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### **Annual Revisions Show Improvements in Nevada's Economy**

Annual adjustments to Nevada's labor market data show that job growth was stronger than initially estimated. Specifically, job estimates increased by 9,200 from preliminary readings. As a result, 2012-2013 total non-farm job growth came in at 30,900. At the same time, revised estimates show an unemployment rate of 9.8 percent, up from a preliminary estimate of 9.4 percent. Still, this represents a decline of 1.7 percent from 2012's 11.5 percent reading, said Bill Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation (DETR).

Nevada's non-farm employment and labor force numbers are estimated each month using a combination of historical data and current employment statistics. These estimates are revised at the beginning of each calendar year, or "benchmarked", using more complete information, Anderson said. Once a year, the Bureau of Labor Statistics adjusts the non-farm employment estimates using data from mandatory unemployment insurances reports submitted each quarter by nearly all employers.

"Looking at recent trends since 2010, Nevada has added 60,700 private-sector jobs, exceeding job growth expectations," Anderson said. "With a gain of 23,800 jobs, the Las Vegas-Paradise MSA benchmark revealed the area's economy gained more employment in 2013 than was initially estimated. This is a 2.9 percent increase year over year."

Reno-Sparks' benchmark resulted in an increase of 5,600 jobs over the year, an increase of 2.9 percent. Carson City's benchmark revealed this area's economy lost fewer jobs than initially estimated in 2013. Carson City employment still fell by an annual average of 200 jobs over-the-year, a decrease of 0.6 percent from average 2012 levels, however the benchmark put back 100 more jobs than was initially reported in 2013.

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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.



## **Nevada 2013 Annual Benchmarking**

Each year, Nevada's Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) programs undergo a revision process called "benchmarking." This process involves updating estimates and projections by incorporating more complete data that has become available since the time of the initial estimates. The benchmarking processes resulted in Nevada's 2013 annual average unemployment rate estimate increasing from 9.4 percent up to 9.8 percent. Similarly, CES benchmark revisions show that Nevada gained 30,900 jobs over the year (up from the previous estimate of 21,700).

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**Join us for a benchmark review  
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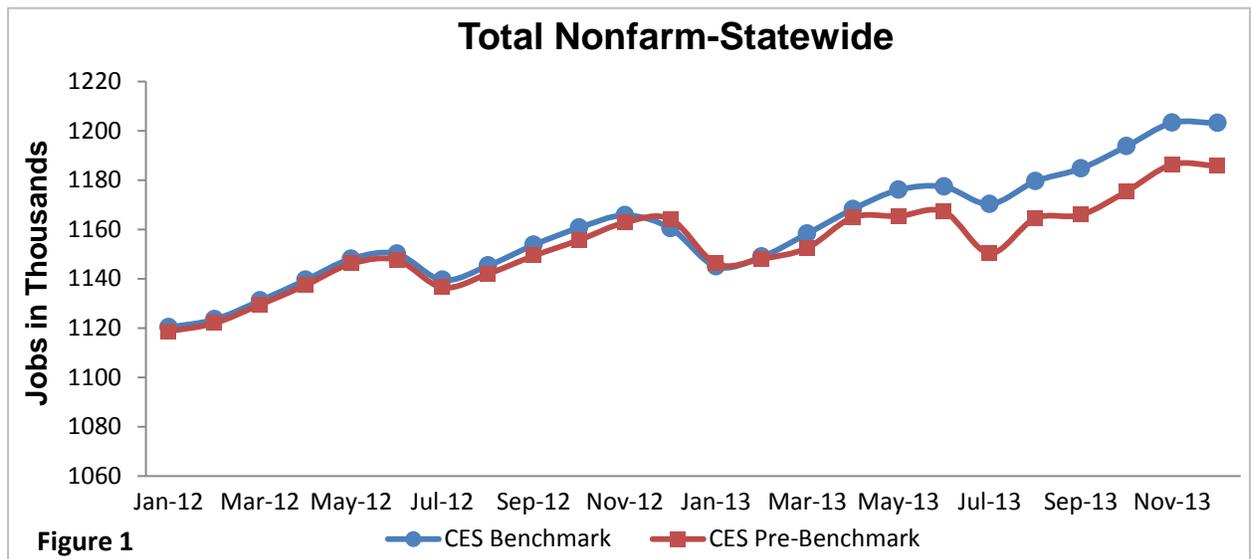
February 2014

## Nevada's Statewide CES Benchmark 2013

Nevada's non-farm employment numbers are estimated each month using a combination of historical data and current employment statistics. These estimates are revised at the beginning of each calendar year, or benchmarked, using more complete information. Once a year, the Bureau of Labor Statistics adjusts the non-farm employment estimates using data from mandatory unemployment insurance (UI) reports submitted each quarter by nearly all employers. Non adjusted data is revised over a 21-month period; the 2013 benchmark realigned the estimates from April 2012 to December 2013. Next, the seasonal adjustment factors are modeled with this updated information resulting in five years' worth of revised seasonally adjusted data.

