

Nevada is currently dealing with the overwhelming impacts on our citizens and our economy due to the Coronavirus. There is not only concern for the health and safety of Nevadans, but also for our economy, one that has been harder hit than any state in the nation. We are experiencing a record number of job losses, many that will not return, and dramatic revenue reductions in a state budget that is overly dependent on the discretionary income of visitors and sales taxes. While we are still dealing with this pandemic, it may be time to also consider what we are going to do to recover from this crisis? The playbook of the past, just wait for the visitors to return, may not work this time. While the needs of the state may be complicated, it comes down to something as simple as a job – employing Nevadans with a living wage. Job creation is where economic development comes in, the attraction, retention/expansion, and creation through start-up activity, of quality jobs.

Economic development is not all about attraction. Attracting “shiny” new companies is often the only thing many associate with economic development, because these new company announcements get all the press. However, attracting these new quality companies can be difficult and expensive. Being the “cheap-low tax” option does not work for quality companies. The next generation of jobs and companies are valuable, and concessions must be made. Most states, and countries, understand this value and will provide incentives to create quality jobs. Studies show that when properly done, incentives add significant tax revenue to the state and local governments; far beyond what is abated.

Organic growth of existing companies is just as important as attracting growth. While often overlooked, the retention and expansion of existing companies is crucial to our economic success. Keeping these companies happy is not that difficult, but other states and countries are courting the best ones, so we need to take good care of those that are currently in Nevada. A pro-business climate, an education system that produces the talent they need, including workforce development programs, and a fair tax structure are some of the things that matter most to these companies. These are areas where Chambers can make a huge difference, especially since more than 75% of the companies in the state are considered small businesses. Chamber programs, like the ones provided by the Reno + Sparks Chamber of Commerce, deliver tremendous support and value.

Entrepreneurial growth is investing in the creation of future great companies. The organic growth of technology companies with very high wages, starts with an entrepreneur and an idea. If the state has programs and incentives that help these entrepreneurs grow their companies here in Nevada, then the company headquarters and future job growth will happen here, as well. If not, they will go where they are supported, mentored, and financed. This entrepreneurial growth is often dependent on programs at the University, so it is critical that these academic programs are relevant and align with the needs and speed of business. However, if a real “statewide” entrepreneurially friendly “climate” is established with support for local ecosystems, these start-ups will flourish.

Job creation is the key. Real economic development is local and depends on the region's strengths and weaknesses, which is where the Regional Development Authorities (RDAs) come in. RDAs can tailor their programs to the needs and opportunities of their region with community support and broad state guidance and support in the way of state funding, a business-friendly environment, investments in education, and targeted performance based incentives. This strategy also provides the state with the economic diversity needed to weather the next recession or crisis. The economic health of our community is just as important as the health of our citizens and the measures needed to mitigate the pandemic. It is not an either-or proposition, as they are both vitally important. As we deal with the impacts of this pandemic, let us also aggressively pursue the quality job growth we will need to recover from this crisis.

A Joint Editorial by:

Ann Silver
Chief Executive Officer
The Reno+Sparks Chamber of Commerce

And

Mike Kazmierski
President | CEO
Economic Development Authority of Western Nevada (EDAWN)