

A STEP UP: ECONOMIC AND FINANCIAL SECURITY FOR NEVADA'S FAMILIES

AUTHORS:

Nancy E. Brune, Ph.D.

Guinn Center

Meredith A. Levine

Guinn Center

Jaewon Kim, Ph.D.

UNLV Greenspun College of Urban Affairs

Brookings Mountain West



DATA-DRIVEN
INDEPENDENT

EXECUTIVE SUMMARY

The Great Recession of 2008 hit communities across the United States, but nowhere were the effects more acute than in Nevada. In late 2010, the unemployment rate in Nevada had reached a record high of 14.5 percent, and the Silver State posted the highest home foreclosure rate in the country.

While Nevada's economy still has not recovered to 2006 pre-recession levels, it is trending upward. Nevada is among the highest-ranked states in job and personal income growth, coupled with steadily increasing output. Average wage growth topped 7.0 percent in the first half of 2018, meaning that the average Nevada worker has experienced increases in wages. Last year, Nevada tied with Idaho as the nation's fastest-growing states.

However, while economic expansion has yielded significant returns in the aggregate, those economic gains have not been distributed evenly across different segments of the population. Not every Nevadan has thrived in this period of sustained economic growth: many workers are struggling with stagnant income and minimal essential employment benefits; high housing, health care, and child care costs are straining family budgets; and rising tuition costs and growing student loan debt further undermine Nevada's already-low college-going rate. As the population has grown, political leaders and agency officials have grappled with questions surrounding unmet needs and constrained resources.

BELOW IS A SUMMARY OF THE ECONOMIC TRENDS FACING FAMILIES IN NEVADA

1. The Nevada economy still has not recovered to pre-recession levels but is trending upward
2. Many Nevada families earn less today than before the Great Recession
3. The benefits of the economic recovery have not been distributed evenly
4. More Nevadans, particularly children, are living in poverty
5. Many Nevadans are not pursuing a post-secondary education despite growth in middle-skill and high-skill jobs
6. Rising tuition costs may limit access to post-secondary educational opportunities
7. The economy has diversified, but most workers remain concentrated in gaming and tourism and accommodation and food services sectors
8. Wage growth has not kept pace with rising costs
9. Rising housing costs are straining family budgets
10. Some Nevadans remain uninsured and health insurance premiums continue to rise

Thoughtful and strategic policies can help shore up the economic and financial security of Nevada's families. The following policies, some of which have been adopted by other states, could help ensure that Nevada's continued economic expansion benefits all families, particularly working families, low-income families, veterans and seniors. We acknowledge that some of these policies will require additional resources and both public and private sector support. Policy makers will have to identify their priorities, and consider them in the context of available resources and the pressing needs of Nevada's families and workers.



EXPLORE WAYS TO INCREASE INCOME

1. **INCREASE THE MINIMUM WAGE.** Currently, Nevada's minimum wage is \$7.25 per hour for employees with health insurance benefits provided by the employer and \$8.25 per hour for those without such benefits.¹ In recent years, several states and cities have passed legislation or approved ballot initiatives that raise the minimum wage to exceed that of the federal minimum wage. In 2017, the Nevada Legislature passed legislation (Senate Bill 106) raising the minimum wage; however, Governor Brian Sandoval vetoed it. In 2019, the Nevada Legislature again took up consideration of the issue. As noted previously, household income growth for half of all Nevada households has been sluggish and still has not recovered to pre-Great Recession levels. The minimal wage growth workers have experienced is not keeping pace with cost of living increases. Raising the minimum wage could help strengthen the financial and economic security of many of Nevada's families.

2. **REMOVE THE ASSET LIMITATIONS ON TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF).** Currently, Nevada agency officials consider TANF applicants ineligible if they list more than \$6,000 in assets (including possession of a single car).² Previously, Nevada removed the asset limit on other public assistance programs, including the Supplemental Nutrition Assistance Program (SNAP) and the Low-Income Home Energy Assistance Program. Eight states have removed asset limits and saving penalties on TANF benefits.³ Policymakers may want to consider removing the asset limits on TANF benefits. This recommendation was echoed by the Nevada Task Force on Financial Security, established by the 2017 Legislature, which examined the financial security of Nevada families.⁴



EXPLORE WAYS TO STRENGTHEN ECONOMIC AND FINANCIAL SECURITY OF FAMILIES

1. **EXPAND CHILD CARE SUPPORT.** One of the greatest challenges facing families, especially working families and single mothers with children, is access to and availability of high-quality child care. Recent estimates find that child care in Nevada is more expensive than college tuition.⁵ During the 2017 legislative session, several bills addressing child care challenges were introduced but failed to secure the required support for passage. In 2019, lawmakers are considering one bill (Assembly Bill 234) that addresses provisions surrounding reimbursements of certain child care expenses.⁶
2. **SUPPORT POLICIES THAT BOLSTER WORKERS AND THEIR FAMILIES, SUCH AS PAID SICK LEAVE.** Data shows that about 40 percent of Nevada workers (roughly 510,000 workers) do not have access to paid sick days.⁷ Generally, it is those individuals who interact with the public most frequently that do not have paid sick leave. This means greater exposure to illnesses and a higher likelihood of contagion, which has an impact on public health. In Nevada, 22.8 percent of employment is concentrated in the accommodation and food services sector. Almost half (47.9 percent) of employment is concentrated in accommodation/food services and leisure/hospitality.⁸ Only 35 percent of workers in the accommodation/food services sector have access to paid sick leave.⁹ As such, some of Nevada's employees may be positioned to benefit from paid sick leave programs, which could help shore up the financial security of low- and middle-income workers.
3. **SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING.** Nevada ranks at the bottom of the country in the number of available rental units for low-income households, and housing prices and rents in the state's cities continue to rise. Political leaders, developers, businesses, and advocacy groups are working collaboratively to explore ways to expand the development and preservation of affordable housing. To that end, the 2019 Nevada Legislature is considering several bills to support the development of affordable housing and strengthen housing stability for Nevada workers and families.

4. **EXPAND ACCESS TO QUALITY AND AFFORDABLE HEALTH CARE.** Despite recent gains, Nevada ranks 45th in the country in the percentage of the population with health insurance. Health insurance premiums continue to rise. In recent years, policymakers in Nevada have discussed several options, including an expanded “Medicaid for all” plan that would allow anyone to buy into Medicaid, regardless of their income or health status, as well as a Basic Health Plan, which could provide coverage to low-income families who may not qualify for Medicaid. Stakeholders should continue to explore programs to expand access to quality and affordable health care.
5. **PROVIDE PROGRAMS THAT STRENGTHEN RETIREMENT SECURITY FOR WORKERS.** Data suggests that half of working Nevadans do not have access to an employer-sponsored retirement account (e.g., 401K). Public and private sector leaders should work together to explore collaborative solutions. By way of example, the Nevada Task Force on Financial Security recommended that the state create a Nevada Employee Savings Trust that would “provide a state-supported retirement program for private sector employees who do not have access to an employer-sponsored retirement program.”¹⁰



INCREASE COLLEGE AFFORDABILITY

1. **INCREASE COLLEGE AFFORDABILITY AND ACCESS TO COLLEGE.** Providing affordable college education is a critical step in building a strong and diverse economy and supporting economic mobility for low-income and working families. Public investment in higher education is vital to ongoing workforce development efforts. Nevada continues to report a low college-going rate. Across all institutions in Nevada, approximately one-third of students receive federal Pell Grants, which are reserved for students with the greatest financial need. Although Nevada’s tuition and fees remain relatively lower than many other institutions around the country, tuition at the state’s colleges and universities has risen more than 80 percent in the last 15 years, and a significant share (18 percent) of Nevada students with student loan debt have student loan debt in collections. Recently, Nevada has taken significant measures to address college affordability, particularly for low-income students. In 2015, Nevada launched the state’s first need-based aid program, Silver State Opportunity Grant, for low-income students attending Nevada’s community colleges and state college. In 2017, Nevada launched the Promise Scholarship, which is a last-dollar aid program that pays for tuition and fees of students attending community college in Nevada. However, these new aid programs have significant eligibility restrictions. As such, policymakers should continue to explore programs that expand access to quality and affordable colleges and universities for Nevada’s residents, recognizing the importance of a skilled workforce and educated citizenry.

10 KEY TAKEAWAYS ON THE NEVADA ECONOMY

1. THE NEVADA ECONOMY STILL HAS NOT RECOVERED TO PRE-RECESSION LEVELS BUT IS TRENDING UPWARD

While Nevada's economy still has not recovered to 2006 levels, it is trending upward. Nevada is among the highest-ranked states in job and personal income growth, coupled with steadily increasing output (measured as gross state product (see Figure 1)) and steadily declining unemployment (Figure 2).^{11,12} Average wage growth topped 7.0 percent in the first half of 2018, meaning that the average Nevada worker has experienced increases in wages.¹³ Last year, Nevada tied with Idaho as the nation's fastest-growing states (2.1 percent).^{14,15} However, while economic expansion has yielded significant returns in the aggregate, those economic gains have not been distributed evenly across different segments of the population.