This year's benchmark revealed Nevada's economy gained more jobs than initially estimated during the year. The benchmark increased employment numbers previously reported by 11,300 total nonfarm jobs in 2013, or a one percent increase from the initial jobs base. Employment levels for 2012 were also revised up by 2,100. As a result, Nevada's employment rose by an annual average of 30,900 jobs over-the year, an increase of 2.7 percent. The private sector leads the way with an annual average increase of 29,200 jobs, while the government sector gained 1,600. Service producing industries gained an annual average of 24,600 jobs, while the goods producing industries gained 6,300 jobs.

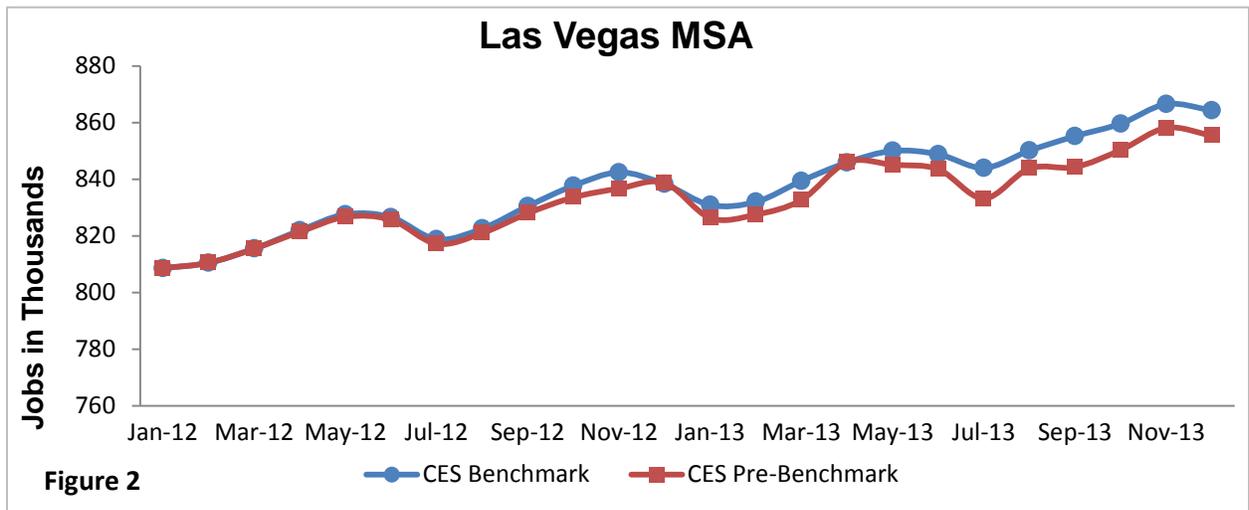
Looking at recent trends since 2010, Nevada has added 60,700 private sector jobs, exceeding growth expectations. During this time period total non-farm jobs have increased by 57,900.



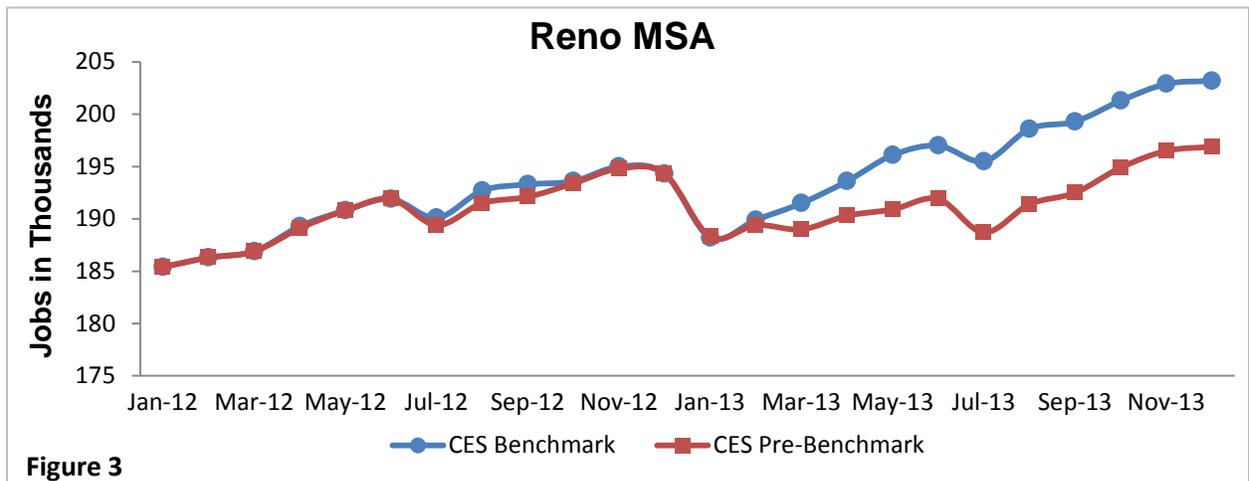
## **Nevada's Metropolitan Statistical Areas (MSA's) Benchmark 2013**

Figures 2, 3 and 4 below illustrate the benchmark effect for the Las Vegas-Henderson-Paradise, Reno Area, and Carson City MSAs.

The Las Vegas-Paradise MSA benchmark revealed the area's economy gained more employment in 2013 than was initially estimated. Las Vegas-Paradise employment rose by an annual average of 23,800 jobs over-the-year, an increase of 2.9 percent. In total, the Las Vegas area gained 6,700 more jobs during the benchmark, as can be seen in figure 2.



