

2023

CITY OF HENDERSON

# TARGET INDUSTRY STUDY

HENDERSON™

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# Acknowledgements

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# Executive Summary

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This analysis, built upon the foundation of Henderson's existing strengths and the significant potential for continued economic growth and vitality in the city, represents a dynamic blueprint for Henderson's future economy and the industries the city is well positioned to greatly accelerate – with the corresponding economic, workforce, and community benefits that follow.

The approach taken for this report was rigorous and innovative – combining extensive research, insightful discussions, and collaboration with local leaders, stakeholders, and the local business community. This analysis is rooted in a five-factor framework that was identified early through this process to ensure the city's target industries align with the specific needs of the Henderson community. These factors include water efficiency, space efficiency, trade connectivity, a focus on professional services and knowledge-based industries, and a commitment to good paying jobs.

Henderson's advantage lies in its ability to be forward-thinking while balancing the opportunities and constraints of its geographical surroundings. Given the regional context, the city prioritizes water efficiency and places a premium on space-conscious land use. Its proximity to trade routes and connection to a knowledge-based economy provide a unique platform for economic growth. It is also essential that employers in the city offer a variety of jobs with competitive pay to help the community continue to thrive, prosper, and grow.

This study provides a detailed exploration of five target industries identified using this framework, along with recent data, industry performance and expected future trends that suggest significant growth opportunities – including those Henderson is well positioned to support. These industry clusters are rich with opportunities for career advancement, innovation, and economic growth. From creating advanced logistics software to fostering clean energy manufacturing, embracing the dynamic fusion of media and sports production, and supporting back-office functions, Henderson is poised for a bright and vibrant economic future.

Each selected target industry identified through this analysis aligns with Henderson's unique strengths and offers pathways for sustainable economic growth and increased job opportunities.

**Logistics Management and Technologies:** The logistics management and technologies industry is thriving in Henderson thanks to its strategic location and expertise in logistics-related work. With the growth of e-commerce, there's an opportunity to transform Henderson into a hub for logistics technology and management. Establishing a specialization in logistics technology and management emphasizes knowledge-based aspects of the field, tied to higher-paying jobs with career advancement in a tech-driven logistics landscape.

**Electrical Equipment and Components Manufacturing:** The growing emphasis on clean energy, with related federal funding and Nevada's "Electric Nevada" initiative, represents significant opportunities for Henderson. The city has already witnessed significant employment growth from 2012 to 2022 in these fields, with workforce growth anticipated to continue through 2032. With promising sectors in electrical equipment and component manufacturing, Henderson can leverage its existing companies to continue expanding its competitive positioning as a future hub for these industries.

**Financial and Credit Services:** The City of Henderson has a proven track record in fostering financial investment activities, with the finance and insurance industry ranking among its top 10 largest sectors. Specialized functions within this industry have demonstrated significant growth, establishing the city as a prime location for financial professionals. Additionally, the city's strategic location in proximity to West Coast markets and its competitive corporate tax rate position it as a promising hub for the financial services sector.

**Media and Sports Production:** The fusion of media and sports production holds great potential in Henderson, especially with the growth of spectator sports in the region due to the recent attraction of additional professional sports franchises. The emerging and continually evolving field of eSports offers diverse opportunities, including event production, technology, management, and broadcasting. These careers represent an opportunity for specialization and differentiation within the metro area's historic focus on hospitality and entertainment.

**Back-Office Management and Support Services:** Back-office management and administration have seen significant growth, making it the fifth-largest industry in Henderson, with roles ranging from account managers to corporate executives and specialized positions. The city's attractiveness for back-office functions compared to larger West Coast markets presents opportunities for business process outsourcing (BPO) centers, corporate management offices, and talent acquisition and recruitment consulting.

The selection of these target industries represents a bold and visionary pathway for the City of Henderson to both lean into its core strengths and assets as a local economy and aggressively attract new companies or expand existing ones in sectors primed for growth. This study is more than just a document; it is a declaration of the city's commitment to continue nurturing and celebrating the unique economic potential of Henderson – a future for industry growth informed by data and stakeholder input that will continue to be the guiding force for how the city works to cultivate these industries in collaboration with the broader Henderson community in the coming years.

# Introduction and Background

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The City of Henderson stands at an opportune juncture where recent trends and industry fluctuations continue to shape the region's economic landscape. The most recent regional economic development strategy, released in 2021, underscored key priorities such as land use, regional collaboration, and industry attraction. While recognizing the significance of regional strategies, the need to consider city-level differentiators within the regional Southern Nevada framework is clear, necessitating tailored economic development strategies for cities within the region like Henderson. To address this, Henderson's leadership initiated a distinctive effort to conduct a city-level target industry study—an unprecedented undertaking—aimed at identifying and capitalizing on Henderson's unique strengths compared to the broader region and specific industry opportunities and trends on which Henderson is poised to capitalize. The city's 2024-2027 strategic plan further underscores its commitment to enhancing economic vitality, with goals centered on attracting high-tech, high-wage industries and fostering economic diversity (City of Henderson, 2023). This strategic initiative positions Henderson at the forefront of economic advancement, leveraging its inherent strengths for sustainable growth.

The city engaged Emergent Method, a national research and strategy consulting firm specializing in public-sector government and economic development, and ResearchFDI, an international economic development consulting firm, to conduct this third-party, objective analysis—blending sound research and data with the nuance of the city's local needs and stakeholder input.

The strategic selection of target industries for the city, supplemented by the accompanying target industry dashboard, will serve as a guiding direction for Henderson in the years to come, offering a clear roadmap to maximize its unique strengths and distinguish itself not only from neighboring cities in Southern Nevada but across the state as a whole. Henderson possesses a wealth of compelling advantages, from its proximity to major markets to its high standard of living and strong sense of community. However, the challenge in this analysis lies in identifying the precise differentiators that will set Henderson apart. By doing so, the city will position itself for a promising future, building upon its remarkable track record of economic growth and vitality. These well-chosen industries, rooted in comprehensive data and thoughtful planning, are the linchpin to ensuring that Henderson continues to thrive and flourish while contributing to the broader success of the region and the state.

## Data Inputs

Throughout this comprehensive analysis, the primary focus has been on utilizing local data specific to the City of Henderson to discern and underscore its unique differentiators compared to the broader Metropolitan Statistical Area (MSA) and the Southern Nevada region. Local data, known for its precision and relevance, has been instrumental in identifying the city's distinguishing features accurately. However, it is important to acknowledge that, in certain cases, specific data is exclusively available at the county or MSA level. In such instances, these regional, state, and federal data sources augmented the locally based data, providing a holistic and well-informed analysis of the opportunities and challenges that lie ahead for Henderson.

### LOCAL DATA

Local data sources offer unique insights into the city's economic landscape.

**Land use and zoning data** provided insight into available zones and sites, including data about those that are more conducive for specific opportunities and types of development, allowing for more intentional planning and targeted development and ensuring the highest and best uses for the existing physical assets within Henderson. **Financial and tax data** were used to identify trends within the city's revenue generation by industry, as well as the proportion of the revenue that depends on sales tax. **Permitting data** was leveraged in tandem with **occupational licensing data** to provide a view into new development and business start-up activity. Henderson's Department of Economic Development and Tourism maintains a robust **business development pipeline** as part of its aggressive, proactive strategy to reinforce and grow the city's economy. This pipeline includes both new market entrants and anticipated expansions by existing businesses and is a valuable tool for identifying potential investments and partnerships.

This analysis also leveraged Henderson-level data provided by Governor’s Office of Economic Development (GOED), which identified demographic trends, population characteristics, and industry and job posting data associated with the eight zip codes within the City of Henderson.

## **REGIONAL AND STATE DATA**

Regional and state-level economic trends and target industry data, as well as strategic plans and target industry analyses, served as an additional layer of input, providing essential context for the broader strategies and investments that are being made at these levels.

This information was used to contextualize Henderson’s differentiating factors and areas of competitive advantage and align the local economic opportunities and priorities with state-level goals, ensuring that the City of Henderson can target resources and efforts strategically. It also provided information on how the selected target industries would contribute to the broader economic growth throughout both Southern Nevada and the state at large.

By integrating insights from regional and state levels, a city-level target industry study becomes a more comprehensive and synergistic effort. It ensures that the city’s economic development strategies are not only well-informed but also aligned with larger regional and state objectives, ultimately promoting sustainable growth and competitiveness within the chosen industry.

## **FEDERAL DATA**

Federal data, primarily in the form of anticipated trends and identified federal funding patterns, were the final inputs for the analysis. Federal trends were key to identifying broader patterns in job and industry growth that could be harnessed by Henderson, while federal priorities and related funding opportunities serve as an important tool that can potentially be leveraged by the city to align and grow support for the selected target industries.

## **INTERVIEWS**

To supplement the local-level data gathered, interviews with 32 stakeholders were conducted from June – August 2023. These included conversations with Henderson elected officials, City of Henderson leadership, partners from the private sector and regional higher education institutions, and economic and workforce development partners within the city and region.

## **BUSINESS SURVEY**

In partnership with the Henderson Chamber, the City of Henderson conducted a survey of Henderson-based business entities. Fielded in July 2023, the survey gathered information about Henderson’s core economic strengths and challenge areas, as well as identifying key industries that respondents believed Henderson was uniquely positioned to grow in the near future.

# Methodology

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This analysis leveraged a five-factor framework to identify and vet prospective target industry clusters to ensure the city's target industries are reflective of and meet the unique needs of the Henderson area and broader requirements of the Southern Nevada community.

In order to be considered for inclusion, an industry must have met most, if not all, of the following criteria:

- **Water Efficient:** Southern Nevada has developed a robust system for indoor water recovery. However, the limited water allocation for the region requires water consumption to be a top priority when considering industries. The introduction of the Water Investment Rating system by the Southern Nevada Water Authority provides a tool for measuring consumptive water use, among other factors, of individual organizations, but types of industries were selected based on the more generalizable water efficiency.
- **Space Efficient:** Located in the southeastern portion of the Las Vegas Valley and less than 20 miles from downtown Las Vegas, Henderson is surrounded by mountain ranges and permanently protected local and federal open space and recreation areas. Lake Mead National Recreation Area bounds the city to the east, the Sloan Canyon National Conservation Area bounds the city to the south, Boulder City abuts the city to the southeast, and Paradise borders the city's northwestern edge. Further, large parcels in both East Henderson (including Eldorado Valley) and West Henderson are owned and controlled by the Bureau of Land Management, creating additional hurdles and timelines to economic growth. Given the limitations imposed by the size and type of available tracts of land, prioritizing efficiency and space-conscious land use becomes imperative.
- **Trade Connected:** Trade connected organizations are either partially or entirely part of a traded cluster, where goods or services are produced primarily for export or trade outside of the local or regional economy. Traded clusters are typically the focus for direct investment attraction activities due to their increased market reach and higher growth potential, and as a result, their increased economic impact and ability to create additional jobs and GDP contributions. Though business, administrative, accounting, finance, and insurance services are often locally oriented, they are included for consideration because such services can be offered at the local level and nationally or internationally.
- **Professional Services/Knowledge-based:** The knowledge economy is fueled by innovation, research, and technological advancement. While knowledge-based industries are commonly associated with a narrow band of high science and technology-based firms, they can also include bands of high-knowledge firms that either incorporate significant research and development (R&D) into their activities through knowledge worker inputs or are simply considered high-knowledge users and business innovators. These companies have relatively high human capital requirements, i.e., those with a high proportion of workers with postsecondary education or a high proportion of knowledge workers (those with occupations in science, engineering, education, managerial roles, administration, law, high-tech disciplines, and health). Knowledge-based organizations are a priority given their capacity to incorporate a workforce with a broader educational base.
- **Good Pay:** There is considerable discussion about how to define a "good" job or "good" pay. Leveraging tools and calculations by the Living Wage Project from the Massachusetts Institute of Technology (MIT), this analysis considers pay that meets or exceeds the minimum hourly rate that an individual in a household must earn to support themselves and their family, assuming that they are working full-time, and includes estimates of geographically specific estimates of living expenses. Using these calculations, the living wage for the Las Vegas-Henderson-Paradise, NV MSA is \$19.90 (for two working adults with one child).



The process and steps used to complete the analysis included:



# Analysis

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## Demographics

Henderson is celebrated for its elevated standard of living, a compelling magnet for newcomers and a point of pride for regional residents. The city's exceptional quality of life and robust school system, which outperforms the region, set it apart from many other locales in Southern Nevada, making it a sought-after destination for families and individuals alike, with a palpable sense of community. This unique blend of urban convenience and small-town charm is further enriched by its strategic location, with access to the amenities and entertainment options of the larger MSA. Additionally, Henderson benefits from its proximity to international airports, facilitating convenient travel and access to global opportunities. These factors combine to make Henderson a standout choice for those seeking an exceptional standard of living, offering the best of both worlds—the comforts of community and the attractions of a thriving city.

These benefits are reflected in the city's recent population growth: between 2017-2022, the city experienced a 7.1% increase in its population, or growth of just over 21,000 residents, outpacing the growth of the Henderson MSA during the same time period (5.4% growth between 2017-2022). However, the city has a slightly higher average age compared to other comparable cities of its size in the United States; there are slightly fewer millennial residents (ages 25-39) (62,119 in Henderson compared to 65,945 in comparable areas nationally), while there is a heightened number of those entering or at retirement age (55 or older) (107,452 in Henderson compared to 95,960 in comparable areas nationally).