Figure 1. Nevada Economy Continues to Expand

Real Gross State Product for Nevada, 1997-2017 (in Billions; Chained 2012 Dollars)¹⁶

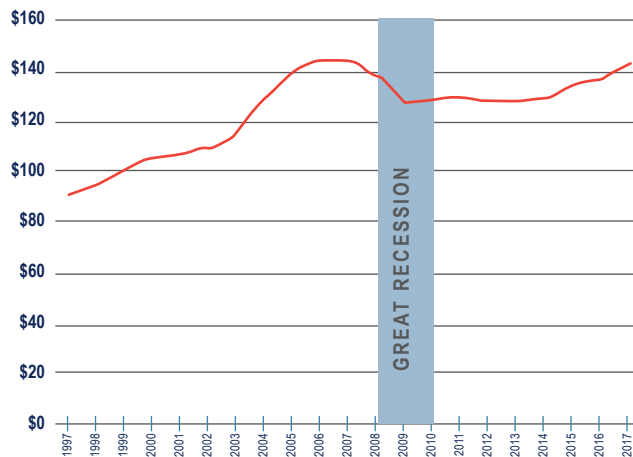
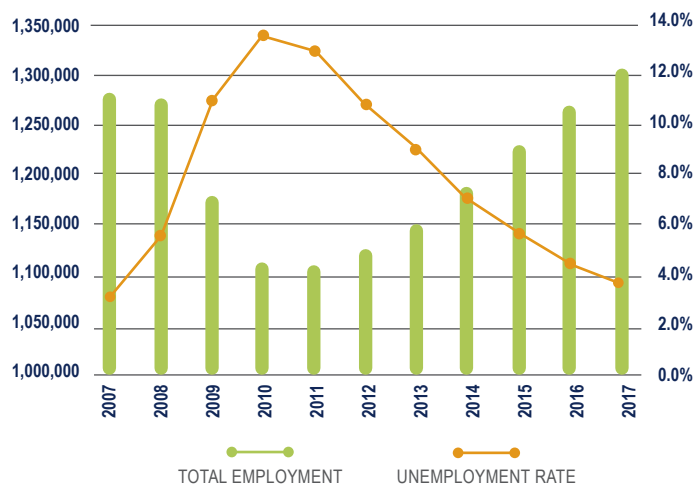


Figure 2. Unemployment has Fallen to pre-Great Recession Levels

Employment in Nevada (All Industry Sectors), 2007-2017¹⁷

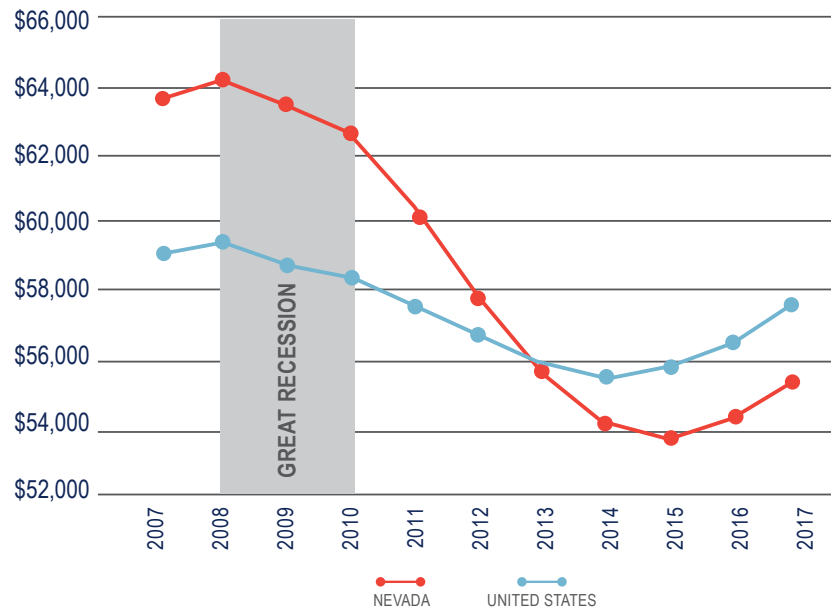


2. MANY NEVADA FAMILIES EARN LESS TODAY THAN BEFORE THE GREAT RECESSION

As of 2017, almost a decade after the end of the Great Recession, median family income in Nevada still has not returned to the pre-recession level. In 2007, Nevada's real median household income was \$63,547, and in 2017, it was \$55,434. **Half of all Nevada families are earning 12.8 percent (or \$8,113) less in 2017 than what they earned in 2007 after adjusting for inflation (see Figure 3).**

Figure 3. Nevada Families Earn Less Today than Before the Great Recession

Median Household Income, 2007-2017 (in 2017 Dollars)¹⁸

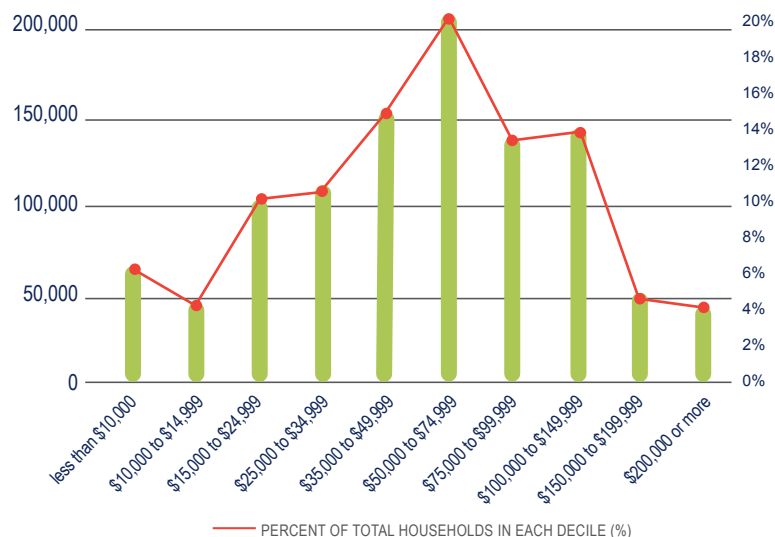


3. THE BENEFITS OF THE ECONOMIC RECOVERY HAVE NOT BEEN DISTRIBUTED EVENLY

Household income in Nevada is normally distributed (see Figure 4). The greatest number of households (206,241; 19.6 percent) are concentrated in the \$50,000 to \$74,999 income range. Fewer households are clustered in the lowest income decile of less than \$10,000 (65,239; 6.2 percent) or the highest of \$200,000 or more (43,142; 4.1 percent). Most households (849,165)—those with incomes in the \$15,000 to \$149,999 range—fall in the middle, comprising 80.7 percent of the total.

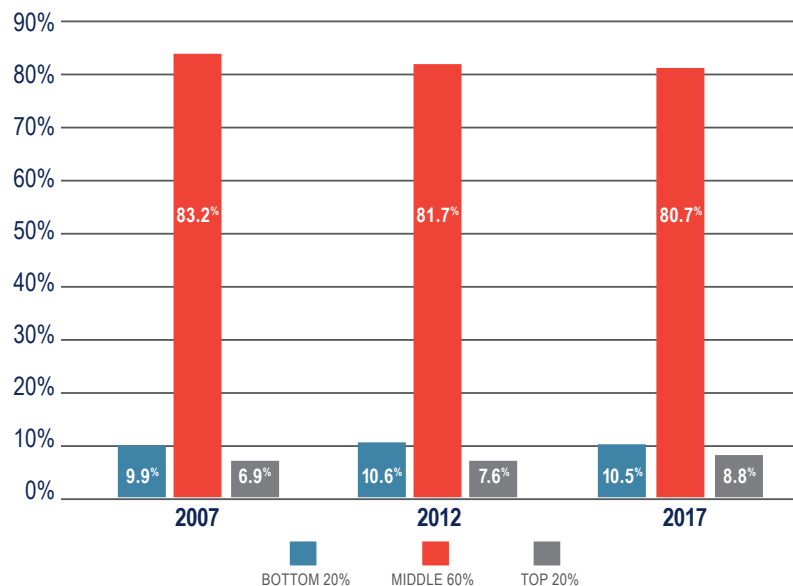
Figure 4. Household Income in Nevada is Normally Distributed

Household Income Distribution in Nevada, 2017¹⁹



However, if the income deciles are aggregated into the following income groups, “Bottom 20,” “Middle 60,” and “Top 20,” we find that income has become skewed somewhat more to the highest brackets than to the lowest. Figure 5 displays this data graphically for three points in time: 2007 (pre-Great Recession), 2012 (Recovery), and 2017 (post-Great Recession).

Figure 5. Growth in the Highest Income Households Exceeded that of Other Income Groups
Distribution of Household Income in Nevada, by Income Category (Five-Year Intervals)²⁰



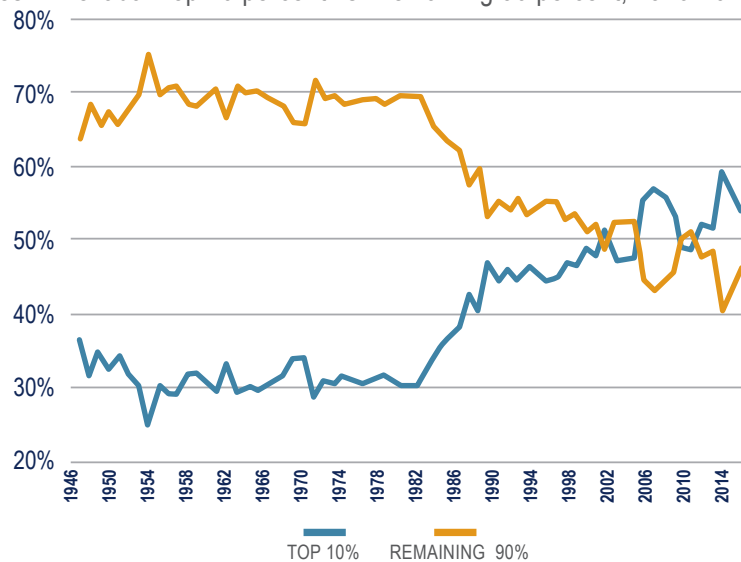
Between 2012-2017, households in the Bottom 20 decreased by 0.1 percentage points, those in the Middle 60 decreased by 1.0 percentage point, and those in the Top 20 increased by 1.2 percentage points. Between 2007-2017, Bottom 20 households increased from 92,339 to 110,486 (gain of 18,147 or 19.7 percent), Middle 60 households grew from 776,019 to 849,165 (gain of 73,146 or 9.4 percent), and Top 20 households increased from 64,357 to 92,598 (gain of 28,241 or 43.9 percent).