The Reno-Sparks MSA benchmark revealed the area's economy gained employment in 2013 by an annual average of 5,600 jobs over-the-year, an increase of 2.9 percent. In total, the Reno-Sparks area gained 4,700 more jobs during the benchmark than was initially reported in 2013, as can be seen in figure 3.



Carson City’s benchmark revealed this area’s economy lost fewer jobs than initially estimated in 2013. Carson City employment fell by an annual average of 200 jobs over-the-year, a decrease of 0.6 percent from average 2012 levels. In total, benchmark put back 100 more jobs than was initially reported in 2013, as can be seen in figure 4.

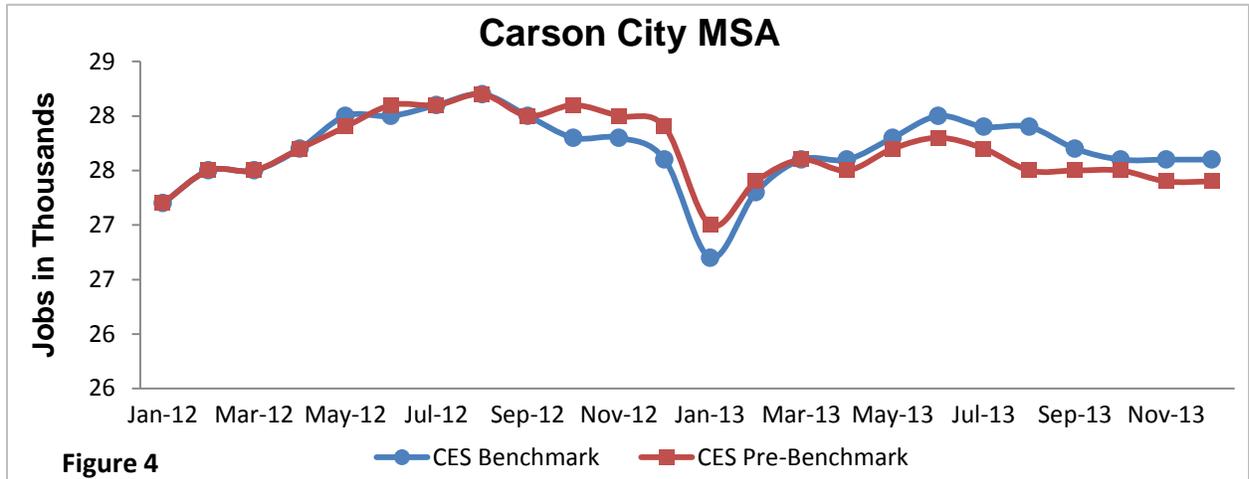


Figure 4

The Balance of State (BOS) areas are not included in the three major MSA’s. In total, these rural areas added an average 1,700 jobs over-the-year, approximately the same amount of jobs added in 2012.

## Nevada's Key Industry Benchmark 2013

Of Nevada's 10 super sectors, those sectors at a two-digit NAICS level, six had upward revisions, with four being revised downward. The downward revisions were found in mining and logging; trade, transportation, & utilities; other services; and government employment, as can be seen in Table 1 below.

