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PRESS RELEASE

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Nevada's Economy Continues to Show Improvement

Carson City, NV —Nevada's unemployment rate is projected to continue to decline, though September's official unemployment rate is not available due to the government shutdown. Key economic indicators are showing that Nevada is on the mend, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation (DETR). The jobless rate peaked at 13.8 percent in 2010 and so far this year, it has averaged 9.7 percent.

"We feel that our most recent jobs forecast presented to the Employment Security Council will pave the way for continued downward pressure on the jobless rate, with gradual improvement to around 8.8 percent by 2015," Anderson said.

One of the broadest measures of the State's economic health is personal income. It represents the sum of wages and salaries; dividends, interest, and rents; and transfer receipts (payments like social security and unemployment insurance). As of the second quarter of 2013, Nevada's personal income growth rate is a positive 2.7 percent, relative to a year ago.

Another indication that Nevada's economy is improving is the increase in the number of employers in the State. The number of employers has risen in eight consecutive quarters, but is still below pre-recessionary levels. There are 57,600 employers currently, but prior to the downturn, there were 60,500, bottoming out at 56,000 at the height of the recession, Anderson said.

Between 2010 and 2013, Nevada's economy is on pace to add about 50,000 new jobs. Going forward, current projections are for additional 25,000-30,000 jobs per year through 2015. Additionally, gains are expected to be realized in just about every sector, paving the way for further diversification in the state's economy.

Governor Brian Sandoval said the economic forecast shows Nevada is progressing in the right direction.

"Just as the economy was bottoming out from the devastating impacts of the recession, I announced a goal of 50,000 additional jobs in Nevada's economy by the end of my four-year term in Office," Sandoval said. "In my 2013 State of the State Address, I announced that we had added 30,000 jobs in the State's business establishments over the two-year period since 2010, 60 percent of the way to our goal. So far in 2013, through August, we are trending about 20,000 jobs higher than a year ago. Going forward, continued job gains in the 25,000-30,000 range per year should pave the way for Nevada to continue to put the recession in our rear-view mirror and pave the way for additional improvement in the State's labor market."

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DETR is comprised of the Employment Security Division, Equal Rights Commission, Rehabilitation Division, the Information Development and Processing Division and the Research and Analysis Bureau. DETR works in partnership with the Nevada JobConnect System to provide training and job placement services to job seekers and to assist employers in hiring practices.



The Research and Analysis Bureau in Nevada's Department of Employment, Training & Rehabilitation partners with the U.S. Department of Labor to oversee the State's labor market information program. As a result of the Federal government shutdown, primary labor data (unemployment rate, job growth, etc.) for September is not available for dissemination at this time, as it normally would be.

Our practice is to supplement our core labor market information each month with a variety of other indicators of economic activity in the State to provide a more complete picture of the health of the economy. In our September analysis below, we will utilize these special topics to offer a brief commentary on economic conditions in the State, including a look forward, highlighting our current labor market forecast recently presented to the Employment Security Council.

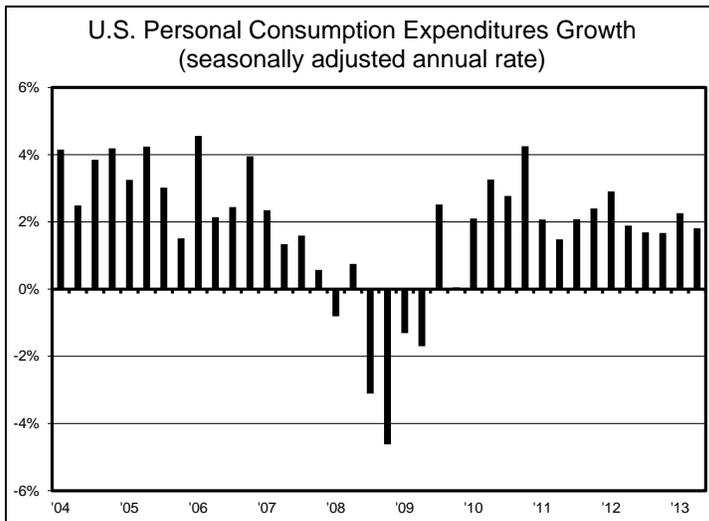
When September labor market information becomes available, we will make every effort to prepare Nevada's estimates for distribution as quickly as possible. We apologize for any inconvenience this may cause, but we are faced with circumstances beyond our control.

