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### **Annual Job Growth Projected to Approach 60,000 by 2017**

Carson City, NV —Nevada's employment outlook continues to show positive signs for the state's mending economy, according to quarterly projections by Nevada's Department of Employment, Training and Rehabilitation (DETR) Research and Analysis Bureau.

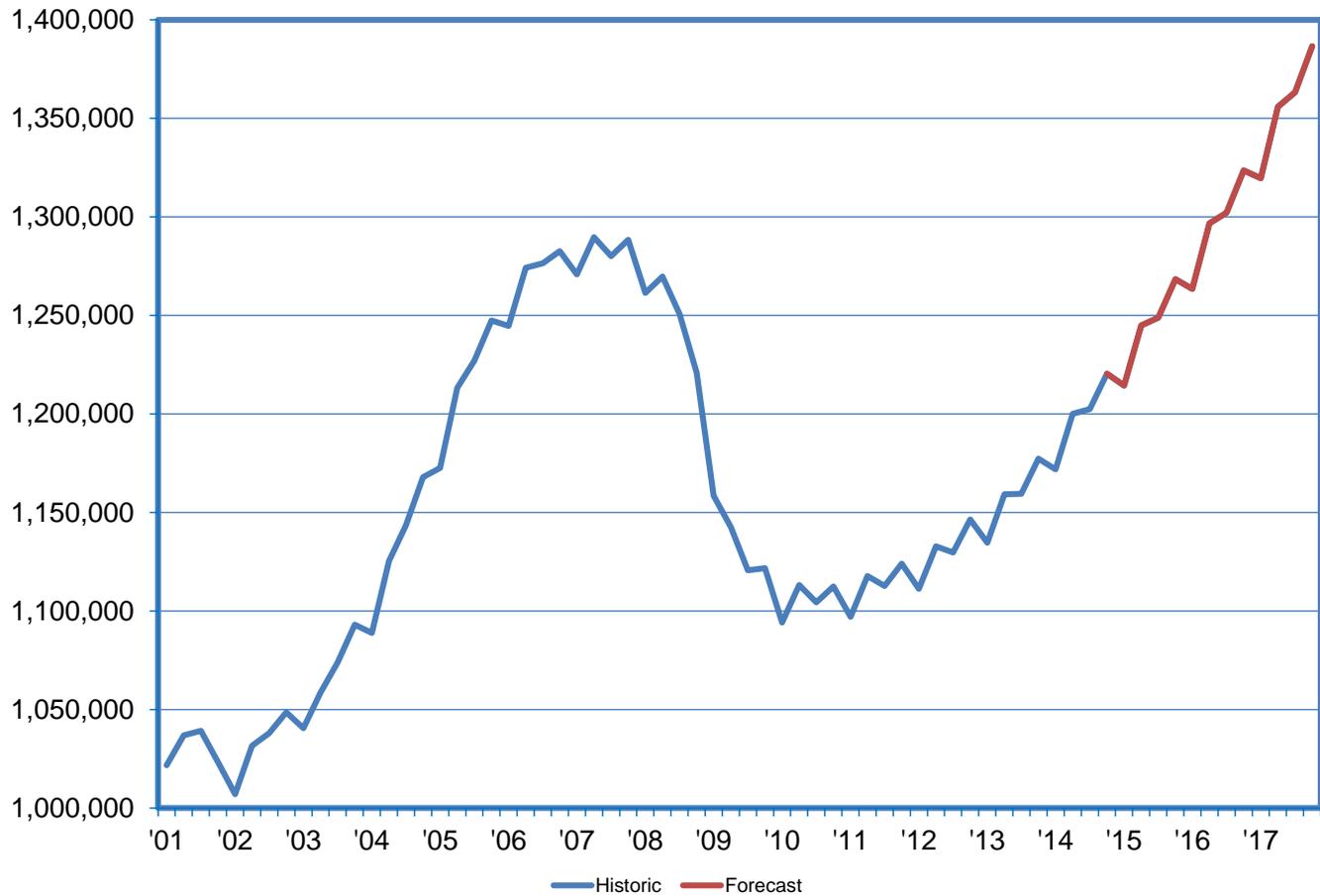
Job gains are predicted to be 45,000 in 2015; 52,000 in 2016; and 60,000 in 2017, said Bill Anderson, DETR's chief economist.

