There has been a lot of discussion recently about diversifying Nevada’s economy. Our state is among the nation’s least diversified, with a disproportionate share of jobs, incomes and business receipts concentrated in the leisure and hospitality sector. This, combined with the fact that Nevada has lost nearly 180,000 jobs since May of 2007, has prompted a renewed focus on the form and substance of Nevada’s economic policy.

In 2011, Governor Brian Sandoval championed Assembly Bill 449. Working closely with State Senate Majority Leader Steven Horsford, Speaker of the State Assembly John Oceguera and several other state legislators, AB 449 became law upon the Governor’s signature on June 17 of last year. True to the Governor’s campaign pledge, the legislation was extensive, ambitious and supported with increased funding.

The Governor rapidly appointed respected businessman Steve Hill as the state’s new economic development czar, and the Nevada Board of Economic Development added notables like Heather Murren, Rob Roy, and Bill Weidner to its ranks. The newly minted Governor’s Office of Economic Development retained the Stanford Research Institute and Brookings Institution to study the state’s economic structure and identify opportunities; that report then became the basis for the state’s new economic development plan released publicly in February of this year.

A recent survey of 401 Nevada businesses commissioned by the Nevada Development Authority (NDA) underscores the importance of Nevada’s renewed focus on economic policy (notably the survey itself was of non-NDA member businesses). Roughly 88 percent of surveyed businesses indicated that attracting new companies to southern Nevada was either very important or critically important, and nearly two in every three suggested policymakers needed to take the lead on getting the state’s economy back on track. When asked who played the most important role in bringing new businesses to the state, the Governor ranked atop the list, followed by organizations like the NDA, the Nevada Commission on Economic Development (now the Governor’s Office of Economic Development) and the Nevada State Legislature.

Perhaps the most compelling finding from the NDA’s survey is how business owners and operators responded when asked, “What is the single most important thing that can be done to attract new businesses to the region?” Nearly one in four (24.6 percent) businesses responded, “keep taxes low,” with the second most popular response, “promote the state’s pro-business environment,” receiving 15 percent of the responses.

What is striking about the NDA survey is that businesses tend to believe Nevada’s best strategy for attracting new businesses is to preserve the current environment and to make other businesses aware of Nevada’s competitive advantages. Although businesses respected the need for change, improving education (11.4 percent), lowering the business cost environment (6.9 percent) and changing the mix of businesses (3.9 percent), all ranked significantly lower.

Nevada has undoubtedly elevated its game when it comes to economic development. And, with a quarterback like Governor Sandoval, it is a near certainty that we will move the ball down the field. In doing so, it will be important to keep in mind that the best strategy to attract new businesses to Nevada is making the state the best place in the nation to operate for the businesses that are already here.