While all income groups increased over the 2007-2017 period, the distribution has changed. The Middle 60 decreased by about 2.5 percentage points, but the Bottom 20 has increased by 0.6 percentage points, and the Top 20 increased by 1.9 percentage points. The data reflects a growing income gap, with a declining middle and increases in the lower and higher income brackets. **That growth in the highest income households exceeded that of the lowest income households may be indicative of disproportionate gains for wealthier households during the expansion.**

In fact, Figure 6 suggests that income inequality has featured prominently in Nevada in recent years. In the aftermath of World War II, 90 percent of Nevadans earned 63.8 percent of the state’s income, while the top 10 percent earned 36.2 percent of total income in the state. By the late 1980s and throughout the 1990s, the difference began to narrow considerably, and in 2000, the income share of the top 10 percent of Nevadans exceeded that of the bottom 90 percent for the first time. Since 2010, an income gap has persisted: In 2015, the top 10 percent of Nevadans received 55.7 percent of the state’s income, and the bottom 90 percent received 44.3 percent of total income in the state. This means that **more than half of the income in Nevada is received by a small share of the highest income households, while less than half is shared by the vast majority of the population.**

Figure 6. Income Inequality is Growing in Nevada

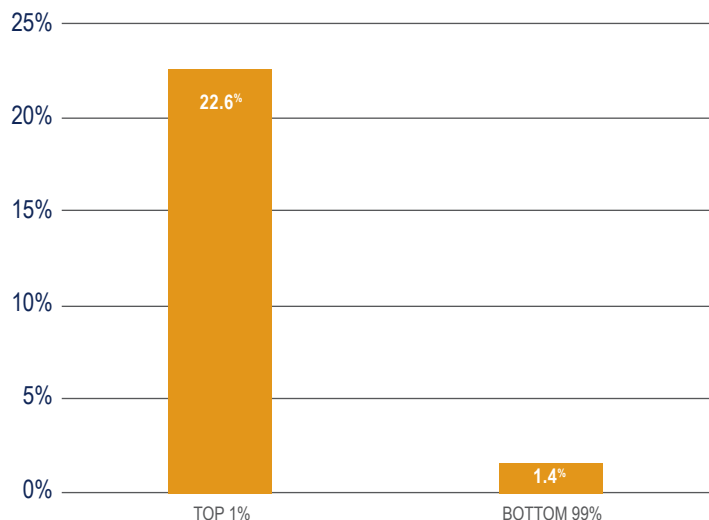
Income Shares in Nevada: Top 10 percent vs. Remaining 90 percent, 1946-2015²¹



Split further into the top 1 percent and bottom 99 percent for the period 2009-2015, **the top 1 percent experienced average real income growth (22.4 percent) that was more than 16 times that of the bottom 99 percent** (see Figure 7).

Figure 7. Income of Top 1 Percent has Grown Faster than Income for Bottom 99 percent

Average Real Income Growth for the Top 1 percent and the Bottom 99 percent in Nevada, 2009-2015²²

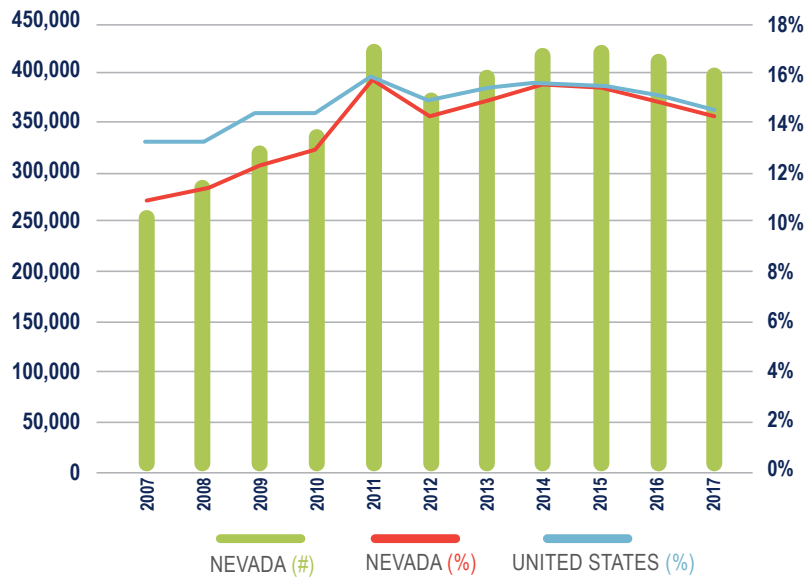


4. MORE NEVADANS, PARTICULARLY CHILDREN, ARE LIVING IN POVERTY

Poverty has become more of an entrenched problem since the Great Recession.²³ Figure 8 shows the number and percent of people in poverty in Nevada between 2007 and 2017, along with the national average. In 2017, the poverty rate in Nevada was 14.2 percent. While the poverty rate has declined since its peak in 2011 at 15.9 percent, it still remains higher than it was in 2007 at 10.8 percent. In 2007, there were 263,662 Nevadans living in poverty; by 2017, this number had increased to 405,263, reflecting a net gain of 141,601 individuals and a 53.7 percent increase.

Figure 8. Poverty Rate Remains Higher than Prior to Great Recession

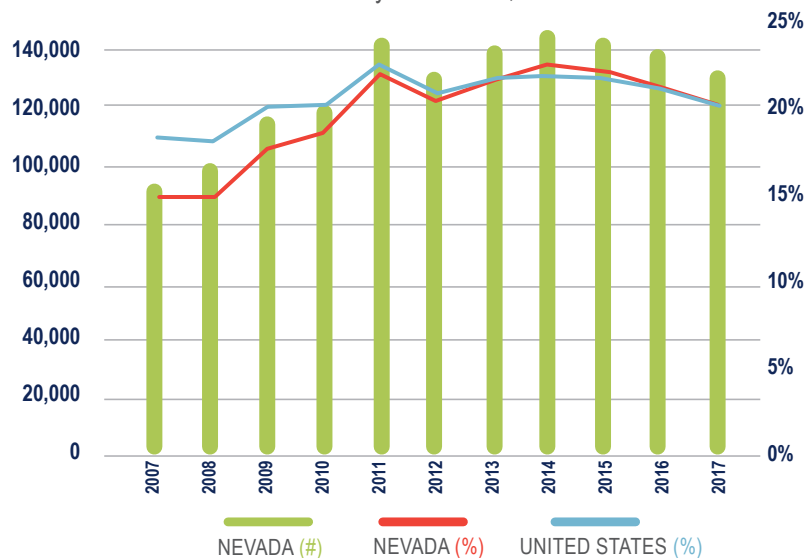
Number and Percent of People in Poverty in Nevada, 2007-2017²⁴



Data reveals that children in poverty, in particular, have fared worse (see Figure 9). In 2007, the number of Nevada's children in poverty was 93,301 (14.8 percent); by 2017, the number increased to 133,668 (20.3 percent). That represents a 43.3 percent increase in the child poverty rate. **Today, over one-fifth of Nevada's children live in poverty.**

Figure 9. One in Five Children in Nevada Live in Poverty

Number and Percent of Children in Poverty in Nevada, 2007-2017²⁵



When the data on poverty is disaggregated by certain groups, it is evident that **the incidence of poverty is unequally distributed across segments of the population** (see Figure 10). Compared to Nevada’s overall poverty rate of 14.2 percent, just 8.5 percent of seniors (individuals 65 years of age and older) are in poverty. As noted above, the poverty rate of children under 18 years of age stands at 20.3 percent. More than one quarter (25.3 percent) of single mothers are in poverty. **For single mothers with children under five years of age, the poverty rate increases to 37.7 percent.**

Figure 10. Poverty Rate is Highest for Single Mothers with Young Children

Nevada Poverty Rate for Selected Categories, 2017²⁶

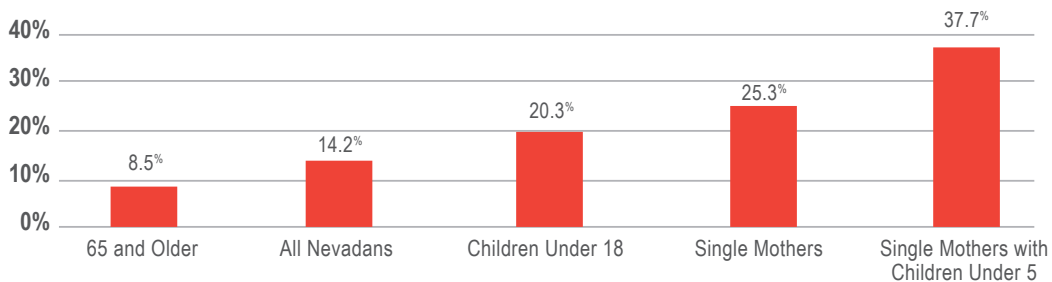
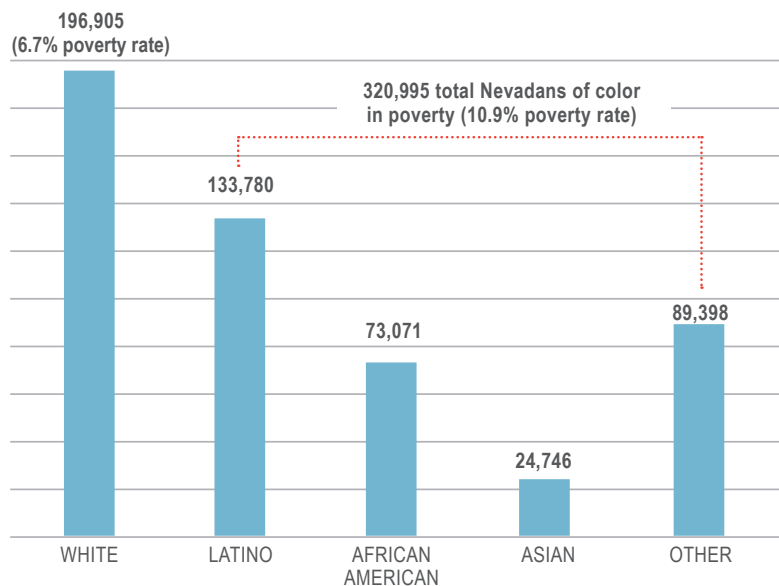


Figure 11 provides a breakdown of poverty by race and ethnicity. Relative to white Nevadans, those from communities of color comprise a larger share of people in poverty. White individuals in poverty represent 6.7 percent of Nevada’s population, while those in communities of color make up 10.9 percent of the state’s population. Amongst white individuals, 9.6 percent are in poverty, and amongst Asians, 8.5 percent are in poverty; these poverty rates are below the overall rate of 14.2 percent. However, **amongst Latinos, 16.4 percent are in poverty, and amongst African Americans, 24.6 percent are in poverty**, meaning that these groups have poverty rates that exceed the statewide rate.