"We project employment will surpass the peak levels achieved in 2007 around mid-2016," Anderson said. "Nevada lost about 175,000 jobs from peak to trough. Job gains have continued to accelerate into 2014, though the third quarter still stands 6.7 percent or 87,000 jobs, below the peak."

Of note, construction continues to show noticeable improvement after losing 90,000 jobs over the course of the recession. The state is projected to add 7,100 construction jobs in 2015, with an additional 8,800 jobs in 2016, and 10,800 jobs in 2017.

The manufacturing sector is expected to see an addition of 1,100 additional jobs in 2015, with a projected gain of 1,700 in 2016 and 2,300 more in 2017. This improvement can be in part attributed to employment by Tesla's Gigafactory in Northern Nevada.

## Total Industrial Employment Projection



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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 Quarterly Employment Forecast (2014:IVQ – 2017:IVQ)

*The Research and Analysis Bureau is home to a variety of labor market forecasting/projection activities. For instance, in partnership with the U.S. Department of Labor, the Bureau is responsible for regular Statewide and sub-State short- and long-term industry/occupational projections. That information is available on our website. The results highlighted below are from a separate regular quarterly forecast that is designed to provide policymakers and other users with our most timely forward-looking assessment of the State's labor market. This information is provided to the Economic Forum, the Employment Security Council, and the Governor's Workforce Investment Board.*

## Methodology and Background

Using statewide employment data from the Quarterly Census of Employment and Wages (QCEW)<sup>1</sup>, employment levels are forecasted using standard time series techniques with monthly data. The final output is then averaged to quarterly values. These models are supplemented with "local knowledge," such as known construction and economic development projects, in finalizing the projections. The current forecast period is for the fourth quarter of 2014 through the last quarter of 2017.

## Total Employment

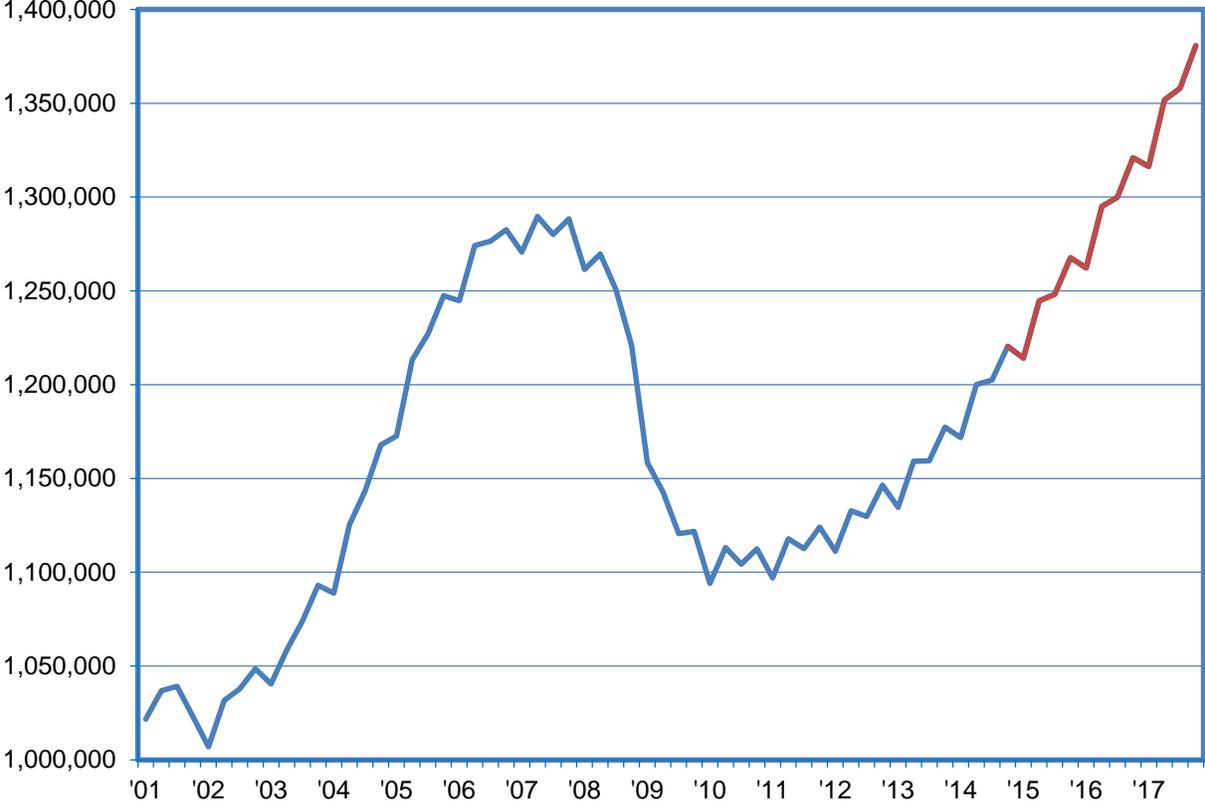
Nevada was the most negatively affected state during the recession, mostly due to above average levels of employment in the construction industry and the State's reliance on tourism and gaming. Both of these sectors were extremely hard-hit by the economic downturn. Nevada's initial recovery lagged the national economy, but the economic situation is improving in Nevada. For instance, private sector job growth in Nevada during this year's first three quarters, at 3.8 percent, was the third highest in the nation.

