

## A Positive Outlook

# Economic Legacy



Jeremy Aguero, Consultant



Governor Brian Sandoval became Nevada's 29th Governor on January 3, 2011. After eight years in office, the Sandoval era will come to an end when Governor-elect Steve Sisolak is inaugurated on January 7, 2019—a transition that will inevitably be accompanied by a debate over the Governor's legacy. From an economic perspective, this debate should be brief and one-sided, as Brian Sandoval rightly takes his place among the most prolific economic development governors in state history.

Consider the state of the economy when Governor Sandoval took office, arguably among the lowest points on record. Nearly 200,000 jobs had been lost. The unemployment rate was 13.9 percent, the nation's highest. More than 6,000 businesses had closed their doors. Nevada was ground zero for the foreclosure crisis, and approximately three out of every four homeowners were underwater (i.e., owed more on their homes than they were worth).

Eight years later, Nevada is leading the nation in employment growth. The state has added back all the jobs it lost, plus 100,000 more. Unemployment has fallen to 4.4 percent, declining more than any state in the country. Nevada has added 10,500 new businesses and is markedly improved in measures of economic diversification. Housing price appreciation is now the nation's highest, reporting price increases twice the national average and negative equity rates in the bottom quartile of states. Nevada's taxable retail spending is at an all-time high; \$23 billion in major projects are planned, proposed or currently under construction; and visitor volume is up over 4 million annual trips.

Governor Sandoval will not top the list in terms of net jobs created, with Governors Kenny Guinn (+354,000) and Bob Miller (+412,000) reporting higher overall totals. Nor is Brian Sandoval the only governor to successfully shepherd the state through economic crisis and tragedy, with Governor Kenny Guinn (September 11, 2001), Governor Mike O'Callaghan (1970s gasoline crisis and floods), Governor Robert List (Hilton and MGM fires in the early 1980s), Governor Richard Bryan (1988 PEPCON explosion) and others sharing that distinction. That said, you would be hard-pressed to find an administration that began with as much uncertainty and ended with as much possibility.

Importantly, the merits of the Sandoval administration are not measured solely by the existence of new jobs and new businesses. Governor Sandoval rebuilt and redefined economic development and diversification in Nevada, leading to unprecedented investments by tech giants Apple, Google, Amazon and Tesla. He paved the way for innovation by creating the Nevada Institute for Autonomous Systems, insisting that Nevada become one of only seven unmanned aircraft systems test sites and championing legislation that put Nevada at the forefront of autonomous vehicle testing.

Under Governor Sandoval, Nevada's high school graduation rates increased to 81 percent, the highest rate in a generation and nearly 20 points higher than the year he took office. UNR is building the new William N. Pennington Engineering Building that will expand the university's research and teaching laboratories, and the UNLV School of Medicine matriculated its inaugural class in July of 2017. The Governor's unwavering commitment to both K-12 and higher education has improved not only the employment pipeline, but the long-term economic prospects of countless young people.

Beyond the efforts outlined above, Governor Sandoval reduced the number of uninsured Nevadans by more than a quarter million people; implemented much-needed and long-overdue assistance programs for military veterans and their families; streamlined and modernized state regulations, including those dealing with interactive gaming; and increased attention on environmental issues such as invasive species, renewable energy, and water conservation. Each of these initiatives will also have far-reaching implications for the state's economy.

Governor Sandoval is fond of saying that Nevada's best days are yet to come. His greatest legacy may very well be his leading role in making that a reality.

