



Nevada Labor Market Briefing

Department of Employment, Training & Rehabilitation

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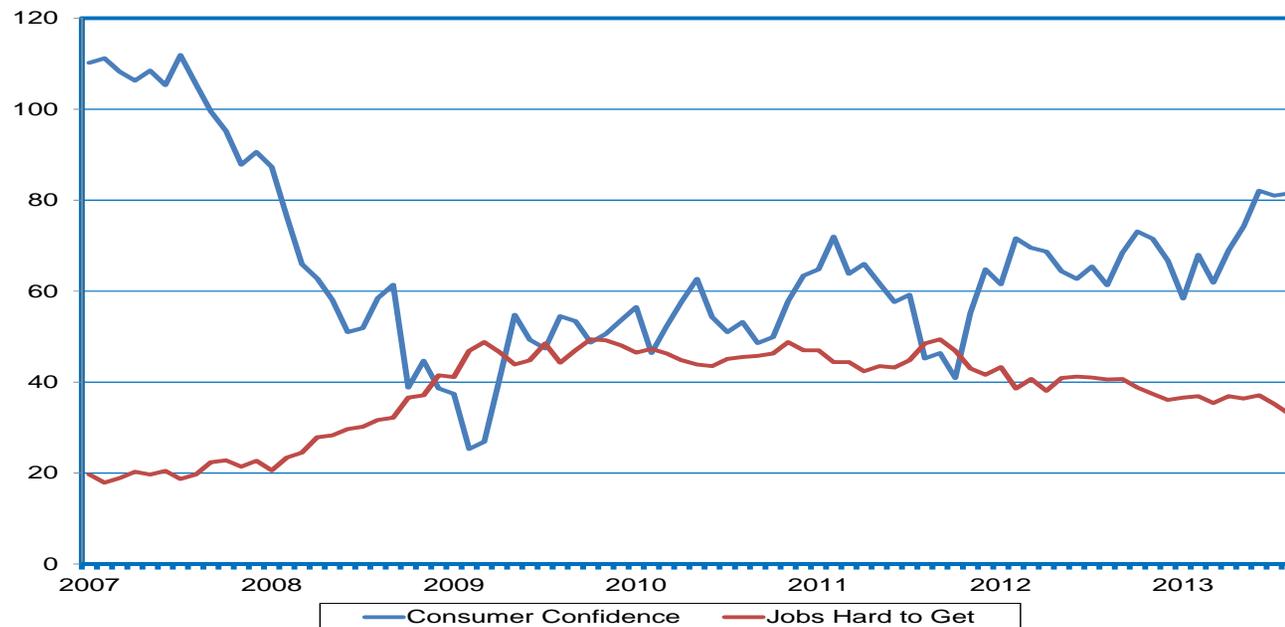
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U.S. Consumer Confidence (1985 = 100) and Job Market Perceptions (% thinking jobs are hard to get)



- ❑ Consumer confidence is hovering at post-recession highs over the past several months.
- ❑ Similarly, the share of Americans who think that jobs are hard to get has declined to its lowest reading since September 2008.



Key Nevada Economic Indicators

- ❑ June taxable sales up 1.2% from a year ago, the 36th straight gain. (+5.4% YTD)
- ❑ Gaming win down eight percent in July. (-0.6% YTD)
- ❑ Las Vegas visitor volume up 0.8% in July. (-0.2% YTD)
- ❑ Gold prices averaged \$1,349/oz. in August, off by \$279 from a year ago, but up \$61 from the previous month.
- ❑ Nevada exports, at \$567M in July, down 28 percent from a year ago, driven by downward pressure on gold prices. (down nine percent YTD)
- ❑ The number of new business entity formations in Nevada rose 3.4% from a year ago in August. (-0.7% YTD)

