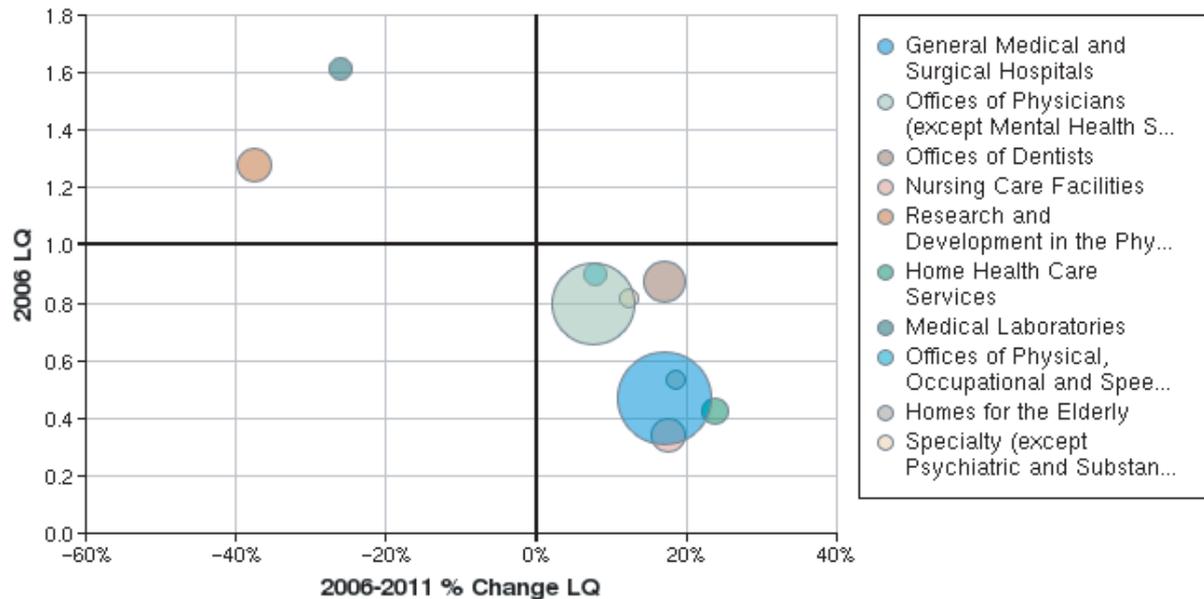




## Employment Concentrations in the Health and Medical Services Sector

January 30, 2012; Bill Anderson, Chief Economist



- The “location quotient” is a way of quantifying how concentrated a particular industry is in a region as compared to the nation. It is simply the share of employment accounted for by the industry in Nevada divided by the national share for that same industry. An LQ of one suggests that the industry has the same share in Nevada as in the U.S. If it is greater than one, it suggests that it is more concentrated in Nevada, while the opposite is true if it is less than one.
- An analysis of LQs suggests that the health and medical services sector in Nevada is “under-represented” in our economy, but there is some improvement of late.
- The sector’s largest industry, general medical and surgical hospitals, had an LQ of 0.55 in 2011. In other words, the share of employment accounted for that industry in Nevada was just above one-half of the national share. For offices of physicians, the second-largest industry, the LQ was 0.86. For dental offices, it was 1.03, suggesting that the industry’s employment share in Nevada was slightly above national norms.
- All told, of the ten largest industries in the sector, only two had LQs in excess of one (medical laboratories was the second). On a more positive note, however, eight of the ten largest industries, which account for roughly 66,000 jobs, saw their location quotients grow over the 2006-2011 period, suggesting that employment growth was stronger in Nevada, than in the nation.