In this forecast, we are predicting that employment will surpass the peak levels achieved in 2007; set to occur in mid-2016. To put this in perspective, Nevada lost about 175,000 jobs from peak to trough. 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 continued to accelerate into 2014; though 2014:IIIQ still stands 6.7 percent (87,000 jobs) below the peak. Job gains are predicted to be 45,000 in 2015, 52,000 in 2016, and 60,000 in 2017.

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<sup>1</sup> In the QCEW Program, the Research and Analysis Bureau collects and compiles employment and wage data for workers covered by Nevada unemployment insurance laws, and federal civilian workers covered by Unemployment Compensation for Federal Employees. The QCEW staff arranges the data by type of industry according to the North American Industry Classification System (NAICS). They assign each employing unit a NAICS code and location code. After screening the quarterly data, they transmit it to the Bureau of Labor Statistics (BLS). BLS combines all of the states' data for analysis of national economic trends and performance.

# Total Employment

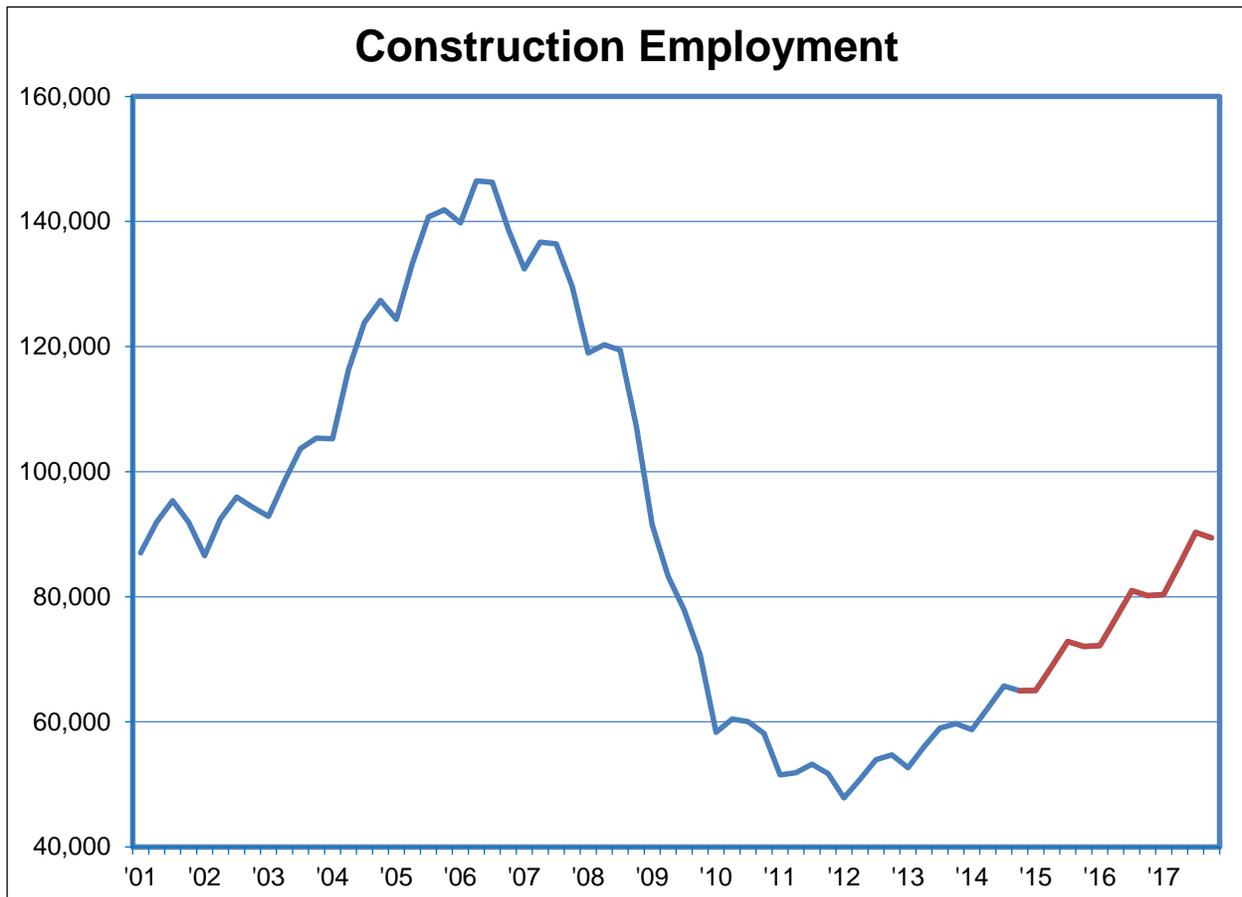


## Construction

Nevada experienced a rapid construction boom that was fueled by strong population and employment growth in the two decades leading up to the recession, but also by easy credit and speculation. The housing crisis left Nevada in a deep hole in terms of jobs. Construction employment plummeted for almost six straight years, bottoming out in 2012 with the loss of over 90,000 jobs. The pronounced losses in construction employment were, in large part, an adjustment from the exceptionally high levels prior to the start of the recession.

Construction activity turned positive again after the 2012 trough, and has been trending upwards since. This growth is being driven by projects in both the northern and southern metro areas. Notably in the north is the Tesla battery manufacturing plant, which began construction in 2015. In southern Nevada, construction on the Strip is coming back with the Genting project on the former Stardust/Echelon site, and the new arena.