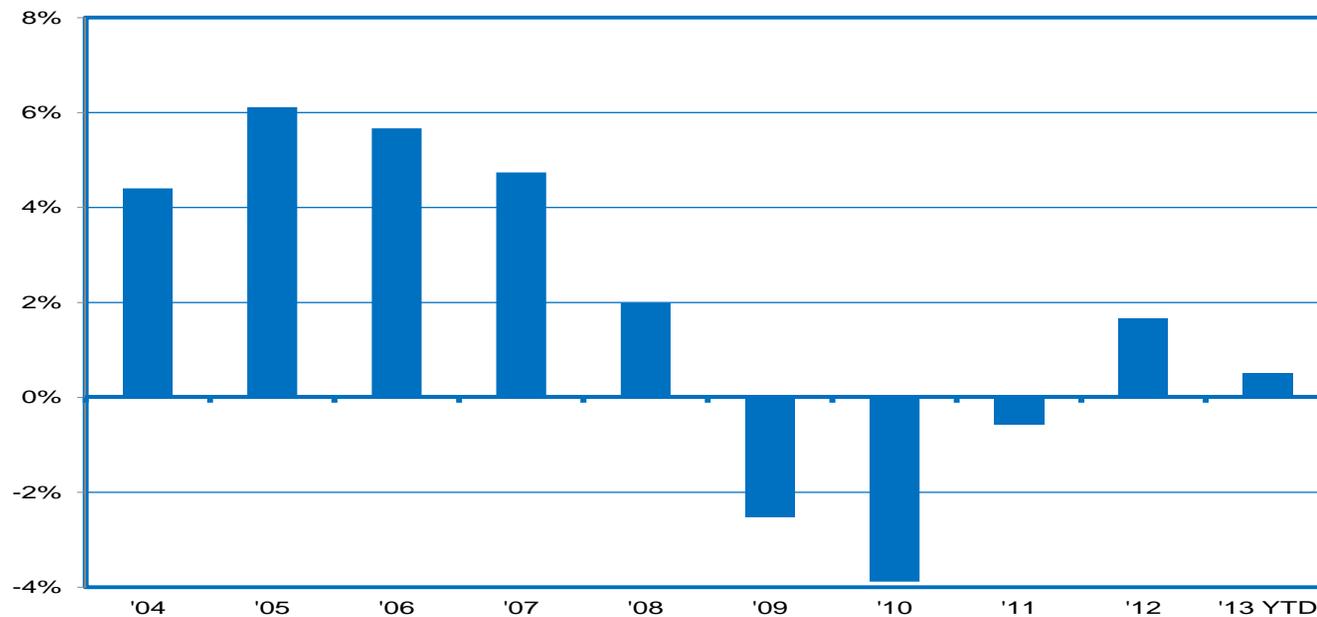


Residential Construction and Real Estate Activity

- ❑ Statewide residential building permits stand 30% higher than in the first seven months of 2012.
- ❑ Nevada housing starts are up one-third from a year ago through July.
- ❑ Resale prices in Southern Nevada have increased relative to a year ago in each of the past 17 months. Gains have exceeded 30% in each of the past three months. New home prices are also on the mend...up 11 straight months with four consecutive months of 30%+ gains.
- ❑ Resale activity in Southern Nevada is trending down as inventories have been constrained. August brought with it the 13th consecutive year-over-year decline in resales.
- ❑ Southern Nevada new home closings have risen sharply of late, and stand about 60% higher than year-ago readings so far in 2013. Permit activity has also strengthened, suggesting continued improvement.



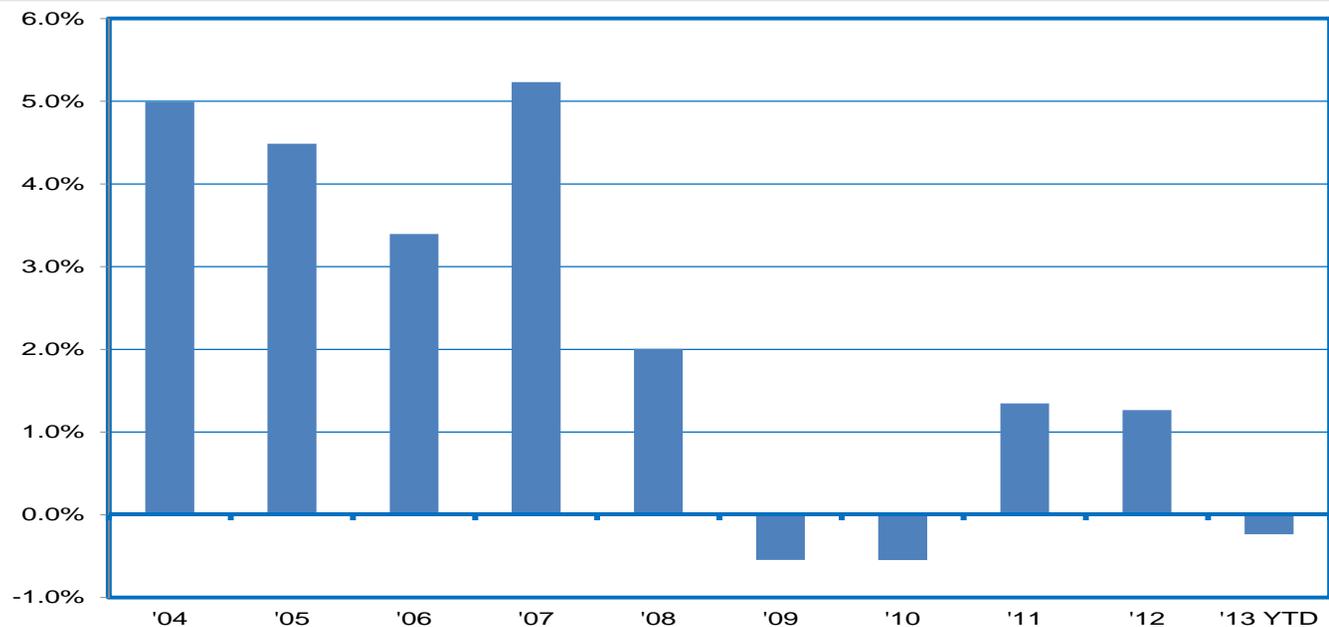
Nevada Employers Growth (year-over-year)



- Following three straight years of declines, the number of employers participating in Nevada's Unemployment Insurance began to rise in 2012.
- Gains have been recorded in each of the past eight quarters, but growth has eased a bit of late.



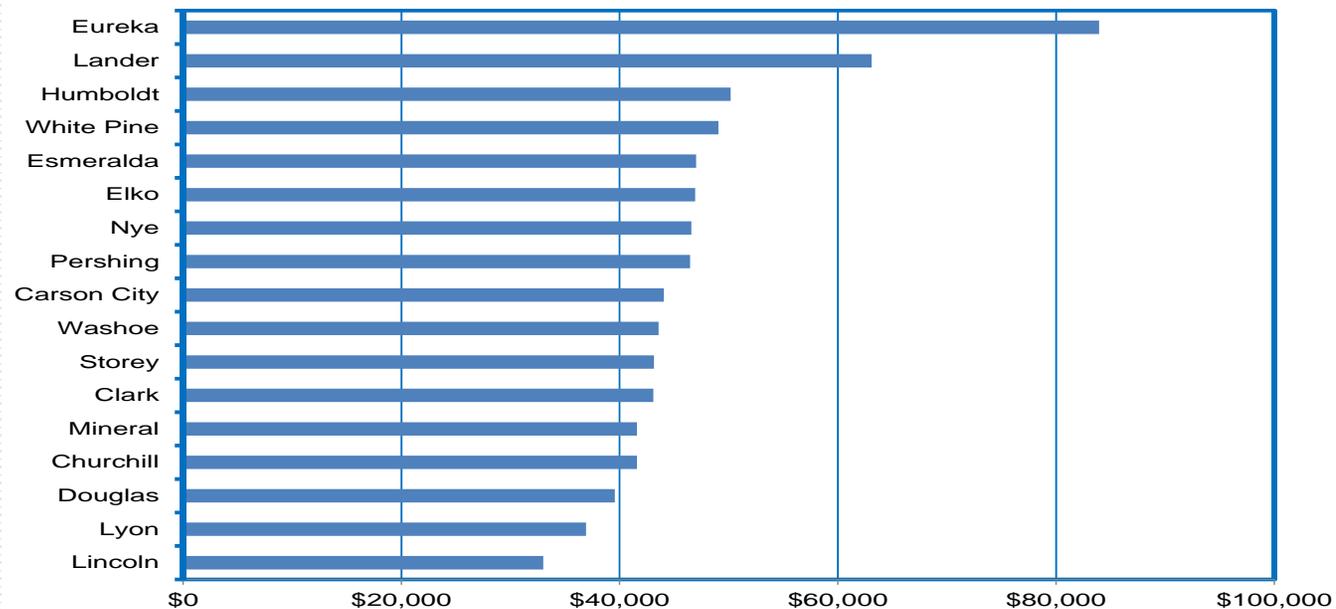
Nevada Average Weekly Wage Growth (year-over-year; 2013 YTD through IQ)



- ❑ Following two years of outright declines during the recession, the AWW increased in both 2011 and 2012 .
- ❑ Wages during this year's first quarter were essentially unchanged from a year ago (\$844/week vs. \$846/ week a year ago).
- ❑ We'll be watching IIQ wage trends closely to see if this stagnation continues.