These trends differentiate it from the broader Las Vegas-Henderson-Paradise metropolitan area, which boasts a median age of 38.1 in 2021, 0.8 years below the national median age observed between 2021 and 2022. A lower median age signifies a larger proportion of working-age individuals, indicating a potentially vibrant and productive labor force. Additionally, a younger population often correlates with higher levels of innovation and adaptability to new technologies. It can also indicate a higher potential for economic growth and consumer spending, as younger individuals are typically more active in the workforce and contribute to local business activities.

The largest racial group in Henderson are those who identify as white (56%), followed by those who identify as Hispanic (20%), Asian (9%), Black (7%), and two or more races (7%). Comparatively, Henderson is slightly less diverse than the broader Las Vegas-Henderson-Paradise region, in which 38% of the population identifies as white, while Hispanics comprise a significantly larger proportion of the population (33%), as do Blacks (12%) and Asians (11%), while there are slightly fewer individuals who identify as two or more races (6%).

## Considerations

When identifying the types of industries the City of Henderson is primed to attract and grow, it must take into account potential challenges that might shape its future trajectory. Some of these challenges are rooted in the city's perceived positioning within the region as a commuter community to Las Vegas with little defined industry of its own, which may influence perceptions and its competitive advantage relative to its municipal peers. Others are more macro- or regional-level considerations, such as challenges related to real or perceived water scarcity in an arid environment. Equally significant are the reverberations of how the local economy has evolved over the years, such as the current inventory of affordable housing and the perceived over-dependence of the local economy on specific sectors. It is imperative to recognize that all these multifaceted challenges must be taken into account when assessing the opportunities available for Henderson. This holistic approach ensures that the city leverages its strengths while proactively addressing limitations, fostering a well-informed and sustainable approach to economic development.

## WORKFORCE CAPACITY AND CAPABILITY IMPACTS

Based on the skew toward older residents, the impending wave of workforce retirements anticipated to take place between 2024 and 2027 is set to exert considerable influence on workforce capacity and capability in Henderson. The demographic shift brings forth the challenge of ensuring a seamless transition in talent retention and skills continuity. As retirees vacate their roles, the city faces the task of not only attracting new talent but also cultivating the skills necessary to sustain its industries. This workforce transformation underlines the need for targeted strategies to bridge skill gaps and facilitate knowledge transfer, ultimately ensuring uninterrupted business operations and maintaining economic growth.

### **ATTRACTING AND RETAINING DIVERSE BUSINESSES AND JOBS**

An integral aspect of the 2024-2027 City of Henderson Strategic Plan is the city's commitment to attracting and retaining diverse businesses and job opportunities within Henderson. This goal aligns with the city's broader economic development agenda and is crucial for achieving sustained growth. By fostering a business-friendly environment with competitive and sought-after sites, Henderson seeks to enhance its economic resilience and diversify its employment landscape. This strategic endeavor signifies the city's intention to become a hub for a broad spectrum of businesses, contributing to a robust and dynamic local economy, and also signals an opportunity to more strategically leverage this focus in the future.

### **IMPACT OF OVER-DEVELOPMENT ON LOGISTICS INDUSTRY**

The past decade has witnessed substantial growth in the logistics industry, characterized by the proliferation of logistics centers, warehousing facilities, and large retail outlets throughout the city, particularly in West Henderson. This expansion has brought forth unintended consequences for the city's employment landscape. While the growth of this industry has generated jobs, many roles typically associated with this industry are limited in the level of growth opportunity that exists for employees in terms of upward mobility or higher pay. This highlights the importance of balancing industry growth with workforce needs and strategically recruiting companies that serve more specialized functions within the broader sector, which allows them to invest in their workforce and employ wider ranges of workers with diverse skill sets.

### **AFFORDABLE HOUSING CHALLENGE**

Henderson's evolution from a historical commuter city to a destination known for its high quality of living has been marked by a shortage of affordable housing options. This transformation has created a dichotomy: while the city offers a plethora of amenities and an attractive quality of life, affordable housing remains scarce. Aspiring professionals and workers earning below a certain threshold find it increasingly difficult to afford to reside within the city limits. Addressing this affordable housing shortage becomes pivotal for sustaining a diverse and inclusive community.

### **PERCEPTIONS IMPACTING REPUTATION**

Henderson grapples with two key misconceptions. The first centers on general and historical negative perceptions related to schools in Clark County, which by default impacts perceptions of the Henderson schools. The second revolves around a mistaken belief in the lack of available land for future development, creating the impression of limited growth potential. In reality, Henderson public schools consistently surpass the performance of the district at large. Similarly, there are ample opportunities for development throughout the city, including a variety of competitive sites. Systematically addressing and dispelling these misperceptions is essential in countering narratives that could potentially hinder Henderson's growth prospects.

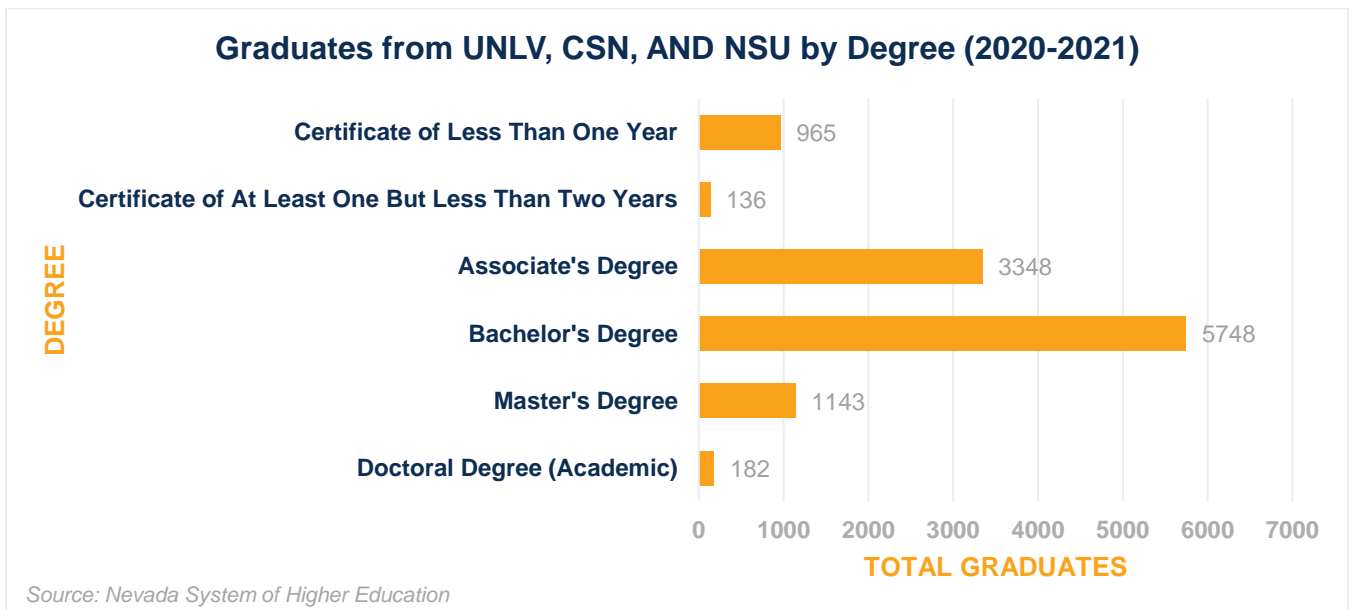
### **WATER SCARCITY AND FUTURE POLICIES**

The Southern Nevada Water Authority (SNWA) has been instrumental in the strategic management of water resources, assuring the region of reliable access to water for the next half-century. While Henderson must acknowledge and continue proactively addressing the current, historic drought conditions of the geographic area in which it exists, there are also opportunities to better communicate the real state of water availability for the region and substantial opportunities for economic growth and innovation, even within these constraints. Given the ongoing concerns surrounding water scarcity, insights gleaned from the Southern Nevada Water Authority offer valuable information regarding Henderson's water usage trends and the potential implications of future water policies. Understanding these dynamics stands as a crucial element in effective long-term planning, ensuring that Henderson's growth remains sustainable and aligns with responsible water usage practices.

## EDUCATION

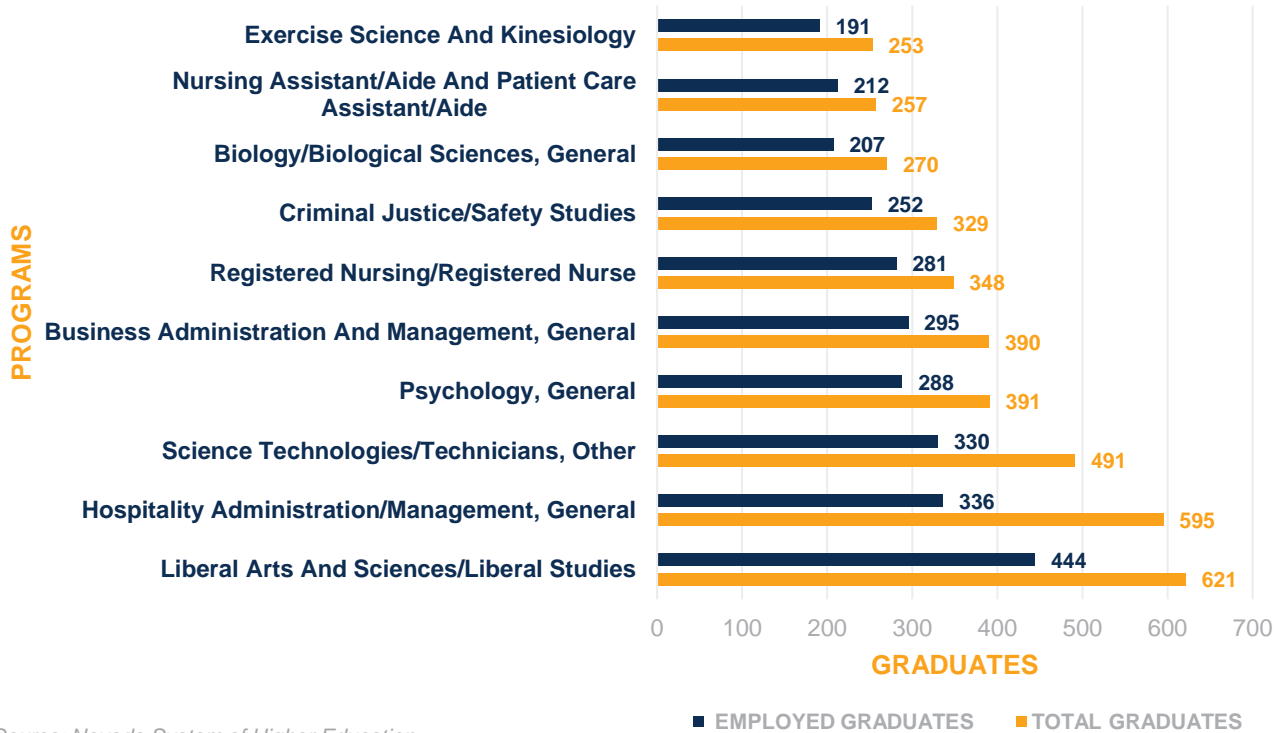
The role of education and the availability of a well-educated workforce are paramount in shaping the industries that Henderson is positioned to sustain and grow. While it is always possible to foster workforce training and development programs or outside attraction, the graduates of the higher educational institutions within the region often provide the foundation of the available workforce that is further augmented by talent from outside the region or rapid upskilling programs. Understanding the composition of graduates by degree and major from these institutions plays a pivotal role in informing the city's strategies for economic development.

The City of Henderson boasts a highly educated workforce with individuals from a diverse set of educational backgrounds; the city benefits from its physical proximity to three public higher educational institutions and several other private institutions. Between 2020 and 2021, the public higher educational institutions in Southern Nevada, including the University of Nevada, Las Vegas (UNLV), the College of Southern Nevada (CSN), and Nevada State University (NSU), produced a total of 11,522 graduates. The most prevalent degree awarded during this period was the bachelor's degree program, boasting 5,748 graduates, followed by the associate degree program, which conferred 3,348 graduates. Additional attainments included master's degrees, certificates of less than one year, doctoral degrees, and certificates of at least one but less than two years. The ensuing figure provides an overview of the most sought-after degree programs among these institutions between 2020 and 2021.



The degree program that boasted the highest number of graduates across all degree types was Liberal Arts and Sciences/Liberal Studies, with a total of 621 graduates. It was closely followed by Hospitality Administration/Management (General), which conferred 595 degrees. Additionally, these programs recorded the highest number of graduates who secured employment within the state of Nevada upon completing their degrees, with the number of employed graduates correlating with the total graduates in their respective fields. The following figure provides insights into the total number of graduates in the top 20 most popular degree programs, as well as the corresponding count of graduates employed in Nevada.