<b>Table 1</b>	<b>2012</b>		<b>2013</b>			<b>2012-2013 YOY Difference:</b>
<b>**Employment figures in Thousands**</b>						
<b>**Not Seasonally Adjusted-NSA**</b>						
<b>**Totals may not foot due to rounding**</b>						
	<b>Pre- Benchmark</b>	<b>Post- Benchmark</b>	<b>Pre- Benchmark</b>	<b>Post- Benchmark</b>	<b>2013 Benchmark Revision</b>	<b>Post Benchmark 2013</b>
<b>Total Nonfarm</b>	1,142.7	1,144.8	1,164	1175.7	<b>11.3</b>	<b>30.9</b>
<b>Total Private</b>	993.7	995.5	1,012.6	1024.7	<b>12.1</b>	<b>29.2</b>
<b>Good Producing</b>	106.6	106.6	109.2	112.9	<b>3.7</b>	<b>6.3</b>
<b>Service Providing</b>	1,036.1	1,038.2	1,055.2	1062.8	<b>7.6</b>	<b>24.6</b>
<b>Mining and Logging</b>	15.5	15.5	16.5	15.4	<b>(1.1)</b>	<b>(0.1)</b>
<b>Construction</b>	51.8	52.0	53.0	57.0	<b>4.1</b>	<b>5.1</b>
<b>Manufacturing</b>	39.2	39.2	39.7	40.5	<b>0.8</b>	<b>1.3</b>
<b>Durable Goods</b>	25.1	25.1	25.0	25.5	<b>0.5</b>	<b>0.5</b>
<b>Non-Durable Goods</b>	14.1	14.1	14.7	14.9	<b>0.3</b>	<b>0.8</b>
<b>Trade, Transportation, and Utilities</b>	218.17	218.0	224.7	222.8	<b>(1.8)</b>	<b>4.8</b>
<b>Wholesale Trade</b>	32.9	32.6	34.7	33.0	<b>(1.7)</b>	<b>0.4</b>
<b>Retail Trade</b>	132.3	132.3	136.5	135.8	<b>(0.6)</b>	<b>3.5</b>
<b>Transportation, Warehousing, and Utilities</b>	53.1	53.2	53.5	54.0	<b>0.6</b>	<b>0.9</b>
<b>Financial Activities</b>	54.2	54.4	55.1	56.6	<b>1.5</b>	<b>2.3</b>
<b>Finance and Insurance</b>	31.1	31.4	30.8	32.7	<b>1.8</b>	<b>1.3</b>
<b>Real Estate and Rental and Leasing</b>	23.1	23.0	24.3	24.0	<b>(0.3)</b>	<b>1.0</b>
<b>Professional &amp; Business Services</b>	144.1	144.7	143.0	150.0	<b>7.0</b>	<b>5.2</b>
<b>Professional, Scientific, and Technical Services</b>	47.5	47.7	46.7	49.1	<b>2.5</b>	<b>1.5</b>
<b>Management of Companies and Enterprises</b>	19.5	19.7	19.5	20.0	<b>0.5</b>	<b>0.4</b>
<b>Admin &amp; Support / Waste Mgmt &amp; Remediation</b>	77.1	77.4	76.8	80.9	<b>4.1</b>	<b>3.5</b>
<b>Education &amp; Health Services</b>	106.7	108.5	110.4	111.7	<b>1.3</b>	<b>3.2</b>
<b>Educational Services</b>	9.7	11.6	9.6	12.4	<b>2.8</b>	<b>0.8</b>
<b>Health Care and Social Assistance</b>	97.0	96.9	100.7	99.3	<b>(1.5)</b>	<b>2.4</b>
<b>Leisure and Hospitality</b>	318.3	317.2	324.4	324.7	<b>0.4</b>	<b>7.5</b>
<b>Arts, Entertainment, and Recreation</b>	26.6	26.7	26.7	27.0	<b>0.3</b>	<b>0.3</b>
<b>Accommodation and Food Services</b>	291.7	290.5	297.7	297.7	<b>0.0</b>	<b>7.2</b>
<b>Other Services</b>	33.2	33.3	33.4	33.2	<b>(0.2)</b>	<b>(0.0)</b>
<b>Government</b>	148.9	149.4	151.8	150.9	<b>(0.8)</b>	<b>1.6</b>
<b>Federal Government</b>	18.0	18.0	18.2	18.1	<b>(0.1)</b>	<b>0.1</b>
<b>State Government</b>	35.7	36.3	37.9	37.4	<b>(0.4)</b>	<b>1.1</b>
<b>Local Government</b>	95.2	95.1	95.7	95.4	<b>(0.3)</b>	<b>0.4</b>
<b>Las Vegas</b>	823.6	825.1	842.2	848.9	<b>6.7</b>	<b>23.8</b>
<b>Reno</b>	190.5	190.8	191.7	196.4	<b>4.7</b>	<b>5.6</b>
<b>Carson City</b>	27.9	27.8	27.5	27.6	<b>0.1</b>	<b>(0.2)</b>

Employment in the leisure & hospitality sector, Nevada's largest sector, was adjusted upwards just slightly by an average of 400 jobs, or 0.1 percent, during the 2013 benchmark. The leisure & hospitality industry did see a year-over-year increase, adding an annual average of 7,500 jobs for a 2.4 percent growth rate for 2013. This was the largest employment gain for any sector in Nevada in 2013.

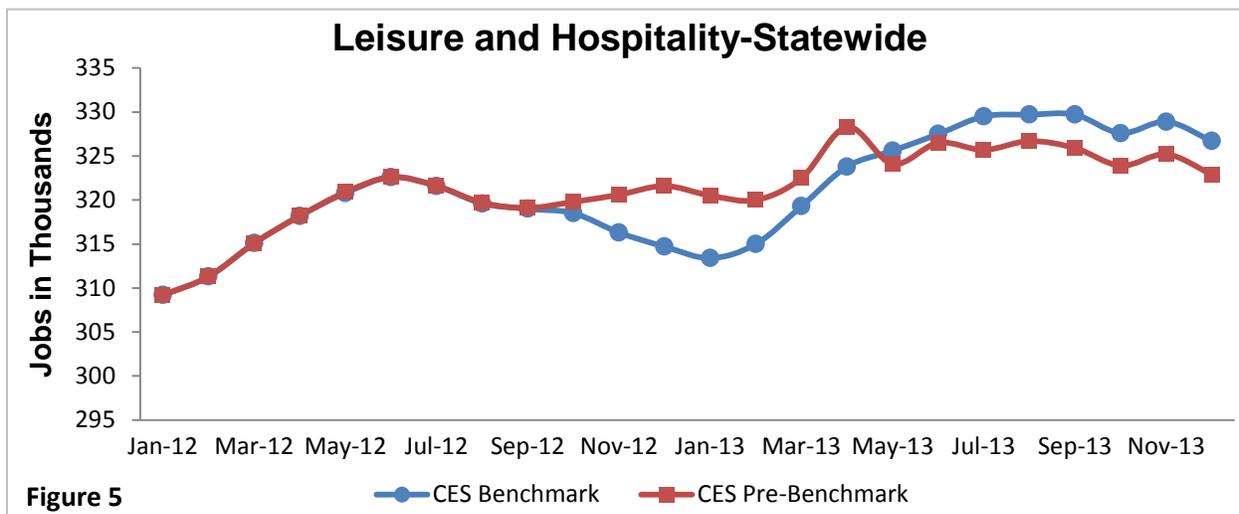


Figure 5

Professional and business services industry employment was revised upward by just over 7,000 jobs, or a 4.9 percent revision. Growing at 3.6 percent, this industry added 5,200 jobs over-the-year. This was the second largest gain in total employment in Nevada for any sector 2013. The administrative, support, waste management, and remediation subsector of this industry was revised upwards by 4,100 jobs, for a 5.3 percent revision. Professional, scientific, and technical services was revised upwards by 2,500 jobs, for a 1,500 over-the-year total employment gain for 2013.