Figure 11. Poverty Rate is Higher for Latinos and African Americans

Number of Nevadans in Poverty, by Race and Ethnicity, 2017²⁷



5. MANY NEVADANS ARE NOT PURSUING A POST-SECONDARY EDUCATION DESPITE GROWTH IN MIDDLE-SKILL AND HIGH-SKILL JOBS

In Nevada, enrollment in post-secondary education and college attainment rates (the percentage of Nevadans with a higher education degree) continue to lag other states. In fact, **just over half (53 percent) of Nevada’s high school graduates go directly to college**, which places it among the lowest states in the country and well below the national average.²⁸ Less than one-quarter (23.7 percent) of the Silver State’s population (age 25 and older) has an associate’s and/or bachelor’s degree (Figure 12). Moreover, even those Nevada students that enroll in community college are less likely to graduate than students in other states with similar populations (see Figure 13).

Figure 12. Less than One-Quarter of Nevada’s Population has an Associate’s or Bachelor’s Degree

Percentage of Individuals in Nevada and the U.S. with Degrees, 2017²⁹

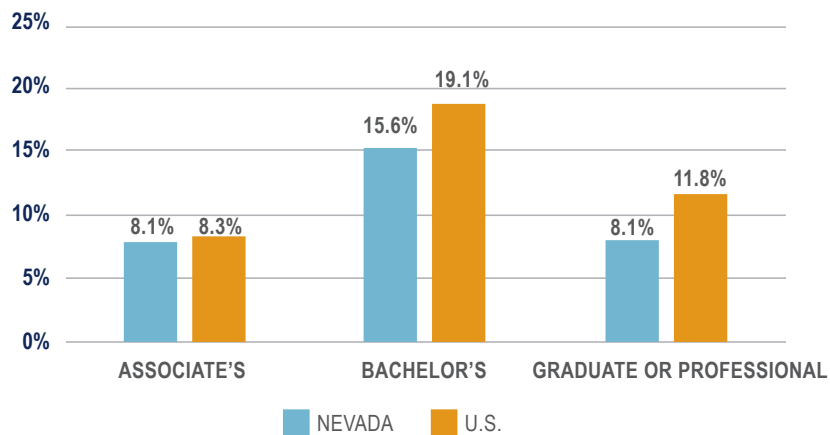


Figure 13. Nevadans Less Likely to Graduate from Community College

Graduation Rates Within 150 Percent of Normal Time, 2-Year Public Institutions, 2014

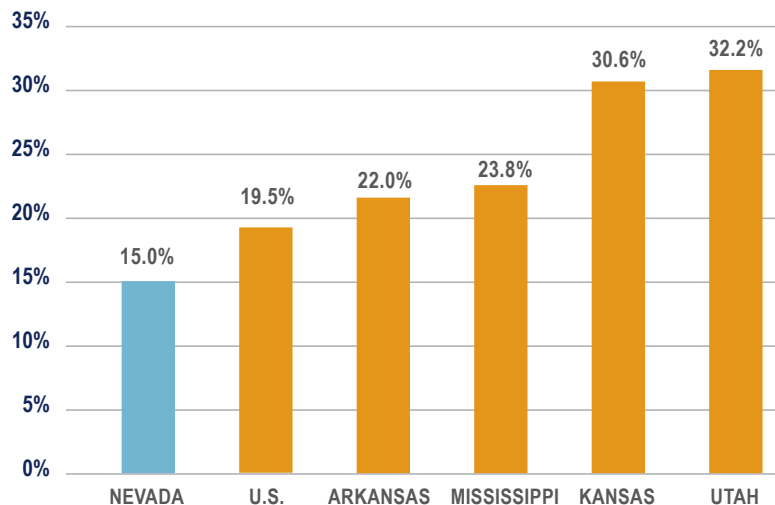
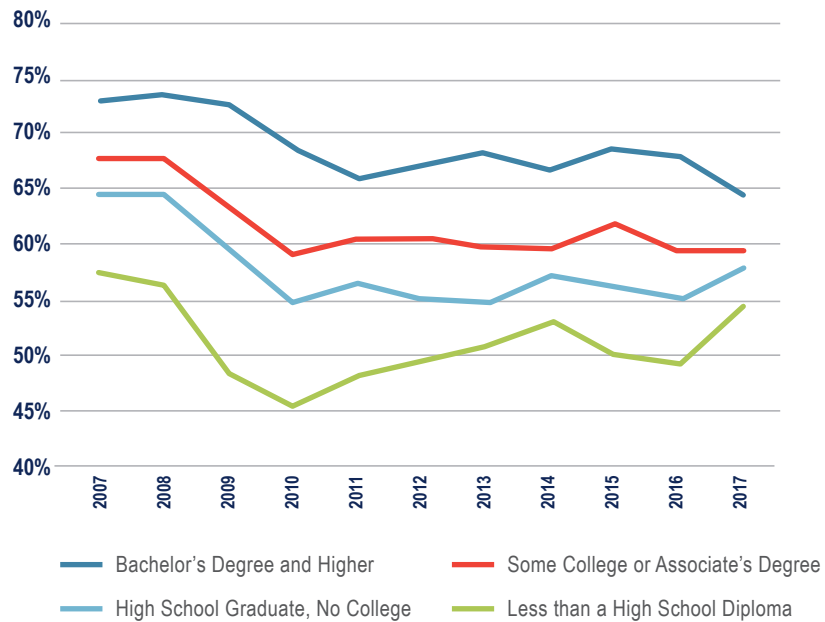


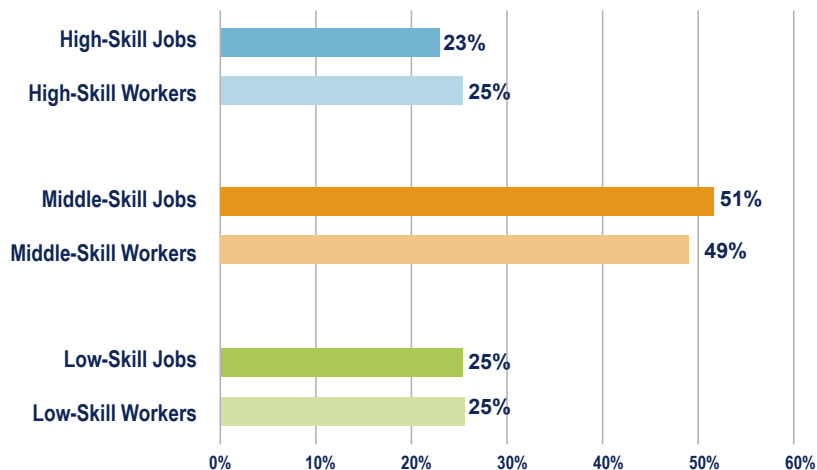
Figure 14 reveals the relationship between education and employment. The hardest-hit in the Great Recession were those without a high school diploma in 2010, for whom the employment rate was 45.6 percent. High school graduates and those with some college (or associate's degree) were also affected substantially in 2010.

Figure 14. Employment Status of Nevada Population 25 Years and Over, by Educational Attainment (Annual Averages), 2007-2017³⁰



The lack of individuals pursuing post-secondary opportunities is problematic given that **by 2020, 49 percent of jobs in Nevada will require some sort of postsecondary degree or certificate**, but less than a four-year degree; these jobs are referred to as “middle-skill jobs” (see Figure 15).

Figure 15. Too Few Nevada Workers Fill Middle-Skill Jobs



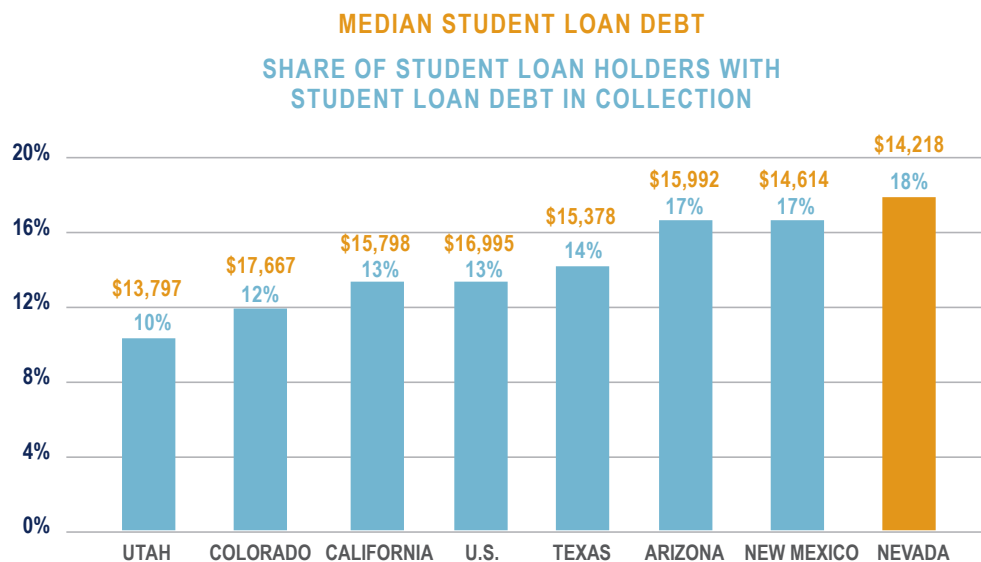
6. RISING TUITION COSTS MAY LIMIT ACCESS TO POST-SECONDARY EDUCATIONAL OPPORTUNITIES

Across the country, the costs of college at both public and private universities and colleges have increased steadily over the past three decades. The recent leveling-off of college-going rates has prompted researchers and practitioners to examine the extent to which steadily rising tuition costs are limiting broad access to higher education pathways, especially for low-income students. While Nevada's resident tuition and fees remain relatively low compared to its peers, registration fees at the Nevada System of Higher Education institutions have risen more than 150 percent and tuition costs have risen more than 80 percent over the period 2002-2003 to 2018-2019.