### Top 10 Degree Programs by Number of Graduates (2020 to 2021)



Source: Nevada System of Higher Education

## Employment and Income

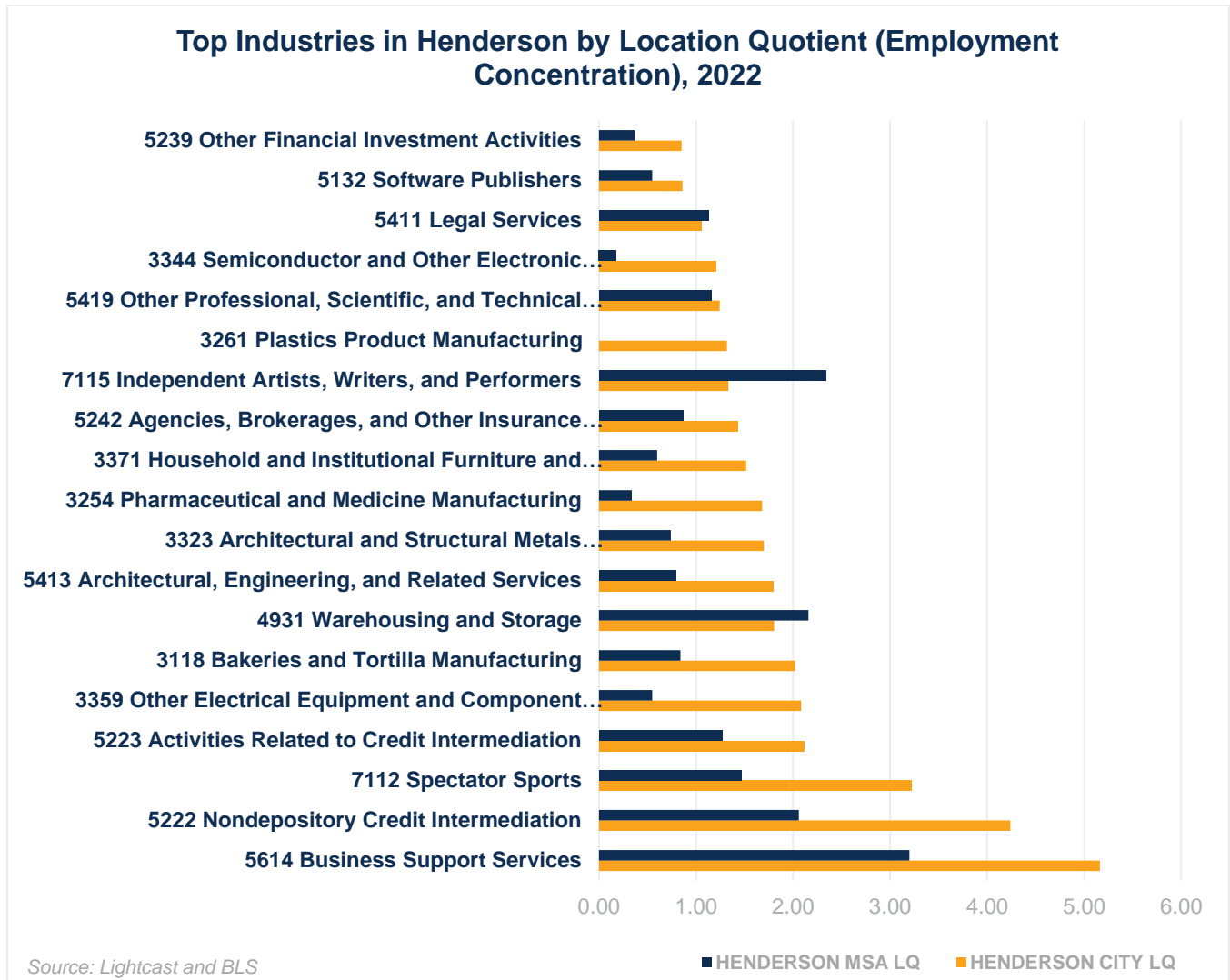
The City of Henderson is poised for a promising future, with a significant job growth trajectory anticipated in the years to come. In 2022, Henderson reported a total employment of 130,506 individuals, marking an increase of 14,861 jobs over the past five years, with an anticipated growth of 13,559 jobs in the next five years. The per capita income in Henderson reached \$45,896 in 2022, surpassing the MSA’s per capita income of \$36,915 in 2022, per the 2022 American Community Survey.

Henderson's key industries in 2022 include Accommodation and Food Services (20,759 jobs), Healthcare and Social Assistance (15,949 jobs), and Retail Trade (15,143 jobs). Notably, the sectors that experienced the most significant employment growth between 2017 and 2022 are Agriculture, Forestry, Fishing, and Hunting (with a 138% change in jobs), Transportation and Warehousing (with a 135% change in jobs), and Management of Companies and Enterprise (with a 58% change in jobs). However, it's essential to note that Agriculture, Forestry, Fishing, and Hunting represent a very small proportion of the jobs within Henderson (356 jobs in 2022).

Taking into account various factors, including industries with trade connections, space and water efficiency, and a predominantly knowledge-based nature, several industries underwent in-depth analysis. Specifically, NAICS codes 31-33, 49, 51, 52, 54, 56, and 71 were found to be relevant. To refine the selection to more specific industries, specific criteria were applied, including employment exceeding 150 individuals, non-negative growth, non-negative projected growth through 2032, average earnings of \$45,000 or more, and a location quotient of 0.8 or higher. Consequently, 19 industries with robust location quotients at the 4-digit NAICS level were identified.

Location Quotients (LQ) provide a statistical framework for assessing the distinctiveness of a local economy. They achieve this by measuring the prevalence of specific industries in the area in comparison to a broader region. When compared to the

broader region, a higher LQ suggests a heightened level of specialization in that industry within the area, while a lower LQ indicates a lower degree of specialization. The industries with the highest location quotients in Henderson are NAICS 5614: Business Support Services (LQ of 5.16), NAICS 5222: Nondepository Credit Intermediation (LQ of 4.24), and NAICS 7112: Spectator Sports (LQ of 3.22). When compared to the MSA, only three of Henderson’s top industries, based on location quotients, have a concentration lower than the MSA. These are NAICS 4931: Warehousing and Storage, NAICS 7115: Independent Artists, Writers, and Performers, and NAICS 5411: Legal Services. A detailed breakdown of Henderson’s top industries by location quotients and their corresponding county location quotients is illustrated in the table below.



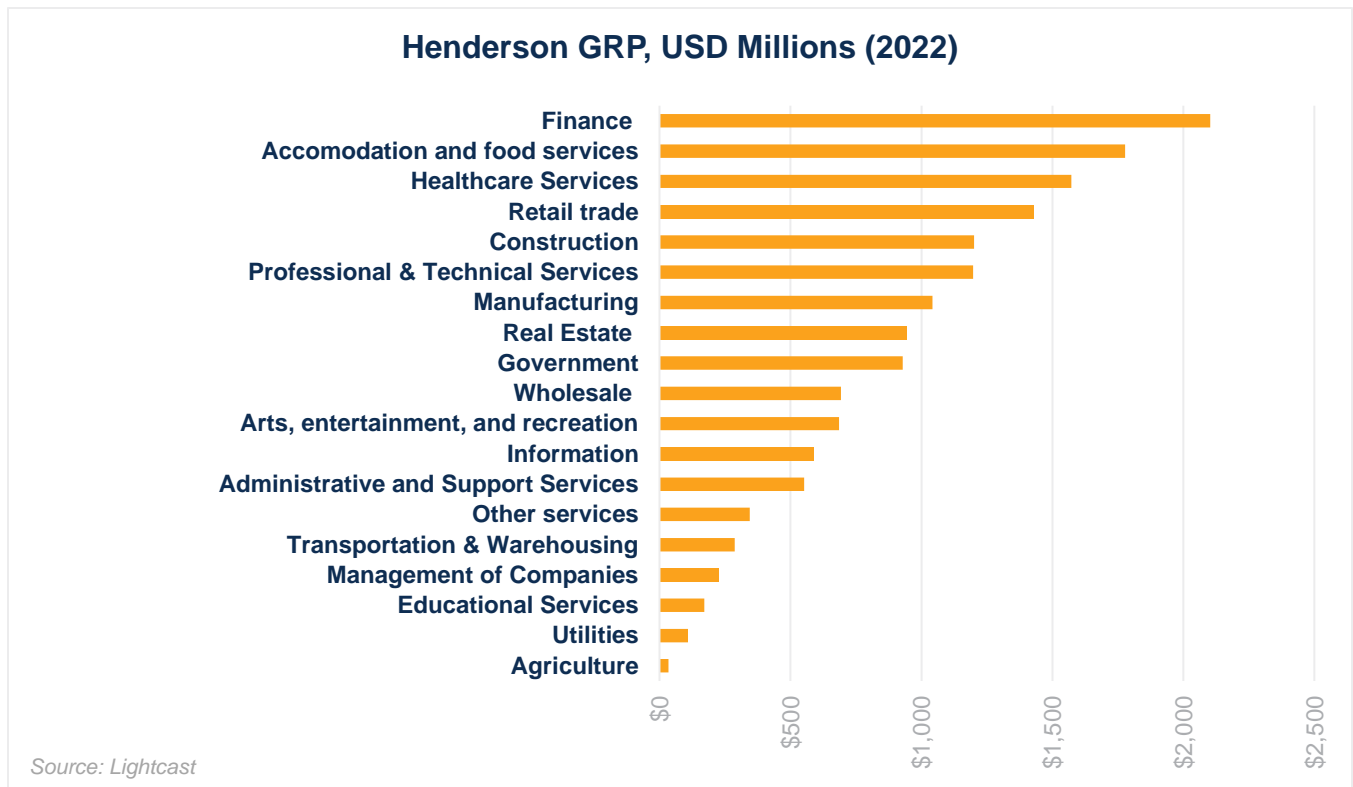
An additional layer to consider when assessing workforce availability is the appeal of specific industries to current or prospective job seekers as they enter or re-enter the job market. From January to mid-March 2023, the UNLV Center for Business and Economic Research conducted a statewide online survey involving 404 randomly selected individuals in Nevada actively seeking employment within the next six months. Although this research had a statewide scope, a substantial majority of respondents (72.8%) resided in Clark County, offering valuable insights into the preferences of job seekers within specific industries. The survey sample encompassed both unemployed individuals (185) and those with various employment statuses, including full-time, part-time, and self-employed (219). Demographically, the respondents were representative of Nevada’s

geographical and demographic diversity, with a predominance of females (70.07%), individuals aged 18 to 54 (89.60%), and long-term residents of Nevada (51.95%).

The survey revealed a notable inclination among most respondents, both employed and unemployed, to explore job opportunities in new career fields, with arts, leisure and hospitality, and administration being popular choices. Entertainment garnered interest from the employed group, while healthcare and government appealed more to the unemployed. Work hour flexibility, rate of pay, and work location were the top three factors considered by both employed and unemployed individuals when evaluating their next job. An intriguing divergence between the two groups emerged regarding their primary challenges; employed individuals cited "skill-set training and certifications" as their foremost concern (19.91%), while unemployed individuals pointed to "transportation" (22.34%). Gender discrepancies were evident, particularly in relation to childcare, which emerged as a lower priority for unemployed females despite family obligations, whereas employed females ranked childcare higher as a reason for leaving their current job. Employed respondents in Clarke County and rural areas assigned greater significance to childcare as a challenge in comparison to those in Washoe County, while transportation presented a more substantial obstacle for unemployed respondents, particularly when contrasted with employed individuals. Understanding job seekers' industry preferences is an integral part of identifying city-level target industries – in order for industry-level growth to happen, job seekers must view the selected industries as providing viable opportunities.

