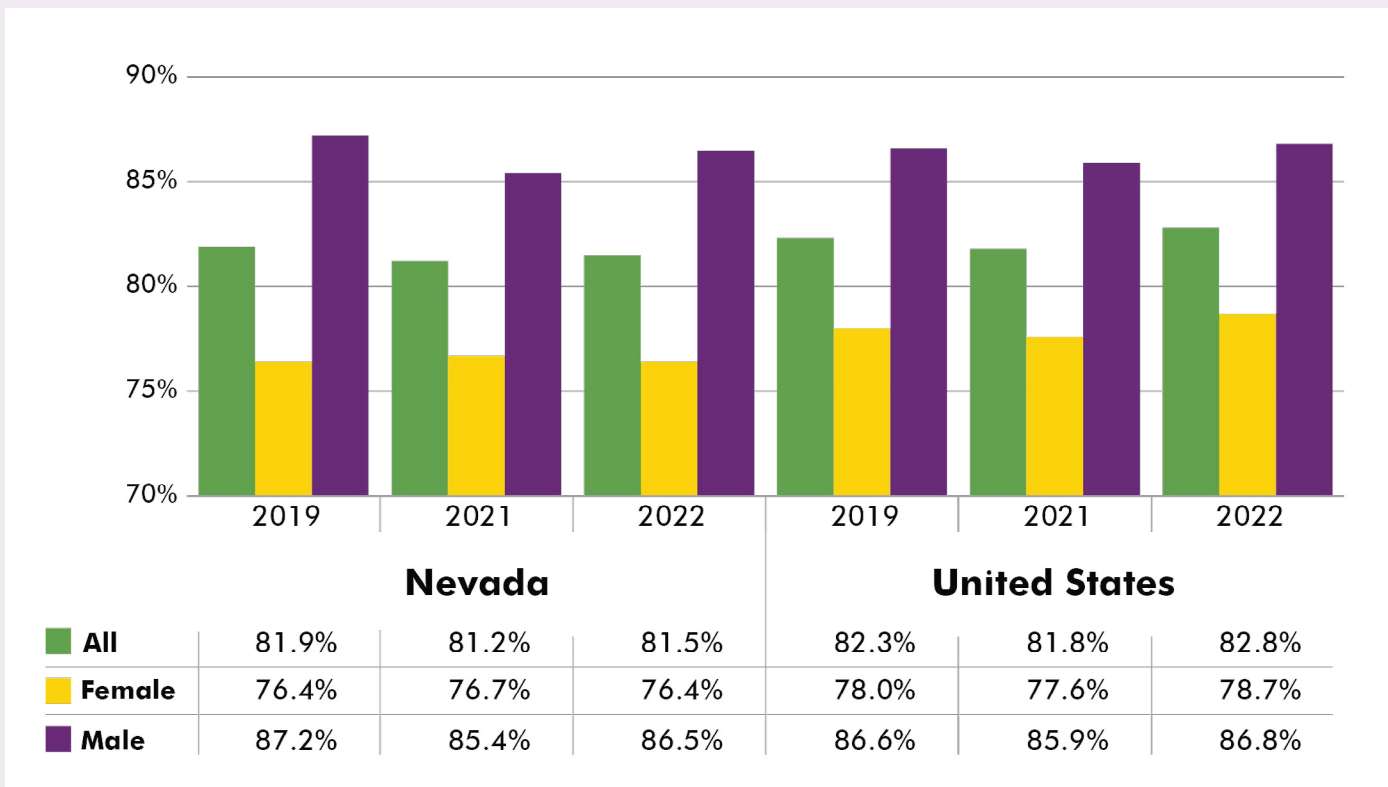
Section Takeaways

- An increase in female LFPR offset a decrease for males among Nevadans aged 25 to 54.
- For single males, the LFPR increased slightly, but it dropped measurably for married males. This decline appears to have been enabled by increased LFPR among their wives.
- This trend might be attributed to the expansion of remote job opportunities. A higher proportion of women hold remote jobs than men, though this proportion is significantly lower in Nevada than the U.S. average.

Detailed Findings

The decline in Nevada's LFPR for the prime working age group (defined as ages 25 to 54), from **81.9 percent** in 2019 to **81.5 percent** in 2022, was driven by a decline in male participation, as shown in Figure 2. That is, the male LFPR for this group decreased from **87.2 percent** in 2019 to **86.5 percent** in 2022. In contrast, both male and female labor participation rates for this age group increased in the U.S., contributing to an overall rise in the U.S. LFPR for the prime working age group between 2019 and 2022.

Figure 2. Civilian Labor Force Participation Rate by Gender for Ages 25 to 54 in Nevada the United States



Source: U.S. Census Bureau; CBER's calculation²¹

²¹ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey.
https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6SBi2QWcCMOQYt0/edit?usp=sharing.

When disaggregating into marital status, the decreased LFPR was mainly due to less participation among married males (Table 10). Labor participation among single males in this age group increased strongly by **0.7 percent** from 2019 to **83.3 percent** in 2022. The LFPR for married males in this age group, however, declined from **92.2 percent** in 2019 to **89.9 percent** in 2022. The LFPR for married females fell slightly by **0.1 percent** from **72.4 percent** to **72.3 percent**, while the LFPR for single females climbed by **0.2 percent** from **80.8 percent** to **81.0 percent** over the same period.

What this means: This trend suggests that some dual-income households in Nevada may have transitioned to single-income households during the COVID-19 pandemic. Factors like government assistance, reduced expenses due to lower interest rates, and the need to care for children due to daycare and school closures likely contributed. A 2022 study from Purdue University discussed the lasting impact of these disruptions on women and low-wage workers in 2022.²²

Table 10. Civilian Labor Force Participation by Marital Status and Gender for Ages 25 to 54 in Nevada and the United States

NEVADA

| Year | SINGLE | | | MARRIED | | |
|------|--------|--------|-------|---------|--------|-------|
| | All | Female | Male | All | Female | Male |
| 2019 | 81.7% | 80.8% | 82.6% | 82.0% | 72.4% | 92.2% |
| 2021 | 82.4% | 82.1% | 82.6% | 79.9% | 71.6% | 88.5% |
| 2022 | 82.2% | 81.0% | 83.3% | 80.9% | 72.3% | 89.9% |

UNITED STATES

| Year | SINGLE | | | MARRIED | | |
|------|--------|--------|-------|---------|--------|-------|
| | All | Female | Male | All | Female | Male |
| 2019 | 81.0% | 81.5% | 80.5% | 83.4% | 75.1% | 92.2% |
| 2021 | 80.3% | 80.9% | 79.7% | 83.1% | 75.0% | 91.5% |
| 2022 | 81.5% | 82.2% | 81.0% | 83.9% | 75.9% | 92.0% |

Source: U.S. Census Bureau; CBER's calculation²³

22 Marshall, Maria. I. (2022). The Impact of COVID-19 on Households: Lessons for 2022? Purdue Agricultural Economics Report.

<https://ag.purdue.edu/commercialag/home/paer-article/the-impact-of-covid-19-on-households-lessons-for-2022/>.

23 CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey.

https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6SBi2QWc-CMO0Y10/edit?usp=sharing.

Note that in the U.S., the LFPR for married women in the prime working age group increased substantially, while the participation rate for married men in this age group declined slightly. This trend may be linked to the availability of remote work opportunities, which aligns with findings in a recent FEDS Notes article (2024).²⁴ That is, the proportion of remote workers among married women in this age group rose significantly, from **7.4 percent** in 2019 to **23.1 percent** in 2021. This is notably higher than the corresponding figure for married men, which stood at **19.3 percent** in 2021.

Although these proportions declined in 2022 as some workers returned to in-person work, they still remained considerably elevated at **19.8 percent** for married females and **16.0 percent** for married males. In Nevada, however, the availability of remote jobs appears to be lower across genders and marital statuses compared to the national average.

Nevada ranked 32nd in the proportion of remote workers to total employment for the prime working age group (defined as ages 25 to 54) in 2019, but the ranking declined to 35th in 2022. In 2022, the highest proportions of remote workers for the prime-age group were observed in Washington, D.C. (**35.4 percent**), Colorado (**23.0 percent**), and Washington (**22.0 percent**), while the lowest proportions were in Mississippi (**5.7 percent**), Wyoming (**8.0 percent**), and Louisiana (**8.7 percent**). Among Nevada's neighboring states, Arizona ranked highest in 2022 (5th with **20.6 percent**), followed by Utah (6th with **20.5 percent**), Oregon (7th with **20.5 percent**), California (12th with **18.2 percent**), and Idaho (30th with **14.3 percent**). Nevada ranked the lowest among its surrounding states, with only **12.5 percent** of its prime-age workers in remote jobs in 2022.