NEVADA LABOR MARKET OVERVIEW September 2013

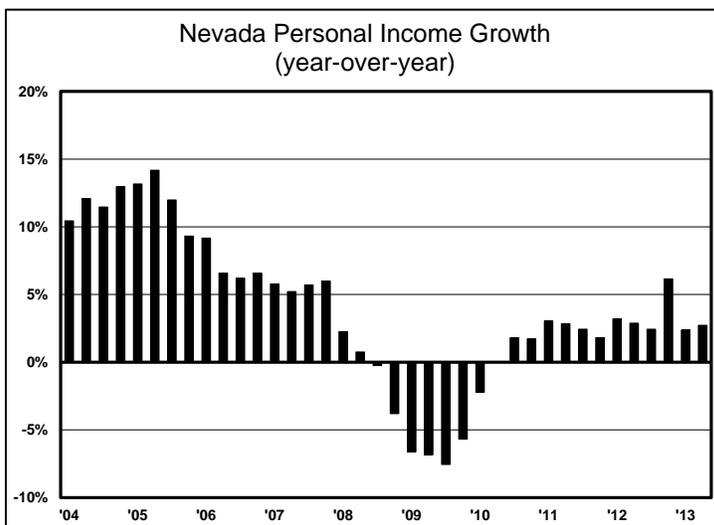
Discounting the shutdown stalemate in Washington, overall macroeconomic fundamentals appear favorable for Nevada. For instance, real consumption expenditures have been trending up for 16 consecutive quarters nationwide. This trend has certainly benefitted the State's tourism/gaming/entertainment sector, which is heavily reliant on the willingness/ability of consumers to spend their discretionary incomes.

Based upon available evidence, Nevada's economy remains on a

path of overall modest, but sustainable, improvement. With July's 6.2 percent gain, taxable sales have risen in each of the past 37 months. August brought with it an 11.2 percent gain in gaming win. When all of the month-to-month variations are averaged out through the first eight months of the year, it stands 0.8 percent higher than during the same period in 2012. With August's 0.9 percent advance, Las Vegas visitor volume is on pace to hold steady with last year's record level.

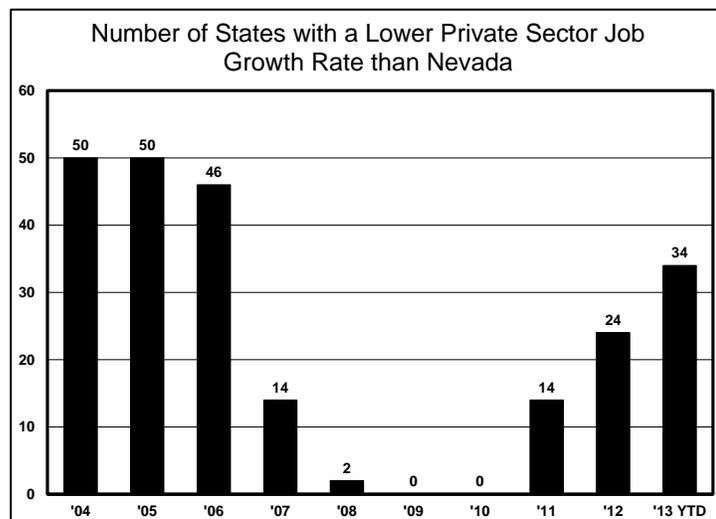


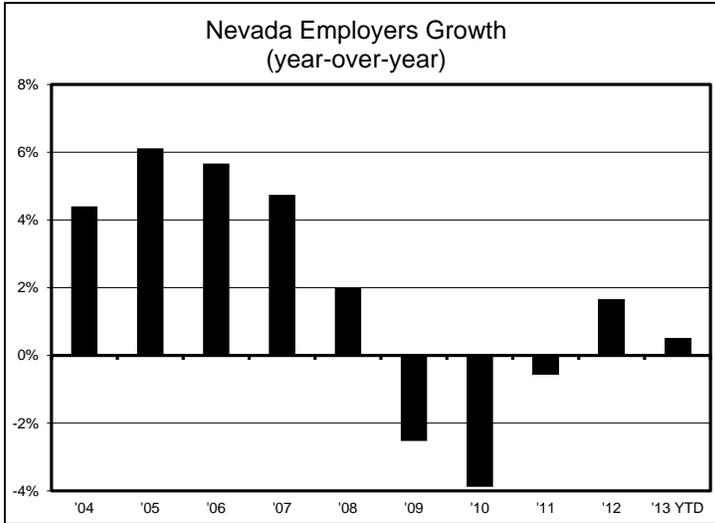
the path of the boom-bust cycle of the past decade and the beginning of the recovery. While we have not yet returned to pre-recessionary levels, there is steady progress in the quarterly growth rate. As of 2013:IIQ, Nevada's personal income growth rate is a positive 2.7 percent, relative to a year ago.