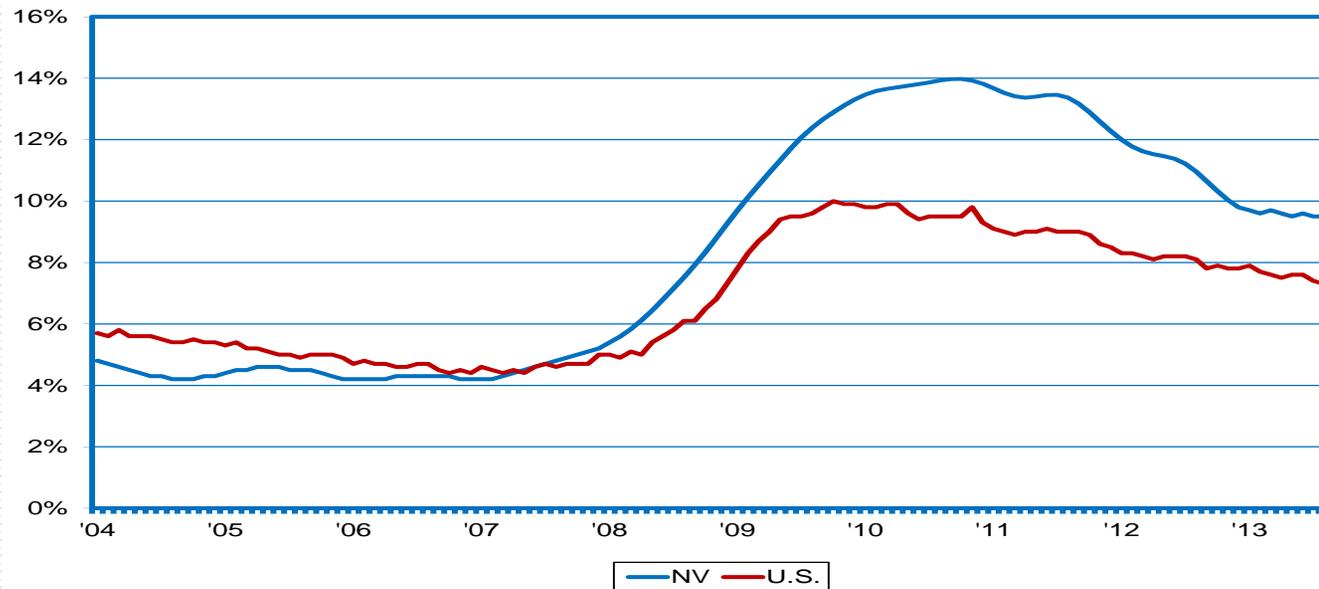
Average Annual Wages by County (2013:1Q)



- ❑ The big takeaway: counties with a heavy presence by the mining sector are home to the highest wages.
- ❑ The State's major population centers fall in the middle of the pack..



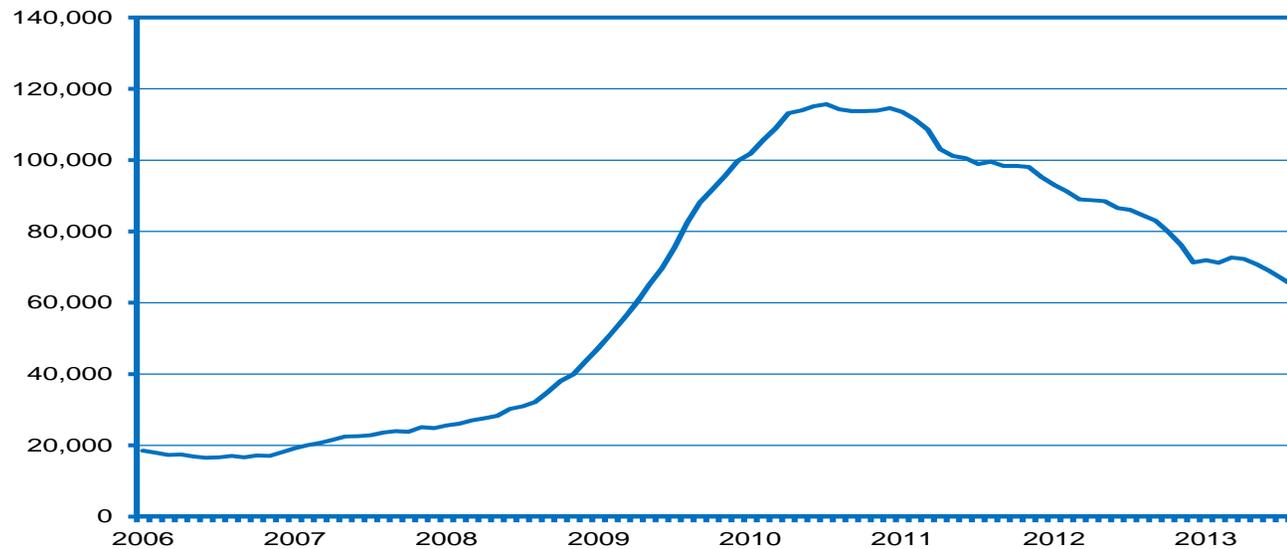
NV vs. the U.S. Unemployment Rate (SA)



- ❑ Nevada's unemployment rate stands at 9.5% in August, unchanged from July, but down 1.5 percentage points from a year ago. The rate has been trending in a very narrow range so far this year.
- ❑ Off from a record high of 14% recorded in October 2010.
- ❑ The State's jobless rate stands 2.2 percentage points higher than the nation's 7.3%, but has narrowed the gap considerably during the post-recessionary period.