Table 11. Proportions of remote workers to total employment for Ages 25 to 54 in Nevada and the United States

| Year | NEVADA | | | | UNITED STATES | | | |
|------|--------|---------|--------|---------|---------------|---------|--------|---------|
| | Female | | Male | | Female | | Male | |
| | Single | Married | Single | Married | Single | Married | Single | Married |
| 2019 | 4.4% | 6.2% | 4.0% | 4.6% | 4.6% | 7.4% | 4.2% | 5.5% |
| 2021 | 14.7% | 17.1% | 11.1% | 11.4% | 19.4% | 23.1% | 15.4% | 19.3% |
| 2022 | 13.7% | 15.7% | 10.1% | 11.2% | 16.5% | 19.8% | 13.2% | 16.0% |

Source: U.S. Census Bureau; CBER's calculation ²⁵

²⁴ Tito, Maria D. "Does the Ability to Work Remotely Alter Labor Force Attachment? An Analysis of Female Labor Force Participation." FEDS Notes, January 19, 2024. <https://www.federalreserve.gov/econres/notes/feds-notes/does-the-ability-to-work-remotely-alter-labor-force-attachment-an-analysis-of-female-lfp-20240119.html>.
²⁵ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey. https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6SBI2QWc-CMO0YI0/edit?usp=sharing.

MIGRATION AND LFPR

Section Takeaways

- Nevada's workforce tends to be less educated than the nation's as a whole. This is true in every workforce sector except agriculture.
- Nevadans work in leisure and hospitality at more than twice the national rate, and these jobs tend not to require college degrees.
- Nevada's tendency toward lower-wage, lower-skill jobs may limit opportunities for college graduates.
- The mean age of people leaving Nevada has grown progressively younger in recent years. It also appears that Nevada may be becoming less appealing for remote workers.

Detailed Findings

Nevada's major industries largely do not require college degrees for most jobs, which may explain why Nevada attracts proportionally fewer educated new residents than other states and why educated individuals may leave Nevada to find better-paying jobs that match their educational attainment.

As shown in Table 8, **12.1 percent** of Nevadans with a bachelor's degree or higher worked in the leisure and hospitality sector, significantly higher than the **4.3 percent** U.S. average. This sector only accounted for **8.9 percent** of the U.S. labor market in 2022, but **20.1 percent** in Nevada. Nevada's three largest labor market sectors—leisure and hospitality, professional services, and retail sales—comprise **44.2 percent** of the workforce. The share of workers with a bachelor's or higher in these industries was **15.9 percent**, **37.6 percent**, and **15.5 percent** in 2022, respectively.

Table 12. Percentage of Workforce with a College Degree Among Total Workforce for Selected Industries 2019–2022: Nevada vs. the United States

| Industry | NEVADA | | | UNITED STATES | | |
|--------------------------------|--------|-------|-------|---------------|-------|-------|
| | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| Public Administration | 39.4% | 41.5% | 43.4% | 47.5% | 49.8% | 50.3% |
| Construction | 9.3% | 9.2% | 8.8% | 13.4% | 14.5% | 14.8% |
| Education | 63.1% | 65.3% | 62.6% | 66.6% | 69.0% | 68.9% |
| Leisure and Hospitality | 15.5% | 16.9% | 15.9% | 17.3% | 18.0% | 18.2% |
| Finance | 35.6% | 36.7% | 34.2% | 50.4% | 52.0% | 52.5% |
| Health Care | 41.5% | 46.0% | 43.7% | 42.7% | 45.4% | 46.3% |
| Manufacturing | 20.8% | 27.2% | 23.6% | 28.3% | 30.3% | 30.8% |
| Professional Services | 32.7% | 34.7% | 37.6% | 50.4% | 52.8% | 53.7% |
| Retail Trade | 17.2% | 16.2% | 15.5% | 19.6% | 20.6% | 20.8% |
| Other Services | 12.0% | 16.4% | 13.4% | 25.4% | 26.9% | 27.7% |
| Transportation and Warehousing | 14.3% | 14.4% | 15.5% | 18.0% | 18.1% | 18.0% |

Source: U.S. Census Bureau; CBER's calculation ²⁶

In contrast, the largest sectors nationally were professional services (**12.6 percent**), health care (**11.4 percent**), and retail sales (**11.3 percent**). Furthermore, **53.7**, **46.3**, and **20.8 percent** of the workforce in those sectors held a bachelor's degree or higher, respectively (Table 12). These sectors represented **32.1 percent** of Nevada's labor force in 2022, lower than the **35.3 percent** U.S. rate. Moreover, Nevada's share of the labor force with college degrees in these sectors was only **37.6**, **43.7**, and **15.5 percent**, respectively. Additionally, all sectors except agriculture had lower shares of college degree holders than the national average.

What this means: Nevada's industries may lean more toward lower-wage, lower-skill jobs, limiting opportunities for college graduates. As a result, Nevada's economy is less attractive to college graduates than other states.

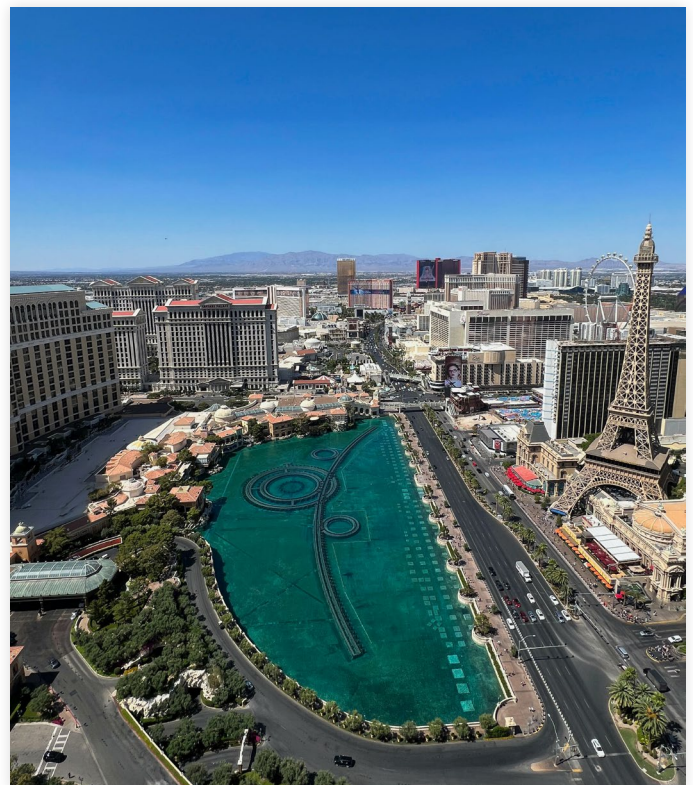
In 2022, Nevada ranked **43rd** among the 50 states in new residents aged 21 to 64 with college degrees, at **38.7 percent**. States ranking lower included Alabama (**38.3 percent**), Mississippi (**36.6 percent**), Oklahoma (**35.8 percent**), West Virginia (**35.0 percent**), Idaho (**34.9 percent**), Alaska (**33.2 percent**), and Arkansas (**28.8 percent**).

Among those aged 21 to 64 who left Nevada in 2022, **38.4 percent** had a bachelor's degree or higher. This ranked Nevada **49th** in the share of college degree holders it lost, meaning the state did not lose many degree holders, which is encouraging. However, the **38.4 percent** of exiting residents who had degrees was still much higher than the overall proportion of Nevada residents in the same age group with college degrees (**25.7 percent**). The mean age of out-migrants grew progressively younger over the three years ending in 2022, with **37.1** years of age in 2020, **36.6** in 2021, and **35.4** in 2022. Out-migrants aged 16 and older were also the highest in three years, totaling **95,797** in 2022, up from **73,153** in 2021 and **88,197** in 2019. Meanwhile, the number of new residents aged 16 and older moving from other states to Nevada was the lowest in three years, with **107,669** in 2022 compared to **110,923** in 2021 and **108,954** in 2019. This decrease in Nevada runs counter to a national increase in interstate movers aged 16 and older in 2022.

Interestingly, a higher proportion of employed out-migrants were remote workers—**26.9 percent** in 2022, up from **22.0 percent** in 2021. The percentage of employed domestic in-migrants working remotely, however, dropped to **23.3 percent** in 2022 from **27.0 percent** in 2021.