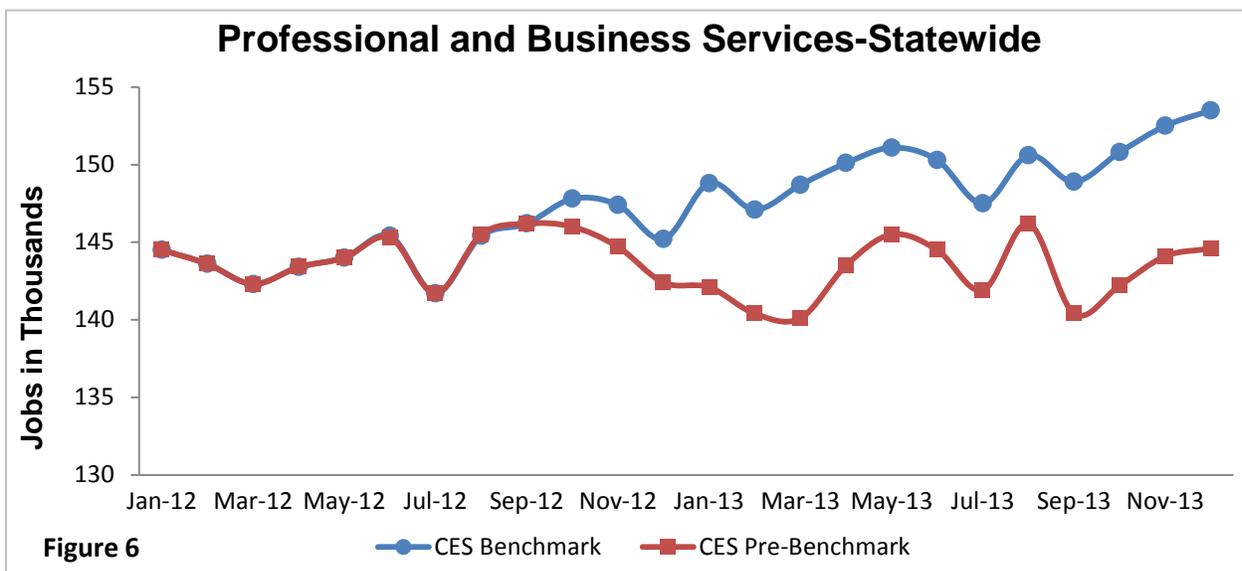
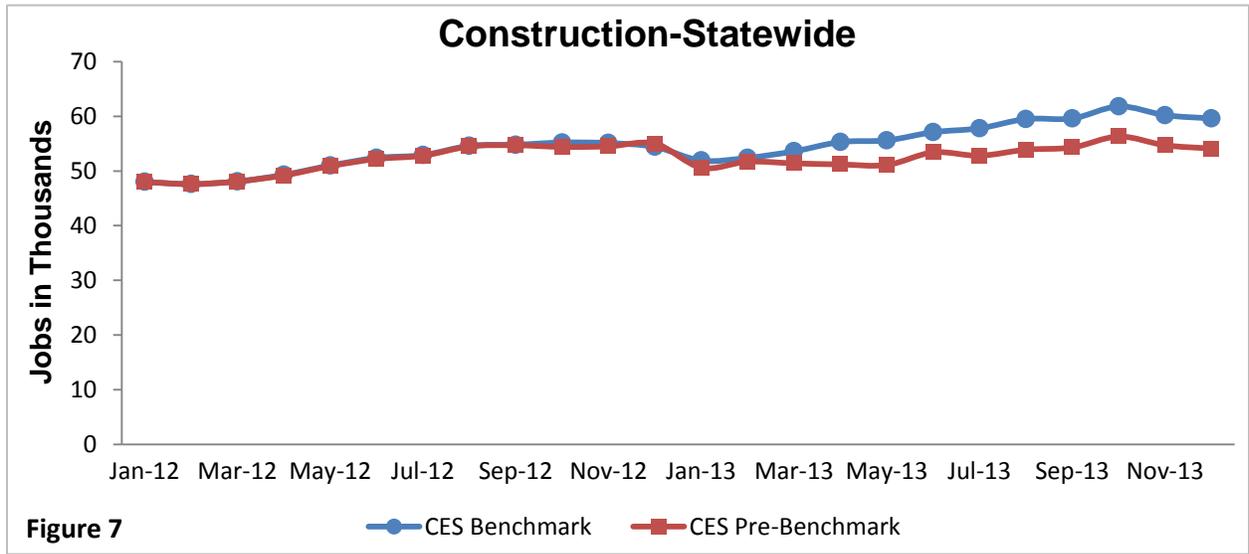
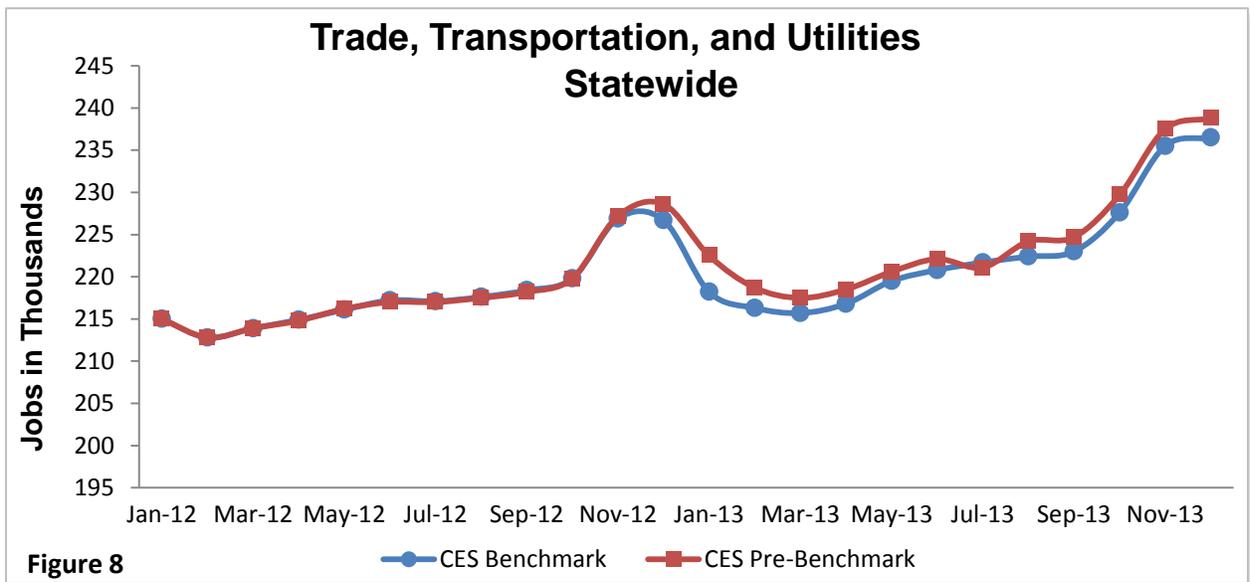