Although Nevada's median student loan debt is relatively low (Nevada ranks 40th among the 50 states and Washington, D.C.), the Silver State ranks 4th in the country for the percentage of students with student loan debt in collections. The median student loan debt among Nevada students is \$14,218, much lower than the national average (\$16,995). However, 18 percent of Nevada student loan holders have student loan debt in collections, which is higher than the national average of 13 percent and significantly higher than students in neighboring Utah (10 percent) (see Figure 16).³¹

Figure 16. Significant Share of Nevada Students Have Student Loan Debt in Collections³²

Share of student loan holders with student loan debt in collections; median student loan debt, 2018



7. THE ECONOMY HAS DIVERSIFIED, BUT MOST WORKERS REMAIN CONCENTRATED IN GAMING AND TOURISM AND ACCOMMODATION AND FOOD SERVICES SECTORS

In Nevada, gaming and tourism account for 25.8 percent of the state’s total employment, and accommodation and food services account for 22.8 percent of total employment; collectively, these two sectors constitute nearly half (47.9 percent) of total employment in Nevada.³³ According to the Bureau of Labor Statistics, in 2017, “The industry [nationally] with the highest percentage of workers earning hourly wages at or below the federal minimum wage was leisure and hospitality (11 percent). About three-fifths of all workers paid at or below the federal minimum wage were employed in this industry, almost entirely in restaurants and other food services.”³⁴

The fastest growing jobs in Nevada are also the highest paid jobs, which include electrical/electronic assemblers (\$14.93 per hour), electrical engineers (\$46.77 per hour), and software developers–apps (\$48.56 per hour).³⁵ However, the largest occupations include laborers (\$14.31 per hour), retail sales (\$13.04 per hour), and food preparation workers (\$9.83 per hour), amongst others.³⁶

Nevada’s minimum wage is \$7.25 per hour for employees with health insurance benefits provided by the employer and \$8.25 per hour for those without such benefits.³⁷ Figure 17 shows the share of the workforce in states that would be affected if the federal minimum wage were increased to \$12 per hour by 2020, and Figure 18 displays the share of the workforce affected if the federal minimum wage were increased to \$15 per hour by 2024. With an increase in the minimum wage to \$12 per hour, Nevada would rank 11th in terms of most affected. If the minimum wage were increased to \$15 per hour, Nevada would rank as the second-highest state in terms of impact. Its share of the workforce affected would increase to 40.3 percent, for a 10.8 percentage-point difference. The latter would translate into a wage increase for 555,000 Nevadans.³⁸ That the size of the impact is so substantial highlights the concentration of lower paying jobs in the Silver State.

Figure 17. Nevada Workers Would be Affected by Federal Minimum Wage Increase to \$12

Share of Workforce Affected by Increasing the Federal Minimum Wage to \$12 by 2020³⁹

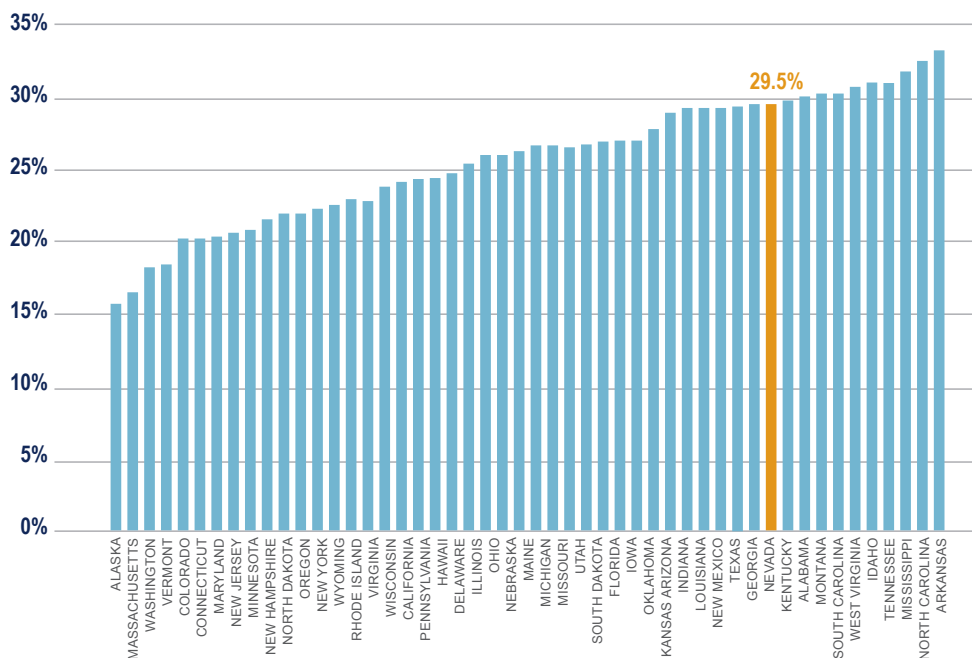
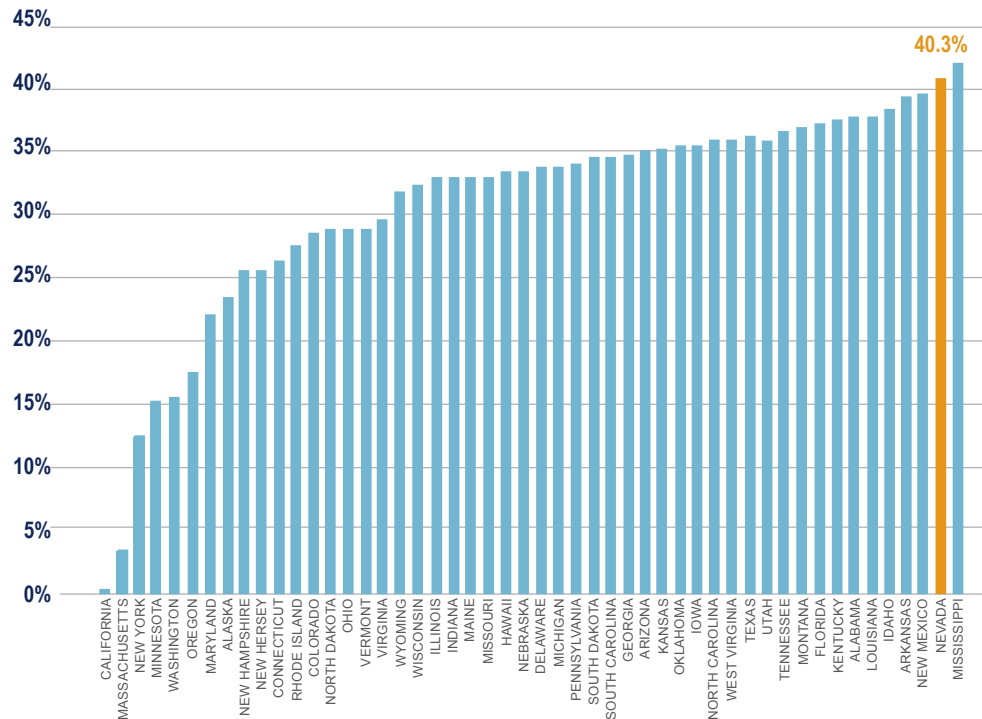


Figure 18. But Federal Minimum Wage Increase to \$15 Would Significantly Affect Nevada Workers

Share of Workforce Affected by Increasing the Federal Minimum Wage to \$15 by 2024⁴⁰

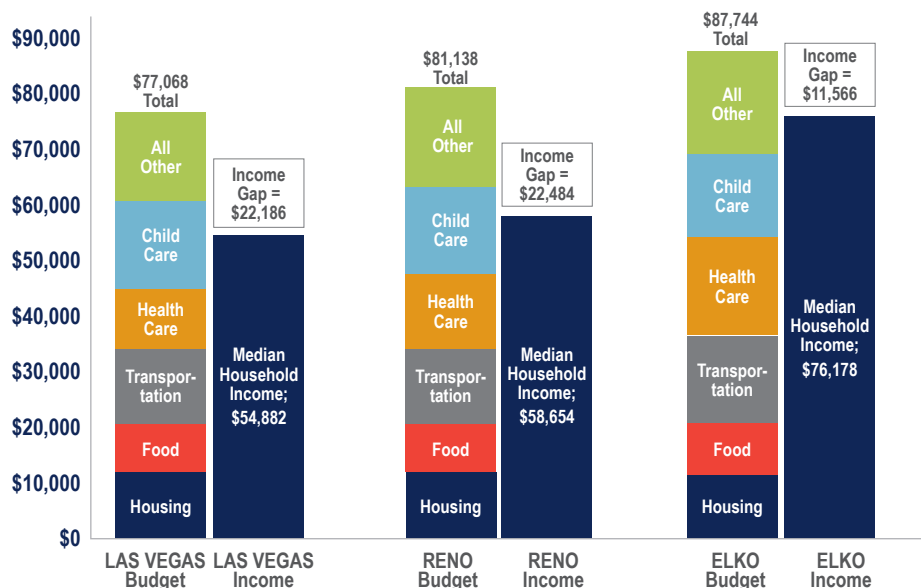


8. WAGE GROWTH HAS NOT KEPT PACE WITH RISING COSTS

Nevadans have experienced sluggish wage growth that has not kept pace with rising costs of college tuition, housing, and health care, among other items. The cost of living in Nevada is relatively high. Figure 19 shows data on average middle-class expenses compared with median household income for the metropolitan areas of Las Vegas and Reno and Elko County.