What this means: This suggests Nevada may be losing its appeal for remote workers. Data elsewhere in this report suggests the remote workers lost tend to be under age 55. Overall, approximately 12 percent of all workers in Nevada worked remotely in 2022.

Nevada's top three industries for out-migrants with college degrees aged 21 to 64 were professional services, education, and leisure and hospitality. In contrast, the top three industries for similar domestic in-migrants were professional services, health care, and finance. This may reflect Nevada's weaker education sector compared to other states, as more individuals left Nevada for education-related opportunities. Nevada's education sector has the second highest proportion of workers with a bachelor's degree or higher, among all the state's employment sectors, following professional services and ahead of health care.



INFLATION AND THE RETURN OF OLDER WORKERS TO THE LABOR FORCE

Section Takeaways

- Those aged 65 and over are working more, driven by a rise in those with college degrees and greater workforce participation from those without college degrees.
- Average personal income declined among seniors and older adults who were not working. This income decline, during a time of high inflation in the cost of goods and services, may explain the need for some to return to work.
- The percentage of Nevadans aged 55 to 64 working remotely more than doubled from 2019.
- Despite a significant increase in Nevada's LFPR for the 55 to 64 group, it remains among the lowest nationally.

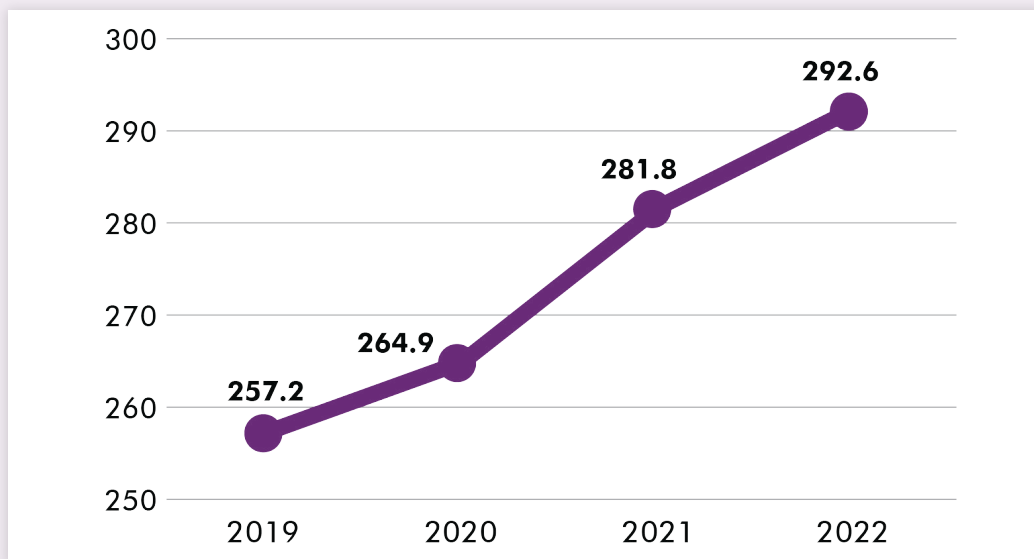
Detailed Findings

Increased labor force participation among Nevadans aged 65 and over was driven by a growing share of this population with a college degree and increased labor participation among those without degrees. That is, the 65-and-over population with a bachelor's degree or higher grew by **14.8 percent** in Nevada and **15.4 percent** in the U.S., resulting in the share of such individuals climbing to

28.7 percent in Nevada and **30.8 percent** in the U.S. in 2022, compared to **27.1** and **28.6 percent** in 2019. Their labor participation rates were **19.1** and **24.1 percent**, respectively, in Nevada and the U.S. in 2022. Although these rates were lower than their 2019 levels, they were significantly higher than the participation rates for the same age group without college degrees, which stood at **16.9 percent** in Nevada and **16.3 percent** in the U.S.

The participation of individuals ages 65 and over without college degrees increased for both Nevada and the U.S. Nevada saw a sharper rise, from **15.5 percent** in 2019 to **16.9 percent** in 2022, while the U.S. average rose from **16.0 percent** to **16.3 percent**. During the same period, the average personal income for those not working declined by **2.4 percent** from **\$29,496** in 2019 to **\$28,792** in 2022, despite **13.7 percent** inflation over the same period, as shown by the increase of the Consumer Price Index in Figure 3. This implies that retirees without college degrees in Nevada may have faced financial challenges, prompting some to return to the labor market.

Figure 3. Consumer Price Index for All Urban Consumers 2019 – 2022



Source: U.S. Bureau of Labor Statistics²⁷

This trend may also explain why labor participation rates for individuals ages 55 to 64 without college degrees increased in Nevada and the U.S. The average personal income for this group not in the labor force only gained **4.2 percent** in Nevada and **3.8 percent** in the U.S. from 2019 to 2022, despite higher inflation.

An increase in labor participation among individuals aged 55 to 64 with a bachelor's degree or higher may be due to the availability of remote jobs. Remote work could offer more opportunities for this

age group, especially given the limited availability of higher-tier positions in Nevada for those with college degrees. Notably, the share of remote workers in Nevada among this group rose to **24.3 percent** in 2022 from **10.1 percent** in 2019 and **20.9 percent** in 2021, while the share of remote workers declined for other age groups from 2021 to 2022 (Table 13). Despite a significant increase in the labor participation rate for the 55 to 64 group, from **67.5 percent** in 2019 to **69.3 percent** in 2022, their LFPR was the lowest among the 50 states.

Table 13. Percentage of Remote Workers among the Employed with College Degrees, by Age Group: Nevada vs. the United States

| Age Group | NEVADA | | | UNITED STATES | | |
|----------------|--------|-------|-------|---------------|-------|-------|
| | 2019 | 2021 | 2022 | 2019 | 2021 | 2022 |
| 20 to 24 years | 3.2% | 15.0% | 10.9% | 3.0% | 22.2% | 15.6% |
| 25 to 34 years | 6.5% | 18.9% | 18.8% | 5.3% | 29.5% | 23.9% |
| 35 to 44 years | 6.5% | 21.5% | 21.0% | 8.1% | 31.4% | 25.6% |
| 45 to 54 years | 10.3% | 23.3% | 21.8% | 9.1% | 29.7% | 24.7% |
| 55 to 64 years | 10.1% | 20.9% | 24.3% | 10.0% | 28.6% | 23.9% |
| 65 and over | 18.6% | 27.2% | 22.0% | 14.5% | 28.8% | 25.7% |

Source: U.S. Census Bureau; CBER's calculation²⁸

²⁸ CBER Data Compilation and Analysis of U.S. Census Bureau Public Use Microdata Sample (PUMS) for 2019, 2021, and 2022, 1-Year American Community Survey.
https://docs.google.com/spreadsheets/d/1MSoHP9p5_ay5VjknXaDu4r2HL7Ku6SBi2QWc-CMO0Yt0/edit?usp=sharing.

SECTION II: POLICY CONSIDERATIONS TO IMPROVE NEVADA'S LABOR FORCE PARTICIPATION*

**These policy considerations, based on our research and analysis, are presented by the Guinn Center for Policy Priorities. The Center for Business and Economic Research does not make specific policy recommendations.*

EDUCATION-TO-CAREER PATHWAYS

About a decade ago, the National Conference of State Legislatures (NCSL) assembled a bipartisan group of 28 veteran legislators and legislative staff—including from Nevada—to undertake an in-depth study of high-performing education systems worldwide. The study group chose eight countries and, for three years, examined what makes them successful in K-12 education. The report of their findings is titled “No Time to Lose: How to Build a World-Class Education System State by State,” and it became the most requested research study in NCSL’s 40-year history.²⁹

The significance of this report is that “No Time to Lose” found four things that high-performing nations are doing better than the U.S. in educating their children. One of them relates directly to workforce development.

According to the report, in these nations, “Career and technical education (CTE) is not perceived as a route for students lacking strong academic skills, but as another approach to education, skills development, and good jobs. CTE is well-funded, academically challenging, and aligned with real workforce needs.” The report also notes that while some U.S. states have high-quality CTE schools or programs, they lack large-scale CTE systems providing the types of opportunities available to students in top-performing nations.

Alignment of the education system with workforce needs is essential to minimizing skill gaps and knowledge barriers for students transitioning from school to career. To strengthen its education-to-career pathways and to be competitive with top-performing nations and U.S. states, Nevada could benefit from a comprehensive strategy that goes beyond tinkering with or adding onto the existing system. Research also shows that a successful strategy must involve more than just the K-12 education system. Public agencies and private

industry can be tremendous resources to prepare Nevada’s students for personally fulfilling and financially beneficial futures while being supportive of the state’s economic needs.