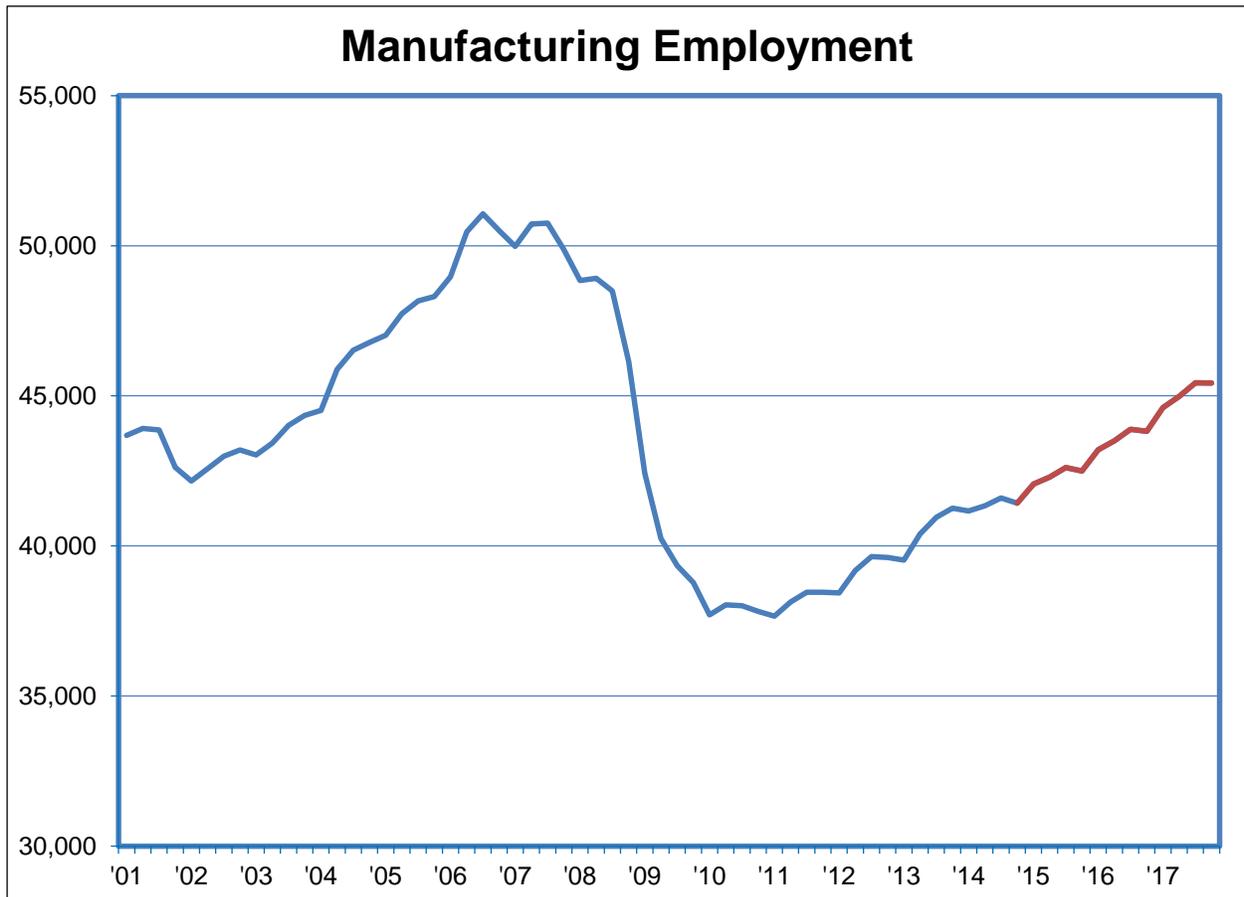
In 2015, we project adding 7,100 construction jobs, with an additional 8,700 jobs in 2016, and 10,800 jobs in 2017. In 2017, construction jobs would still be 53,000 below the pre-recession peak.



## Manufacturing

Manufacturing slumped in the deep recession as households and businesses cut back spending, creating lower demand for factory goods at home and abroad. Employment in this sector took a nose dive during the recession, losing 12,400 jobs from peak to trough, and has been slow to recover. However, the manufacturing sector is gearing up for a true rally in the coming years, on the back of Tesla's "Gigafactory". The employment gains that will be realized at this one facility will account for approximately 14 percent of manufacturing employment in the Silver State.