Figure 19. Wage Growth Has Not Kept Pace with Rising Costs of Basic Needs

Middle Class Budgets vs. Basic Needs in Select Areas of Nevada, 2017 budget⁴¹



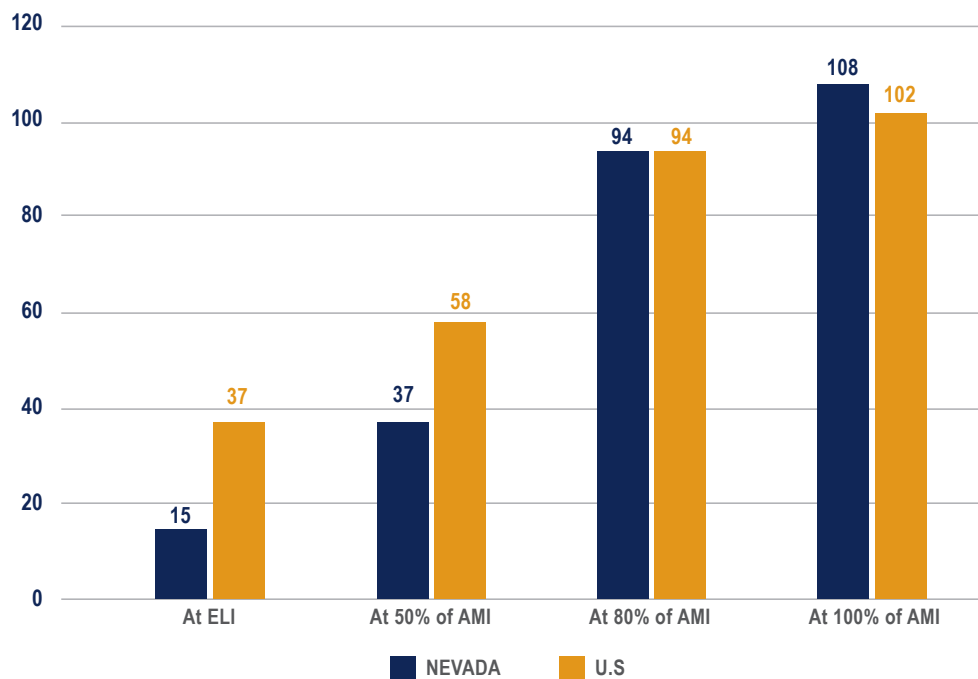
As the figure indicates, budgetary needs for the average middle-class household exceed median household income in the two metro areas and the rural county. The income gap is highest in the Reno metro area, with a needs budget of \$81,138 and a median household income of \$58,654, for a gap of \$22,484. Although the difference is just slightly lower in the Las Vegas metro area and about half that in Elko County, costs of living are outpacing median household income statewide. Despite recent wage growth, expenses and income are not in alignment across Nevada.

9. RISING HOUSING COSTS ARE STRAINING FAMILY BUDGETS

Housing presents a challenge for many Nevadans, almost half of whom are renters.⁴² Figure 20 displays data on affordable and available homes for renter households in Nevada. For extremely low-income households, there are just 15 affordable and available homes per 100 renter households. This is substantially lower than the national rate of 37 affordable and available homes per 100 renter households. Likewise, at 50 percent of the area median income (AMI), the rate per 100 renter households in Nevada is 37, while the national rate is 58. At 80 percent of the area median income, the rate equalizes, and at 100 percent of the area median income, Nevada's rate exceeds the national rate. **This suggests that poorer families are disproportionately disadvantaged in Nevada's rental market, where there are relatively few affordable and available homes, if not an outright shortage.** As income increases, so too does the supply of rental homes.

Figure 20. Few Affordable and Available Homes for Extremely Low-Income Households

Affordable and Available Homes per 100 Renter Households in Nevada and U.S., 2017⁴³

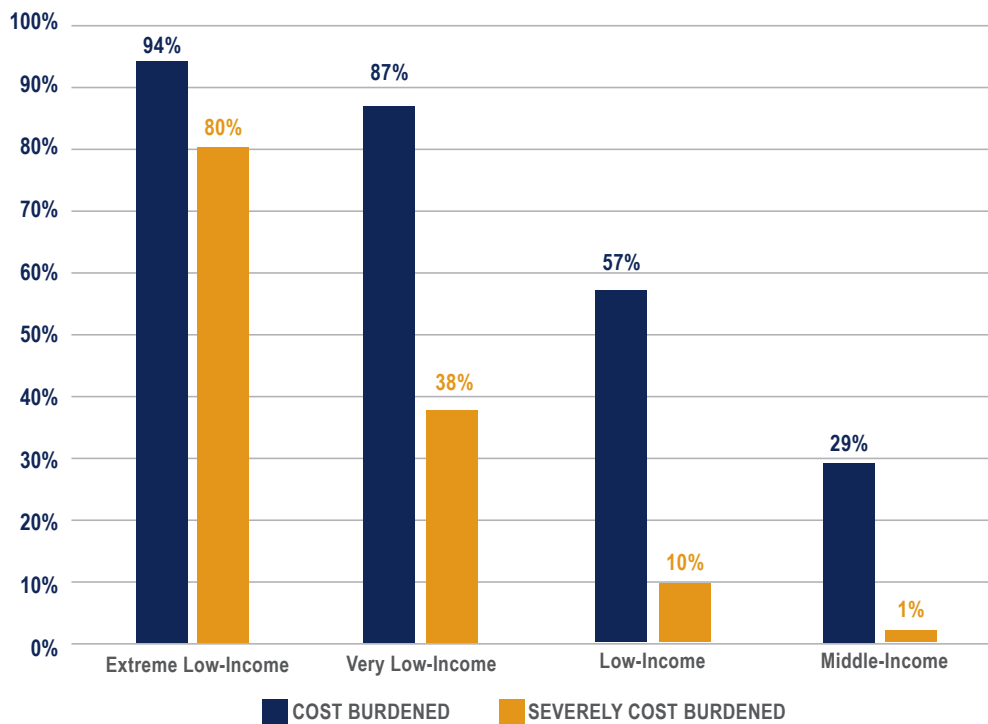


Note: ELI refers to extremely low-income households, which are defined as those households "whose incomes are at or below the poverty guideline or 30% of their area median income (AMI) [whichever is higher]."

In fact, the housing cost burden is unequally distributed across income groups in Nevada, as shown in Figure 21. Ninety-four percent of extremely low-income renter households in Nevada are cost burdened, and eighty percent are severely cost burdened. By contrast, twenty-nine percent of middle-income renter households are cost burdened, while just one percent of such households are severely cost burdened. The disparity between extremely low-income and middle-income renter households thus is especially sharp.

Figure 21. Low-Income Renter Households are Severely Cost Burdened

Housing Cost Burden by Income Group in Nevada, 2017⁴⁴

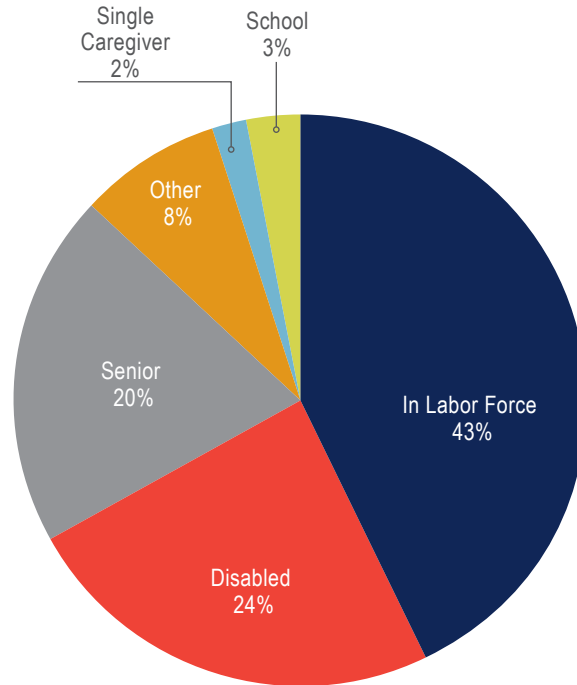


Note: “Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.”

The largest share of extremely low-income renter households in Nevada is comprised of those in the labor force (43.0 percent), followed by those individuals with disabilities (24.0 percent). And while the 2017 poverty rate for those 65 years of age and older is 8.5 percent, about one-fifth (20.0 percent) of extremely low-income renter households in the state are seniors. Figure 22 displays the characteristics of extremely low-income renter households in Nevada.

