

30k by 2030

The Potential Economic and Fiscal Benefits of Connecting 30,000
Disconnected Youth in Nevada to Education and Employment



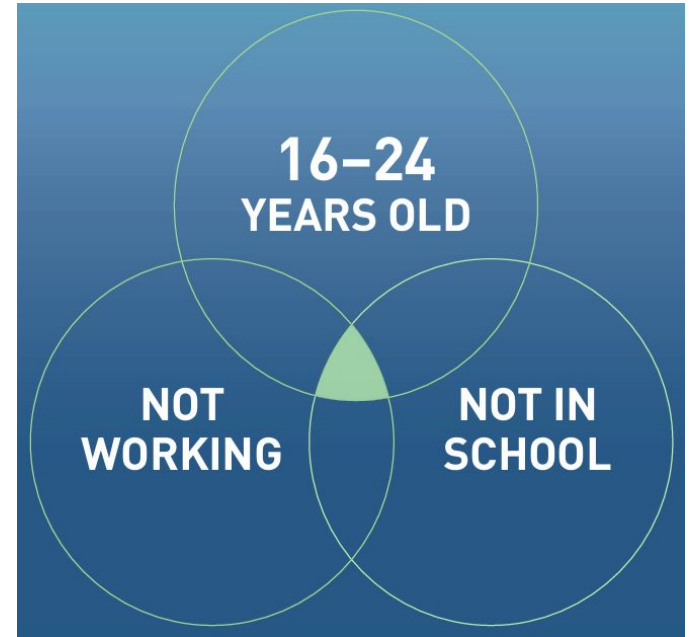
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53k Nevada Teens & Young Adults are Neither Working Nor in School

- “Disconnected” or “Opportunity” Youth
- About 6,300 in Washoe County
- 40,000 in Clark County
- Another 6,300 in the remaining counties and Carson City (“Balance of the State”)
- 73 percent of these youth have at least a high school equivalency

Source: 2022 American Community Survey (1-Year)

Disconnected Youth (DY)



As Bad as 53k Sounds, National Comparisons Make It Worse

- 15.2 percent of Nevada's youth in this age range are disconnected (5th worst, nationally)
- The rate of disconnection among Black/African American youth is twice that of White youth (26.4 percent versus 13.2 percent)
- 13.7 percent of Nevada's Latinx youth are disconnected
- Rate of disconnection among Asian youth (13.4 percent) is the nation's highest for this ethnic group

Source: 2022 American Community Survey (1-Year)

However, a Growing Coalition of Community Partners are Working to Reconnect these Youth with Opportunities

Reconnection means:

- Enroll in education or training
 - two- or four-year degree programs,
 - postsecondary nondegree award programs (certificates), or
 - Adult Education programs (high school equivalency, etc.)
- Secure employment: full time for the purposes of this study



What would be the benefit—in economic terms—of 30k Nevada youth finding work in the state's high growth, high economic impact industries?

Reconnecting 30,000 Nevada Youth to Education and Employment Could Grow the Economy by \$17 Billion Through 2030

- Data sources: U.S. BEA, DETR's 2020-30 Projections, NPWR (DETR, NSHE, NDE)
- Three Regions: Las Vegas MSA, Reno MSA, Balance of the State
- Four Education Pathways: occupation forecasts categorized by minimum education (HSE, Postsecondary Nondegree Award, Associate's, Bachelor's)
- Prioritized occupations by contribution to GDP (*prevailing* industry)
- Tested two scenarios of reconnecting 22,400 youth in the Las Vegas MSA, 3,900 in the Reno MSA, and 3,700 in the Balance of the State (based on Disconnected Youth population)