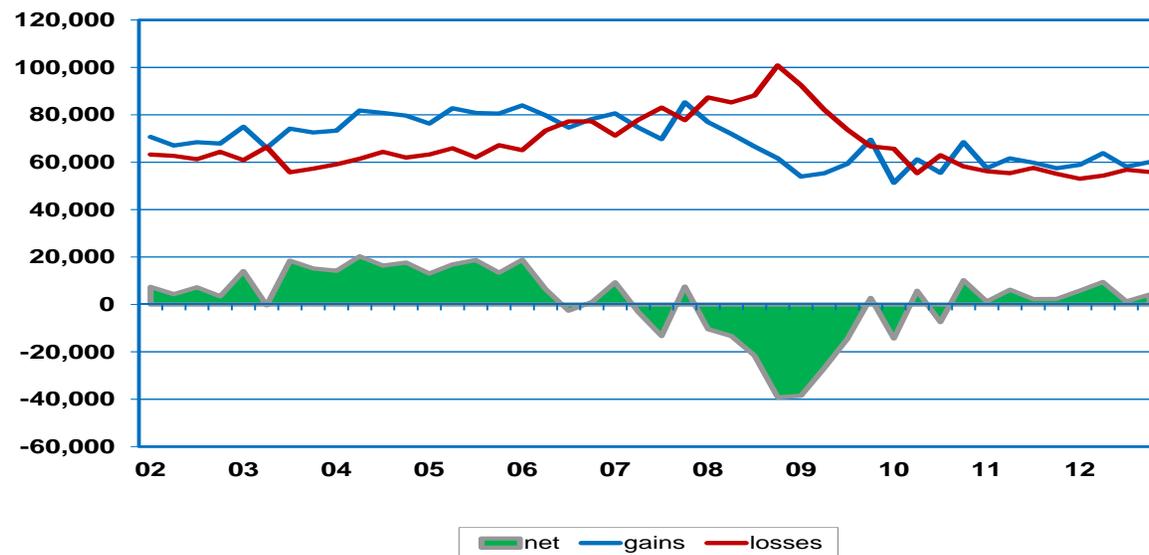
Unemployed Nevadans Classified as “Job Losers” (12-month moving average)



- ❑ Individuals can be unemployed for a variety of reasons...job losers, job leavers, and entry/re-entry into the labor force.
- ❑ Information from the Current Population Survey suggests that the number of job losers in Nevada (separated involuntarily from their job) is on a noticeable decline.
- ❑ At the height of the recession, the number of job losers peaked at nearly 120,000. Over the past 12 months, there has been, on average, a bit under 65,000.



Business Employment Dynamics: Private Sector Gross Job Gains vs. Gross Job Losses (SA)

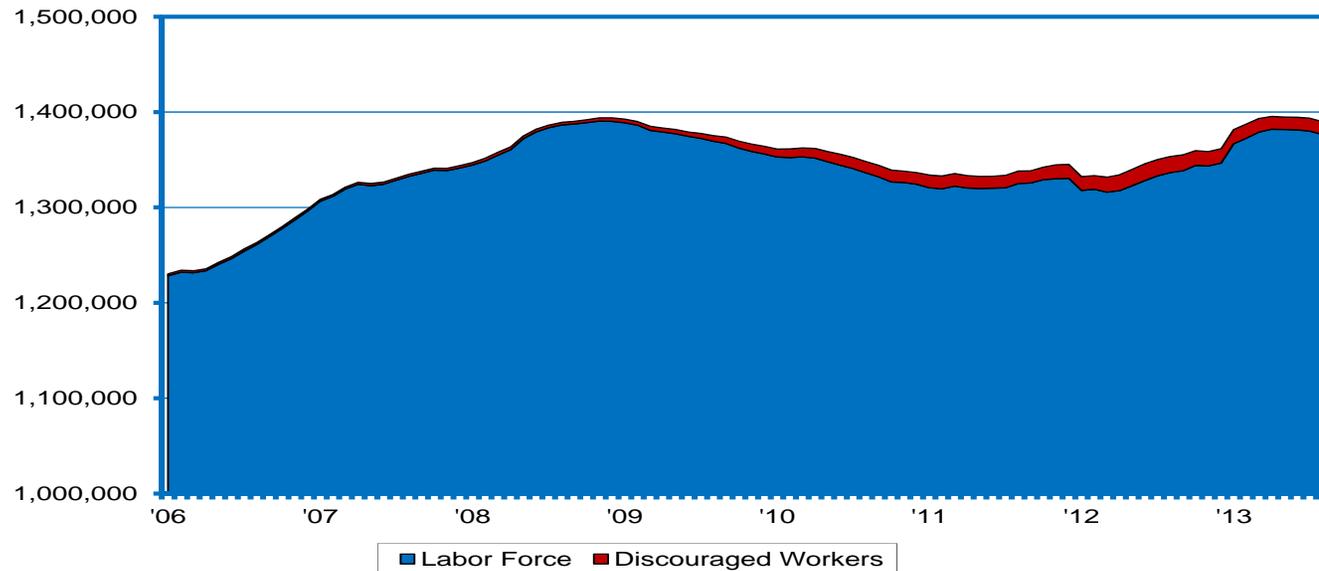


- ❑ Considerable churn beneath the surface of the labor market.
- ❑ 4,100 net new jobs in 2012:IVQ.
- ❑ 60,100 gross gains at opening/expanding establishments; 55,900 gross losses at closing/contracting establishments.
- ❑ Net positive growth for nine consecutive quarters.





