

2008 Population Forecast Executive Summary

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

The model recalibration incorporates the most recent information about employment growth, expected hotel construction, transit investment, and an amenity factor representing negative externalities from growth. The resulting forecast predicts positive economic growth throughout the range of the forecast, though growth is much more robust in the short run. However, the primary focus remains on the long run, which has a final population forecast of 3.6 million in 2035.

The accompanying table gives the population forecast. Population growth remains strong in the near-term forecast, but falls below the long-term average by 2020 (employment growth does the same more quickly, by 2013, because the recent rapid employment growth leads to a relatively high long-term average). The population in Clark County is predicted to grow at a rate of 4.2 percent in 2008, following the relatively strong showing of 4.4 percent in 2007. The model then predicts that growth will taper off as the economy matures. We note that, despite short-term economic uncertainties and

model difficulties, the main focus of this forecasting exercise, the long-term population estimate is fairly consistent with past forecasts. By 2015, the growth rate is below 2.9 percent, and by 2030 it has leveled off at 1.1 percent. This represents a long-term convergence to the national average annual population-growth rate, which is projected to stabilize at around 1 percent after 2020.

Although we feel these forecasts are sound, there are significant risks to the forecasts which could lead to our having either over-or underestimated growth. We say, however, that these risks tend to arise from short-run uncertainty, whereas, our forecasts are primarily meant to be long-run planning tools.

Source: Center for Business and Economic Research
University of Nevada, Las Vegas
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