## Economic Output

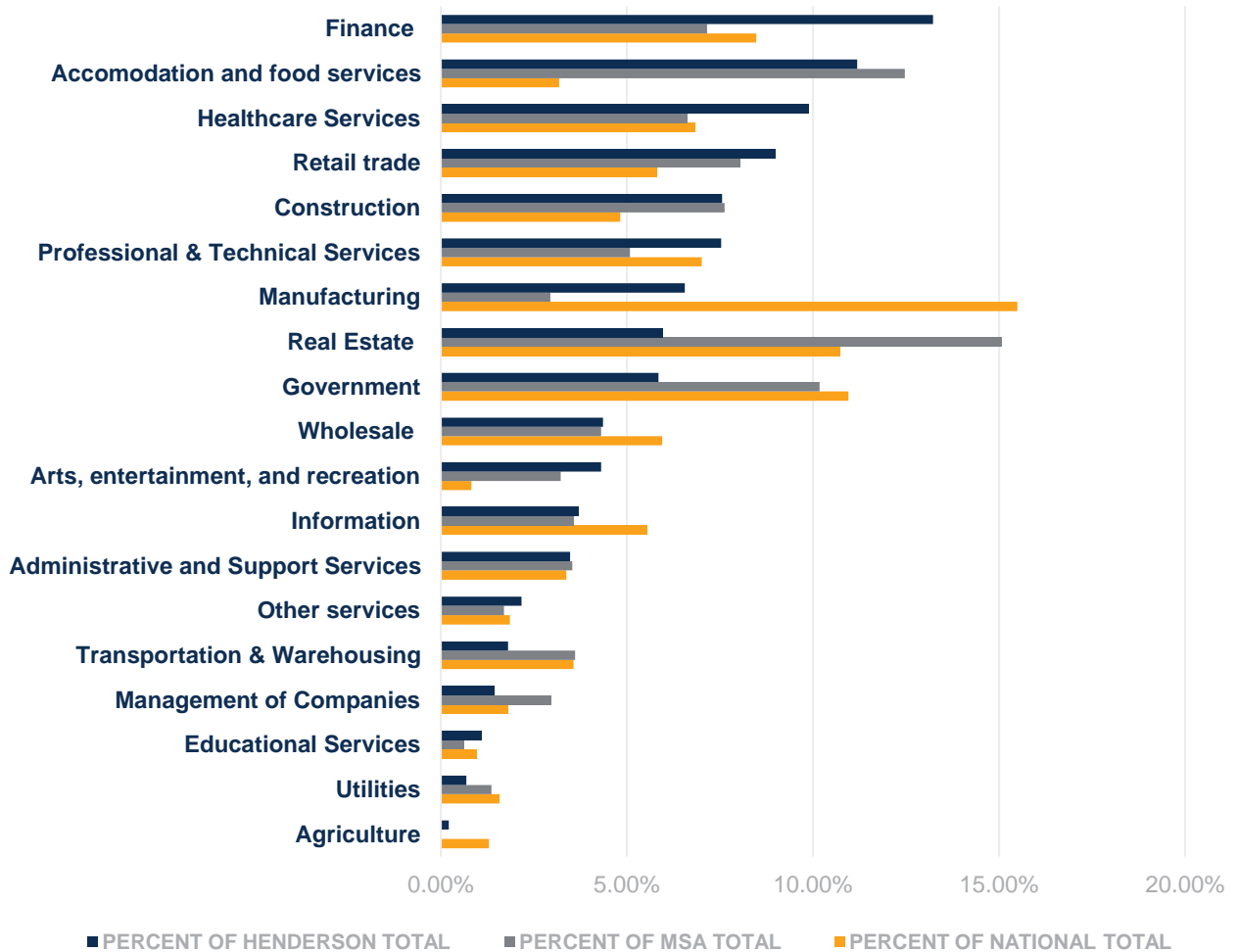
The largest contributors to the Gross Regional Product (GRP) of the City of Henderson include Finance, Professional & Technical Services, and Manufacturing, three sectors that contribute to high-value employment in the city.



Particularly intriguing is the comparison of each industry's share in the total gross product and how these proportions in Henderson contrast with those of the MSA and the national scale. When measured against the broader MSA and the nation, Henderson stands out with a notably higher proportion of its GRP allocated to finance and professional & technical services,

underscoring the significant role these high-value employment sectors play in the local economy. Furthermore, while both Henderson and the larger MSA fall behind the national proportion of GDP attributed to manufacturing, Henderson distinguishes itself by possessing a considerably larger share of its population engaged in manufacturing, signifying a greater specialization in this domain. Henderson's proportion of GDP derived from administrative and support industries aligns closely with both the MSA and the national level, while its transportation and warehousing GDP constitutes a smaller proportion of the total GDP when compared to the aforementioned benchmarks. This occurs despite substantial employment growth in this sector in recent years, suggesting the potential for further employment expansion as this segment catches up with the regional level.

### Annual Industry GDP as a Percentage of Annual GDP Across All Industries (For Henderson, Las Vegas-Henderson-Paradise MSA, and nationally)

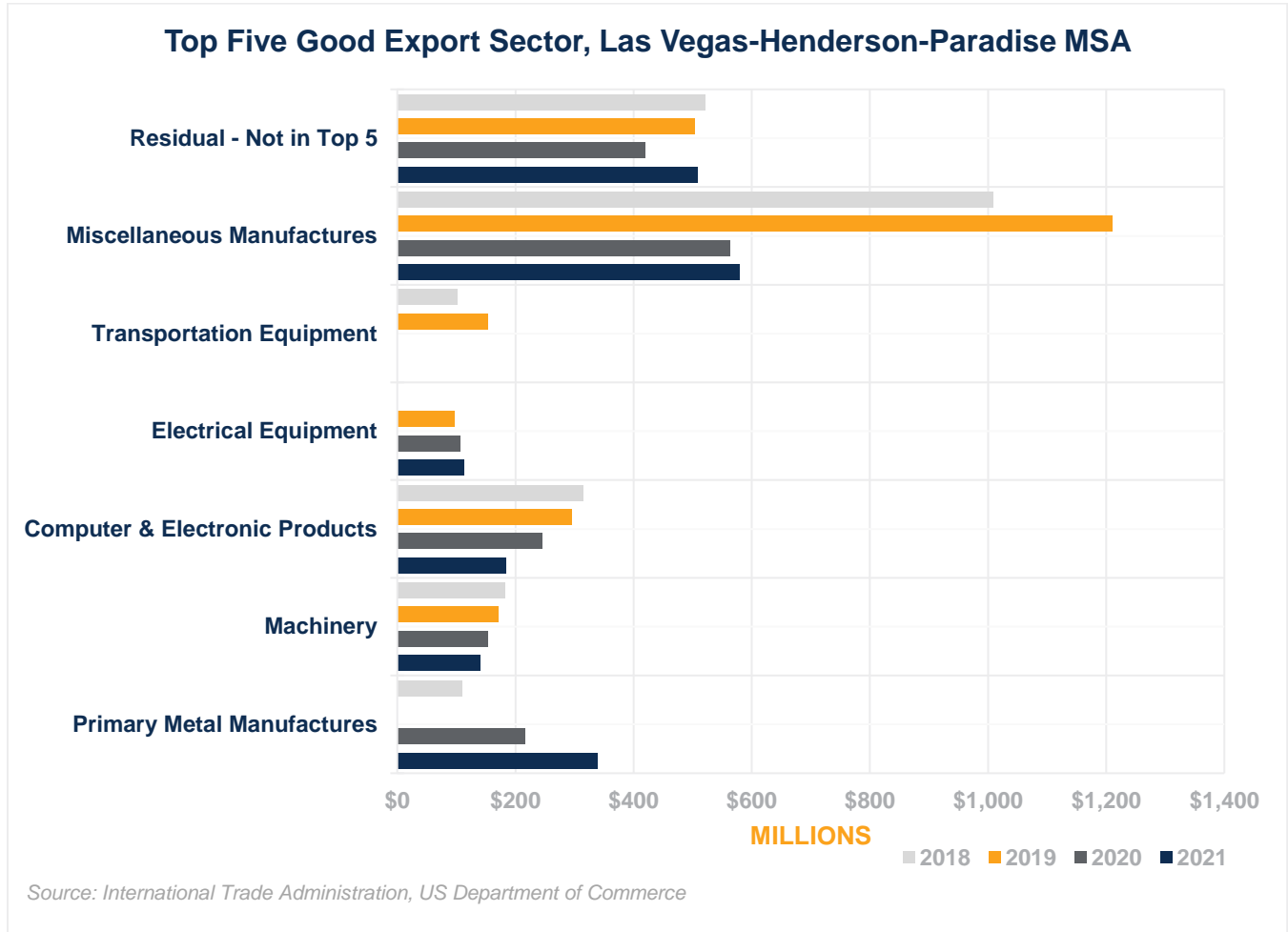


Source: Lightcast, the U.S. Bureau of Economic Analysis

Note: Data for the MSA was available only up to the year 2021, while data for Henderson was available only for 2022. Henderson data was sourced from Lightcast and is based on the following zip codes: 89002, 89011, 89012, 89014, 89015, 89044, 89052, 89074



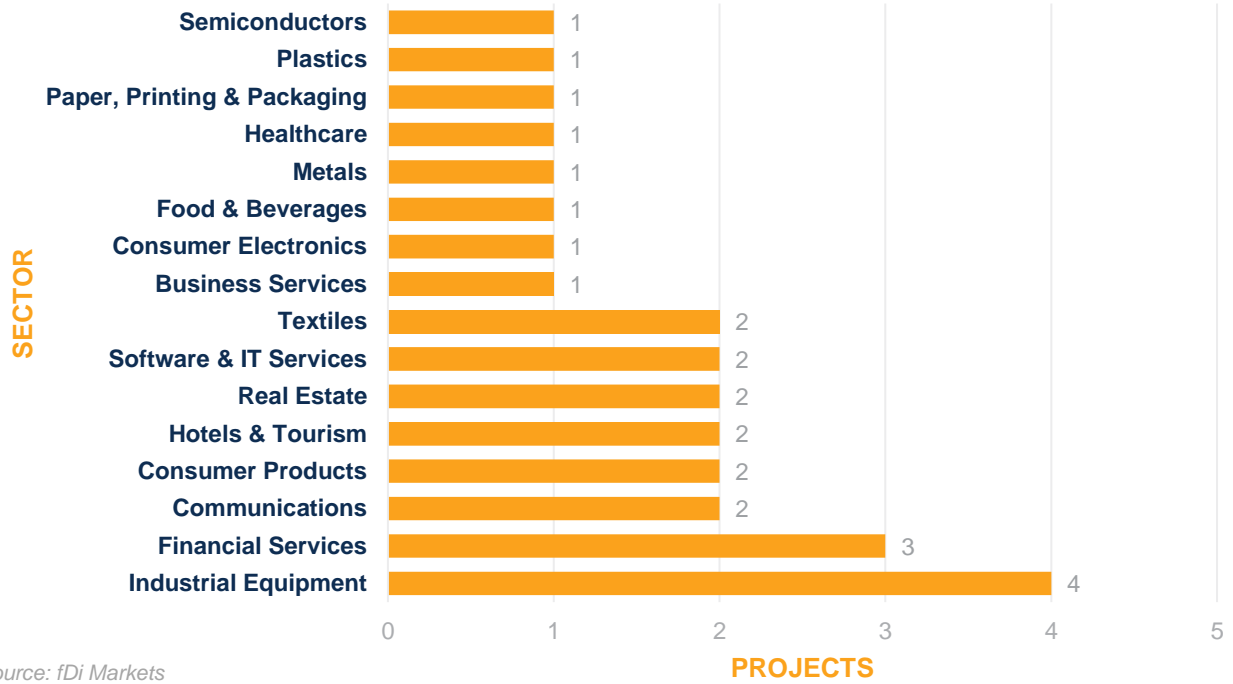
Although manufacturing doesn't claim the top spot in contributing to the MSA's GDP, several of the region's leading goods exports are intricately tied to manufacturing. Among the highlighted industries, Primary Metals Manufacturing took the lead as the MSA's most significant export in 2021, closely followed by Computer and Electronic Products, Machinery, and Electrical Equipment. A particularly noteworthy category within manufacturing is "Miscellaneous Products," encompassing establishments engaged in a diverse array of manufacturing activities not classified under any other subsector. This segment churns out an eclectic range of products, including medical equipment and supplies, jewelry, sporting goods, toys, and office supplies. The subsequent table provides insights into the evolution of exports in these top industries from 2018 to 2021.



## Historical Direct Investment

Between January 2018 to December 2022, Henderson attracted a total of 27 direct investment projects. These ventures necessitated an aggregate investment of approximately \$2.57 billion within this four-year timeframe, fostering the creation of 3,872 job opportunities in the region. Among these projects, the Industrial Equipment sector led the way with the highest number of endeavors (4), followed by the Financial Services sector. The remaining sectors each secured between one and two projects each. For a visual representation of the distribution of FDI projects by sector from 2018 to 2022, please consult the figure below.

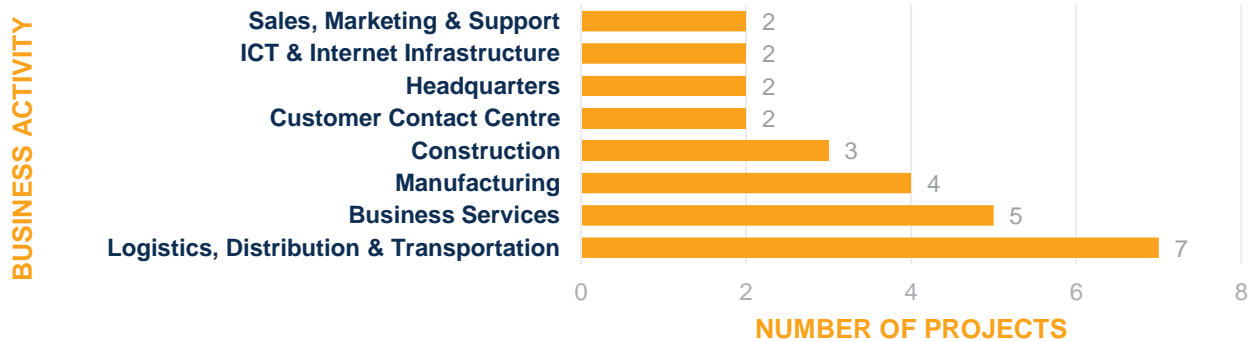
### Total FDI Projects (Inflows) into Henderson by Sector between 2018 and 2022



Source: fDi Markets

Among these sectors, the most popular business activity that these projects were purposed for was Logistics, Distribution & Transportation, encompassing 7 projects. This was followed by Business Services (5) and Manufacturing (4). The figure below illustrates the total number of FDI projects based on their primary business activity.