Discouraged Workers in Nevada

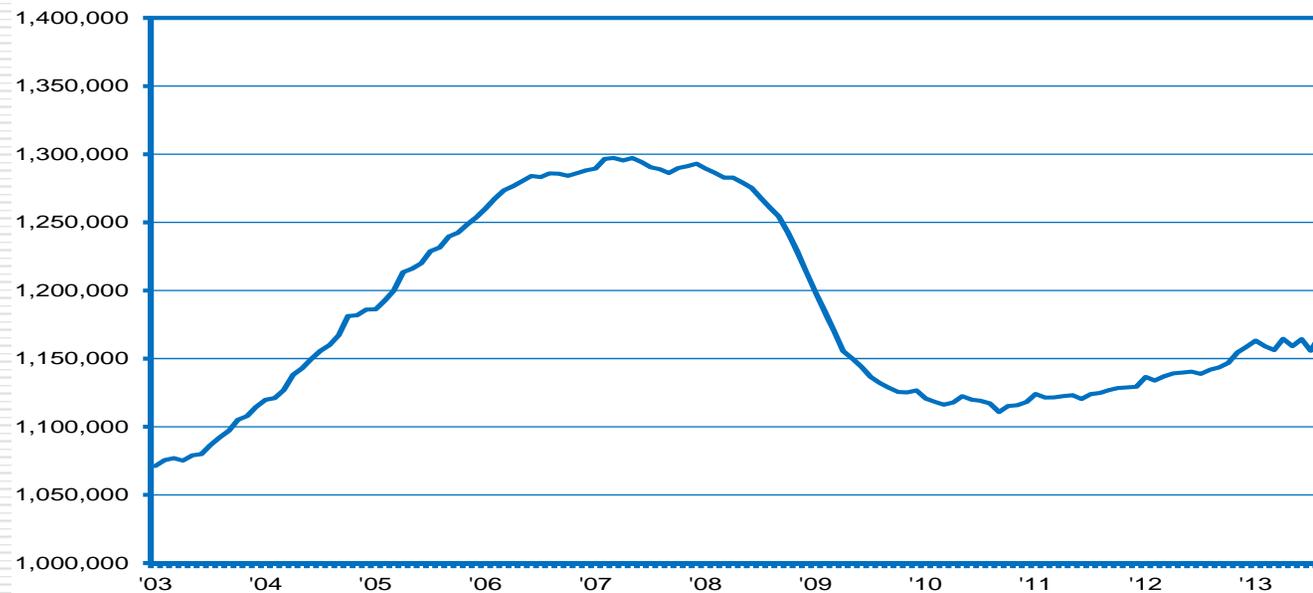


- ❑ Much attention is paid to the impacts of workers dropping out of the labor force and giving up their searches for work, so-called “discouraged workers.”
- ❑ Over the past 12 months, there have been, on average, 13,600 discouraged workers in Nevada, less than one percent of the labor force.
- ❑ At it’s recessionary peak, discouraged workers approached 18,000.





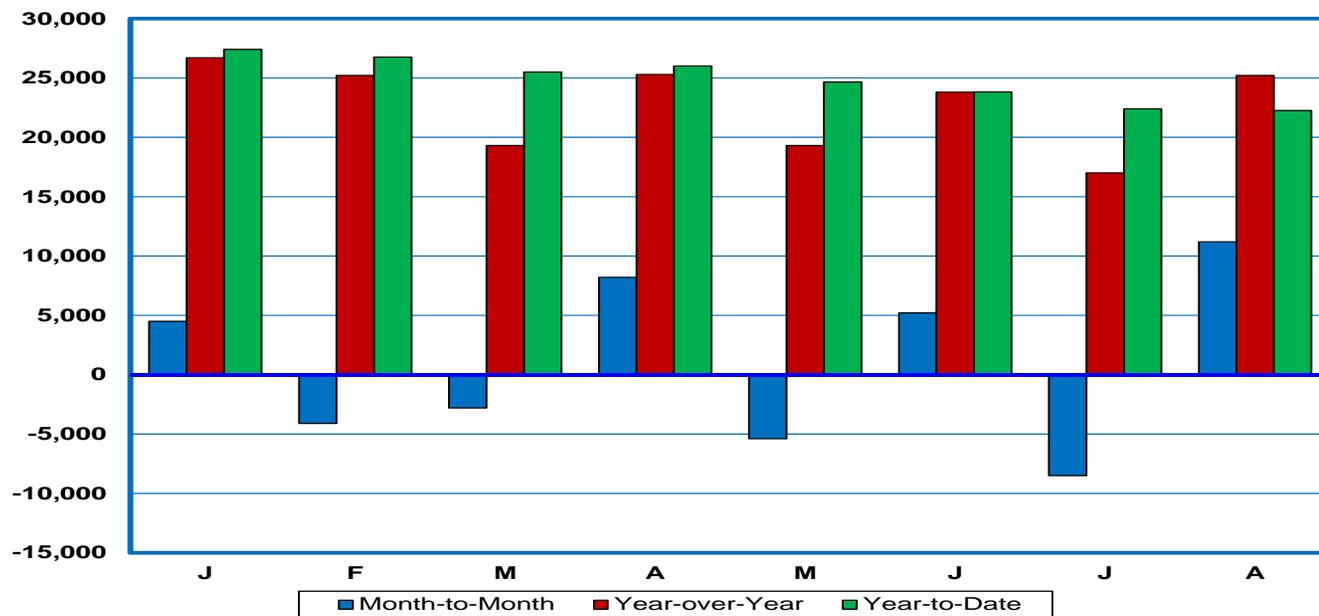
Nonfarm Jobs in Nevada (SA)



- ❑ In totaling 1.17 million, job readings are up by 25,200 relative to a year ago, and by 11,200 over-the-month.
- ❑ August job reading is the highest since March 2009.
- ❑ Between 2007 and 2010, job losses totaled more than 175,000.



Alternative Approaches to Measuring Job Growth



- ❑ Month-to-month comparisons of job readings highlight the noticeable short-term volatility in the series. Alternating gains/losses.
- ❑ Year-over-year comparisons show a much more stable pattern, with fairly stable growth in the 20K-25K range.
- ❑ August readings up 25,200 relative to year ago; through the first seven months of the year, job readings up 22,300 compared to the same period in 2012.