As we've noted in previous *Overviews*, the improving economy has translated into more encouraging news on the labor market front. Information obtained through the Quarterly Census of Employment and Wages (QCEW) Program provides a nearly complete job count based upon quarterly wage records submitted by employers covered under the Unemployment Insurance System. Because generating this information is a time-consuming process, it is only available with a 4-5 month lag.

One of the broadest measures of the State's economic health is personal income. It represents the sum of wages and salaries; dividends, interest, and rents; and transfer receipts (payments like social security and unemployment insurance). Trends in personal income in Nevada over time very clearly show



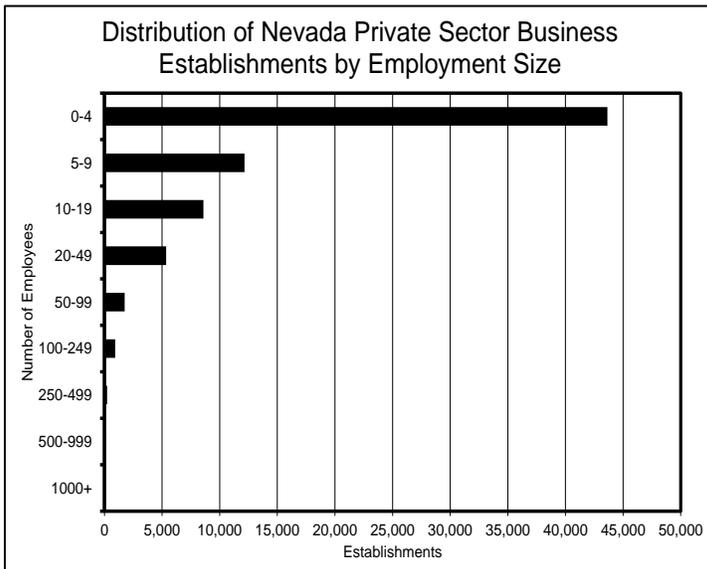


Examining this information over time, and for all 50 states (plus the District of Columbia), highlights Nevada's relative performance during the pre-recessionary boom, through the downturn, and into the early stages of the recovery. In the years preceding the economic downturn, Nevada led the country in private sector employment growth. Indeed, Nevada had the highest employment growth rates in the country in 2004 and 2005 (6.4 percent in each year). Conversely, during the recession,

Nevada was the most affected state in terms of private sector employment growth. In fact, Nevada's employment growth was the lowest in the nation in 2009 (-10.1 percent) and 2010 (-2.8 percent). Nevada has gradually regained lost ground over the past two years. In 2011 the private sector grew at a rate of 1.2 percent, faster than 14 other states; and in 2012 we grew at a rate of 1.9 percent, faster than 24 other states.

When we consider 2013:1Q, the latest available data, we can see that Nevada's recovery is steadily continuing. The private sector is currently growing at an annual rate of 2.3 percent, faster than in 34 other states.

In assessing the health of the labor market, the focus is typically on the jobs/employment side of the picture. However, a look at trends in the number of employers in the State also offers considerable insight into the impacts of the recession in Nevada and the unfolding recovery.

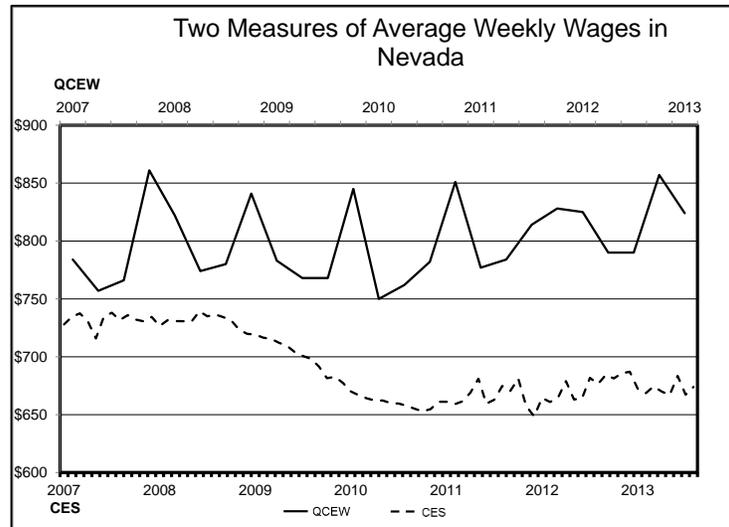


All told, there are 57,600 employers in Nevada, as of the second quarter of this year. Prior to the downturn, there were 60,500. Employer counts bottomed out at 56,000 at the height of the recession. They have now risen in eight consecutive quarters.