Figure 22. Many Extremely Low-Income Renter Households are Employed

Extremely Low-Income Renter Households in Nevada, 2017⁴⁵

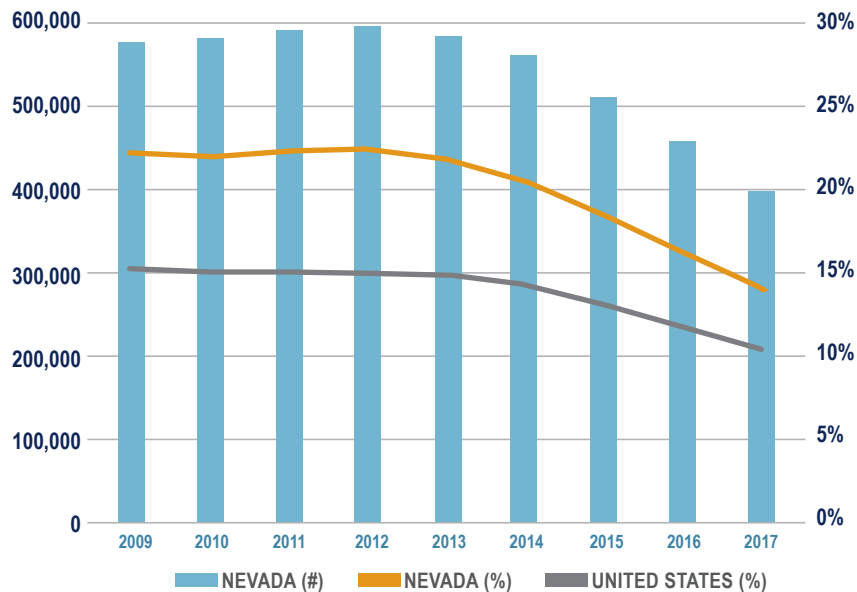


10. SOME NEVADANS REMAIN UNINSURED AND HEALTH INSURANCE PREMIUMS CONTINUE TO RISE

The enactment of the Affordable Care Act (ACA) of 2010 helped supply health insurance to thousands of Nevadans, both through the marketplace and via Medicaid expansion. However, **the uninsured rate remains relatively high (400,000 people lack health insurance coverage in Nevada)** and above the national average, as Figure 23 indicates.

Figure 23. Some Nevadans Remain Uninsured

Number and Percent of Uninsured People in Nevada, 2009-2017⁴⁶



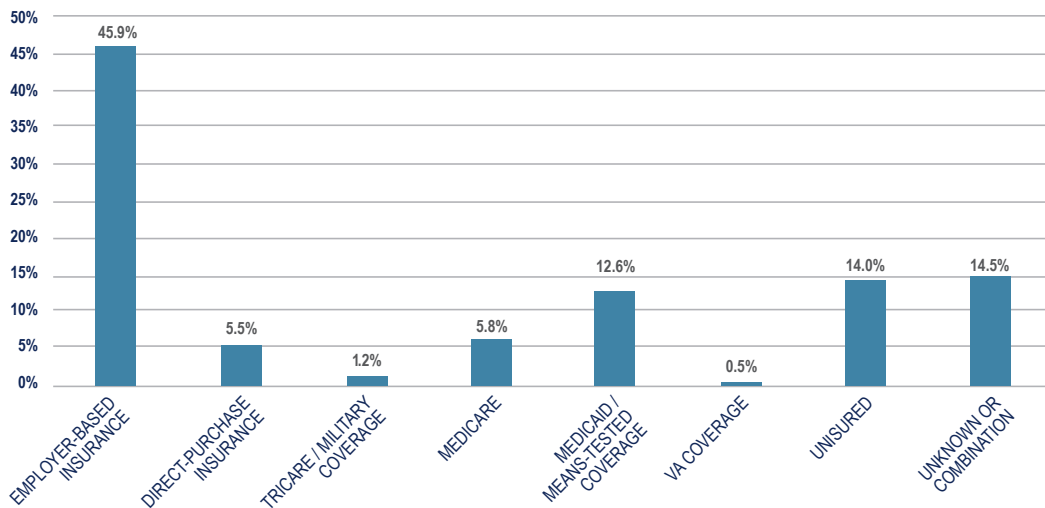
In 2009, 571,615 Nevadans were uninsured, but by 2017, that number had declined to 397,974, reflecting a 30.4 percent decrease. In comparison, there was a 27.3 percent decrease in the number of uninsured nationwide over the same time frame.

Nearly half of all Nevadans (about 1.3 million; 45.9 percent) had employer-based insurance in 2017. Medicaid supplied coverage to 360,520 people in the state (12.6 percent of the total), followed by Medicare at 166,065 (5.8 percent of the total), and then direct-purchase insurance (156,855 individuals; 5.5 percent of the total). As noted previously, nearly 400,000 people in Nevada lack health insurance, which represents 14.0 percent of the total. Figure 24 displays a profile of health insurance coverage, by type, in the state for 2017.

Despite expanded health care coverage, health insurance premiums continue to rise. In 2013, the average annual family premium per enrolled employee for employer-based health insurance in Nevada was \$4,556; in 2017, the premium price jumped to \$5,529, reflecting a 21 percent increase that outpaced the national average increase of 18 percent.⁴⁷ Data reveals that Nevada families spent roughly 8 percent of their median income on employee contributions to health insurance premium costs in 2017, up from 6 percent in 2008; this figure is slightly higher than the national average of 7 percent and higher than most Intermountain states including California, Colorado, and Utah.⁴⁸

Figure 24. Almost Half of Nevadans Have Employer-Based Health Insurance

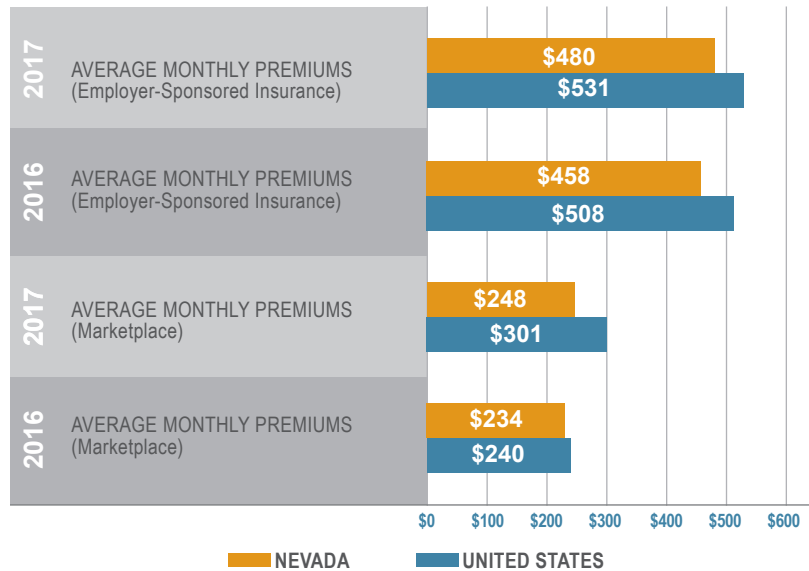
Health Insurance Coverage, by Type, in Nevada, 2017⁴⁹



Although the data is limited to two years, Figure 25 shows that average monthly health insurance premiums have risen in Nevada. In 2016 and 2017, and for both Nevada and the U.S., average monthly premiums for employer-sponsored insurance were higher than those policies purchased on the marketplace. In Nevada, average monthly premiums for marketplace plans increased from \$234 in 2016 to \$248 in 2017, for a 6.0 percent increase. Average monthly premiums for employer-sponsored insurance in the state increased from \$458 in 2016 to \$480 in 2017, which represents a 4.8 percent increase. Of those Nevadans enrolled in a marketplace plan in 2018, roughly 82.0 percent received premium tax credits to help purchase coverage.⁵⁰ The data presented in Figure 25 is echoed by recent reports.

Figure 25. Health Insurance Premiums Vary

Average Monthly Insurance Premiums in Nevada and the United States, 2016-2017⁵¹



Note: Average marketplace monthly premiums are for second-lowest cost Silver plan and lowest cost plan. Average employer-sponsored insurance monthly premiums are for single coverage.

RECOMMENDATIONS

EXPLORE WAYS TO INCREASE INCOME

1. **INCREASE THE MINIMUM WAGE.** In recent years, several states and cities have raised the minimum wage to exceed that of the federal minimum wage. In Nevada, household income growth for half of all households has been sluggish and still has not recovered to pre-Great Recession levels. Minimal wage growth is not keeping pace with the increasing cost of living. Raising the minimum wage could help strengthen the financial and economic security of many families.
2. **REMOVE THE ASSET LIMITATIONS ON TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF).** Currently, Nevada agencies consider TANF applicants ineligible if they report more than \$6,000 in assets. This recommendation was echoed by the Nevada Task Force on Financial Security, established in 2017 Legislature, which examined the financial security of Nevada residents.



EXPLORE WAYS TO STRENGTHEN ECONOMIC AND FINANCIAL SECURITY OF FAMILIES

1. **EXPAND CHILD CARE SUPPORT.** One of the greatest challenges facing families, especially working families and single mothers with children, is access to and availability of high-quality child care. Recent estimates find that child care in Nevada is more expensive than college tuition.
2. **PROVIDE BENEFITS THAT SUPPORT WORKERS AND THEIR FAMILIES, SUCH AS PAID SICK LEAVE.** Data shows that about 60 percent of Nevadans have access to paid sick days, while 40 percent (roughly 510,000 workers) do not have access to paid sick days. Many of Nevada's workers in the gaming and tourism and accommodation and food services sectors may be positioned to benefit from paid sick leave programs, which can help shore up the financial security of low- and middle-income workers.
3. **SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING.** Nevada ranks at the bottom of the country in the number of available rental units for low-income households, and housing prices and rents in the state's cities continue to rise. Political leaders, businesses, and community groups should continue to work collaboratively to explore ways to expand the development of affordable housing.

4. **EXPAND ACCESS TO QUALITY AND AFFORDABLE HEALTH CARE.** Despite recent gains, Nevada ranks 45th in the country in the percentage of the population with health insurance. Health insurance premiums continue to rise. In recent years, policymakers in Nevada have discussed several options, including an expanded “Medicaid for all” plan and a Basic Health Plan, which could provide coverage to low-income families who may not qualify for Medicaid. Policymakers should continue to explore options to expand access to quality and affordable health care.
5. **PROVIDE PROGRAMS THAT STRENGTHEN RETIREMENT SECURITY FOR WORKERS.** Data suggests that half of working Nevadans do not have access to an employer-sponsored retirement account (e.g., 401K). Public and private sector leaders should work together to explore collaborative solutions.