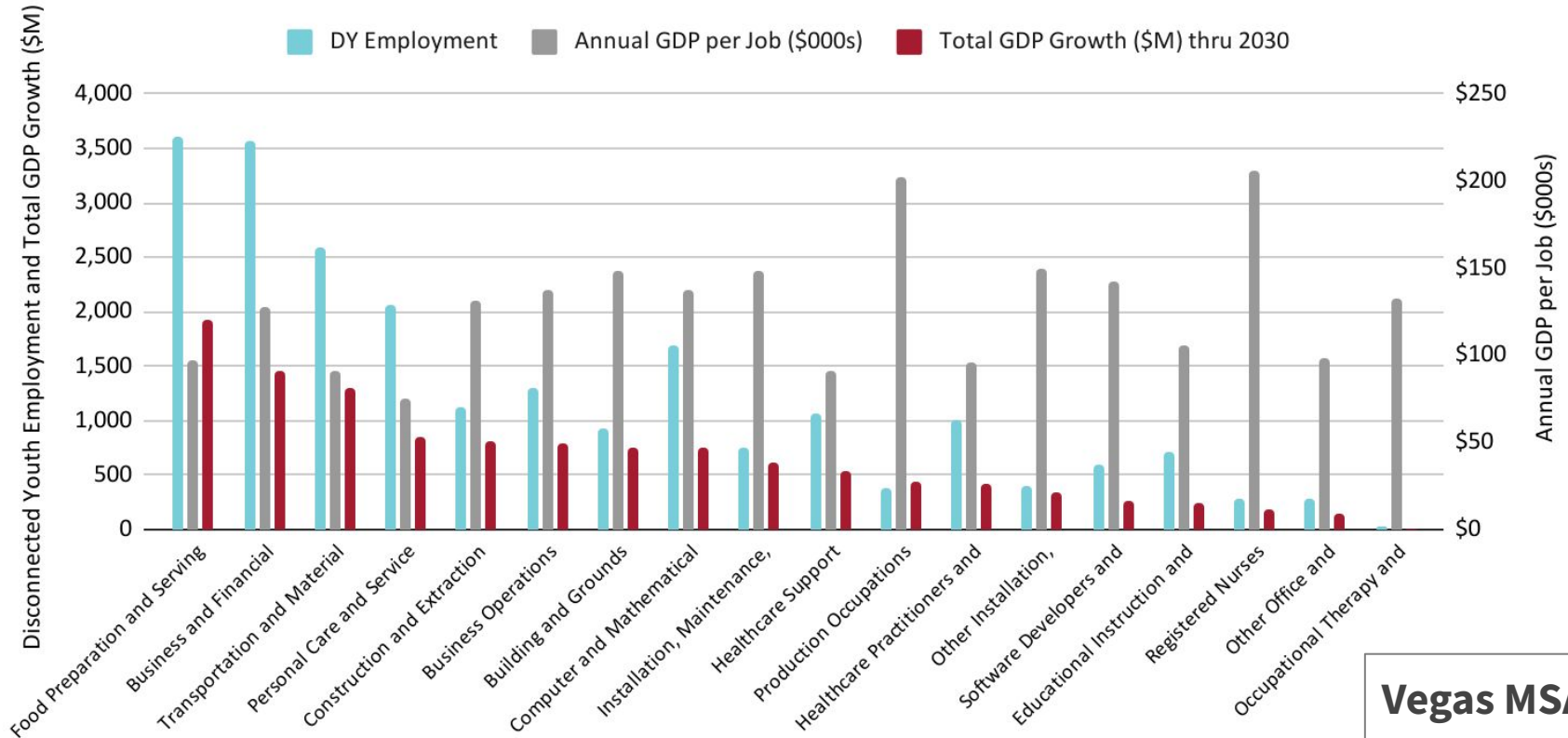
Economic Growth Can Be Estimated Using Change in Employment

Sample Entry-Level Occupation (Occ)	Sample Industry	Average GDP/Job	NV Annual Job Growth	Annual GDP Growth (\$M)
Office and Administrative Support	Data processing, hosting, and other information services	\$ 509,886	44	\$22.4
Construction and Extraction	Mining (except oil and gas)	\$ 445,333	107	\$47.7
Personal Care and Service	Motion picture and sound recording industries	\$ 224,677	72	\$16.2
Healthcare Practitioners and Technical	Hospitals	\$ 149,107	600	\$89.5
Food Preparation and Serving Related	Accommodation	\$ 130,732	1,781	\$232.8
Transportation and Material Moving	Warehousing and storage	\$ 120,778	779	\$94.1

Sources: DETR, BEA, NPWR, Woods & Poole Economics, Social Impact Consultants

$$\frac{\text{(GDP/\$1 Output)}}{\text{(Industry Job/\$1 Output)}} = \text{GDP per Industry Job}$$

Occupations Were Weighted by Job Growth and Contribution to GDP



Vegas MSA

Sources: DETR, BEA, Social Impact Consultants

Reconnecting 30,000 Nevada Youth Would Create Additional Jobs and Earnings for Nevada Workers

What would be the economic benefits of 30k Nevada youth finding work in the state's high growth, high economic impact industries?

