HIGHER EDUCATION AND THE LABOR MARKET
IN THE STATE OF NEVADA
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August 2000
This publication, *Higher Education and the Labor Market in the State of Nevada* was published by the University Center for Economic Development in the Department of Applied Economics and Statistics at the University of Nevada, Reno. Funds for this publication were provided by the United States Department of Commerce Economic Development Administration under University Centers Program contract #07-06-03262-00 and the President’s Office at the University of Nevada, Reno. This publication's statements, conclusions, recommendations, and/or data represent solely the findings and views of the authors and do not necessarily represent the views of the U.S. Department of Commerce, the Economic Development Administration, the University of Nevada, Reno, or any reference sources used or quoted by this study. Reference to research projects, programs, books, magazines, or newspaper articles does not imply an endorsement or recommendation by the authors unless otherwise stated. Correspondence regarding this document should be sent to:

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Higher Education and the Labor Market in the State of Nevada

Introduction

This report summarizes major findings of a study carried out on the structure of Nevada’s labor market in relation to higher education. Changes in the types of jobs available, both in terms of industries and occupations, greatly affect the relationship of higher education to the labor market. The nation-wide move from a manufacturing-oriented economy to an information-based economy has led to a marked increase in the number of jobs requiring a college education. The following information documents that trend and includes projections made for the year 2008. The focus is on future demand and associated earnings premiums for college educated labor in Nevada.

I. Projections for the national economy for the year 2008

The U.S. Department of Labor projects an employment outlook every two years (Thomson, 1997). Findings by the U.S. Department of Labor provide information regarding educationally related employment opportunities.

Synopsis of national, economic, employment and occupation trends.

- The national economy is projected to increase from $7.6 trillion in 1998 to $9.5 trillion in 2008 or a 25 percent increase in national economic activity.

- Overall national employment is expected to increase by 20.3 million from 1998 to 2008, 14 percent about 1998 employment levels.

- The demographic picture of the labor force is forecast to change by 2008.

- It is projected that Hispanics will have the largest increase in the labor force.

- Women’s share of the labor force is forecast to increase.

- In 1998, nationally 39 percent of the workers in the service industry held at least a bachelor’s degree, the highest percent of all industries. The fire, insurance and real estate and government (public administration) industries are close behind the service industry with 37 percent of their workers attaining a bachelor’s degree or higher.

- Three national economic sectors had a 15 percent or lower share of workers with at least a bachelor’s degree. These economic sector were wholesale and retail sector with 14 percent of workers with at least a bachelor’s degree. The agricultural, forestry and fisheries sector had 13 percent of total workers with at least a bachelor’s degree and the construction sector had 10 percent of total workers with at least a bachelor’s degree.
The services and retail trade economic sectors will account for three-fourths of all new jobs from 1998 to 2008, a continuation of the 1988 to 1998 pattern of employment growth.

Occupations requiring at least an associate degree accounted for one-fourth of all jobs in 1998. These occupations will account for 40 percent of total job growth from 1998 to 2008.

Of the twenty occupations forecast for highest percentage growth, seventeen of three occupations were either in the computer technology or health economic sectors.

As shown in Table 1, nationally median earnings for full time workers are higher for those with at least a bachelor’s degree, while their unemployment rate is lower.

Table 1. More Education, Higher Earnings and Lower Unemployment

<table>
<thead>
<tr>
<th>Category</th>
<th>Median 1997 Annual Earnings</th>
<th>Unemployment Rate, 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Degree</td>
<td>$71,700</td>
<td>1.3%</td>
</tr>
<tr>
<td>Doctorate</td>
<td>$62,400</td>
<td>1.4%</td>
</tr>
<tr>
<td>Master’s Degree</td>
<td>$50,000</td>
<td>1.6%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>$40,100</td>
<td>1.9%</td>
</tr>
<tr>
<td>Associate Degree</td>
<td>$31,700</td>
<td>2.5%</td>
</tr>
<tr>
<td>Some College but no degree</td>
<td>$30,400</td>
<td>3.2%</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>$26,800</td>
<td>4.0%</td>
</tr>
<tr>
<td>Less than a High School diploma</td>
<td>$19,700</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

III. Projection for the state of Nevada economy for the year 2008.

The State of Nevada Employment, Training and Rehabilitation projects occupational employment for the state of Nevada (2000). Results from the state analysis in comparison to the nation may reveal unique educational opportunities in the state of Nevada.

Synopsis of state of Nevada employment and occupational trends:

- Employment in the state of Nevada is projected to increase by 50.4 percent or 500,842 jobs from 1998 to 2008.

- The Las Vegas Metropolitan Statistical Area (MSA) which is made up of Clark and Nye Counties of Nevada and Mohave County of Arizona is forecast to realize a 60.4 percent growth in employment; the Reno MSA in Washoe County is forecast to realize a 28.4 percent growth in employment; and the Balance of State Counties are forecast to realize a 28.0 percent growth in employment from 1998 to 2008.

- It is forecast that 80.9 percent of the employment growth for all three labor areas from 1998 to 2008 will occur in the Las Vegas MSA while the Reno MSA and Balance of State counties will account for 11.2 percent and 7.9 percent, respectively, of total employment growth.

- The top twenty occupations ranked by total employment change constitute 37.6 percent of total state of Nevada employment growth. Occupations related to the gaming sector are plentiful in the top twenty list.

- As with the nation, the state of Nevada occupations forecast to grow by the largest percentage growth from 1998 to 2008 require college or higher education. These occupations are in the health and computer industries field. The top twenty occupations predicted to have the highest percentage increase in employment from 1998 to 2008 only make up 2.5 percent of total number of employment increase.
REFERENCES