Some may argue that Nevada’s students are already struggling to meet basic academic standards and that adding a comprehensive vocational element to the mix will burden students with further expectations and divert resources from schools’ academic mission.

However, research indicates that students’ expectations and aspirations and the messages they receive from the adults in their lives can strongly influence their actual future; in other words, students can and often will surmount a higher bar when it is set for them, and they are told and shown that success is within their reach.^{30,31}



29 “No Time to Lose: How to Build a World-Class Education System State by State.” www.ncsl.org. 2016. <https://www.ncsl.org/education/no-time-to-lose-how-to-build-a-world-class-education-system-state-by-state>.
30 Hillman, Susan J. Review of Contributions to Achievement: The Role of Expectations and Self-Efficacy in Students, Teachers, and Principals. 1984. <https://files.eric.ed.gov/fulltext/ED247290.pdf>.
31 Jaynes, W. H. A Meta-Analysis: The Relationship Between the Parental Expectations Component of Parental Involvement with Students’ Academic Achievement. *Urban Education*, 59(1), 63-95. 2024. <https://doi.org/10.1177/00420859211073892>.

There is a potentially significant auxiliary benefit to formally involving government and industry in preparing high school students for the future. Nevada has endured a deep and persistent teacher shortage with no end in sight. The state's ratio of 43 teachers for every 1,000 students is the lowest in the nation.³² However, imagine the impact on this shortage if one-third or more of high school students chose to complete their secondary education through a comprehensive apprenticeship or training program. Government and private industry involvement in the education of Nevada's students could potentially add hundreds of "teachers" to Nevada's teaching corps.

The question exists—are Nevada's high school students likely to be interested in an apprenticeship program? In the 2023-2024 school year, about four of five students in the state's senior class received a diploma.³³ The remainder of students who did not may have an interest in a program focused on work after high school. The data also show that about **39 percent** of America's high school graduates do not enroll in college right out of high school.³⁴ Combined, this means as many as **58 percent** of last year's senior class had a possible motivation for pursuing a professional apprenticeship during their high school years.



Examples From Other States

Although the international education-to-career models examined in "No Time to Lose" are much more developed than similar programs in the U.S., some have more robust elements to their school-to-career pathways. Nevada can look to these states for inspiration and direction. Here is a look at some examples through the lens of various policy strategies.

Curriculum

- In aligning curriculum with workforce opportunities, high-performing states like Virginia emphasize curricula that focus on critical thinking, problem-solving, and the real-world application of academic skills.³⁵
- Massachusetts has deeply integrated Science, Technology, Engineering, and Mathematics (STEM) education throughout its K-12 curriculum, which prepares students for high-demand, better-paying fields like information technology, healthcare, and engineering.³⁶
- California has incorporated project-based learning into its curriculum, empowering students to work on real-world problems that help bridge the gap between academic learning and practical skills and make students more workforce-ready.³⁷
- Communities in the Washington, D.C., area have implemented employer-driven curricula and training to enhance job placement rates for graduates.³⁸

By more completely aligning its curriculum with workforce standards, Nevada can equip students for jobs in growing sectors like cybersecurity, artificial intelligence, robotics, renewable energy, and advanced manufacturing.

32 "There's No End in Sight for CCSD's Teacher Shortage. Why?" Nevada Public Radio | KNPR. <https://www.knpr.org/show/knprs-state-of-nevada/2023-11-22/theres-no-end-in-sight-for-ccsd-teacher-shortage-why>.

33 "Welcome to Nevada Accountability Portal." Nv.gov, 2023. nevadareportcard.nv.gov/DI/nv/2024.

34 Bureau of Labor Statistics. "61.4 Percent of Recent High School Graduates Enrolled in College in October 2023." Bureau of Labor Statistics, 10 May 2024, www.bls.gov/opub/ted/2024/61-4-percent-of-recent-high-school-graduates-enrolled-in-college-in-october-2023.htm.

35 Crespín, Kathryn, Stephen Holzman, Amy Muldoon, and Shonel Sen. "Framework for the Future: Workplace Readiness Skills in Virginia Research Team." 2019. <https://www.ctecs.org/wp-content/uploads/2022/01/WRS-Summary-Report-FINAL-2-15-19.pdf>.

36 "Science, Technology/Engineering, and Mathematics (STEM) - Massachusetts Department of Elementary and Secondary Education." www.doe.mass.edu. <https://www.doe.mass.edu/stem/>.

37 Ellison, Katherine, and Louis Freedberg. "Project-Based Learning on the Rise under the Common Core." EdSource. <https://edsources.org/2015/project-based-learning-on-the-rise-under-the-common-core/78851>.

38 "TalentReady: Expanding Career Pathways in the Greater Washington Region - Education Strategy Group." 2023. Education Strategy Group. December 20, 2023. <https://edstrategy.org/esg-featured-work/talent-ready/>.

Expanded CTE

Career and Technical Education programs are vital in preparing students for both college and career, and many top-performing states have robust CTE systems with elements that Nevada can emulate. Some states have closely aligned their CTE with major industries. ExcelinEd has created a playbook to help states better align their CTE programs with industry needs and priorities.³⁹ These industry linkages have added workforce benefits because they encourage students to remain in their community after high school or college through established ties to the local job market. Additionally, demonstrating a willingness to align CTE with local business needs can serve as an economic development tool to attract new enterprises to the state.

- For students planning to pursue higher education before entering the job market full-time, dual enrollment programs can be combined with public and private sector partnerships to leverage work training and experience opportunities while also enabling high school students to earn college credits. This gives college-bound students an idea of what is required to succeed in a given profession and an early start on their post-secondary education.
- Florida has successfully implemented advanced placement credits and high school dual enrollment in CTE through a statewide credit articulation system, allowing students to pursue postsecondary education while gaining practical skills.⁴⁰
- Apprenticeships and internships can also be critical components of an effective CTE program. Wisconsin has a well-developed apprenticeship model that connects students with hands-on work experiences in partnership with local businesses—and everyone benefits. Apprentices earn a progressive wage while learning an occupation. Employers grow their own skilled workforce, and industries ensure the integrity of their training. Wisconsin employers annually train approximately 10,000 registered apprentices in about 200 occupations.

Nevada could more closely align its CTE with local industry, offer more opportunities for students to earn post-secondary credit while in high school, and partner with the business community or government agencies to create a comprehensive apprenticeship program.

Post-Secondary Workforce Development

For those students who have dropped out of or completed high school without the necessary skills to break into a career-track job, programs like EARN Maryland (Employment Advancement Right Now) can be very helpful. EARN is a nationally recognized workforce development initiative created by the state of Maryland to address the needs of both workers and businesses by fostering industry-led partnerships. Launched in 2014, the program is designed to close skill gaps in key industries, ensuring that workers receive the training they need to secure well-paying jobs while businesses have access to a skilled and ready workforce. It serves unemployed, underemployed, and incumbent workers, so it emphasizes initial job placement and long-term career advancement.⁴¹

Nevada may be able to leverage its adult workforce development efforts to provide opportunities for high school students. The opposite may also be possible for post-secondary workforce development. The state's growing economy needs workers at all stages of development, and it is beneficial to consider how any workforce training effort can be applied to the range of potential employees.

Nevada has already made inroads in all the above areas. Just a few examples include JAG [Jobs for Nevada's Graduates] Nevada,⁴² the Tesla Manufacturing Development Program,⁴³ the Employability Skills for Career Readiness standards,⁴⁴ and ACE High School in Reno.⁴⁵ Strong education-to-career pathways better prepare Nevada's students for the workforce, reduce unemployment, and foster long-term economic growth. These efforts help ensure that Nevada's education system produces graduates who are well-prepared for the demands of the rapidly evolving modern economy. However, Nevada needs to integrate its efforts more thoroughly into its system of K-12 education.

39 Suffren, Quentin. "Aligning State Career and Technical Education Programs with Industry Needs and Priorities a PLAYBOOK for STATE POLICYMAKERS." Accessed September 19, 2024. <https://excelined.org/wp-content/uploads/2019/01/ExcelinEd-CTE-Playbook5-AligningCTE-February2019.pdf>.

40 Stewart, Pam. "Statewide Articulation Manual." 2014. <https://catalog.nwfsc.edu/mime/media/19/597/statewide-postsecondary-articulation-manual+2014.pdf>.