INCREASE COLLEGE AFFORDABILITY

1. **INCREASE COLLEGE AFFORDABILITY AND ACCESS TO COLLEGE.** Tuition costs in the Silver State have risen more than 80 percent over the last 15 years and a significant share (18 percent) of Nevada students with student loan debt have student loan debt in collections. Political and educational leaders should continue to explore ways to expand access to college for Nevada’s residents by addressing rising costs and affordability.

REFERENCES

- ¹ U.S. Department of Labor. 2019. “Minimum Wage Laws in the States.” Available: <https://www.dol.gov/whd/minwage/america.htm>.
- ² Prosperity Now Scorecard. <https://scorecard.prosperitynow.org/data-by-issue#finance/outcome/savings-penalties-in-public-benefit-programs>. Note: Two other states have higher asset limits than Nevada.
- ³ Prosperity Now Scorecard. <https://scorecard.prosperitynow.org/data-by-issue#finance/outcome/savings-penalties-in-public-benefit-programs>
- ⁴ Nevada Task Force on Financial Security. 2019. Bulletin 19-7. <https://www.leg.state.nv.us/Division/Research/Publications/InterimReports/2019/Bulletin19-07.pdf>; Riley Snyder. Activists push for removing asset limits on welfare programs, which top administrator says has no non-political purpose. The Nevada Independent. June 4, 2018. <https://thenevadaindependent.com/article/activists-push-for-removing-asset-limits-on-welfare-programs-which-top-administrator-says-has-no-non-political-purpose>.
- ⁵ Children’s Advocacy Alliance. 2019. Policy Brief: School Readiness 2019 “Child Care Subsidy” https://www.leg.state.nv.us/App/NELIS/REL/80th2019/ExhibitDocument/OpenExhibitDocument?exhibitId=38493&fileDownloadName=0322ab234a_ware_policybrief.pdf
- ⁶ Nevada Legislature. 2019 80th Legislative Session. Assembly Bill 234. <https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6414/Text>
- ⁷ Institute for Women’s Policy Research. March 2019. Access to Paid Sick Time in Nevada. <https://drive.google.com/file/d/1Igt1V5LbjRf9j0ZPuYqyE6esHwJcJ9-v/view>
- ⁸ Nevada Department of Employment, Training, and Rehabilitation website. <http://nevadaworkforce.com/industry-employment-by-sector>
- ⁹ Institute for Women’s Policy Research. March 2019. Access to Paid Sick Time in Nevada. <https://drive.google.com/file/d/1Igt1V5LbjRf9j0ZPuYqyE6esHwJcJ9-v/view>
- ¹⁰ Nevada Task Force on Financial Security. 2019. Bulletin 19-7. <https://www.leg.state.nv.us/Division/Research/Publications/InterimReports/2019/Bulletin19-07.pdf>
- ¹¹ Real gross state product in Nevada increased 12.3 percent between the nadir of the Great Recession in 2009 and 2017. Over the entire period of 1997 to 2017, real gross state product increased 58.1 percent. The gross state product was \$142.9 billion in 2017. See <https://news3lv.com/news/local/report-nevadas-job-growth-rate-is-fastest-in-the-nation>; See <https://www.reviewjournal.com/business/nevada-among-highest-in-3q-income-growth-in-us-1560437/>
- ¹² State of Nevada, Economic Forum. 2018. “Forecast of Future State Revenues, December 3, 2018.” Available: https://www.leg.state.nv.us/Division/Fiscal/Economic Forum/FINA Ibid.PORT_WEB_Version.pdf.
- ¹³ Ibid.
- ¹⁴ U.S. Department of Commerce, Bureau of the Census. “Nevada and Idaho Are the Nation’s Fastest-Growing States.” Release Number CB18-193. December 19, 2018. Available: <https://www.census.gov/newsroom/press-releases/2018/estimates-national-state.html>.
- ¹⁵ U.S. Department of Commerce, Bureau of the Census. “Nevada and Idaho Are the Nation’s Fastest-Growing States.” Release Number CB18-193. December 19, 2018. Available: <https://www.census.gov/newsroom/press-releases/2018/estimates-national-state.html>.

- ¹⁶ Source: U.S. Bureau of Economic Analysis
- ¹⁷ Source: U.S. Bureau of Labor Statistics
- ¹⁸ Source: American Community Survey
- ¹⁹ Source: American Community Survey
- ²⁰ Source: American Community Survey
- ²¹ Source: Annual Top Income Shares by U.S. State, 1917-2015 (Frank-Sommeiller-Price Series)
- ²² Source: Sommeiller, Estelle, and Mark Price. 2018. The New Gilded Age: Income Inequality in the U.S. by State, Metropolitan Area, and County. Economic Policy Institute, July 2018.
- ²³ In 2017, the poverty guideline for a family of four was \$24,600. (Source: U.S. Department of Health and Human Services. "Annual Update of the HHS Poverty Guidelines; Notice by the Health and Human Services Department on 01/31/2017." Federal Register. <https://www.federalregister.gov/documents/2017/01/31/2017-02076/annual-update-of-the-hhs-poverty-guidelines>.)
- ²⁴ Source: American Community Survey
- ²⁵ Source: American Community Survey
- ²⁶ Source: American Community Survey
- ²⁷ Source: American Community Survey
- ²⁸ National Center for Higher Education Management Systems (NCHEMS). "College-Going Rates of High School Graduates - Directly from High School." Available: <http://www.higheredinfo.org/dbrowser/?year=2014&level=nation&mode=data&state=0&submeasure=63>.
- ²⁹ Source: American Community Survey
- ³⁰ Source: U.S. Bureau of Labor Statistics
- ³¹ Rick Seltzer. "Net Price Keeps Creeping Up." Inside Higher Ed. October 25, 2017. Available: <https://www.insidehighered.com/news/2017/10/25/tuition-and-fees-still-rising-faster-aid-college-board-report-shows>.
- ³² Urban Institute. 2018. "Debt in America: An Interactive Map (Student Loan Debt)." Available: https://apps.urban.org/features/debt-interactive-map/?type=student&variable=perc_stud_debt.
- ³³ Urban Institute. 2018. "Debt in America: An Interactive Map (Student Loan Debt)." Available: https://apps.urban.org/features/debt-interactive-map/?type=student&variable=perc_stud_debt.
- ³⁴ Nevada Department of Employment, Training and Rehabilitation. "Nevada Labor Market Information: Industry Employment by Sector." Available: <http://nevadaworkforce.com/industry-employment-by-sector>.
- ³⁵ U.S. Department of Labor, Bureau of Labor Statistics. 2018. "Characteristics of Minimum Wage Workers, 2017." Available: <https://www.bls.gov/opub/reports/minimum-wage/2017/home.htm>.

- ³⁶ Nevada Department of Employment, Training and Rehabilitation. “Nevada Labor Market Briefing: September 2018 (Summary of Labor Market Economic Indicators).” Available: <https://www.leg.state.nv.us/App/InterimCommittee/REL/Document/13430>.
- ³⁷ Nevada Department of Employment, Training and Rehabilitation. “Nevada Labor Market Briefing: September 2018 (Summary of Labor Market Economic Indicators).” Available: <https://www.leg.state.nv.us/App/InterimCommittee/REL/Document/13430>.
- ³⁸ U.S. Department of Labor. 2019. “Minimum Wage Laws in the States.” Available: <https://www.dol.gov/whd/minwage/america.htm>.
- ³⁹ David Cooper. “Raising the Federal Minimum Wage to \$15 by 2024 Would Lift Pay for Nearly 40 Million Workers.” Economic Policy Institute. February 5, 2019. Available: <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2024-would-lift-pay-for-nearly-40-million-workers/>.
- ⁴⁰ Source: Economic Policy Institute
- ⁴¹ Source: Economic Policy Institute
- ⁴² Source: American Community Survey and Economic Policy Institute’s Family Budget Calculator. Note: Las Vegas refers to the Las Vegas/Henderson/Paradise Metro Area; Reno refers to the Reno metro area; and Elko refers to Elko County. Median household income is for 2017. Budget is based on needs for a family of four (two parents and two children).
- ⁴³ National Low-Income Housing Coalition. “Out of Reach 2018: Nevada.” Available: <https://reports.nlihc.org/oor/nevada>.
- ⁴⁴ Source: National Low-Income Housing Coalition (American Community Survey tabulations)
- ⁴⁵ Source: National Low-Income Housing Coalition (American Community Survey calculations)
- ⁴⁶ Source: American Community Survey
- ⁴⁷ Henry J. Kaiser Family Foundation. “Average Annual Percent Growth in Private Health Insurance Spending per Capita by State (2001-2014).” Available: <https://www.kff.org/private-insurance/state-indicator/average-annual-percent-growth-in-private-health-insurance-spending-per-capita-by-state/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
- ⁴⁸ Commonwealth Fund. 2018. “Trends in Employer Insurance Costs, 2008–2017: State Profiles.” Available: https://www.commonwealthfund.org/sites/default/files/2018-12/2018_Premiums_Brief_State_Profiles_ALL.pdf.
- ⁴⁹ Source: American Community Survey
- ⁵⁰ Commonwealth Fund. 2018. “Health Care Coverage and Access in Your State: State Fact Sheets: Nevada.”
- ⁵¹ Source: Centers for Medicare & Medicaid Services (CMS) and the State Health Access Data Assistance Center (SHADAC)

AUTHORS:

Nancy E. Brune, Ph.D.

Guinn Center

Meredith A. Levine

Guinn Center

Jaewon Kim, Ph.D.

*UNLV Greenspun College of Urban Affairs
Brookings Mountain West*