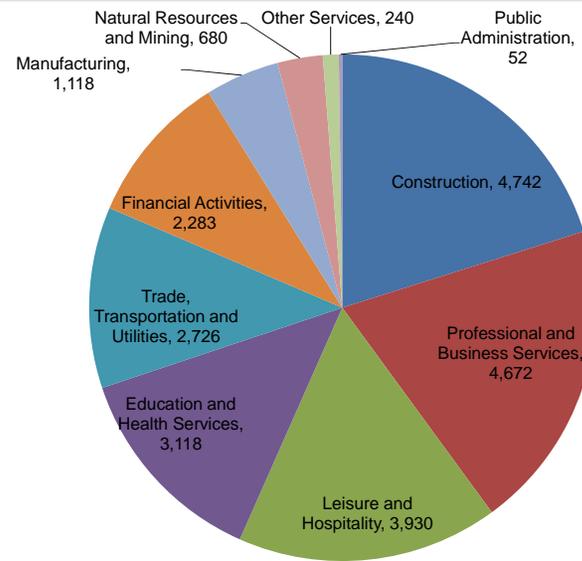
Current Employment Statistics Job Trends Since 2010

	Total (Private+Public)	Private Sector
2010 Baseline	1,117,300	963,600
Calculation of 2011 Growth		
2011	1,124,600	974,300
Growth from 2010	7,300	10,700
Calculation of 2012 Growth		
2012	1,142,700	993,700
Growth from 2011	18,100	19,400
Calculation of 2013 Year-to-Date Growth		
2012 Year-to-Date (through August)	1,135,000	987,100
2013 Year-to-Date (through August)	1,157,200	1,006,800
Year-to-Date Growth from 2012	22,200	19,700
Total Growth Since 2010 (2011 Growth + 2012 Growth + 2013 YTD Growth)	47,600	49,800

- ❑ CES data provide job estimates derived from a BLS business survey. They are subject to revision and are benchmarked annually to reflect trends from the Quarterly Census of Employment and Wages Program, which provides "complete count," but less timely, job readings.
- ❑ Since the recovery began, 10,700 private sector jobs were added in 2011, followed by an additional 19,400 jobs in 2012.
- ❑ Through the first eight months of this year jobs are trending 19,700 higher than a year ago. Assuming these gains hold in the final five months of the year, Nevada is on pace to have added 49,800 jobs over the 2010-2013 period.
- ❑ While the monthly changes in the CES information are volatile, we are more comfortable with the year-to-date results, as the monthly "noise" is minimized. We are also confident with the accuracy of the YTD gain of nearly 20K through this year's first eight months in that 2013:1Q complete count QCEW results show a similar year-over-year gain of 22,100.



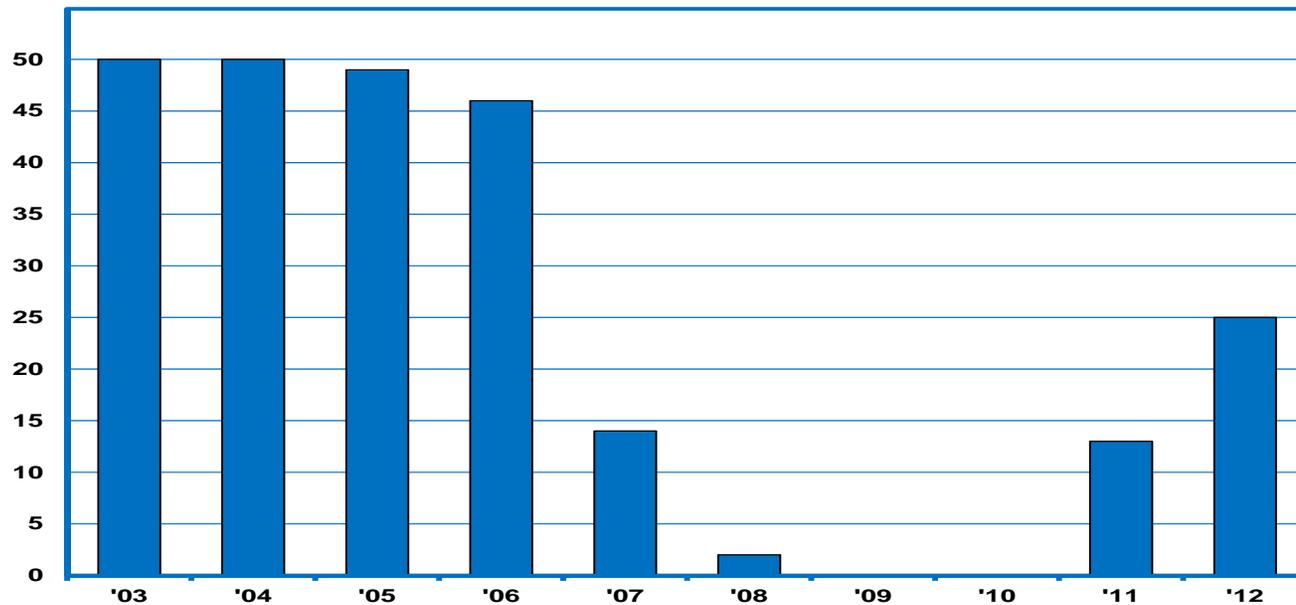
Job Growth by Industry (YTD through IQ; year-over-year; NSA; utilizes complete-count QCEW information)



- ❑ A less-timely, but complete-count of jobs, offers a good barometer of industry trends.
- ❑ Some notable highlights in comparing the first three months of this year to the same period in 2012:
 - ❑ Construction and PBS lead the way.
 - ❑ Only the information sector (not shown) registered a decline, albeit minimal.
 - ❑ Leisure and hospitality added about 4,000 jobs



Number of States with a Lower Private Sector Job Growth Rate than Nevada



- ❑ In the years preceding the recession, Nevada led the nation in employment growth (based upon QCEW information).
- ❑ Nevada was impacted by the recession more than any other state in terms of employment growth.
- ❑ Beginning In 2011, Nevada's employment growth rate is rising again. Private sector jobs grew 1.9% in 2012, higher than that for 25 other states.
- ❑ Looking solely at the final quarter of last year, Nevada outperformed 31 other states in terms of y-o-y growth.