Figure 6

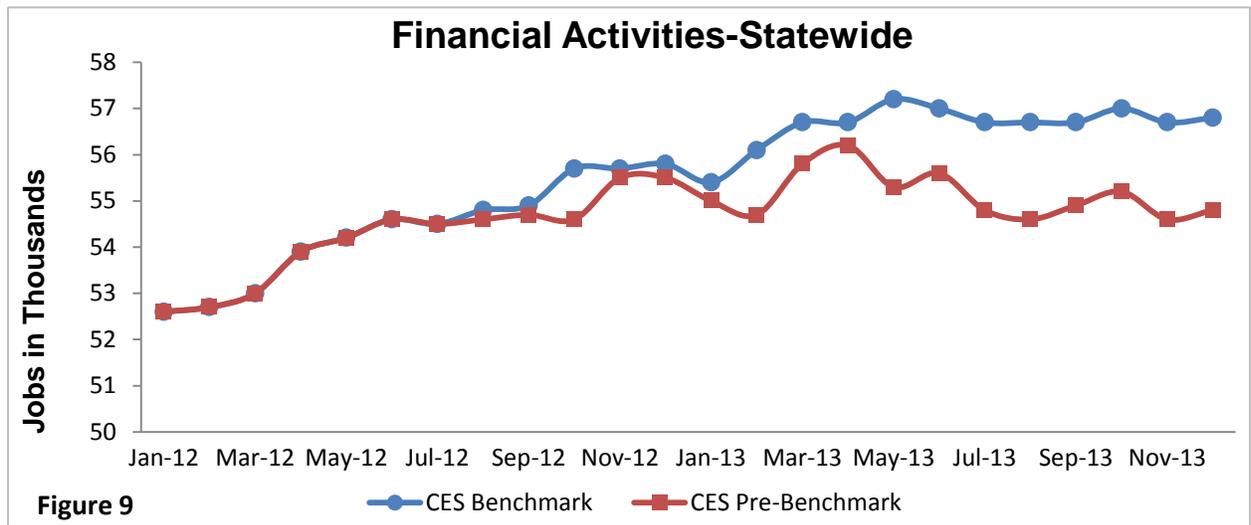
The construction industry benchmark also produced a revision upward as can be seen in figure 7 below. This industry gained an annual average of 4,100 more jobs, or a 7.7 percent increase in 2013. The construction industry gained a total of 5,100 jobs in 2013, growing at 9.8 percent for the year. This employment gain was the third largest in 2013, and this industry saw the largest percentage gain over-the-year than any other sector.



The trade, transportation and utilities (TTU) industry did lose 1,800 jobs in the 2013 benchmark. However, this sector did gain 4,800 jobs over-the-year for a growth rate of 2.2 percent for 2013. The largest yearly increase was experienced in the retail trade sub-sector, gaining on average 3,500 jobs, a 2.7 percent increase relative to 2012.