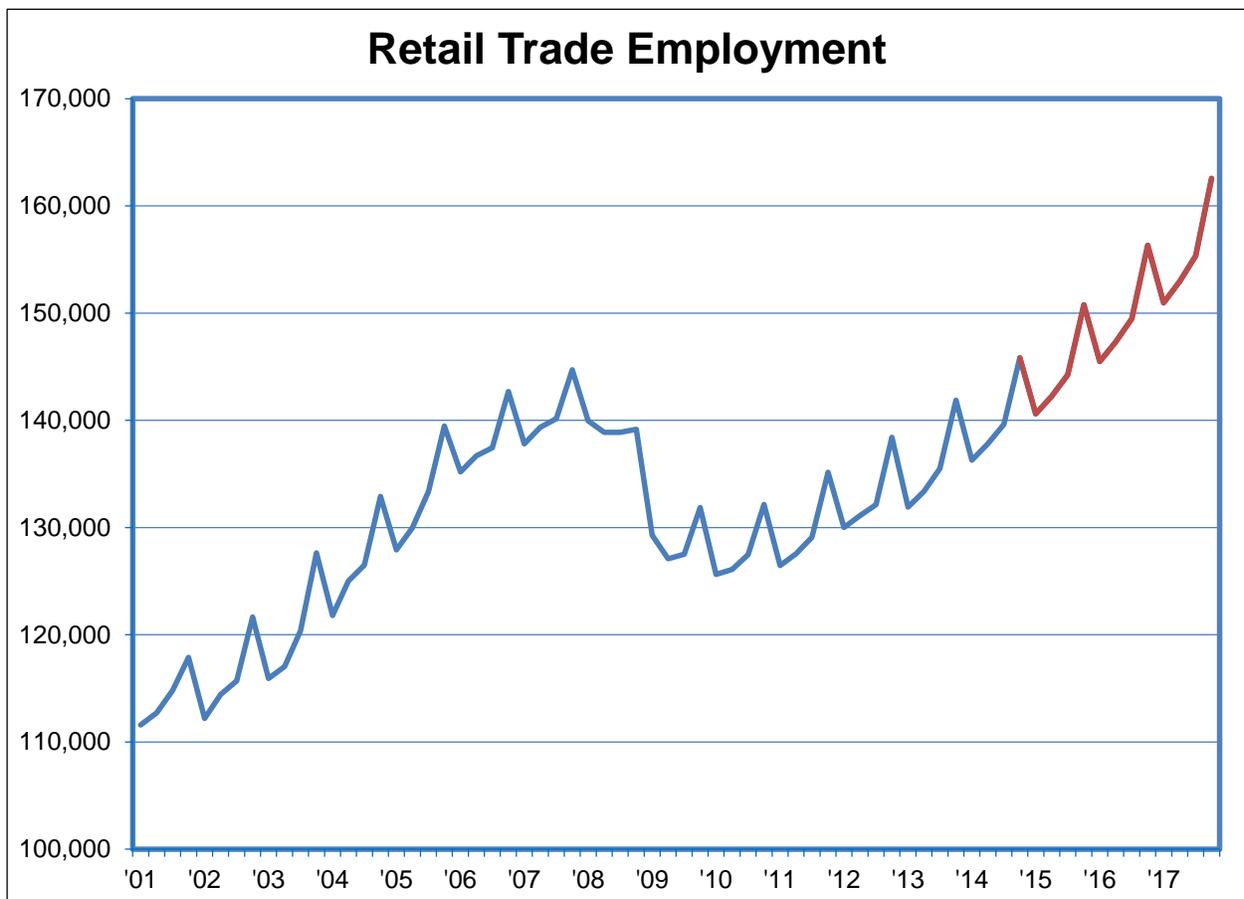
In 2015, we forecast 1,100 more jobs in the manufacturing sector, followed by gains of 1,700 in 2016 and 2,300 in 2017 when the bulk of Tesla's employment will be filled.