Interesting insights are also gained via an analysis of the distribution of Nevada business establishments across worksite size classifications. In Nevada's private sector, there are about 72,800 individual worksites. Those worksites with less than five employees account for close to 45,000 of those establishments. Those businesses with 5-9 employees total 12,200. At the other end of the spectrum, there are just 75 worksites with at least 1,000 employees.

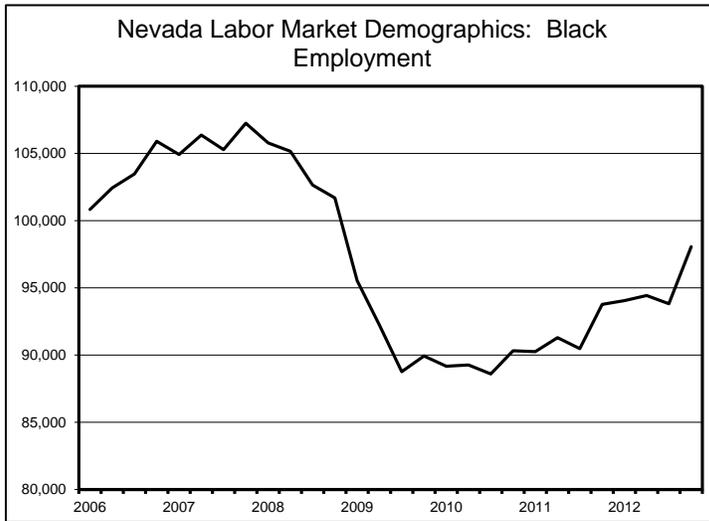
In our opinion, sustained upward pressure on wages has yet to surface so far during the recovery, despite overall improvement in the labor market. Complete-count QCEW information through the first quarter of this year illustrates this. Private sector weekly wages averaged \$824 during the first three months of the year, essentially unchanged from a year ago. Since 2007, average weekly wages have grown just five percent, well short of that necessary to keep up with inflation. Furthermore, over the same period, wages at the national level rose 12 percent. Arguably, these wage trends are, perhaps, the most concerning part of the overall labor market picture in Nevada.

There is an alternative measure of average weekly wages from the Current Employment Statistics (CES) Program. These estimates show that wage trends in Nevada have fallen short of those in the nation as

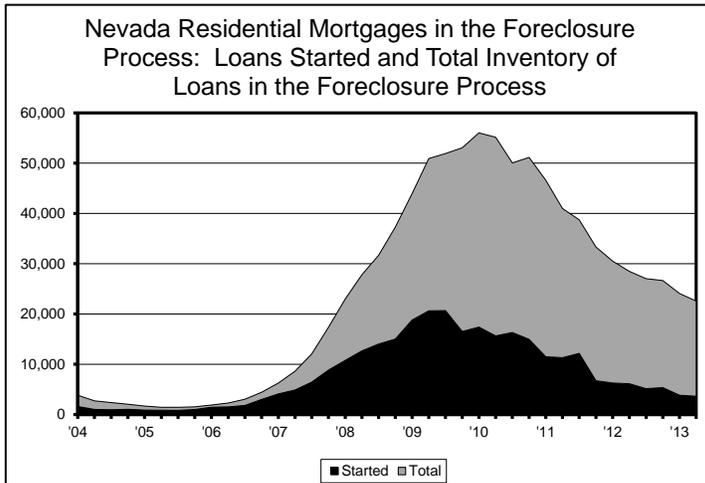


a whole, just as the QCEW complete-count information highlights. However, the CES series also suggests that wages remain well below pre-recession levels in nominal terms, which is inconsistent with QCEW trends. Specifically, August readings show wages down nearly eight percent from 2007.

There are a variety of issues with the Current Employment Statistics estimates which suggest that it is not a very useful measure of trends over time, especially when measured relative to our complete-count information. Perhaps most importantly, it needs to be noted that the CES series is solely sample-based. It is based off of a monthly survey of less than 1,000 employers in Nevada, out of a universe of close to 60,000. Furthermore, unlike other barometers of the labor market's health, CES wage estimates are not "benchmarked" (updated) as additional information becomes available. For this and other reasons, we argue that, in assessing wage trends in Nevada, the focus



Nevada's black workforce¹. Just before the start of the most recent recession, black employment totaled 107,300 in Nevada. The extent of the economic damage inflicted by the recession was very severe in Nevada. In the third quarter of 2010, employment levels amongst black Nevadans had dropped by 17.4 percent, a loss of 18,700 jobs. Five years after the economic meltdown, employment of blacks in Nevada is on the rise. Currently, the level is at 98,100 but is still 8.6 percent below the peak reached at the end of 2007. The majority of black Nevadans work in the accommodation and food services industry, followed by retail trade, health care/social assistance, and the administrative support/waste management industry.