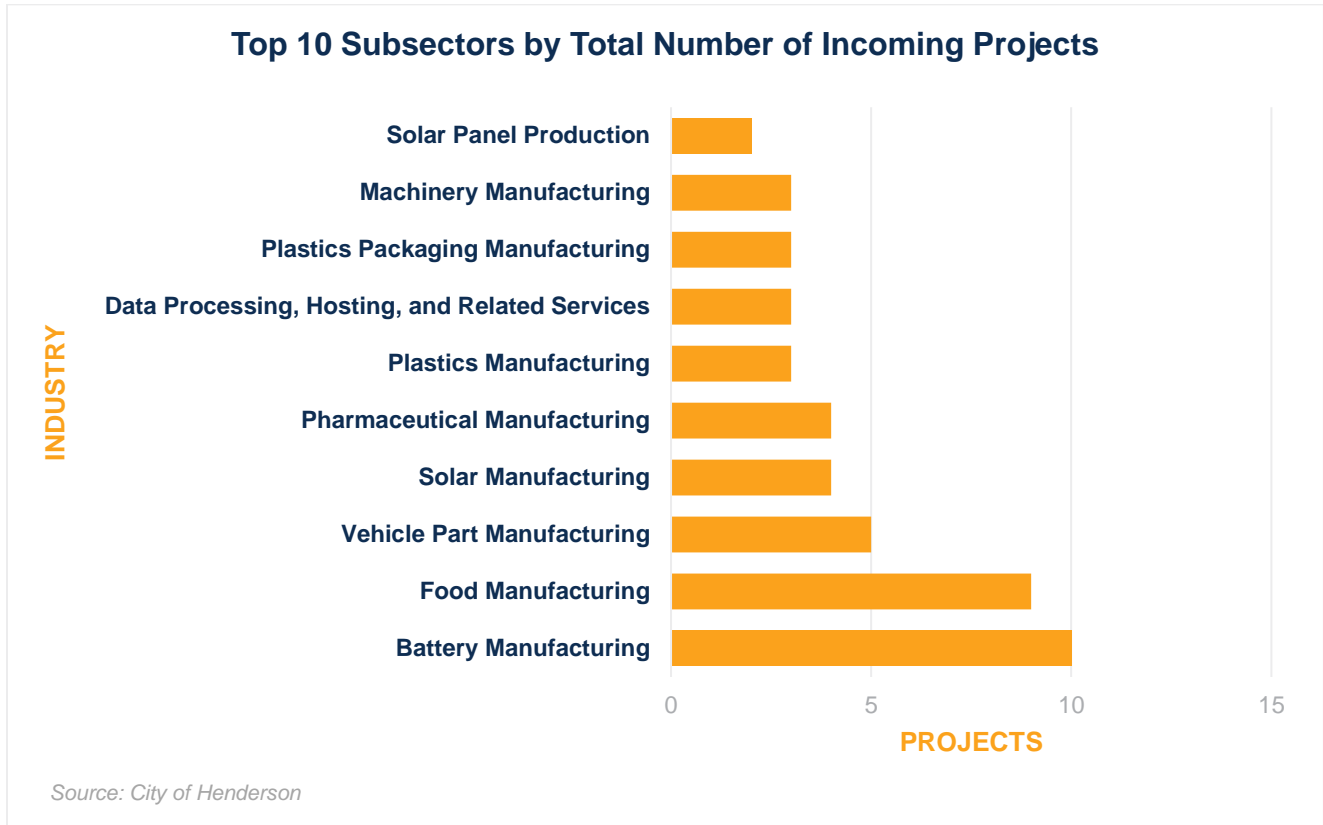
### Total FDI Projects (Inflows) into Henderson by Sector between 2018 and 2022



Source: fDi Markets

## Project Pipeline

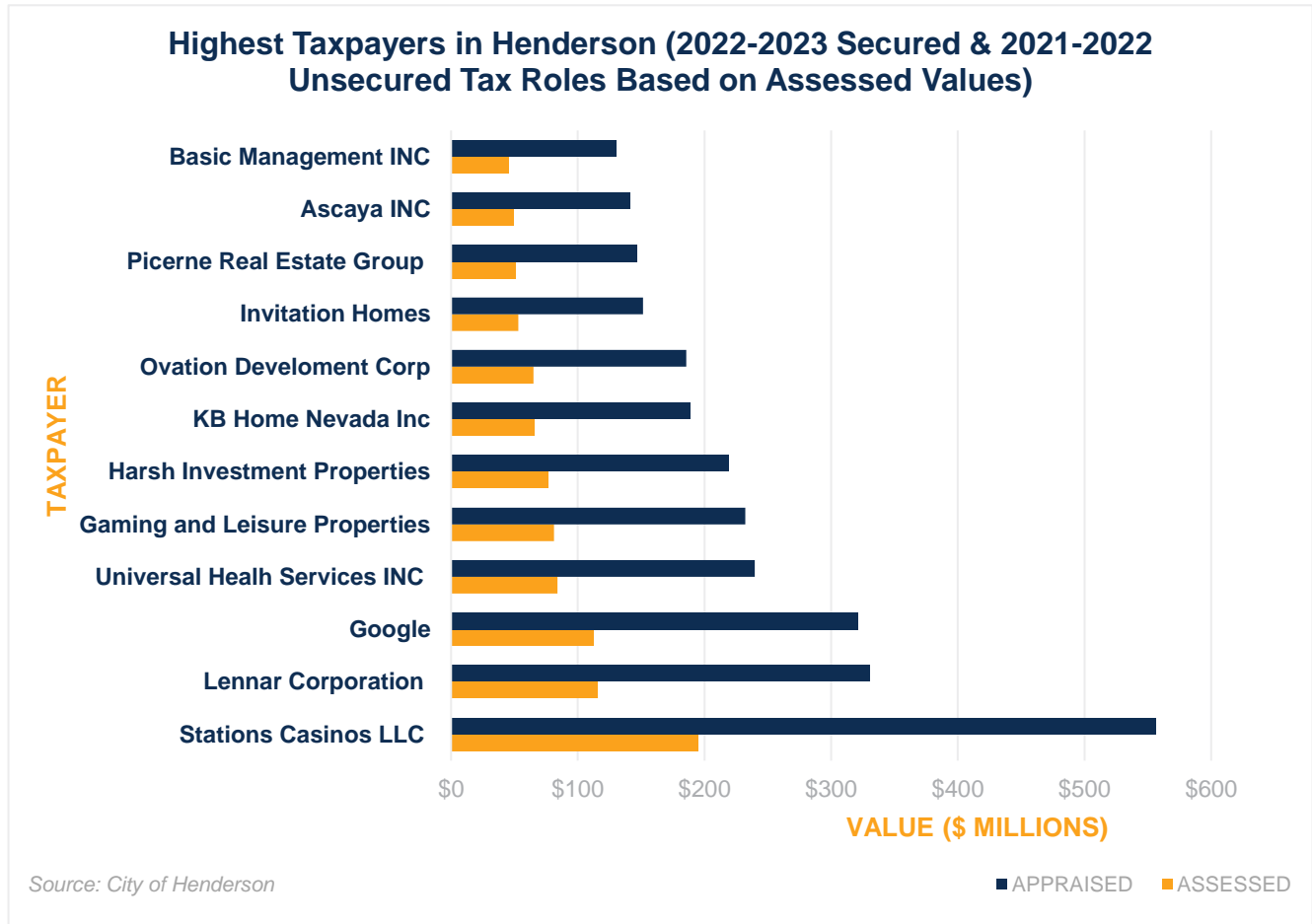
As of August 2023, Henderson had a project pipeline of 125 projects, with the majority falling under attraction projects and only 2 being expansion projects. The portfolio is predominantly composed of 93 Advanced Manufacturing projects, followed by 20 Technology projects, and 5 each in Retail and Global Finance HQs. Healthcare (Life Sciences) has 2 projects in the pipeline. On a subsector level, Battery Manufacturing is expected to have the highest number of projects at 10, closely followed by Food Manufacturing. The chart below offers a visual representation of the project distribution across subsectors.



## Taxation

In Clark County, the total year-to-date (YTD) taxable sales for the current fiscal year amounted to approximately \$59.66 billion in 2022, indicating a substantial 25.5% increase compared to the previous year. Moreover, the year-over-year (YoY) taxable sales change for June 2022 compared to June 2021 was valued at \$5.42 billion, surpassing the prior year's change of \$4.88 billion. This signifies a more rapid growth rate of approximately 11.1% in the taxable sales change.

The highest assessed taxpayer in Henderson was Stations Casinos LLC, with a total assessed value of \$194.8 million and an appraised value of \$556.61 million, followed by Lennar Corporation and Google. The assessed value is the value assigned by a tax assessor for the purpose of calculating property taxes, while the appraised value is the estimated fair market value determined by a professional appraiser for real estate transactions. The figure below highlights the highest taxpayers in Henderson based on assessed and appraised values.



Numerous industries experienced substantial growth in their fiscal year taxable sales changes when comparing the period from July 2021 to June 2022 to the preceding period of July 2020 to June 2021 at the 3-digit NAICS level. The most notable change in taxable sales was observed for Textile Mills (NAICS 313), where the growth between 2020 and 2021 was approximately \$5.61 million, whereas growth between 2021 and 2022 was \$23.18 million, with the total difference between the two years amounting to 312.9%. Other industries with large percentage changes in their comparative fiscal year growth include Scenic and Sightseeing Transportation (NAICS 487) at 222.2%, Accommodation (NAICS 721) at 215.3%, and Motion Picture and Sound Recording Industries (NAICS 512) at 208.3%. The figure below highlights the top 10 industries with the largest percentage change in the difference of their fiscal year growth between the 2020 and 2021 fiscal year.

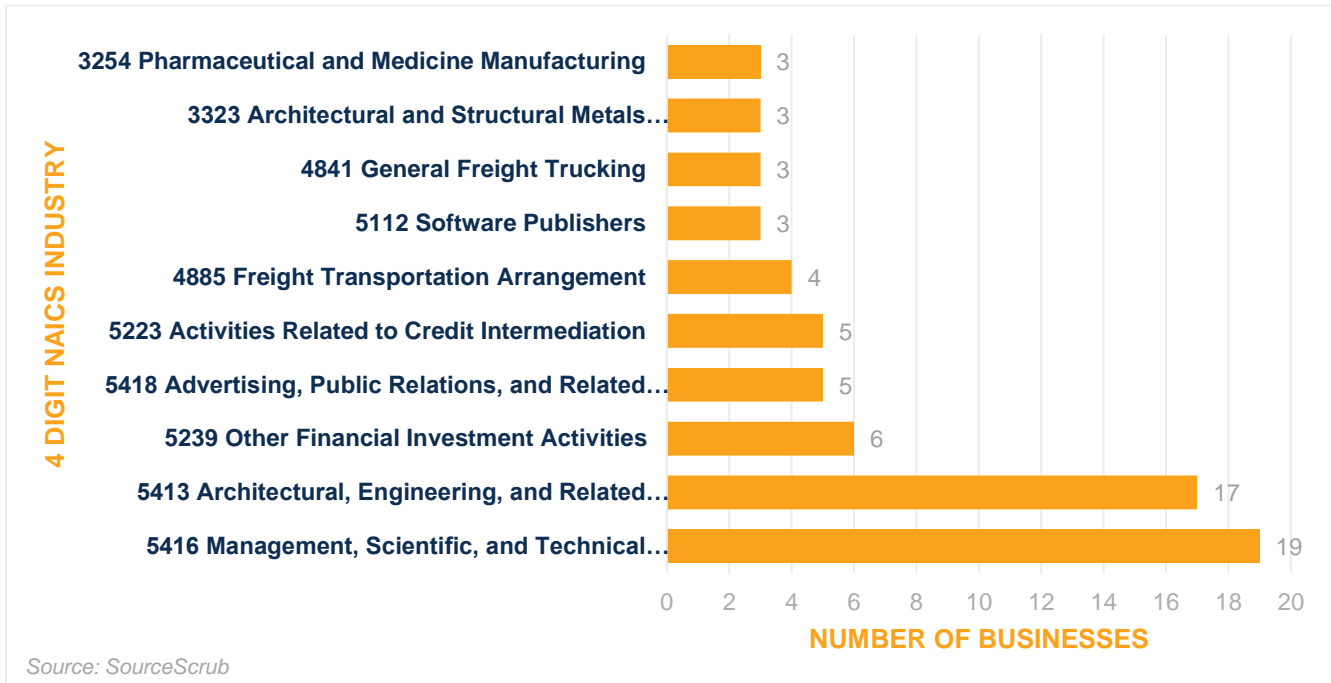
## Change in Value between 2020 and 2021 Fiscal Year



## Business Establishments

The following data on business establishments is based on a business permitting list provided by the City of Henderson. As the list itself did not track the industry activity of the companies that have been granted permits, the data was enriched using a third-party company database tool. Due to the inherent challenges of cross-referencing data from separate sources, the volume of companies evaluated in this segment is substantially lower than the true volume of businesses in the city (with many removed due to the unavailability of a comparable record in the third-party database).

In Henderson, a total of 143 commercial businesses with mailing addresses in the city were enriched with industry tags, as described above. At the 4-digit NAICS level, Management, Scientific, and Technical Consulting Services (NAICS 5416) was the most popular. This was closely followed by NAICS 5413, Architectural, Engineering, and Related Services. Together, the top two made up approximately a quarter of the total businesses, with all being part of the broader Professional, Scientific, and Technical Services Industry (NAICS 54). In third, with close to three times as less as the second largest industry, was NAICS 5239, Other Financial Investment Activities. The table below illustrates the top industries based on the total number of businesses.