41 "Maryland PYs 2020-2023 - WIOA State Plan, Common Elements - Partner Engagement with Other Education and Training Providers - Efe2fcc4-05af-4edf-A4d9-46fd0e956ecd | WIOA State Plan Portal." Ed.gov. 2020. <https://wioaplans.ed.gov/node/16256>.

42 Nevada, JAG. "Home." JAG Nevada. 2024. <https://jag.org/>.

43 "Manufacturing Development Program." Tesla. 2024. <https://www.tesla.com/careers/manufacturing-development-program>.

44 "Employability Skills for Career Readiness." Nv.gov. 2023. <https://doe.nv.gov/offices/craeo/cte/employability-skills-for-career-readiness/>.

45 "ACE High School." Acehighschool.org. 2024. <https://www.acehighschool.org/>.

A Long-Term Objective: The Swiss Model

At nearly \$92,000, Switzerland's 2024 per-capita income (adjusted for purchasing power parity) is among the highest in the world.⁴⁶ Other than during the COVID-19 pandemic, its unemployment rate has not exceeded **4.9 percent** in the past 30 years.⁴⁷ Switzerland boasts these strengths despite being in the middle of the pack in the percentage of adults with college degrees among members of the Organisation for Economic Co-operation and Development.⁴⁸

Researchers and commentators agree that the cornerstone of Swiss economic health and success is its Vocational Education and Training (VET) system, which prepares approximately **70 percent** of Swiss teens for their future profession. It equips a diversity of students, including high academic achievers, for careers that include information technology, advanced manufacturing, and healthcare; it also includes traditional trades. Young people can pursue both white-collar and blue-collar professions through a robust apprenticeship model, which offers the added benefit of maintaining low youth unemployment. This system consistently produces highly skilled, work-ready employees, significantly benefiting Swiss businesses and contributing to the nation's economic success. Given Switzerland's small size and lack of natural resources, its economy relies heavily on producing world-class services and goods, making the VET system crucial to its ongoing strength.

The VET system is popular among young people because it places high school students in professional environments where they are given responsibility, treated as adults, and supported with extensive guidance. The learning offered is practical, with academic concepts applied in real-world settings. Additionally, students are paid during their apprenticeships, beginning at several hundred dollars per month for part-time work and rising to over \$1,000 by their third year. Upon completing their apprenticeships, students receive a nationally recognized, portable certification, enabling them to either transition into full-time work or higher education.

Unlike some other systems, the Swiss VET program intentionally includes pathways for students to switch between academic and vocational tracks and continue their education at universities of applied sciences. This flexibility also allows those who start their careers in technical roles the opportunity to climb the corporate ladder by gaining additional education and qualifications—in management, for example.⁴⁹

Research shows that Nevada might:

- Create a long-term education-to-workforce strategic plan that builds on successful existing initiatives;
- Work toward a comprehensive apprenticeship track in secondary education that can train one-third to two-thirds of all high school students; and
- In the interim, implement best practices from other states that offer transitional milestones between Nevada's current system and the one it envisions.



46 Imf.org. 2020. <https://www.imf.org/external/datamapper/PPPPC@WEO/OEMDC/ADVEC/WEOWORLD>.

47 "Unemployment, Total (% of Total Labor Force) (Modeled ILO Estimate) - Switzerland | Data." Data.worldbank.org. <https://data.worldbank.org/indicator/SLUEM.TOTL.ZS?locations=CH>.

48 "Home." Oecd-ilibrary.org. 2023. <https://www.oecd-ilibrary.org/sites/e13bef63-en/1/3/2/1/index.html?itemId=%2Fcontent%2Fpublication%2Fe13bef63-en&csp=a4f4b3d408c9dd70d167f10de61b8717&itemGO=oecd&itemContenttype=book#tablegrp-d1e3347-50bef92a42>.

49 "Gold Standard: The Swiss Vocational Education and Training System - NCEE." NCEE. June 16, 2021. <https://ncee.org/book-report/gold-standard-the-swiss-vocational-education-and-training-system/>.

CONSIDERING PEOPLE WITH DISABILITIES

When labor markets are tight, employers often need to look at an expanded workforce pool to fill vacancies. For example, they might consider hiring candidates with less experience or education than they would normally consider, or they might pursue industry retirees to return to work. One workforce subgroup, which might not even be regarded as a separate subgroup by employers, is people with disabilities.

Department of Labor data show the LFPR among people with disabilities aged 16 to 64 is **40.8 percent**, while it is **77.9 percent** for people without disabilities. Similarly, the unemployment rates of these groups are **7.9 percent** and **3.8 percent**, respectively. Thus, it is more than double for people with disabilities.⁵⁰ This gap represents a good source of available but underutilized labor that can provide tangential benefits to employers.

Why People with Disabilities?

What are the general characteristics of excellent employees? Employers might cite high performance, punctuality, reliability, and loyalty as qualities desired in their personnel. Research consistently shows that employees with disabilities tend to match or outperform their nondisabled peers in all these areas.

A 2010 study of employee performance in the health, hospitality, and retail sectors found that employees with disabilities were approximately equivalent to those without disabilities in overall job performance.⁵¹ A systematic analysis of 39 peer-reviewed studies on the benefits of employing people with disabilities found that companies dedicated to such proactive hiring experienced increased profitability due to lower employee turnover and better retention, improved reliability and punctuality, greater employee loyalty, and enhanced company image.⁵² Looking to the subpopulation of Nevadans with disabilities as a source of labor is not just a supplementary strategy for tight labor markets; it is good business at any point in time.

And, hiring people from this workforce segment can yield additional benefits to employers that often are not available with other subgroups. One example is the support available through [Nevada's Bureau of Vocational Rehabilitation](#) (currently part of Nevada's Department of Employment, Training and Rehabilitation), which provides a range of free services to help people with disabilities prepare for, obtain, keep, and advance in their employment. Also known as Voc Rehab or VR, the Bureau effectively serves as a partner to the employer in helping the employee-client to succeed. For example, VR can provide personalized skills development, internship and apprenticeship programs, on-the-job training, work shadowing, and other technical assistance. If an employee needs a special assistive technology device or other physical accommodation in the workplace, Voc Rehab can often arrange and pay for an assessment and recommended devices. All these services are available for current, new, or potential employees with disabilities.

The Bureau also acts as an employment agency, offering free consultation services to connect employers with potential employees. After a VR client is hired, they provide comprehensive follow-up services for 90 days to ensure employer satisfaction and employee confidence.



50 U.S. Department of Labor. 2022. "Disability Employment Statistics | U.S. Department of Labor." [www.dol.gov](https://www.dol.gov/agencies/odep/research-evaluation/statistics). 2022. <https://www.dol.gov/agencies/odep/research-evaluation/statistics>.

51 Hernandez, Brigida, and Katherine McDonald. "Exploring the Costs and Benefits of Workers with Disabilities." *The Journal of Rehabilitation* 76, no. 3 (2010): 15–23.

52 Lindsay, Sally, Elaine Cagliostro, Mikhaela Albarico, Nada Mortaji, and Leora Karon. "A Systematic Review of the Benefits of Hiring People with Disabilities." *Journal of Occupational Rehabilitation* 28, no. 4 (2018): 634–55. <https://doi.org/10.1007/s10926-018-9756-z>.

Additional Benefits Available to Private Sector Employers

Several federal tax incentives are available to employers who hire individuals with disabilities, adding to the financial benefits of recruiting from this workforce subgroup. Some of these tax benefits are discussed below:⁵³

- **The Disabled Access Credit** provides a non-refundable credit for small businesses that incur expenditures to provide access to persons with disabilities. An eligible small business is one that earned \$1 million or less and had no more than 30 full-time employees in the previous year. It may claim the credit each year it incurs access expenditures.
- **The Work Opportunity Tax Credit** provides a tax credit to employers who hire qualified individuals from certain target groups, including individuals with disabilities. The maximum tax credit ranges from \$1,200 to \$9,600, depending on the employee hired and the length of employment.
- **The Architectural and Transportation Barrier Removal Tax Deduction** encourages businesses of any size to remove architectural and transportation barriers to the mobility of people with disabilities and those who are elderly. Businesses may claim a deduction of up to \$15,000 per year for qualified expenses for items that normally must be capitalized. This tax deduction and the Disabled Tax Credit may be used together in the same tax year if the expenses meet the requirements of both sections.



Additional Benefits Available to Government Employers

As of Fall 2024, there are over 13,000 federal civilian government positions located in Nevada.⁵⁴ Federal law allows many of these to be filled by people with disabilities through a streamlined hiring process called Schedule A. This hiring authority allows federal agencies to hire individuals with disabilities more easily as part of a broader effort to promote employment opportunities for this demographic within the federal workforce.