- 20,000 new jobs created (in addition to the 30,000 jobs filled)
- \$11 billion in earnings for workers, Disconnected Youth and others, over six years



The NPWR Database Made the Estimates More Accurate & Conservative

- Average GDP per job from the BEA doesn't assume entry-level occupations, so NPWR allowed us to account for entry-level wages

NSHE Graduates * **DETR Wages** = **Earnings Estimates for NSHE Graduates**

Adult Ed. Graduates * **DETR Wages** = **Earnings Estimates for Adult Ed. Graduates**

- As with GDP per Industry Job, GDP can also be calculated per \$1 earnings
- GDP was calculated using the average of
 - the GDP per Industry Job and
 - the GDP per Earnings of those industry jobs

$$\frac{(\text{GDP}/\$1 \text{ Output})}{(\text{Earnings}/\$1 \text{ Output})} = \text{GDP per } \$1 \text{ Earnings}$$

The Fiscal Benefits of Reconnecting these Youth Could Fund the Programs Needed To

What would be the fiscal benefits of 30k Nevada youth finding work in the state's high growth, high economic impact industries?

- Fiscal benefits: sales tax collections and public costs avoided (welfare/supportive services, criminal justice, Medicaid, etc.)
- Additional sales tax collections (based on GDP growth):
 - \$541 million in sales tax revenue, \$400 million of which generated in the Las Vegas MSA
 - \$18,000 in sales tax revenue per youth reconnected

$$\left[\frac{\text{Taxable Sales}}{\text{GDP}} \right] * \text{GDP Growth} = \text{Additional Taxable Sales from the Initiative}$$

The Fiscal Benefits Of Reconnecting These Youth Could Fund The Programs Needed To (cont.)

Region	Welfare/Social Services (\$M)	Healthcare (\$M)	Criminal Justice (\$M)	Total (\$M)
Las Vegas MSA	\$ 192	\$ 640	\$ 2,877	\$ 10,175
Reno MSA	\$ 32	\$ 122	\$ 549	\$ 1,379
Balance of the State	\$ 33	\$ 117	\$ 526	\$ 676
Total	\$ 256	\$ 880	\$ 3,952	\$ 12,230

Sources: U.S. Dept. of Agriculture, “The Economic Value of Opportunity Youth” (2012)

- Per-youth savings to city, county, and state budgets:
 - \$170,000 per youth reconnected (over six years)
 - \$28,000 per year cost to taxpayers for every youth who remains disconnected

These DY Initiatives Present an Opportunity for Policymakers

By investing in Disconnected Youth now, the Nevada Legislature would be investing in a brighter future for all Nevadans that will pay off for generations.

- DY reconnection efforts have significant potential to grow Nevada's economy and fill labor shortages
- However, reconnection costs approximately \$15k/youth
- Opportunity: leverage fiscal benefits for program funding in early years
- Therefore, realizing these benefits will require support from the Nevada Legislature

Questions? Please Contact

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Message Planning

1. Audience's mindset: who are disconnected youth and why focus on them?
 - a. Other researchers: may be skeptical of large claims; may want to make me look less capable (stump me)
 - b. Warner Bros.: interested in film-related occupations. But are DY qualified? How soon?
 - c. Second order audience
 - i. Policymakers: want to deliver results for their constituents, want to remain in power, want to leave a legacy, want to feel significant
 - d. Reaction: how will we pay for this? Why these youth instead of other jobseekers?
2. Destination
 - a. Want to allocate resources to educate, train, and employ these youth
 - b. Potential clients will want to hire me for similar work
3. Pathway
 - a. Data-driven, suggestive style
 - b. Prompt audience to ask, how?

SCQ Intro

1. Situation: facts about the situation that are undisputed
 - a. We have a DY challenge
2. Complication
 - a. We want a solution that maximizes economic growth
3. Key Question: What should we do to achieve that growth?

Complication