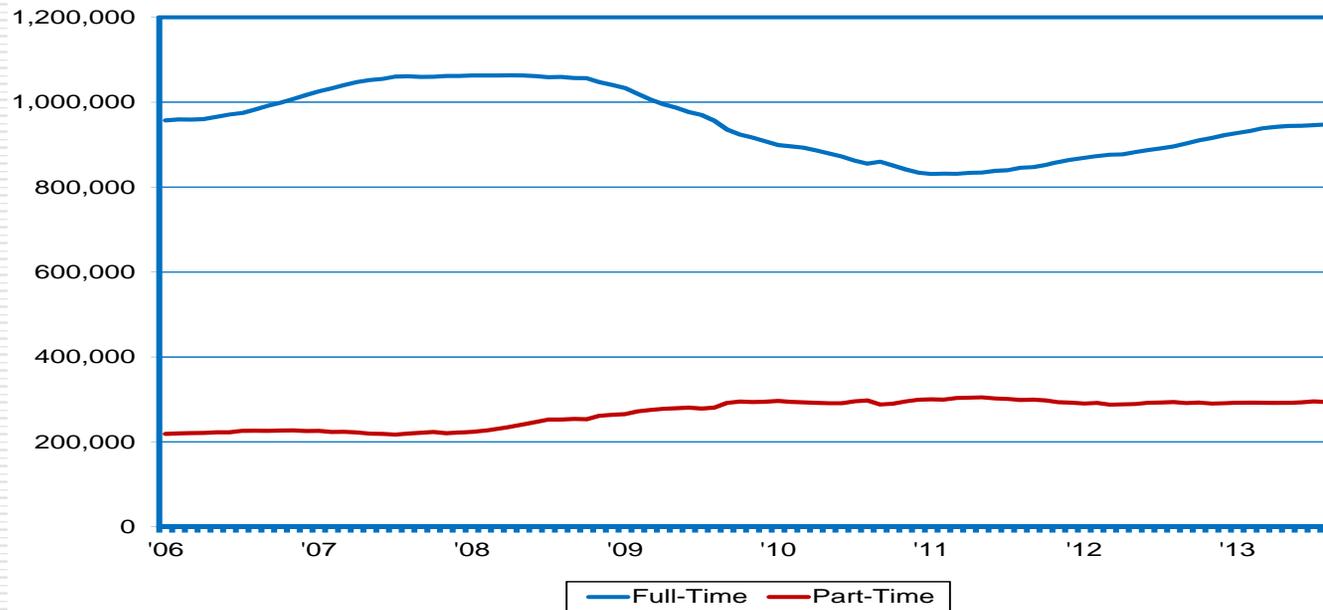
“Good” Jobs vs. “Bad” Jobs in Nevada: Some Preliminary Findings from a Wage Perspective

	2010-2013 Change	2013 Wages & Salaries
Nevada Private Sector Employment		
Net Change in Employment	52,200	\$42,200
Gross Change in Growing Industries	78,200	\$41,900
Gross Change in Declining Industries	-26,000	\$42,700

- ❑ Data from Economic Modeling Specialists, Inc. (EMSI) allow us to examine estimates of wages in those industries that are adding jobs relative to those who have cut payrolls over the past three years.
- ❑ EMSI estimates that total private sector employment in Nevada is on pace to grow by 52,200 over the 2010-2013 recovery period. Average wages in Nevada are estimated to be about \$42,200.
- ❑ Declining industries shed 26,000 jobs over the same period, at a wage just slightly above average (\$42,700).
- ❑ Growing industries expanded job levels by 78,200 over the same period, paying a wage just slightly below average (\$41,900).
- ❑ This evidence suggests that wage differentials between growing and declining industries are minimal.



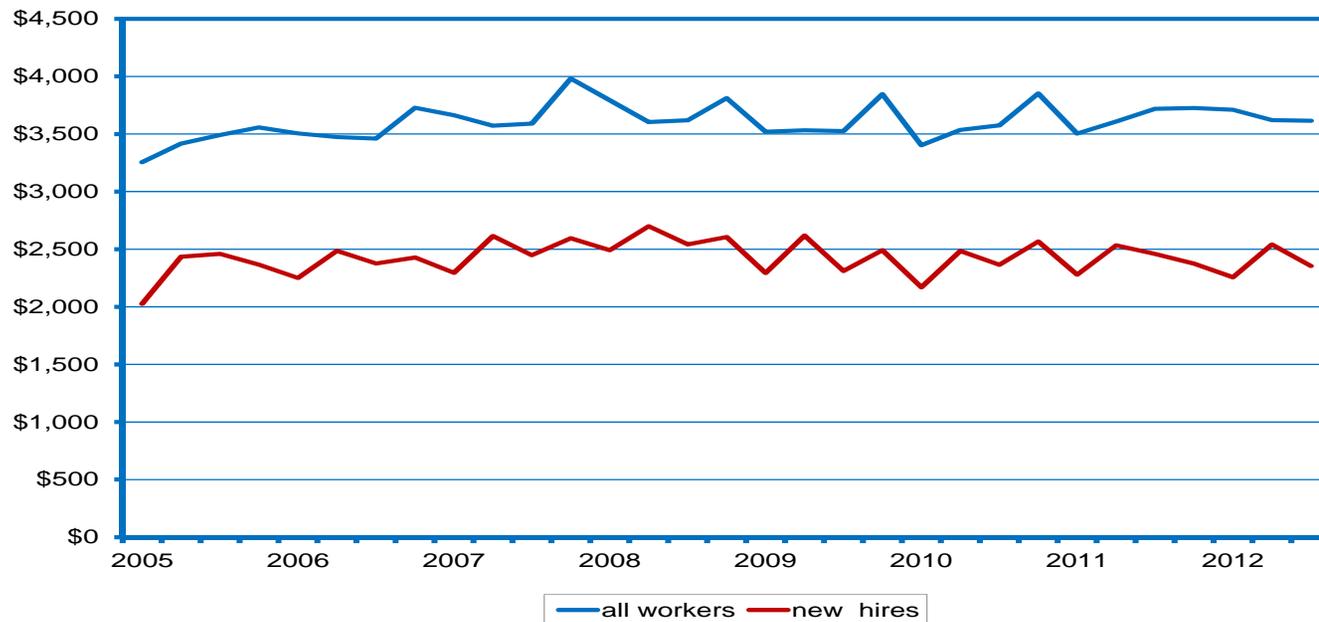
Full-Time vs. Part-Time Employment in Nevada (12-month moving average)



- ❑ Information from the Current Population Survey suggests that much of the growth in employment of late has been full-time.
- ❑ In the 12 months ending in August, there were 117,000 more Nevadans with full-time employment than at the low point in early-2011.
- ❑ Part-time employment amongst Nevadans has held relatively steady since the end of the recession.