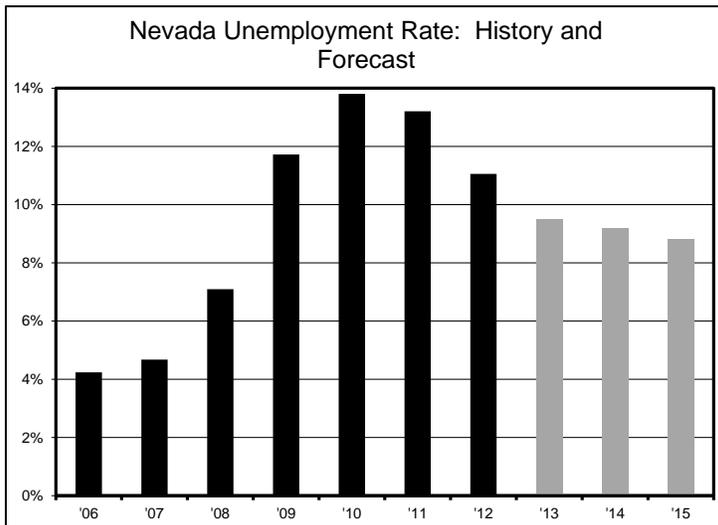
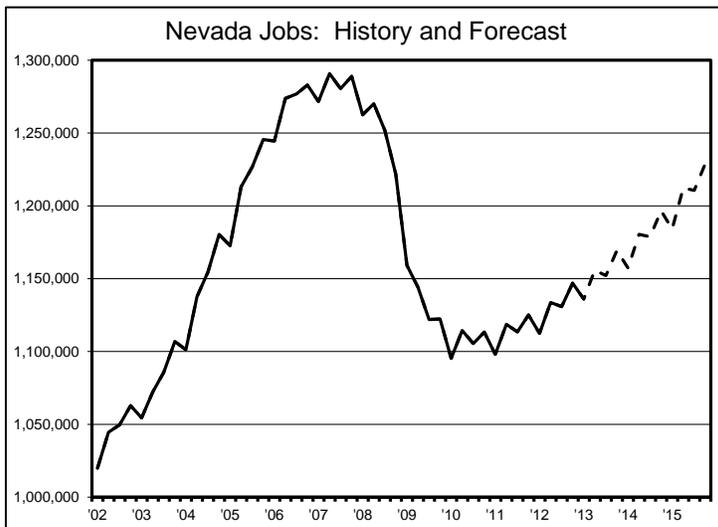


Foreclosure activity has been a much-discussed topic of late. The number of mortgages in the foreclosure process peaked at over 56,000 in 2010:1Q according to the Mortgage Bankers Association. It has been on a steady decline since then. As of this year's second quarter, there were 22,600 loans in the process of foreclosure, a decline of 60 percent from the peak. However, there is some evidence

should be upon the complete-count QCEW information.

The unemployment rate among blacks is almost twice that for whites. The Census Bureau's Local Employment Dynamics (LED) Program provides valuable insight into workforce demographics and, thus, may provide some insight into the stubbornly high unemployment rate. This month, we examine employment trends amongst

¹ With the Federal government shutdown, we do not have access to all of the information necessary for a complete analysis. We will continue to explore this topic once this information is back online.



forward, we expect the labor market picture to continue improving in Nevada. Expectations are that total covered employment will expand two percent, or 23,000 jobs, in 2013. Job gains are predicted to be 26,000 and 30,000 in 2014 and 2015, respectively.

While much more difficult to accurately forecast than jobs, we are also expecting further downward pressure on the unemployment rate. The jobless rate peaked at 13.8 percent in 2010. So far this year, it has averaged 9.7 percent, though the rate of decline is showing signs of easing. We feel that the jobs forecast highlighted above will pave the way for continued downward pressure on the jobless rate, with gradual improvement to around 8.8 percent in 2015.

suggesting that foreclosure activity may have picked up markedly in advance of changes impacting the foreclosure process in Nevada which went into effect on October 1st.

The State lost almost 200,000 jobs from peak to trough during the recession. In 2011, the Nevada economy created 6,800 jobs, a 0.6 percent increase. In 2012, employment grew 1.5 percent, or 17,100 jobs. Job gains have accelerated so far this year. Looking