

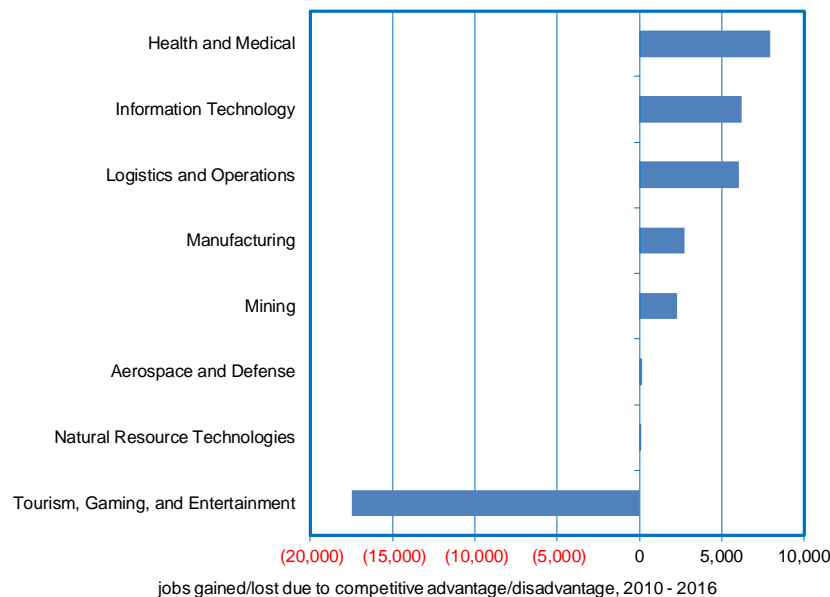
Research Notes



Emerging Industries Shift Share
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Shift Share Analysis of Targeted Industries Reveals Healthcare and IT in the Lead



- This *Research Note* examines job growth in selected industry sectors defined by the Governor's Office of Economic Development partnership with the Governor's Office of Workforce Innovation (OWINN). These sectors are specifically targeted to better align workforce development efforts in the State. The eight sectors are: aerospace, construction, information technology, health care, manufacturing/logistics, mining/materials, natural resources, and tourism.
- Shift share analysis allows us to take a closer look at a region's economic growth by examining three contributing factors: the industrial mix effect, the national growth effect, and the regional competitive effect. The first two factors explain how much of an industry's growth in a given area is attributable to national trends as a whole and in the specific industry.
- The final factor, the competitive effect, is job growth that cannot be explained by national trends and therefore is likely due to a competitive advantage or disadvantage in the region, causing the industry to grow above or below expectations.
- All but one of the targeted sectors saw job growth due to competitive advantage. Health and medical industries saw the strongest growth, followed by information technology and logistics and operations. Although the growth in aerospace and defense appears small, due to the small size of the overall industry this growth still represents 27.7 percent more jobs than would be expected following national trends.
- Leisure and Hospitality added 42,500 jobs between 2010 and 2016, but would have added 60,000 jobs if following national growth trends for this period. Tourism in Nevada may not have been impacted as heavily during the recession as in other states, leading us to appear to lose competitiveness as other areas recover from the effects of the downturn.
- These trends suggest that strategic economic development efforts in the State have made a positive impact on diversifying Nevada's economy and encouraging competitiveness in emerging industries.