

Ms. Linda Rosenthal, Chair
Nevada Economic Forum
Fiscal Analysis Division
401 South Carson St.
Carson City, NV 89701

Dear Chair Rosenthal and Members of the Economic Forum:

I am submitting comments to you as a member of the public. As you know, I served as Nevada's State Demographer for over 20 years. In that role, I produced 20 year and five-year population projections. I do not envy the position that the Forum is in given the amount of uncertainty and chaos that is being caused by the Trump Administration and its supporters.

One of the key elements that will impact Nevada is the chaos around international migration. I am presenting you with information about Nevada's international population and am including my write up on the potential impact of the proposed policies from the 2017 forecast.

The following table shows the estimated make up of Nevada population by place of birth and citizenship status. Citizenship status is not the same as whether or not a person is an undocumented immigrant. The ACS question does not address immigration status. Also, reports over the years have indicated that 50 to 60% of undocumented immigrants entered legally and for whatever reason have had paperwork issues in maintaining a documented status.

Nevada has always had a large international population; it is estimated that 10 % of our residents are naturalized citizens and almost 9 % are not yet a citizen. More than half, 156,621, of the persons who are not citizens came into the country prior to 2010.

Nevada - Place of Birth by Nativity and Citizenship Status 2023		
	Estimate	Percent of Total Population
Total:	3,194,176	
Born in state of residence	869,386	27.2%
Born in other state in the United States:	1,641,226	51.4%
Born outside the United States: Includes Puerto Rico and Children of American Citizens Born Overseas	68,785	2.2%
Foreign-born:	614,779	19.2%
Naturalized U.S. citizen	329,511	10.3%
Not a U.S. citizen	285,268	8.9%
Source: US Census Bureau - American Communities Survey 2023		

The next table shows the components of population change by year for Nevada. Natural increase peaked in 2011 and has declined since then. Domestic migration peaked in 2018. Nevada's population in 2023 and 2024 increased substantially due to international migration.

Census Estimated Components of Population Change for Nevada 2010 to 2024			
	Natural Increase	International Migration	Domestic Migration
2010	3,958	989	-3,059
2011	15,654	1,101	-6,063

Census Estimated Components of Population Change for Nevada 2010 to 2024			
2012	14,290	3,660	13,393
2013	13,835	4,534	13,899
2014	14,005	3,893	23,687
2015	13,784	6,468	29,060
2016	13,076	2,866	34,960
2017	11,561	2,951	37,833
2018	10,969	-697	48,124
2019	10,320	5,814	43,872
2020	7,736	4,562	35,202
2021	986	3,612	25,674
2022	65	7,725	20,262
2023	3,406	27,009	8,174
2024	3,058	33,005	16,853

In 2017, I used the Regional Economic Models, Inc. (REMI) model to look at the impact of the policies being proposed by the first Trump Administration and Senator Tom Cotton regarding immigration and mass deportations.

Senator Cotton's bill is no longer in play, but every indication is that the Administration continues to look at ways to increase deportations and discourage immigration to the United States. These past three months have seen deportation efforts getting off to a slow start. However, every indication is that the Administration as well as some state governments will be doing everything possible to increase deportations. The Administration's actions and statements continue to encourage self-deportation.

Given that, I would suggest that over the next five years Nevada could see mounting population and job losses over the next five to twenty years. Nevada's businesses, small and large alike, will be competing for labor as well as losing a large customer base as immigration slows and people are deported for the smallest violation or presumed gang affiliation.

Some may cite the President floating the idea of exceptions for farm and hotel workers as a sign that this scenario will not come to pass. At this time, it seems to be a vague idea and dependent on the employers vouching for their workers to get them back into the country. The question is, if you have been deported given the current environment would you really consider coming back into the US?

Thank you for your time and consideration. My original report is included in the following two pages.

Sincerely,

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The following describes the March 1, 2017, Five Year Projections by County for Nevada. These projections are intended as a short-term forecast that incorporates the most recent estimates. They were drafted in the first half January 2017. These projections start from the 2016 Governor's Certified Population Estimates as the base year. The five year projections are intended to incorporate changes from when the 20 year projections were created with updated information since their October release.

The 20 year projections have as their base year the preceding estimate. That is, the October projections for 2016 are based on the July 2015 estimates, so 2016 is a projection in that publication. The 2016 estimate was compared to the 2016 projection as part of preparing the five year projections based on the 2016 estimates. Historic annual growth rates from both the certified estimates and the Census Bureau's estimates were looked at as well. Additionally the Regional Economics Model, Inc. (REMI) model was updated to reflect more recent Quarterly Census of Employment and Wages data. Also included was updated information presented by the Governor's Office of Economic Development regarding Tesla and Faraday Future at Nevada's Economic Forum's December meeting.

Changes since the January Draft of the Five Year Projections

Since the projections were drafted, there has been policy changes being promulgated through Executive Orders and/or proposed legislation that could impact both the current five year projections and possibly the longer term growth of Nevada. This discussion and Table 1. Annualized Population and Employment Growth Rates for 2016 to 2021 and 2016 to 2035 For Immigration Scenarios looks at the overall potential impact on Nevada of these changes.

Specifically, the Executive Orders are: Enhancing Public Safety In The Interior Of The United States and Border Security And Immigration Enforcement Improvements (1/25/2017); Public Safety Protecting the Nation from Foreign Terrorist Entry into the United States (1/27/2017); and Task Force On Crime Reduction (2/9/2017). Currently the Reforming American Immigration for Strong Employment Act (RAISE Act) has been proposed by Senators Tom Cotton and David Perdue. The immediate impact is subject to discussion¹, however all of this has increased concerns about the likelihood of deportation². Legal immigration has been slowing and there has been some discussion of migrants returning to their country of origin³.