## Federal Considerations

At the federal level, there are several large-scale investments that might potentially provide additional funding and support for industries within Henderson.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law, commonly referred to as the "Bipartisan Infrastructure Law." This landmark legislation designates \$550 billion for substantial federal investment in infrastructure, spanning fiscal years 2022 through 2026. The allocation encompasses crucial sectors such as roads, bridges, mass transit, water infrastructure, resilience, and broadband. Notably, this enactment represents the most substantial long-term investment in the nation's history, with the primary goal of reinvigorating critical areas and fueling economic growth.

An essential component of economic growth hinges on the effective management and availability of water resources. While this concern initially bears a regional scope, the management of water resources is poised to become a pressing national and global challenge in the ensuing decades. Communities that proactively invest in innovative solutions today are strategically positioning themselves for long-term competitiveness. Within Henderson, the recent investment in the water lateral line stands as a notable example of a far-reaching project underscoring the commitment of the local community and the region to ensure that Henderson enjoys consistent, sustainable access to water in the years ahead. These forward-thinking projects, which distinguish Henderson from similarly resource-constrained communities, stand to gain from the additional funding provided through this bipartisan infrastructure deal, which has the ambitious goal of delivering clean water to every American household and eradicating the nation's lead service lines.

Similarly, the Inflation Reduction Act of 2022 (IRA), which was signed into law on August 16, 2022, targets various key areas, encompassing carbon emissions reduction, healthcare cost reduction, Internal Revenue Service (IRS) funding, and enhanced taxpayer compliance. This legislation is designed to stimulate investments in domestic manufacturing capacity, encourage domestic or free-trade partner procurement of essential supplies, and expedite research and development in cutting-edge technologies such as carbon capture and storage and clean hydrogen. Additionally, it places a significant emphasis on environmental justice and mandates that funding recipients must demonstrate equitable impacts. As projected by the Congressional Budget Office (CBO), the law is expected to reduce budget deficits by \$237 billion over the coming decade.

At a more localized level, opportunities within federal land use practices offer a potential means to address, or at least partially alleviate, some of Henderson's more prominent challenges related to available land and affordable housing. The U.S. federal Bureau of Land Management (BLM) retains ownership of a 426.5-acre parcel adjacent to the section of Eldorado Valley master planned for industrial use. As the BLM continues to put parcels of this land up for auction, including a forthcoming auction scheduled for November 2023, opportunities arise for expansion, be it in the form of commercial tracts, housing, or mixed-use developments incorporating both single-family and multifamily housing.

Finally, a potential third major federal investment opportunity exists through the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022, signed into law on August 9, 2022, which catalyzes investments in semiconductor manufacturing and supply chain management. Through internal reorganization, the act aims to streamline permitting processes for high-tech manufacturing and offers tax benefits and additional incentives to encourage the construction of new chip manufacturing facilities within the United States.

The lion's share of the funding, totaling approximately \$200 billion, will be allocated to drive scientific research and development, as well as commercialization in closely related high-tech sectors, including AI, clean energy, nanotechnology, and quantum computing. Furthermore, the act is designed to reinforce and expand the pipeline of high-tech workers by investing in science, technology, engineering, and mathematics (STEM) programs, alongside workforce development initiatives. This act presents a significant opportunity for the City of Henderson. The act's broad emphasis on semiconductor chip manufacturing, given their prevalence in nearly all commonly used electronic devices, positions Henderson uniquely to leverage its geographic proximity and manufacturing heritage, thereby attracting increased investment and fostering industry growth.

# Benchmarking

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In order to gain a comprehensive understanding of Henderson's positioning, both on a regional and national scale, six peer cities were meticulously chosen. These cities serve as a yardstick for assessing Henderson's competitive advantages and economic performance, combining both qualitative and quantitative measures. The selection process was undertaken in close collaboration with the city's Department of Economic Development and Tourism, considering various factors such as regional comparability, the relative size and positioning of these cities within their respective larger metropolitan areas, business operating costs, and the available building and site assets within these cities.

## Case Studies

In addition to being used for quantitative benchmarking, the six identified peer cities also served as valuable sources of insight into best practices that have shaped their economic landscapes. By examining their strategies for industry support, leveraging existing assets, and fostering overall economic growth, these case studies provide a more comprehensive perspective for this target industry study. However, these case studies are not intended to serve as prescriptive recommendations for the City of Henderson, but rather as a means to inform and inspire, shedding light on how comparable cities have approached similar challenges and opportunities. This approach is intended to equip stakeholders with a broader understanding of the diverse strategies that can be employed to advance the economic vitality in Henderson.

### BOISE, IDAHO

The Boise Metropolitan Area focuses on supporting economic stability with employment within 11 identified industry clusters. The Boise Valley Economic Partnership (BVEP), a separately funded division of the Boise Metro Chamber, brings together the southwestern Idaho counties, institutions, chamber organizations, and businesses to offer services and site location assistance to those interested in relocating, starting, or expanding their businesses in the Boise Valley. In its nine-year history, this initiative has welcomed more than 40 companies and 10,000+ jobs to the Boise metro area. The Boise market has seen an overall increase in utilization. This is attributed to the competitive rent, sublease space, strong population growth, and low unemployment rates. Boise boasts an unprecedented quality of life, which continues to attract high-tech, agribusiness, and manufacturing businesses and a young, educated workforce. Downtown Boise is thriving with support from the Business Improvement District (BID) which strengthens the regional economy by keeping downtown a successful place to do business by enhancing the safety, cleanliness, and competitiveness of the area. Downtown encompasses 2% of the city's land area but houses 26% of all jobs in the city. Currently, the City of Boise is developing an updated Economic Development Strategic Plan to prioritize economic opportunity, inclusivity, mobility, transparency, and innovation.

### LEXINGTON, KENTUCKY

Lexington is emerging as a desired business destination due to its educated workforce, innovation capacity, location, low business costs, and high quality of life. The University of Kentucky and neighboring professional and technical colleges are home to nearly 70,000 students and awards over 18,000 degrees and credentials annually, making Lexington one of the most highly educated cities in the nation. The highest number of graduates are awarded degrees from health professions, business, management, marketing, and education programs. 19.3% of the population has a graduate or professional degree ranking Lexington as the 10th most highly educated city in the U.S., compared to Henderson's 12.3% and Las Vegas's 9.0% of the population with a postgraduate degree. Programs like the Small Business Innovation Research Program and Small Business Technology Transfer Matching Funds Program allow companies to get a dollar-for-dollar match from the Kentucky Cabinet for Economic Development. Lexington prides itself on being a top entrepreneurial ecosystem due to its many programs and initiatives designed to help entrepreneurs thrive. StartupLex, part of Kentucky's Startup Pipeline, is an entrepreneurial-focused community that encourages, educates, and gives to budding businesses by offering events, newsletters, and a Slack workspace for networking. The University of Kentucky also houses programs like the Von Allmen Center for Entrepreneurship, home of the Entrepreneurs Bootcamp, the Advanced Science & Technology Commercialization Center, an entrepreneurial incubator for early-stage, high-tech startup companies, and the Coldstream Research campus, home of highly innovative



companies leveraging Lexington's high-tech and higher education resources. Lexington-Fayette Urban County Government participates in the state's Business Investment Program by providing an inducement of 1% of payroll taxes to companies creating jobs for Kentucky residents, reducing the taxes paid per job from 2.25% to 1.25%. Additionally, Kentucky has several accelerators and incubators to expand the entrepreneurial ecosystem. These programs support a variety of industries; however, many are focused on tech startups, health sciences, and businesses prioritizing innovation.

## LUBBOCK, TEXAS

Lubbock is a growing hub for advanced technology, agriculture, energy, financial services, healthcare/bioscience, education, and tourism/hospitality. Furthermore, the food processing industry is thriving with the \$870 million investment of Leprino Foods which was recognized by Business Facilities Magazine with the 2021 Impact Award. Businesses are moving to Lubbock for the local university system, competitive costs, and integrated approach to economic development and workforce supply issues. Lubbock is considered the "Hub City" due to its central location between both coasts, allowing for easy distribution by way of Interstate 27 and four major U.S. highways. The Lubbock Economic Development Alliance (LEDA) serves as a single point of contact for companies considering the area by creating high-quality jobs, investing in new capital improvements, and improving the quality of life. Additionally, the Market Lubbock Economic Corporation, a not-for-profit economic development corporation promotes and enhances economic development in the city by expanding local businesses and attracting new job-producing investments with portions of the ad valorem tax and city's sales tax allocation. In 2022, LEDA secured 801 jobs and over \$133 million in capital investment. LEDA recently partnered with Texas Tech University to create an Innovation Hub to provide education, mentorship, and resources to further innovation and entrepreneurship. The facility, located near the Texas Tech University campus, houses the state-of-the-art accelerator laboratory, 13 tenants, and mentors to support participants. The building was designed by an Innovation-Based Economic Development Committee appointed by the TTE President. To date, this hub has created 181 new jobs, launched 30 companies, and supported over 82,000 innovators and entrepreneurs with \$62.8 million in startup investment.

## ORLANDO, FLORIDA

Orlando is commonly associated with tourism; however, over two-thirds of the workforce spans across life sciences, healthcare, technology, advanced manufacturing, and more. Orlando is home to the nation's largest university, University of Central Florida, creating a large young and diverse workforce ready to support the city's job growth (ranked #2). Businesses are drawn to the area for the reliable, affordable, and efficient infrastructure, including \$12B+ invested in transportation and infrastructure, proximity to 9.5M+ people within a two-hour drive, and three major shipping ports less than two hours away. Additionally, the city offers tax incentives such as no state income tax and low tax rates due to supportive state and local policies. The city offers companies room to grow and access to millions of people via air, land, sea, and rail transportation, which is critical to Orlando's thriving economy. Florida's business incentives and tax exemptions for specific industries contribute to the state being ranked the second-best state for business. Furthermore, Orlando helps companies solve talent needs through skill-based hiring to fill technology jobs through Upskill Orlando. This tool identifies skills needed for in-demand positions and highlights the skills overlap between those positions and Orlando's pool of available talent. Employees are attracted to the area due to inviting weather, proximity to beaches, world-class attractions, and lower cost of living.

## PHOENIX, ARIZONA

Arizona State University's (ASU) Office of Economic Development is a resource for Phoenix's growing economy by leveraging the university to attract and expand business and industry. ASU has ranked top ten in the world for excellence in employer-student connections with more than 62% of ASU graduates staying in Arizona for employment opportunities. In 2021, ASU had an economic impact of \$4.48 billion and 54,000 jobs. ASU students engage in applied projects connecting them with corporate partners through hands-on experiences in concentrated academic programs or transdisciplinary approaches to solve real-world problems. Innovation Zones bring together ASU faculty, staff, and students with industry leaders to bring innovative visions to life. Those interested in participating select a zone that best meets their needs and then schedule a meeting to discuss requirements and details to ensure there is a good fit. Each of the seven innovation zones offers a prime location, adaptable and expandable space, opportunities to collaborate, and access to a work-ready workforce. Additionally, ASU offers

programs and incentives to attract businesses to the area. SkySong, the ASU Scottsdale Innovation Center, brings together 80 companies and several ASU departments focused on technology, research, education, and entrepreneurship. The Global Growth Accelerator, founded by the Greater Phoenix Economic Council, helps international firms grow in the U.S. by providing office space, coaching, business planning, key resources, and a community of over 60 partner companies. ASU strategically partners with local organizations to best support businesses, industries, NGOs, non-profits, and government entities. Key partnerships include the Arizona Commerce Authority, the state's leading economic development organization, and the Greater Phoenix Economic Council, a regional economic development organization.

## RENO, NEVADA

Reno is one of the fastest-growing regions in the U.S. and is attracting businesses of all sizes to the area due to its location, workforce, emerging industries, and business-friendly tax regulations. Reno is conveniently located two hours from the University of California, Davis (UC Davis), three hours from Napa, and four hours from San Francisco, making this low-cost city ideal for businesses and employees. University of Nevada, Reno (UN Reno), heavily focuses on graduating software, information systems, computer science, mechanical, and biomedical engineering students. Students at UN Reno have the option to complete a minor in batteries and energy storage technologies to support the growing industry. 72% of the university's graduates stay in Nevada after graduation, offering businesses a pool of fresh talent. Similar to Henderson, Reno boasts no state income tax and lower operational costs compared to neighboring states. Large corporations, like Tesla's Gigafactory, have moved to the Reno area to take advantage of these benefits, along with the proximity via road and train to key cities, the climate to produce green power, and the proximity to Tesla's manufacturing plant in the San Francisco Bay Area. Gigafactory Nevada produces billions of cells per year as the largest battery production operation in the United States and will invest \$3.6 billion to expand to two new facilities. To date, this technology hub has generated over \$53.8 billion, created over 10,000 jobs, and continues to support the local economy.

A summary of Henderson's performance in relation to the factors pertinent to the selected and ancillary target industries can be found in the table below.

The table below offers a summary of Henderson's performance concerning key factors relevant to both the primary and supporting industries. This benchmarking analysis involved a comprehensive assessment of the region, utilizing fDi Benchmark to assess how Henderson compares with selected cities across various aspects, with a specific focus on factors pertinent to the target sectors. The benchmarking table presents data categories, Henderson's ranking, the highest-ranked city, the lowest-ranked city, and the percentage difference between Henderson's performance and the regional average. The inclusion of data categories was based on their relevance to current and potential activities within the respective sectors, with a specific focus on those where Henderson ranked within the top four out of six possible rankings.