To qualify for Schedule A, individuals must have a physical, intellectual, or psychiatric disability documented through specific sources, such as medical professionals or vocational rehabilitation. It does not require a competitive hiring process, which can significantly reduce the time and complexity involved in staff recruitment. Federal agencies are encouraged to actively recruit and consider Schedule A candidates, and individuals hired under this authority can fill various positions within federal agencies, including administrative, managerial, and technical roles.

State government agencies in Nevada have a similar hiring authority under [Nevada Revised Statutes 284.327](#), also known as the 700-Hour Program. Furthermore, this statute now mandates the proactive recruitment and hiring of people with disabilities.⁵⁵ The 700-Hour Program assists people with disabilities in securing temporary employment with Nevada state agencies for up to 700 hours. During or following completion of the 700 hours, the employee may be placed on priority hiring lists or appointed to a permanent position with the agency. As with the federal Schedule A authority, Nevada's 700-Hour Program allows streamlined, non-competitive hiring.

As of September 2023, the vacancy rate in State of Nevada agencies was approaching **25 percent**, impairing the effective operation of state programs and services.⁵⁶ A general statewide effort to draw Nevadans with disabilities into the labor force, combined with the special authorities in federal and state law, could have a measurable effect on the state's LFPR.

⁵³ "Tax Benefits for Businesses Who Have Employees with Disabilities | Internal Revenue Service." 2022. [www.irs.gov June 13, 2022](https://www.irs.gov/june13/2022).

⁵⁴ Review of Current Federal Civilian Employment by State and Congressional District. www.congress.gov. Congressional Research Service. Updated September 23, 2024.

⁵⁵ "NRS: CHAPTER 284 - STATE HUMAN RESOURCES SYSTEM." 2024. State.nv.us. 2024. <https://www.leg.state.nv.us/NRS/NRS-284.html#NRS284Sec327>.

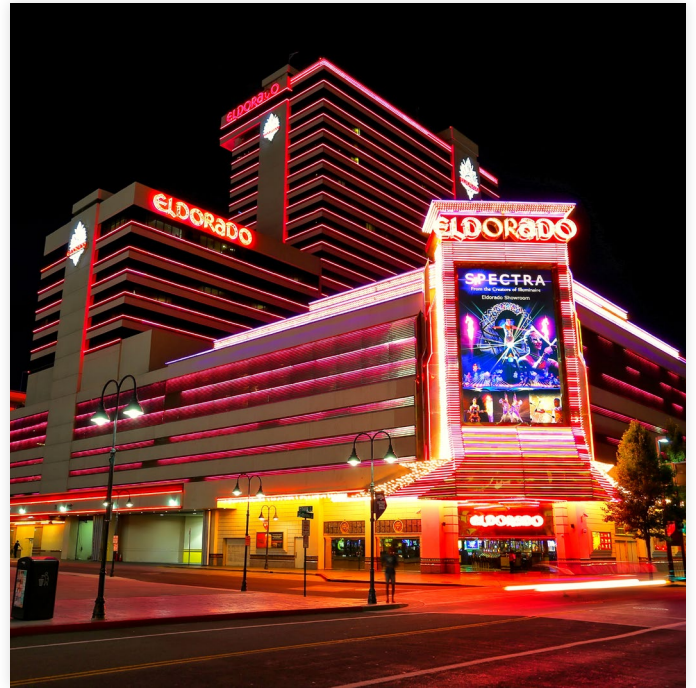
⁵⁶ "Executive Order 2023-010." 2023. Nv.gov. 2023. https://gov.nv.gov/Newsroom/ExecOrders/2023/Executive_Order_2023-010/.

A Two-Way Street

The pursuit of Nevadans with disabilities into the labor force must be a combined effort among employers, the Bureau of Vocational Rehabilitation, and workforce developers. The mission of VR is to function as an effective and supportive agent between employers and employees with disabilities, and the Bureau is regularly monitored for its effectiveness. And how is it doing? In broad measures, Nevada's VR performance is typical compared to other states; so, one might argue that VR needs to do more to make inroads with the labor market and the state's employers.

However, given the discussion above, Nevada's employers may have more to gain and an even greater vested interest in developing a symbiotic relationship with the Bureau of Vocational Rehabilitation. In theory, on the supply side, VR could prepare every Nevadan with a disability for employment, but this effort would be of little value if the state's employers are not interested in hiring them. A better approach might be for the process to be driven from the demand side, where employers approach Vocational Rehabilitation to describe the types of employees and skill sets needed, and the Bureau helps to find, prepare, and support the needed employees.

It seems there is an opportunity for Nevada's public and private employers, as well as its workforce development apparatus, to further consider the value of employing people with disabilities and using the services offered by the Bureau of Vocational Rehabilitation.



CONSIDERING OTHER STATES' EFFORTS IN WORKFORCE DEVELOPMENT

In recent years, the U.S. economy has experienced unusual and unprecedented influences on the labor market. The COVID-19 pandemic initially resulted in a wave of retirements and layoffs. Then, as the economy recovered, there was a widespread labor shortage. Now, the growth of artificial intelligence is exercising its influence on the workforce as some jobs are made unnecessary, some are transformed, and others are created.

The National Conference of State Legislatures tracks legislation considered and passed in all 50 states. In March 2024, it issued a report on the latest state policy trends in workforce development, which included apprenticeships, youth opportunities and employment, healthcare workforce incentives, and data collection and evaluation.⁵⁷ Below is a brief exploration of each, taking into consideration their implications for Nevada.

Apprenticeships

An apprenticeship is a structured training program that combines direct work experience with classroom instruction and usually includes pay, though at below journey-level rates. It allows individuals to learn a trade or profession by working alongside experienced professionals while receiving formal education. Apprenticeships typically focus on practical knowledge and skills, making them popular in traditional skilled trades such as construction and culinary arts. However, NCSL reports that apprenticeship models are expanding into other non-traditional industries like healthcare, technology, and the performing arts.

Apprenticeship programs are generally approved either by the U.S. Department of Labor's Office of Apprenticeship or a federally recognized State Apprenticeship Agency. Approximately half the states, including Nevada, have established such an agency. Nevada has an Apprenticeship Council (Council) in the Office of the Labor Commissioner, established in statute with authority to approve and register apprenticeship programs.

As of 2022, Nevada had 72 registered apprenticeship programs serving over 5,800 apprentices.⁵⁸

Registration of non-traditional apprenticeship programs has become a greater focus of the Council. Based on meetings of the Council since August 2023, it has considered and approved apprenticeship programs for teachers, dispensing opticians, IT specialists, and medical assistants.⁵⁹ The opportunity to consider additional non-traditional apprenticeship programs in the future was enhanced recently through a State Apprenticeship Expansion Formula grant in the amount of \$721,602 that the U.S. Department of Labor awarded in July 2024. The intent of the grant is to support the expansion of Registered Apprenticeship programs and further develop non-traditional apprenticeship opportunities in in-demand skilled workforce jobs.⁶⁰ This grant is in the early implementation stage, but the Legislature should examine whether outcomes merit potential investment by the State to realize sustained benefits.

The aforementioned Registered Apprenticeship program approved for teachers last year, called the Nevada Forward Initiative, and sponsored by the University of Nevada Las Vegas, includes the Paraprofessional Pathways Project for existing school staff who want to make the transition to teaching. The program enables paraprofessionals, substitutes, and other school support staff to earn their teaching degrees while maintaining employment.⁶¹ Since its inception, more than 460 paraprofessionals have become or are on track to become licensed teachers.⁶² While the program recently received a nearly \$3 million grant from the U.S. Department of Education to prepare another 300 educators for the classroom, the Legislature may wish to review the status of future funding sustainability given its success in both workforce development and addressing the critical staffing needs in the Clark County School District.⁶³

57 "Workforce Development Trends 2023." 2023. Ncs.org. 2023. <https://www.ncsl.org/labor-and-employment/workforce-development-trends-2023>.

58 Chambers, Shannon M. 2021. Review of the Overview of Nevada State Apprenticeship Council, Nevada Revised Statutes (NRS) 610 and Nevada Administrative Code (NAC)

59 Meetings of the Nevada Apprenticeship Council: August 2023, November 2023, February 2024. https://labor.nv.gov/Apprenticeship_Council/Meetings/Meetings/.

60 ApprenticeshipUSA. State Apprenticeship Expansion Formula (SAEF2) Grants. State of Nevada, Department of Business and Industry. Abstract Document.

https://www.apprenticeship.gov/sites/default/files/NV%20-%20AttachmentForm_1_2-ATT1-1236-01.%20Abstract%202024.pdf.