Nationally, the situation regarding international migration is uncertain and could impact Nevada. As of 2015, 19.3% of Nevada's population is foreign born (compared to the US at 13.5%) and 53.2% (compared to the US at 66.9%) are not yet citizens. Census estimates are that 29% of the immigration into Nevada since 2010 has been attributed to international migration. Given that, it may be prudent to look at the potential impact of the Executive Orders and legislation on Nevada's future. The Census reports that 296,854 persons are not yet citizens. The Pew Center (Estimated unauthorized immigrant population, by state, 2014; November 3, 2014) estimates Nevada's undocumented population to be 210,000 and the Migration Policy Institute estimates it to be 129,000 persons in 2014 (Profile of the Unauthorized Population: Nevada). Wallethub estimates that 25% of Nevada's workforce is made up of the foreign born population (Glick, Noah: Report: Immigrants Make Up 25 Percent Of Nevada's Workforce; KUNR; February 15, 2017) Given these estimates, changes in immigration policy could have an impact on Nevada's economy.

In order to look at the potential impact, the Regional Economic Models, Inc. (REMI) Nevada state model was used. The REMI model looks at the relationship of the demographic and economic factors within the state and how they interact with the nation as a whole. REMI includes the 2014 Census Bureau population projections and incorporates their projection for immigration as well as a high and low alternative immigration projection. The user can also make adjustments, at the local level for immigration and employment depending on a scenario's assumptions. These adjustments can be for broad aggregate categories or more detailed. For example, total international immigrants would be an aggregate count or the user could adjust immigration by race and ethnicity and age.

Three national models based on different approaches to immigration were run. At the state level, an additional scenario was run to model the specific potential of deportation given the Pew Hispanic Center's estimate of the size of the undocumented population in Nevada. The scenarios are:

- 1.) Low Migration Only – This is the low immigration table in REMI that has migration decreasing over time. In 2014 the difference is 15,625 (874,609 less 858,984) and in 2035 the difference is 250,000 (1,393,626 less 1,143,626). This scenario has a minimal impact nationally but Nevada's population and employment growth rates drop compared to the January Draft projection results.
- 2.) Reforming American Immigration for Strong Employment Act Passage – This assumes that the current level of legal migration will be cut in half and reduced to 525,000. This leads to a loss of jobs due to a decrease in labor force. The current modeling work shows a loss in average wages over time. This is because cutting legal migration in half over time lowers the population in the model by 7,090,000 or 2.4 times Nevada's 2016 estimated population. That is, potential demand for goods and services is lost nationally from the economy. Less demand for goods could hold down wages.

- 3.) National increased immigration enforcement – In addition to lower migration and restricting legal migration this assumes that there will be 8,000,000 persons deported over the four year period from 2017 through 2020. The assumption is made that this is a shock over the four years but that labor force impact and employment impacts will continue, that is workers are removed from their jobs and those specific jobs will not necessarily be filled at the national level. National enforcement alone impacts Nevada.

This is being modeled as a limited one time shock to the economy. Unlike limiting migration over time, this is more analogous to an economic bust after a boom period. The effects could be felt overtime as the economy absorbs both job losses and a potential oversupply in things such as housing.

- 4.) Nevada increased immigration enforcement – The assumption used here that in addition to the immigrants deported overall from the national forecast that there will be an additional increment of persons deported to reach the level of 200,000 for Nevada. As with the National scenario, jobs were also removed to reflect the loss in the labor force both as an immediate shock and over the long term.

The following table shows the January 2017 model annualized growth rates for population and employment for the 2016 to 2021 five year period and the 19 year period ending in 2035. It also shows the annualized growth rates for the scenarios that have been outlined. As best as can be projected at this time, lower international migration will lower Nevada's potential growth. Changes to immigration law could decrease Nevada's growth potential as well. Additional changes in enforcement practices at the national and state levels could lead to a loss in jobs as well as population both for the nation and more specifically Nevada.

Table 1. Annualized Population and Employment Growth Rates for 2016 to 2021 and 2016 to 2035 For Immigration Scenarios								
Scenario	Nevada				US			
	Population		Employment		Population		Employment	
	5 Year	19 Year	5 Year	19 Year	5 Year	19 Year	5 Year	19 Year
January 2017 Model	1.3%	0.8%	1.0%	0.3%	0.7%	0.8%	0.5%	0.2%
Lower Migration Only	1.0%	0.6%	0.7%	0.2%	0.7%	0.6%	0.5%	0.3%
Reforming American Immigration for Strong Employment Act Passage	0.9%	0.5%	0.5%	0.1%	0.6%	0.5%	0.4%	0.2%
National increased immigration enforcement	-0.5%	0.0%	-1.0%	-0.1%	-0.7%	0.1%	-1.0%	-0.2%
Nevada specific increased immigration enforcement	-1.0%	-0.1%	-1.1%	-0.3%				

Footnotes:

¹ Bennett, Brian: Not just 'bad hombres': Trump is targeting up to 8 million people for deportation; Los Angeles Times; February 4, 2017; also, Yen, Hope and Julie Pace: Draft DHS guidelines sharpen focus on those here illegally; The Washington Post, February 20, 2017.

² Kulish, Nicholas and Caitlin Dickerson And Liz Robbinsfeb: Reports of Raids Have Immigrants Bracing for Enforcement Surge; The New York Times; February 10, 2017.

³ Kitroeff, Natalie: How this garlic farm went from a labor shortage to over 150 people on its applicant waitlist; Los Angeles Times; February 9, 2017.