The financial activities industry employment was revised upward, with an average increase of 1,500 jobs during the benchmark. This sector gained 2,300 jobs over-the-year, growing at 4.2 percent as can be seen in figure 9 below. The majority of gains were seen in the finance and insurance sub-sector with job gains on average of 1,800, or a 5.9 percent revision in 2013. This subsector gained 1,300 jobs over-the year, growing at 4.1 percent.



### Industry Employment- Job Growth 2012-2013

The complete list industry growth can be seen below in figures 10 and 11. These graphs rank Nevada’s 10 super sector industries based on the over-the-year increase in job numbers and percentage change from 2012 to 2013, after the completed benchmark.

Leisure and hospitality, on average, added the most jobs in 2013 over any other sector with 7,500 jobs. This translates to an annual average growth rate of 2.4 percent over-the-year. This is the largest employing sector in Nevada, and heavily reliant on disposable income spending by state residents and non-residents. The growth in this industry is a good indicator of the overall health of the country’s economy as households have begun to again spend. The sample estimated this industry’s employment well, with only a small revision of 400 jobs during this year’s benchmark.

Professional & business service (PBS) is ranked third in terms of percentage gains, as compared to 2012, growing at 3.6 percent in 2013. This industry added 5,200 jobs, raking second in terms of job growth numbers. Subsector growth in this industry can be found in administration & support and waste management & remediation growing at 4.5 percent, as well as, professional, scientific, and technical services growing at 3.1 percent for 2013. This industry did have the largest revision of employment added

during the benchmark, adding 7,000 jobs for a 4.9 percent revision to the PBS workforce for 2013.

Construction is the top growth industry in Nevada for over-the-year employment percentage change of 9.8 percent in 2013. This industry ranks third out of ten industries for job growth in numerical terms, with 5,100 jobs added over-the-year. This year's benchmark revision added an additional 4,100 construction jobs to the over-the-year total, for a 7.7 percent revision.

Job counts in the transportation, warehousing and utilities sectors were revised downward by 1,800 during the benchmark, but managed to add an annual average of 4,800 jobs, for a 2.2 percent job growth rate over-the-year. The downward revisions specifically were found in the wholesale trade, and retail trade subsectors.

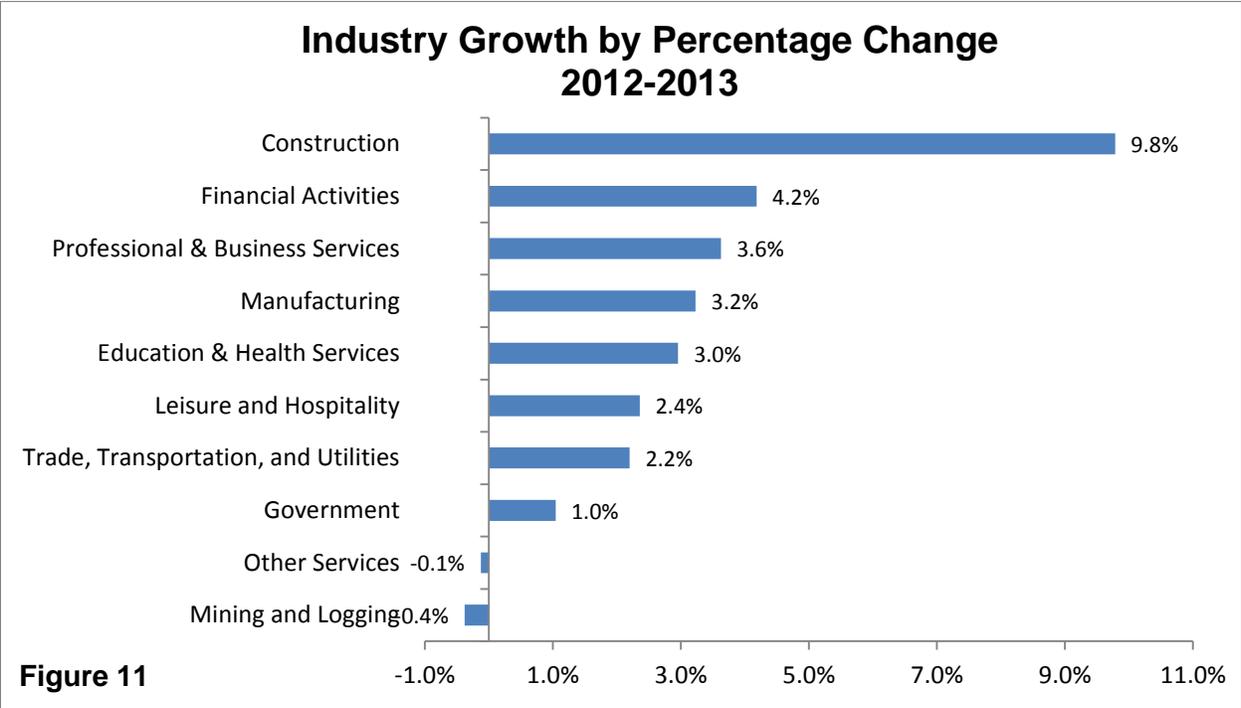
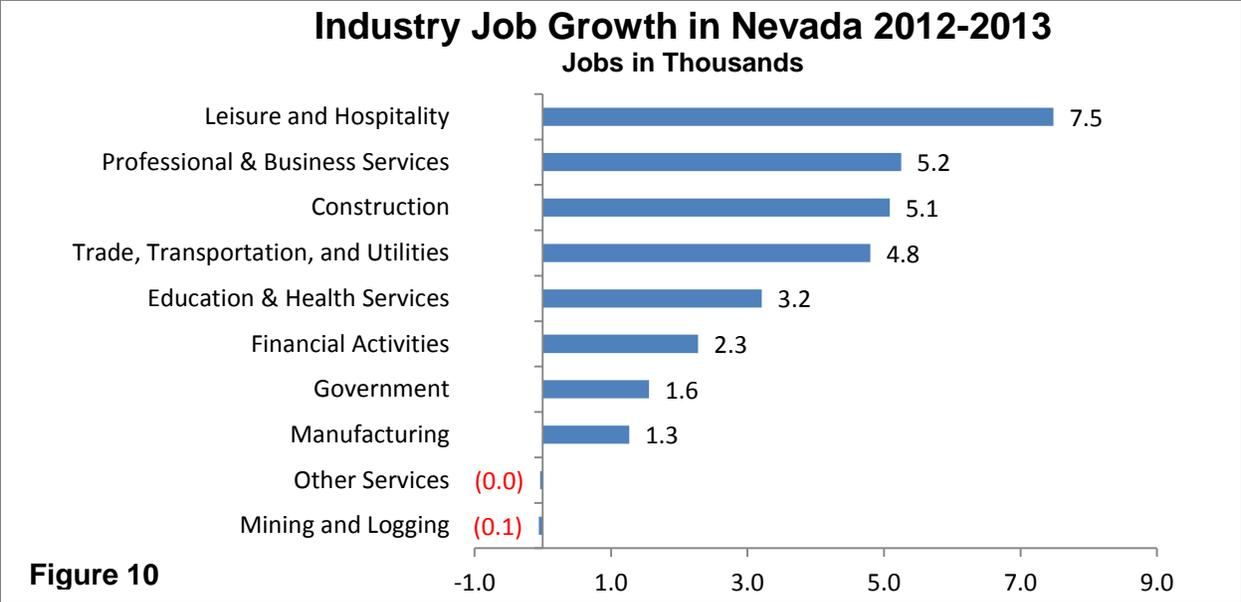
Education & health services followed closely behind growing at three percent, adding 3,200 jobs. The health care and social assistance subsector saw the majority of the job growth, adding 2,400, or 2.5 percent YOY. The benchmark revision for education & health services was positive, adding an additional 1,300 jobs to total industry employment.