Quality Benchmarking Data Category	Henderson Ranking	Top Ranked City	Bottom Ranked City	% Difference from Average
<b>NAICS 48 – Transportation and Warehousing</b>				
Number of international destinations served from airports (within national borders)	2	Orlando (FL)	Lexington (KY)	56%
Number of international airports within 80km	2	Orlando (FL)	Lexington (KY)	50%
Proportion of employment in Transportation and Storage	2	Reno (NV)	Lubbock (TX)	19%
Distance to nearest international airport	3	Reno (NV)	Boise (ID)	-90%
Labor cost in Logistics and Purchasing	2	Lubbock (TX)	Reno (NV)	4%
<b>NAICS 31 – Manufacturing</b>				
Proportion of employment in Textiles and Clothing Manufacturing	1	Henderson (NV)	Orlando (FL)	5%
Labor cost in Manufacturing	2	Lubbock (TX)	Reno (NV)	3%
Proportion of employment in Electronics Manufacturing	3	Reno (NV)	Boise (ID)	-83%
<b>NAICS 56 - Administrative and Support and Waste Management and Remediation Services</b>				
Proportion of employment in Office Administrative Activities	1	Henderson (NV)	Reno (NV)	20%
Labor cost in Administration	2	Lubbock (TX)	Reno (NV)	4%
Proportion of employment in Water Supply and Waste Management Activities	4	Reno (NV)	Lexington (KY)	-5%
<b>NAICS 54 - Professional, Scientific, and Technical Services</b>				
Proportion of employment in Management and Consulting Services	2	Orlando (FL)	Lubbock (TX)	21%
Proportion of employment in Advertising, Marketing and Head Office Activities	2	Orlando (FL)	Lubbock (TX)	20%
Proportion of employment in Research and Development	2	Orlando (FL)	Lubbock (TX)	16%
Top corporate tax rate	1	Henderson (NV)	Boise (ID)	11%
Proportion of employment in Business Services	2	Orlando (FL)	Lubbock (TX)	8%
Proportion of employment in Legal and Accounting Activities	2	Orlando (FL)	Lubbock (TX)	3%
Labor cost in Sales	2	Lubbock (TX)	Reno (NV)	3%
Labor cost in Marketing	2	Lubbock (TX)	Reno (NV)	3%
Labor cost in R&D/Engineering	2	Lubbock (TX)	Reno (NV)	3%
<b>NAICS 71 – Arts, Entertainment, and Recreation</b>				
Proportion of employment in Film, Music, and TV Production	1	Henderson (NV)	Boise (ID)	79%
Patents in Video Games	3	Reno (NV)	Lubbock (TX)	-38%
Patents in Multimedia	3	Reno (NV)	Lubbock (TX)	-43%
Patents in Television	4	Reno (NV)	Lubbock (TX)	-80%
Patents in Motion Pictures	4	Boise (ID)	Lexington (KY)	-97%
Patent specialization in Video Games	3	Reno (NV)	Lubbock (TX)	-83%
Patent specialization in Multimedia	3	Reno (NV)	Lubbock (TX)	-85%
<b>NAICS 52 – Finance and Insurance</b>				
Top corporate tax rate in the Financial sector	1	Henderson (NV)	Boise (ID)	12%
Proportion of employment in Financial and Insurance Services	4	Boise (ID)	Reno (NV)	-6%
Labor cost for Finance	2	Lubbock (TX)	Reno (NV)	2%
<b>NAICS 55 – Management of Companies and Enterprises</b>				
Labor cost for General Management	3	Lubbock (TX)	Reno (NV)	1%
Labor cost for Human Resources	3	Lubbock (TX)	Reno (NV)	3%

# Target Industry Recommendations

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Based on a comprehensive analysis of qualitative and quantitative inputs, which encompass local, regional, and state-level data on past performance, current trends, and future opportunities, the City of Henderson has strategically chosen five industry clusters. Each of these clusters represents a distinctive opportunity that aligns with the priorities set at the state level while capitalizing on Henderson's distinct attributes, setting it apart even within the Southern Nevada region. These industry clusters are poised to play a pivotal role in shaping Henderson's economic landscape and propelling the city toward sustained growth and success.

## Logistics Management and Technologies

Logistics management technologies present a substantial growth opportunity within Henderson. The broader Transportation and Warehousing industry in Henderson witnessed a remarkable 135% increase in job numbers from 2017 to 2022, with over 4,500 positions now filled in the city. This growth is attributed to the accessibility of affordable land and Henderson's strategic proximity to the West Coast and other major consumer markets, positioning it as an enticing choice for warehousing and distribution operations, particularly in the thriving e-commerce sector.

While the broader warehousing industry has its limitations, including occasional inefficiencies in land use and relatively low-paying warehouse jobs with limited career advancement opportunities, specializing in logistics technology and management leverages the region's expertise in logistics-related work and places a strong emphasis on knowledge-based aspects of this field. As the utilization of e-commerce continues to surge, Henderson has the potential to repurpose its physical proximity to markets and historical strengths in transportation, warehousing, and professional services, transforming into a hub not only for physical warehousing but also as the operational epicenter for these organizations.

The emerging role of technology in logistics management also presents a unique opportunity for Henderson. Central to this transformation is the development of sophisticated logistics software, which not only streamlines the movement of goods but also leads to the creation of higher-paying jobs within the industry. As logistics software optimizes processes and data-driven decision-making, smaller and more specialized logistics companies can flourish and diversify beyond traditional warehousing, offering more specialized services, such as real-time tracking, route optimization, and custom solutions, thereby increasing their competitiveness and market reach. This technology-driven shift not only boosts efficiency but also reshapes and redefines the logistics sector. Jobs in this space involve developing, managing, implementing, and maintaining these software systems, as well as data analytics related to supply chain optimization. These jobs offer upwardly mobile career opportunities in a tech-driven logistics landscape.

Henderson's workforce is well-positioned for upskilling and reskilling into the logistics management field. Between 2012 and 2022, Henderson experienced a 218% increase in Business Support Services jobs, exceeding 3,300 positions. This is a local specialization that surpasses the national average by more than fivefold, and these professionals are ideal candidates for upskilling and reskilling to transition into the logistics operations industry, which offers higher average wages than Business Support Services. For example, logisticians earn \$67,000 on average nationally, while a broader category of logisticians and project management specialists command an impressive \$97,000.

Key roles within this cluster include logisticians (13-1081), project management specialists (13-1082), business operation specialists (13-1199), supply chain managers (11-3071), freight and logistics brokers (43-5011), account managers and executives (11-1021), and software developers (15-1252), with hourly wages that range from \$21.10 to \$60.12.

## ASSOCIATED NAICS CODES

- **541614 Process, Physical Distribution, and Logistics Consulting Services**
- **541511 Custom Computer Programming Services**
- **518210 Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services**

## KEY OPPORTUNITIES

- **Custom Software Development:** Foster a cluster of software development companies specializing in logistics solutions, offering tailored software for supply chain management, inventory tracking, and process optimization.
- **Logistics Consulting Services:** Promote the growth of consulting firms specializing in logistics and supply chain, providing expertise to businesses seeking to enhance their operational efficiency and adopt innovative technologies.
- **Regional Headquarters Operations for 3PL Providers:** Attract investment and encourage activity from 3PL logistics providers to set up regional headquarters in Henderson, leveraging the city's strategic location for efficient warehousing and distribution operations.
- **Back-Office Operations for E-commerce:** Position Henderson as an ideal location for e-commerce companies to establish back-office operations, capitalizing on the growing demand for advanced logistics solutions in the thriving online retail sector.
- **Smart Warehousing Solutions Providers:** Attract and support companies specializing in smart warehousing solutions, incorporating IoT devices, automated systems, and AI-driven processes to enhance overall efficiency and reduce operational costs.
- **Data Analytics Providers for Supply Chain Optimization:** Foster the growth of companies offering advanced data analytics solutions tailored for the supply chain. These firms can help logistics companies make data-driven decisions, improve forecasting, and enhance operational efficiency.

## SOUTHERN NEVADA COMPANY EXAMPLES



## Electrical Equipment and Components Manufacturing

Nevada is increasingly emerging as a pivotal player in the United States' burgeoning clean energy economy, driven by the state's "Electric Nevada" initiative. This initiative underscores the importance of harnessing the mining and battery production processes, solidifying Nevada's integral role in the lithium supply chain. As the state with the only active lithium mine in the United States, combined with vast lithium deposits, Nevada is primed for growth in what state leaders are calling the "lithium loop." With local activity in this space from Lithion Battery, K2 Energy, and ANA, among others, Henderson is well-positioned to be Southern Nevada's leader in battery manufacturing and technology for years to come. While Southern Nevada's broader economy – along with the City of Henderson – has long recognized manufacturing and advanced manufacturing as promising areas for development, Henderson specifically is well positioned to become a hub for related electronics manufacturing.

Two particularly promising sectors in this context are Electrical Equipment and Component Manufacturing and Semiconductor and Other Electronic Component Manufacturing. These industries witnessed significant employment growth from 2012 to 2022

and are projected to continue expanding their workforce through 2032. Notably, they offer competitive average wages exceeding \$70,000. Furthermore, their local concentration in Southern Nevada, with Location Quotients (LQs) of 2.08 and 1.20, respectively, indicates a strong presence relative to the national average. Additionally, both industries primarily sell their products beyond the region, offering substantial potential for scaling.

Henderson in particular enjoys natural advantages, including proximity to major markets and a robust, existing cluster of companies, that position it to become a hub for electrical equipment and component manufacturing. The city is already home to solar panel production and battery manufacturing, which also constitute 12% of its current project pipeline for new developments. General Manufacturing, the fourth fastest-growing industry between 2017 and 2022 (with a 34% increase), offers relatively high wages, averaging \$78,000 in 2022. Building on previous planning efforts, the West Henderson Global Business District prioritizes the growth of high-tech manufacturing and assembly.

Moreover, there are inherent synergies with the emphasis on technology-focused aspects of logistics management. The use of robotics and AI in both logistics and advanced manufacturing can expedite the development of competencies. Henderson benefits from a pipeline of workers for specialized technical roles, with the Clark County School District (CCSD) offering Automation Technology, Mechanical Technology, and Manufacturing Technology programs in local high schools. Furthermore, local technical academies focus on robotics skills training within manufacturing apprenticeship programs. The recent opening of the Debra March Center of Excellence provides an additional resource for training employees to meet the demands of the rapidly evolving advanced manufacturing field. This is also in line with the broader industry shifts away from in-home digital solutions to more standardized, industrial IoT platforms. As the market expectations and norms regarding technology solutions within manufacturing continue to evolve, it will be imperative for Henderson to prepare its workforce to use these emerging technologies.

These investments in the workforce pipeline align closely with the jobs associated with this industry, which include electrical engineers (17-2071), chemical engineers (17-2041), industrial engineers (17-2112), materials engineers (17-2131), product designers (27-1029), mechanical technologists (17-3027), operations technicians, fabricators (51-2090), electromechanical assemblers (51-2028), and machinists (51-4041), with hourly wages that range from \$17.64 to \$46.61.

Given its proximity to the raw materials crucial in electrical and battery manufacturing, Henderson is well-suited for this industry. Although current employment in this sector remains relatively low, at approximately 600 personnel, the heightened focus on clean and renewable energy manufacturing at the state level, coupled with significant federal funding opportunities, positions Henderson strategically to support and accommodate the forthcoming rapid growth in this sector.

## ASSOCIATED NAICS CODES

- **334412 Bare Printed Circuit Board Manufacturing**
- **334416 Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing**
- **334417 Electronic Connector Manufacturing**
- **334418 Printed Circuit Assembly**
- **334419 Other Electronic Component Manufacturing**
- **3353 Electrical Equipment Manufacturing**
- **3359 Other Electrical Equipment and Component Manufacturing**
- **335910 Battery Manufacturing**
- **335999 All Other Miscellaneous Electrical Equipment and Component Manufacturing**

## KEY OPPORTUNITIES

- **Custom and Contract Electronics Manufacturing:** Promote the establishment of businesses specializing in custom and contract electronics manufacturing, catering to the specific requirements of the clean energy and technology sectors.

- **Clean Energy Research Centers:** Establish a research center focused on clean energy technologies, encouraging innovation and the development of cutting-edge electrical components.
- **Battery and Supply Chain Manufacturers:** Given Henderson's commitment to renewable energy, and its proximity to key raw lithium resource inputs, manufacturing of batteries and the surrounding supply chain can contribute to the region's clean energy goals.
- **Robotics Integration Services/Providers:** The integration of robotics in manufacturing lines is a growing trend, and Henderson can strategically position itself as a hub for electronics manufacturing by supporting the development of companies offering robotics integration services to existing and potential manufacturers.
- **Battery Recycling Facilities:** Given the current presence of battery manufacturing in the area and the expanding potential within the industry for Henderson, the incorporation of battery recycling facilities emerges as a supplementary prospect that resonates with the region's commitment to sustainable practices.
- **Product Design and Innovation Advisory:** Consultancy services focused on product design and innovation play a crucial role in assisting electronics manufacturers to remain at the forefront of market trends and optimize their offerings.