## Retail Trade

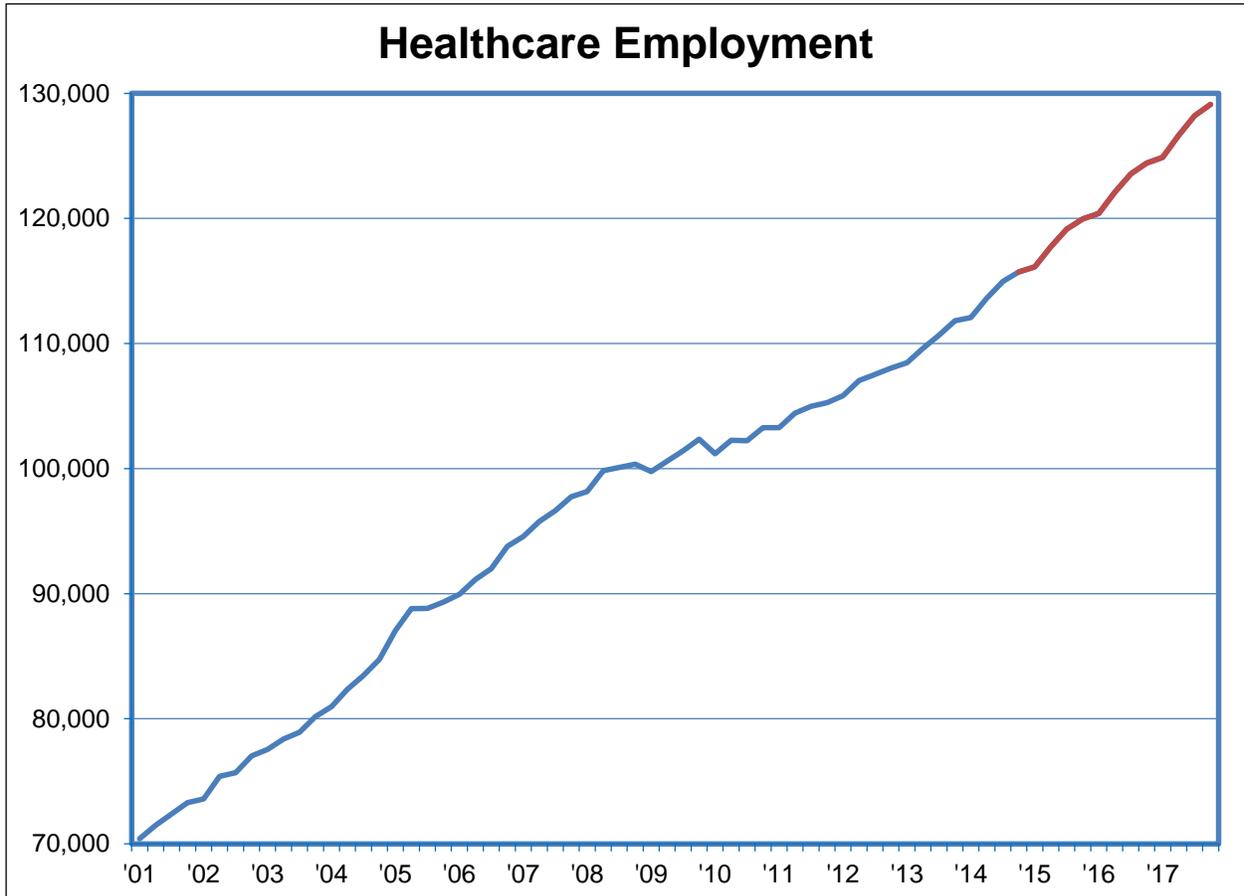
Southern Nevada, which drives Nevada's economy, is heavily dependent on tourism, conventions, and gaming, which in turn feed the retail industry. Retailers rely on consumer spending and disposable income. The latter two are a reflection of the relative strength of the economy; therefore, it is no surprise that consumption plummeted during the recession. Nevada's economy had a rash of store closings and vacant retail space when the recession hit. As the recession unfolded, retail employment fell by 12,700 from its peak employment of 140,500 in 2007, to 127,800 in 2010. Since then, retail employment has been in recovery.

Improved household balance sheets are facilitating pent-up demand. As job growth accelerates, consumers will gain more confidence. The retail sector in Las Vegas will benefit from the construction developments on and around the Strip as many of them include retail space. We are projecting 4,500 additional jobs in 2015 and then adding 5,100 jobs in 2016 and 5,800 jobs in 2017.



## Health Care and Social Assistance (includes public hospitals)

Demographics are the main driver of the growth in the number of jobs in the health care and social assistance sector. Employment in the individual and family services industry, which provides a variety of social assistance to children, elderly people, people with disabilities, and others, is projected to increase as well. Our projections predict an additional 4,100 jobs in 2015, 4,300 jobs in 2016, and 4,600 jobs in 2017.



## Accommodation and Food Service

The hospitality and food service industry has the largest share of employment in Nevada, accounting for about a quarter of all jobs in the State. Most hospitality and food services jobs are concentrated in the Las Vegas area. The fact that the Las Vegas economy is dependent on tourism and has a consumption-based economy makes it very susceptible to the national economy's ups and downs. The success of the industry thus depends on people having disposable income to spend.

Employment in the accommodation and food services industry reached its peak in the 2007. The recession cost this sector 26,800 jobs before the recessionary bottom was reached in 2009. Tourism related employment has steadily increased since the end of the recession. Construction developments on and around the Las Vegas Strip will have a significant impact on the accommodation and food services sector employment. The forecast estimates 12,200 additional jobs in 2015. We expect further gains of 13,700 jobs in 2016, and 15,300 jobs in 2017.

