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## Chmura Economic Diversity Index: Nevada Counties and Southwest Metros

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## CHMURA ECONOMIC DIVERSITY INDEX: NEVADA COUNTIES AND SOUTHWEST METROS

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### PURPOSE:

This Fact Sheet highlights Nevada and Mountain West data from the 2018 Economic Diversity Index (EDI)<sup>1</sup>, prepared by Chmura Economics & Analysis the economic diversity data details the disparities within counties in Nevada. The tables below show the different levels of economic diversity that exist in Nevada's counties and other relevant metropolitan statistical areas (MSAs).

### PREVIOUS INVESTIGATIONS HAVE DEFINED ECONOMIC DIVERSITY AS:

Economic diversity refers to the variety of economic industries in a particular region. When a region's economy has multiple sources of production rather than having one or two dominating industries that control most of the economy, they are seen as more economically diverse. Economies that are solely dependent on particular industries, such as coal or oil, are less economically diverse. There are many factors that will impact a county's ability to be more or less economically diverse such as the county's population, location, resources, and a range of other causes.<sup>2</sup>

### CHMURA ECONOMICS DEFINES ECONOMIC DIVERSITY AS:

For the purpose of this dataset, the U.S. in entirety is measured at 1.00 in economic diversity (1.00 being the most diverse and 180 being the least diverse). Each county is analyzed for how its industries compare to the U.S. as a whole. A lower level of economic diversity means that a county has an economy that is active in many sectors, which in turn makes it better equipped to withstand economic downturns. Counties on the higher end of the scale have economies that are focused around one or a few major industries, making these counties more vulnerable to economic shocks.

### DISCUSSION:

Table 1 and 2 signify the range of economic diversity that exists within Nevada. There are disparities in economic diversity when MSAs are compared to Las Vegas, however the more significant disparities are seen within Nevada's counties.

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<sup>1</sup> "Economic Diversity," Retrieved from: <http://www.chmuraecon.com/interactive/economic-diversity/>.

<sup>2</sup> Ibid.

Table 1 reveals the differences between the metropolitan and rural parts of Nevada. The metropolitan counties of Clark and Washoe are more economically diverse than rural parts of the state. The differences can be highlighted by Storey and Eureka counties, the least economically diverse counties in the state. Washoe County, the most economically diverse county in Nevada, is 125.5 points lower on the economic diversity scale than Eureka County. The metropolitan and rural divide within Nevada creates stark differences for economic outcomes throughout the state.

**Table 1: ECONOMIC DIVERSITY IN NEVADA'S COUNTIES**

COUNTY	DIVERSITY INDEX
Washoe	50.99
Clark	62.41
Carson City	83.84
Douglas	85.79
Churchill	93.83
Elko	96.96
Nye	102.72
Lyon	102.99
Humboldt	113.1
White Pine	125.02
Lincoln	135.19
Mineral	148.96
Lander	152.34
Pershing	153.77
Esmeralda	154.08
Storey	162.51
Eureka	176.49

As seen in Table 2, Phoenix, Los Angeles, and Las Vegas - the three metros that comprise the Southwest Triangle - and exchange goods, services, workforce, and visitors - are the three most diverse metros in the Mountain West. However, Phoenix is far more diverse than Las Vegas, leading by 26.01 points.

**Table 2: ECONOMIC DIVERSITY IN MOUNTAIN WEST MSA'S**

MSA	DIVERISTY INDEX
Phoenix	36.40
Los Angeles	38.32
Denver	39.04
Salt Lake City	44.91
Albuquerque	45.11
Reno	54.34
Las Vegas	62.41
Carson City	83.84