## SOUTHERN NEVADA COMPANY EXAMPLES



## Financial and Credit Services

The City of Henderson has demonstrated a robust track record in fostering financial investment activities. The broader Finance and Insurance industry stands as one of the city's top-10 largest sectors, securing the 9th spot and accommodating over 6,600 employees in 2022. Although the industry experienced a 7% growth in job numbers from 2017 to 2022, it boasts the second-highest average earnings per worker, reaching \$108,122 in 2022.

Within this industry cluster, both "Credit Intermediation" and "Other Financial Investment Activities" exhibit compelling performance metrics. "Other Financial Investment Activities" have witnessed a substantial 115% growth over the past decade, slightly below the national average (LQ of 0.85). Nevertheless, jobs in this cluster offer competitive average annual wages and are notably well-traded, with over 60% of sales taking place outside the immediate geographic region. Credit intermediation activities in Henderson demonstrate a high concentration (in no small part due to the growing presence of Barclays) that is nearly double the national average and has experienced an impressive 145% growth in the past decade.

While public higher education institutions in the region may produce relatively few graduates in general finance programs, the pipeline benefits from graduates with degrees in general business administration and management, which often include a finance focus, particularly at NSU. Furthermore, there is significant potential to broaden the worker pipeline beyond traditional educational institutions. A survey conducted by UNLV's Center for Business and Economic Research revealed that 17.4% of employed individuals seeking new opportunities expressed interest in jobs within the finance and insurance sector.

Jobs within this sector encompass a diverse range of roles, including financial managers (11-3031), card operations managers (11-1021), financial analysts (13-2051), loan officers (13-2072), operations specialists (13-1199), fraud managers (13-2054), financial planners (13-2052), and credit analysts (13-2041), and offer average hourly wages that range between \$34.86 to \$60.12.

Henderson's close proximity to West Coast markets, including Los Angeles and San Diego, as well as Phoenix, creates promising opportunities within the financial services sector, including the burgeoning field of fintech. In addition to Nevada's lack of income tax, Henderson's corporate tax rate in the financial sector is a competitive 21%, sharing the top rank in benchmarking among identified peer cities (with Lubbock, Texas). In contrast, cities such as Boise, Orlando, and Lexington lag behind with rates ranging between 26% and 27%. Furthermore, Henderson ranks second among peer cities in terms of labor costs for the finance industry, coming in at 2% lower than the average.

### ASSOCIATED NAICS CODES

- **5221 Depository Credit Intermediation**
- **5222 Nondepository Credit Intermediation**
- **5223 Activities Related to Credit Intermediation**
- **5231 Securities and Commodity Contracts Intermediation and Brokerage**
- **5239 Other Financial Investment Activities**

### KEY OPPORTUNITIES

- **Microfinance Agencies:** Tapping into the growth of intermediation activities while addressing the needs of small businesses in Henderson, Microfinance can be provided to local small businesses and entrepreneurs, which in turn can stimulate economic growth, support small businesses, and enhance financial inclusion.
- **Regional Headquarters for Financial Institutions:** Regional headquarters of financial institutions in Henderson can leverage Henderson's favorable business environment, which includes a lack of state income tax and competitive corporate tax rates.
- **Credit Intermediation:** With a strong existing presence in Henderson and a substantial workforce, thanks in part to the presence of a marquee player in the form of Barclays, credit intermediation is well situated for future growth.
- **Financial Consulting and Planning Services:** Encourage the growth of financial consulting firms, providing expertise to businesses seeking to enhance operational efficiency and regulatory compliance or to individuals looking to plan their securities and portfolios.
- **Back-Office Operations for Fintech Companies:** Position Henderson as an ideal location for back-office operations of Fintech companies, benefiting from the region's skilled workforce, supportive business environment, and cost-effective solutions.

### SOUTHERN NEVADA COMPANY EXAMPLES





## Media and Sports Production

Henderson's burgeoning potential lies in the fusion of media and sports production, driven by the robust growth of spectator sports in the region, including Southern Nevada being home to a National Football League (NFL) team (Las Vegas Raiders), a National Hockey League (NHL) Team (Vegas Golden Knights), and a Women's National Basketball Association (WNBA) team (Las Vegas Aces). Today, Henderson is home to the Raiders and Aces headquarters as well as the Henderson Silver Knights of the American Hockey League (AHL), the Vegas Knight Hawks of the Indoor Football League (IFL), and the NBA G League Ignite. The associated industry (NAICS code 7112) exhibits remarkable concentration, with job numbers exceeding the national average by over threefold. Sports-related jobs in Henderson have surged by 381% over the past decade, with an anticipated additional 187% growth by 2032.

While traditional professional sports production presents growth opportunities, considering the pending relocation of Oakland Athletics and a potential National Basketball Association (NBA) franchise, the city should not limit itself to this realm. Even with the potential investment in a youth or community sports complex that could house larger tournaments, a focus on supportive or tangential clusters, such as backend event production, technology, management, and broadcasting, offers broader, uncapped future growth.

eSports emerges as a compelling specialization for Henderson, with an industry poised to double by 2027, reaching \$5.6 billion. This dynamic sector interweaves technology, media production, and event hosting, fostering diverse opportunities. These span from vertically integrated event production companies, like the Ohio-based Esports Engine, to niche providers of eSports betting, streaming platforms, technologies, and broadcasting. Additionally, Henderson's potential for an eSports arena could provide a unique angle on spectator sports. Furthermore, the eSports industry offers roles with higher average wages and training accessible through local CTE programs.

Jobs within this target industry cluster include producers (27-2012), network engineers (15-1231), streaming engineers (17-2199), systems engineers (15-1299), set designers (27-1027), graphic designers (27-1024), AV technicians (27-4011), event technicians (27-4012), sound engineers (27-4014), video editors (27-4032), videographers (27-4031), software developers (15-1252), web developers (15-1254), data analysts (15-2051), systems analysts (15-1211), and network architects (15-1241), with average hourly wages that range between \$19.85 to \$57.63.

The potential for growth in this cluster is further supported by key foundational industries showing significant growth, including "Promoters of Performing Arts, Sports, and Similar Events," "Data Processing, Hosting, and Related Services," and "Media Streaming Distribution Services." While these industries have high average salaries, they lag in employment concentration and total sales compared to national averages, pointing to a need for a focal point to boost traded sales. A recent survey of jobseekers by UNLV's Center for Business and Economic Research identified significant interest among jobseekers in jobs within the leisure and hospitality field, as well as interest in jobs within the entertainment field, representing a real opportunity to connect job seekers in a relevant field that has the potential to grow significantly in the coming years. eSports, in tandem with other media production, could be the catalyst for this growth, further distinguishing Henderson within the industry landscape.

### ASSOCIATED NAICS CODES

- **711219 Other Spectator Sports**
- **711310 Promoters of Performing Arts, Sports, and Similar Events**
- **511210 Software Publishers**
- **519130 Internet Publishing and Broadcasting and Web Search Portals**
- **713290 Other Gambling Industries**
- **512110 Motion Picture and Video Production**
- **512199 Other Motion Picture and Video Industries**
- **512120 Motion Picture and Video Distribution**

## KEY OPPORTUNITIES

- **Media Production Studios:** Foster the setup of media production studios equipped with advanced technology for film, television, sports, and eSports content creation. These studios can become central hubs for content development, contributing to the city's media production ecosystem.
- **Regional Headquarters for Technology-Driven Betting Platforms:** Attract headquarters for technology-driven platforms for eSports betting. This includes developers of user-friendly mobile apps and online platforms that enable individuals to place bets on eSports events, enhancing accessibility and convenience.
- **Back-office Operations for eSports Companies:** Attract back-office operations for eSports companies t Henderson, offering administrative support, customer service, and other non-core functions. This can contribute to job creation and the overall economic ecosystem.
- **Regional Offices for Sports and eSports Event Management Companies:** Encourage the establishment of companies specializing in sports and eSports event management. These companies can handle logistics, venue coordination, and promotional activities, contributing to the seamless execution of events in Henderson.
- **eSports Event Production and Broadcast Facilities:** The introduction of state-of-the-art eSports event production and broadcast facilities in Henderson can provide the necessary infrastructure for high-quality production.
- **eSports Technology Companies:** companies developing technologies for eSports are growing substantially and include streaming platforms and data analytics.

## SOUTHERN NEVADA COMPANY EXAMPLES



## Back-Office Management and Support Services

Back-office management and administration have seen an impressive 18% job growth between 2017 and 2022, showcasing a significant location concentration surpassing the national average (with an LQ of 1.15). As of 2022, it ranks as the fifth-largest industry in Henderson, employing 9,388 individuals.

This industry plays a pivotal role in fostering growth in more specialized sectors. It encompasses corporate and regional management offices, holding companies, and staffing agencies—functions critical to various private sector businesses, with crosscutting potential. Given its strong presence in Henderson, a concerted effort to attract and nurture businesses in this sector not only supports the industry's growth but also contributes to the broader local economic expansion.

While general administrative functions within this industry, including administrative specialists, may offer lower average wages (around \$46,000 annually), it's important to note that specialized back-office roles, like accounting, bookkeeping, payroll, human resources consulting and support, corporate executives (11-1011), regional managers (11-1021), accountants (13-2011), human resources managers (11-3121), sales managers (11-2022) and marketing managers (11-2021) yield significantly higher average wages (ranging between \$32.32 to \$118.03 hourly). These roles also provide ample opportunities for career advancement.

A notable consideration is Henderson's relative attractiveness in comparison to larger West Coast markets for such functions. Although attracting corporate headquarters and back-office functions has become more challenging as the tech industry contracts, both areas continue to be focal points at the regional level. By focusing on both generalized administrative functions and specialized skill sets, Henderson can provide comprehensive support to businesses, irrespective of their industry. These services offer scalability and utility to local clients while simultaneously serving as a magnet for organizations beyond the region.

### ASSOCIATED NAICS CODES

- **561110 Office Administrative Services**
- **561310 Employment Placement Agencies**
- **541611 Administrative Management and General Management Consulting Services**
- **561330 Professional Employer Organizations**
- **54121 Accounting, Tax Preparation, Bookkeeping, and Payroll Services**
- **541612 Human Resources Consulting Services**

### KEY OPPORTUNITIES

- **Business Process Outsourcing (BPO) Centers:** Establish BPO centers in Henderson to leverage the city's growth in administrative and support services. These centers can serve as hubs for various back-office functions, benefitting from Henderson's competitive advantage and labor cost efficiency.
- **Corporate Management and Headquarters:** Encourage the establishment of corporate management offices and headquarters, leveraging Henderson's workforce specialization in administrative activities and the city's competitive labor costs.
- **Back-Office Business Parks:** Develop dedicated business parks within Henderson designed to house back-office operations, which can offer customized infrastructure, shared services, and a collaborative environment for businesses.
- **Headquarters or Regional Offices for Cloud-Based Administrative Solutions:** Establishing a Cloud-Based Administrative Solutions Hub in Henderson leverages the city's growing specialization in administrative services and offers an innovative digital ecosystem that enhances operational efficiency and attracts businesses seeking advanced online office administration tools.
- **Accounting and Finance Outsourcing Services:** Attract companies specializing in accounting and finance outsourcing to set up operations in Henderson, leveraging the city's skilled workforce and cost advantages.
- **Talent Acquisition and Recruitment Consulting:** With high opportunity for career advancement in Henderson, the region can attract top talent to provide specialized consulting in talent acquisition, recruitment strategies, and innovative approaches to attract and retain top talent.

### SOUTHERN NEVADA COMPANY EXAMPLES



# Conclusion

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This analysis is the culmination of extensive efforts from City leaders, dedicated employees, committed stakeholders, and the proactive business community. Throughout the process that informed these findings, the City placed a clear focus on identifying sectors that not only hold significant economic promise for the city's economy but also meet the current and future needs of the Henderson community.

In developing a framework for consideration that takes into account the need for Henderson's key industries of the future to be water-efficient, space-efficient, trade-connected, rooted in professional services and knowledge-based industries, and offer competitive wages, this study seeks to proactively consider not just the immediate opportunities in the short-term, but the foundational elements of sectors that will be central to the city's economy in the longer-term.

Henderson unquestionably stands at the precipice of remarkable growth, and the selection of these five industries presents a distinctive opportunity. These chosen industry clusters seamlessly align with the priorities established at the state level while also leveraging Henderson's unique attributes—setting the city apart even within the dynamic Southern Nevada region. As pivotal contributors, these industries are poised to shape Henderson's economic landscape, propelling the city toward sustained growth and prosperity.

Looking ahead, realizing success in growing these sectors necessitates strong collaboration. This analysis serves as the guiding compass for the city and its primary areas of economic growth, but growth in these areas can and will not be a solitary endeavor. It will require the concerted efforts of stakeholders, the innovative spirit of the business community, and the City's steadfast focus on not only working to recruit and expand businesses in these sectors, but diligently analyzing the results of these efforts in real-time – recognizing that while these are target industries for growth based on data and input gathered in 2023, the dynamism of the world economy and related local, regional, or state fluctuations may necessitate an ongoing evolution of these areas of focus.

By working together with all its partners and steadfastly monitoring the success of these growth sectors, the City is well positioned to grow an innovative and robust economy while fostering a promising future for Henderson filled with opportunity in the years to come.

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