61 University of Nevada Las Vegas. The Nevada Forward Initiative. <https://www.unlv.edu/about/highlights/nevada-forward-initiative>.

62 University of Nevada Las Vegas. News Center. September 2023. "UNLV 'Nevada Forward Initiative' Approved as State's First Teacher Apprenticeship Program".

<https://www.unlv.edu/news/release/unlv-nevada-forward-initiative-approved-states-first-teacher-apprenticeship-program>.

63 The Nevada. "UNLV awarded \$3M grant for unique educator training program". <https://thenevadannews.com/2024/09/20/unlv-grant-nevada-forward-initiative/>.

Yet another opportunity for the expansion of Registered Apprenticeships in high-demand fields was enabled through the second round of grant funding totaling \$195 million under the Apprenticeship Building America Initiative, of which \$4 million was awarded to Nevada Works for the Nevada Apprenticeship Initiative project. The project outcomes include the development and expansion of Registered Apprenticeship programs, the enrollment and completion of pre-apprenticeship programs, and the disbursement of supportive services funding to reduce barriers to participation.⁶⁴ Nevada could look to the comprehensive apprenticeship models common in Europe, particularly the Swiss model described above, as aspirational examples for further expanding apprenticeships in the state's secondary schools. One day, these programs might even grow to serve half or more of Nevada's high school students, as is common in other countries.

As an example closer to home, in 2023, Florida passed [Senate Bill 240](#) to charge various state agencies with expanding apprenticeship opportunities for youth, including Career and Technical Education programs in both middle and high schools. The legislation includes a substantial appropriation and requires:

- Partnerships between local workforce agencies and employers;
- Establishing regional education and industry consortia to meet and report to local workforce development boards about the most effective ways to grow, retain, and attract talent; and
- Each district school board to provide all students enrolled in grades 9 through 12 with at least one work-based learning opportunity.⁶⁵

In May 2024, the National Skills Coalition presented to the Nevada Legislature a variety of workforce recommendations. One of them suggests investing in industry-recognized credentials that are portable and stackable. Nevada could include this strategy in any apprenticeship efforts targeted toward young adults.⁶⁶

Youth Opportunities and Employment

The second state policy trend in workforce development identified by NCSL is related to youth opportunities and employment. Attitudes toward the value of higher education are changing due to the increasing cost of university education and the desire by many to pursue a technical education and career. These issues, combined with the accelerating rate of older worker retirements, have many state legislatures prioritizing youth employment. Numerous bills aim to help young adults explore career pathways and develop essential workforce skills. These initiatives also focus on enabling young people to contribute valuable services to their communities and state, such as planting trees, monitoring water quality, tutoring students, or connecting people with healthcare.

Maryland has particularly emphasized youth service programs. [Senate Bill 551](#) established the Youth-Adult Service Year Option and a government fund to support it. The program offers meaningful service opportunities, helps participants transition smoothly from high school to higher education or the workforce, and awards educational stipends to those who complete the program. Nevada could consider a similar initiative as a transitional step to a more comprehensive and formal apprenticeship program, as suggested above.



⁶⁴ ApprenticeshipUSA. Apprenticeship Building America (ABA2). NevadaWorks. Abstract Document. <https://www.apprenticeship.gov/sites/default/files/NevadaWorks.pdf>.

⁶⁵ "The Florida Senate Bill Analysis and Fiscal Impact Statement." Accessed October 10, 2024. <https://www.flsenate.gov/Session/Bill/2023/240/Analyses/2023s00240.fp.PDF>.

⁶⁶ Bergson-Shilcock, Amanda. 2024. "Building a Strong Workforce for Greater Economic Vitality: Effective Policies for Nevada Leaders." National Skills Coalition. <https://www.leg.state.nv.us/App/InterimCommittee/REL/Document/30523>.

Healthcare Workforce Incentives

The third state policy trend in workforce development NCSL identified is related to healthcare workforce incentives. A data analysis by CBER forecasts that healthcare will be Nevada's second-largest industry employer by 2028.⁶⁷ State legislatures often focus on fast-growing, in-demand industries when addressing workforce development. While healthcare worker shortages are a national issue, rural communities have been hit especially hard. In response, many states have passed bills to encourage healthcare professionals to work in rural and underserved areas.

For example, Idaho established the Rural and Underserved Nursing Incentive Program through [House Bill 213](#), which offers student loan repayment for nurses working in these communities. Similarly, Kentucky created the Healthcare Workforce Investment Fund through [House Bill 200](#), providing scholarships to help reduce financial barriers for those pursuing high-demand healthcare credentials.

Nevada ranks 45th nationally in the rate of physicians and registered nurses per 100,000 residents. By the same measure, it also ranks 49th in the number of general surgeons and pediatricians. Furthermore, nearly **70 percent** of Nevadans reside in a federally designated primary care health provider shortage area, and almost **90 percent** in a mental health provider shortage area.⁶⁸

In a presentation during the 2022 legislative interim, the Nevada Health Workforce Research Center (NHWRC) offered recommendations for mitigating the state's healthcare workforce challenges. These included:

- Increasing the number and diversity of healthcare education graduates the state produces through efforts such as innovative partnerships between industry and higher education, apprenticeships and new pathways to licensure, and expanding Graduate Medical Education programs for physicians;
- Improving the effectiveness of the existing healthcare workforce by increasing utilization of non-physician professionals practicing at the top of their scope of practice, expanding

the authorized scope of practice for current clinicians, and reimbursing for telemedicine consultations; and

- Attracting existing healthcare professionals by reengaging inactive licensees and recent retirees and expanding licensure compacts and reciprocity with other states and nations.⁶⁹

Additionally, the Nevada Patient Protection Commission (PPC) monitors the status of Nevada's healthcare workforce and proposes legislation to address the state's acute shortages. Nevada's workforce development advocates might collaborate with the PPC and the NHWRC in their efforts.

Additional public policy ideas are available through NCSL's Health Workforce Legislation Database.⁷⁰

Data Collection and Evaluation

The final state policy trend in workforce development NCSL identified is related to data collection and evaluation. Workforce development programs are receiving significant attention, but there is a growing focus on studying future workforce needs and assessing the effectiveness of existing programs. By comprehensively collecting and analyzing data, policymakers can identify which programs are most successful, leading to increased funding for those that deliver results. As one example, Texas enacted [House Bill 1703](#) to create a workforce training evaluation program that measures the success of its workforce programs.

The Nevada P-20 to Workforce Research Data System (NPWR) has existed for about a decade but has only recently gained momentum toward its vision of being a leading data source for policymakers, program managers, and researchers across sectors of Nevada's economy. An intentional pursuit of the concepts and goals outlined in the NPWR 2024-2025 Strategic Plan will go a long way toward advancing the system's utility and the ability of the state's leaders to make evidence-based workforce decisions.⁷¹ Additionally, CBER has conducted a statewide workforce survey every year since 2022 to understand worker sentiment around the job market better. This information could be helpful to Nevada's workforce planners.

67 <https://cber.unlv.edu/wp-content/uploads/2024/06/Population-Forecast-2024.pdf>

68 Filippi, Joseph. 2024. "Patient Protection Commission July 1 Report." https://www.leg.state.nv.us/Division/Research/Documents/RTTL_NRS439.918_2024-07.pdf.

69 Packham, John. 2022. "Health Workforce Trends and Policy in Nevada." Nevada Health Workforce Research Center. <https://www.leg.state.nv.us/App/InterimCommittee/REL/Document/27830>.

70 "Health Workforce Legislation Database." 2024. NcsL.org. <https://www.ncsl.org/health/health-workforce-legislation-database>.

71 "The Nevada P-20 to Workforce Research Data System, Strategic Plan 2024-2025." 2023. NPWR Advisory Committee. <https://gowinn.nv.gov/wp-content/uploads/2023/12/NPWR-Strategic-Plan-for-web.pdf>.

Skills-Based Recruitment

One additional state workforce development trend not covered in the NCSL survey is the movement toward skills-based over education-based recruitment in state hiring. In fact, CBER's quarterly business confidence index for Southern Nevada shows that finding qualified employees has been a consistent challenge reported by employers since the end of the pandemic restrictions in 2021. Since 2023, Nevada Governor Joe Lombardo has issued four executive orders related to skills-based recruitment in response to a **24 percent** vacancy rate in state positions. Specifically, the Governor suspended minimum qualifications for candidates seeking employment for all job classification series graded at a level 29 and below, through June 30, 2025. Nevada has also addressed certain positions at grade levels higher than 29 through administrative action. Through its Division of Human Resource Management, in coordination with subject matter experts, select positions requiring a bachelor's degree as a minimum qualification have been broadened to include a high school degree as an alternative with a greater number of years of relevant experience. However, other states have gone further in this policy area and Nevada might consider additional measures.