Financial activities added 2,300 jobs, and had the second highest growth rate for the year, at 4.2 percent over-the-year. Within this sector 1,300 jobs were added in the finance & insurance subsector, and 1,000 found in real estate and rental and leasing subsector. This industry employment was also revised upwards during this year's benchmark, which added 1,500 jobs to the over-the-year total for 2013.

Government added 1,600 jobs growing at one percent for the year. During the benchmark, this industry was revised down by 800 jobs; employment was overestimated by the sample in 2013. The sample overestimated federal government by 100 jobs, state government by 400, and local government by 300.

Manufacturing grew at 3.2 percent adding 1,300 jobs. Subsector growth in this industry was strong in non-durable goods growing at 5.8 percent, or 800 jobs in 2013. Employment figures were revised up for this industry during this year's benchmark, adding an additional 800 jobs to the over-the-year total.

The two industries that did not experience growth in the workforce over-the-year were other services, and mining & logging. Employment in both of these industries essentially remained stagnant in 2013. Mining and logging employment contracted by 100 jobs over-the-year; with a downward benchmark revision of 1,100 jobs. Other services contracted by just around 40 jobs over-the-year, with a downward revision of 200 jobs during benchmarking.



## **Nevada's Statewide LAUS Benchmark 2013**

Every year Nevada's Local Area Unemployment Statistics (LAUS) program undergoes a revision process called annual processing/benchmarking. Benchmarking involves updating the historical monthly unemployment figures by incorporating newer, more complete data that has become available. Sources, such as the Current Employment Statistics (CES) and Quarterly Census of Employment and Wages (QCEW) programs, provide revised employment estimates for the state. Additionally, updated population data is provided by the US Census Bureau and the unemployment insurance claims counts are revised to include the most recent information from the state's UI system.

The 2013 annual benchmark revisions resulted in the Nevada statewide LAUS unemployment rate increasing to a 9.8percent annual average. This is up from a 9.4percent annual average pre-benchmarking. Revisions for year 2012 LAUS statewide unemployment rate came in at 11.5percent annual average, up from 11.1percent pre-benchmarking. This year's benchmarking covered the 2009-2013 time period (with the largest revisions affecting only the most recent two years).

Contributions to the revision in the unemployment rate included an increase in both total labor force and unemployment. Additionally, there was a reduction in the level of resident employment. The average labor force in Nevada in 2013 was 1,372,996 (revised up by 3,264 over pre-benchmark figures). The unemployment level increased to 135,136 after benchmarking (up by 5,986). Resident employment (which is not directly comparable to CES employment) in the state was 1,237,860 (down 2,722 from pre-benchmark figures). As a result, the unemployment rate was revised up.

Figure 12

### Nevada Unemployment Rates