Courtney Haynes, Chief Engagement Officer for the nonprofit advocacy group, Opportunity@Work, says that **77 percent** of employers have difficulty finding skilled talent, according to data from Manpower Group.^{72,73} Despite this need, nearly half of the active labor force lacks a bachelor's degree or higher and may be excluded from access to more than **70 percent** of jobs. "Employers often screen out millions of applicants before potential employees ever get to even show their skills," Haynes says. "In this U.S. labor market, we're excluding even more than we ever have." Opportunity@Work classifies about 70 million Americans as "skilled through alternative routes," or STARs, and found that many of them have the potential to earn higher wages and participate in more highly skilled professions.⁷⁴

In response to these labor market challenges, companies like IBM, Delta Airlines, Google, and Bank of America have removed college degree requirements from their hiring processes. Additionally, at least 18 states have dropped degree requirements for most public sector jobs through legislation and executive action.⁷⁵

Nevada could consider extending and expanding, beyond June 30, 2025, Governor Lombardo's skills-based recruitment executive orders issued in September 2023, December 2023, June 2024, and November 2024.⁷⁶ This could include further extending skills-based options, allowing such recruitment beyond positions below grade 29 in state service, and enabling incumbents and candidates to demonstrate their qualifications in a growing variety of new but relevant ways.



72 "In Hunt for Workers, Some States Value Skills over Degrees." National Conference of State Legislatures. <https://www.ncsl.org/state-legislatures-news/details/in-hunt-for-workers-some-states-value-skills-over-degrees>.

73 "Hiring Outlook Remains Optimistic for Q2 as Global Talent Shortage Hits 17-Year High." 2023. Manpowergroup.com. <https://www.manpowergroup.com/en/news-releases/news/hiring-outlook-remains-optimistic-for-q2-as-global-talent-shortage-hits-17-year-high>.

74 "STARsPolicy—Opportunity@Work." 2024. Opportunity@Work. September 3, 2024. <https://opportunityatwork.org/stars-policy-project/>.

75 Smalley, Andrew. "States Consider Elimination of Degree Requirements." <https://documents.ncsl.org/wwwncsl/Education/States-Elimination-Degree-Requirements-v02.pdf>.

76 Nevada Executive Orders 2024-006, 2023-011, and 2023-010. Gov.nv.gov. <https://gov.nv.gov/Newsroom/ExecOrders/2024/executive-order-2024-007/> and <https://gov.nv.gov/Newsroom/ExecOrders/2024/executive-order-2024-006/> and https://gov.nv.gov/Newsroom/ExecOrders/2023/Executive_Order_2023-011/ and https://gov.nv.gov/Newsroom/ExecOrders/2023/Executive_Order_2023-010/.

ECONOMIC DIVERSIFICATION

This report highlights various policy measures to improve workforce development and, thus, labor force participation in Nevada. Enhancing skills of both prospective K-12 students and current workforce participants to match those required by high-demand fields boosts Nevada's competitiveness for diverse industries and improves individuals' potential for higher wages and stable employment. However, workforce development strategies must be complemented with continued aggressive economic development work to employ our skilled workforce and realize the full benefits of the state's investment in the workforce development effort.

Through the Governor's Office of Economic Development and regional development authorities, Nevada has done much to improve the diversification of its economy by the addition of the Tesla gigafactory, data centers, and numerous other businesses. Additional work is necessary to further diversify the economy with industries that offer high-skill level, high-paying jobs.

In its 2023 State Plan, the Governor's Office of Economic Development identified target industries to help the state move closer to its goals of a sustainable, innovative, and connected economy including: (1) information technology; (2) transportation and logistics; (3) natural resources and technologies; (4) hospitality, tourism and creative industries; and (5) advanced manufacturing. The State Plan noted the number of jobs in the information technology industry cluster grew by **75 percent**, transportation and logistics grew **89 percent**, advanced manufacturing grew by **59 percent**, and natural resources and technologies grew **34 percent**. This suggests that "The growing concentration of these sectors in Nevada relative to the rest of the United States (indicated by the location quotient) also indicates the competitive potential and diversification opportunities in these industries."⁷⁷

In addition to tax incentives offered by the state to attract business relocation, the Governor's Office of Economic Development has also highlighted strengths that position Nevada to further its efforts towards economic diversification, namely, its business-friendly environment, low regulation, favorable tax environment as well its proximity to

innovation and logistics hubs on the West Coast. The state could continue to capitalize on its strengths and utilization of its economic development tools to further bolster its efforts in diversifying distressed regions in Nevada and those regions vulnerable to declines in visitation due to economic downturns.

With recent federal policy shifts related to on-shoring and redeveloping the nation's manufacturing capacity, Nevada could monitor these developments and look for opportunities to capitalize. Northern Nevada's "Lithium Loop" is a group of associated businesses that are breaking new ground in an emerging industry and are a diversifying force in the state. Furthermore, CBER research shows the state's growing healthcare industry is an economic diversifier, and the Governor's Office of Economic Development has identified it as a target industry in part because of this research. New opportunities for economic development are continuously emerging.⁷⁸



⁷⁷ "Realizing Nevada's Electric, Innovative, and Connected Future". 2023. Page 23. <https://goed.nv.gov/wp-content/uploads/2024/02/Statewide-Plan-Water-Health-12.20.2023.pdf>.
⁷⁸ <https://goed.nv.gov/target-industries/>

CONCLUSION

As we conclude this data-dense report, it is helpful to briefly revisit the key findings offered at the beginning (page 6):

- Nevada's labor force participation fell from 2019 to 2022 for most age groups, except those 55 and older.
- Based on the 2019 LFPR, Nevada had about **10,900** fewer workers in 2022.
- The LFPR for students aged 16–34 dropped from **53 percent** in 2019 to **50 percent** in 2022, partly due to higher unemployment or rising income among non-participants.
- Additional data shows education is not the main reason for lower 2022 participation, though it is still closely linked.
- Married men saw the largest LFPR decline.
- Limited economic diversification may explain the 2022 drop; leisure and hospitality employment fell **11.8 percent** while other sectors grew.
- About **10,800** leisure and hospitality workers left the labor force, accounting for nearly all of the state's 10,900 workers lost. Causes include early retirement, childcare issues, and job eliminations.
- Nationally, leisure and hospitality had the highest 2022 unemployment rate at **6.6 percent**, followed by retail at **5.2 percent**. Together, they made up over **30 percent** of Nevada's workforce, versus **20 percent** nationally.

Following the COVID-19 pandemic—which uniquely affected Nevada and resulted in an unemployment rate of **30.6 percent** in April 2020—CBER and the Guinn Center researched factors influencing Nevada's pre- and post-pandemic Labor Force Participation Rate. Nevada's LFPR has remained stubbornly lower than pre-pandemic levels and is still the third-largest gap among all U.S. states. Our 2023 report revealed that the post-pandemic decline in the LFPR was attributed to local economic structure and educational factors.

Nevada's labor force was affected significantly due to its dependence on the leisure and hospitality industry, which saw the most significant decline in LFPR during the pandemic and has been struggling nationally to fully recover.

This report expands on our previous LFPR study to assess whether the effects of the COVID-19 pandemic recession persist. Indeed, they have, but we have a clearer picture of the influencing factors. The state's LFPR declined from 2019 to 2022 among all age groups except those 55 and older. Nevada also lost approximately 10,900 workers from the labor force between 2019 and 2022, most of whom were from the leisure and hospitality sector.

This report examines new data and compares it to pre-pandemic numbers through various demographic factors. We also considered the effects of migration, the return of older workers to the labor force, and how the transition from the pandemic economy affected Nevada's unemployment rate. Finally, we considered that the pandemic experience revealed structural weaknesses caused by Nevada's lack of economic diversification.

There is a range of policy strategies that Nevada might consider, and all have proven successful in other states and nations. When a local economy can strengthen the alignment between its system of education and the career pathways available, new workforce entrants are better prepared and have more fulfilling and lucrative career options. People with disabilities are an underappreciated labor force segment, and bringing them into the fold can yield additional individual and societal benefits. Reforming the State's occupational licensing could also open the door for underemployed individuals to fully contribute to the economy and for workforce shortages to be filled. There is work to do, but a variety of proven options are available to Nevada's policymakers.



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