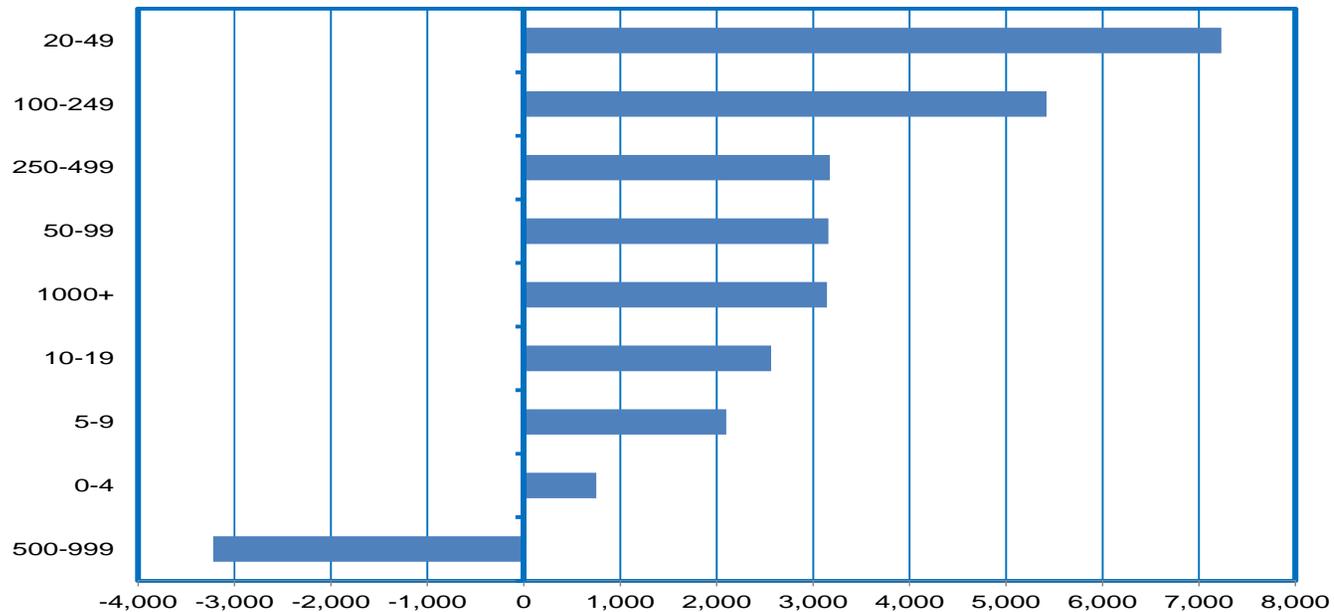
Nevada Average Monthly Earnings: All Workers vs. New Hires



- ❑ In examining wages and earnings, the focus is often on some measure of average earnings.
- ❑ It is important to note that wages for new hires tend to be below the average.
- ❑ Specifically, new hire earnings (measured on a monthly basis) tend to be about two-thirds of the overall average.
- ❑ In 2012:IIIQ (the most recent information available), average earnings totaled \$3,620 per month. New hire wages came in at \$2,360.



Nevada Job Growth by Establishment Size (year-over-year)

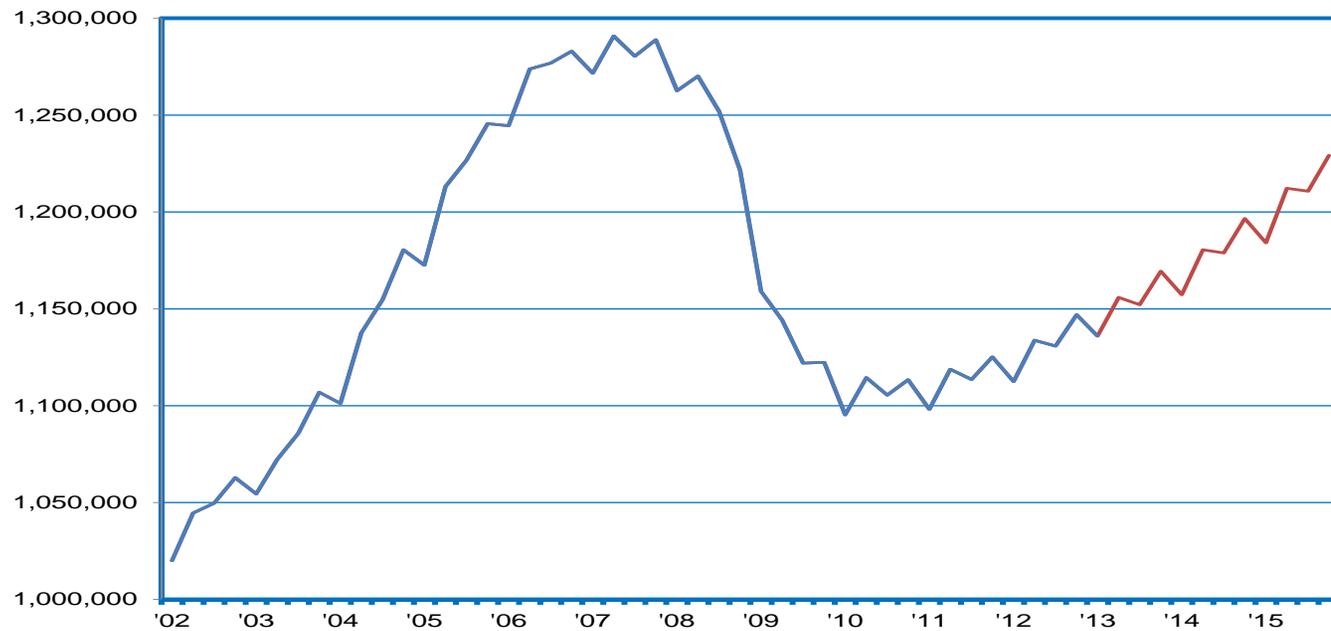


- ❑ Private sector job gains (in IQ, the most recent information available) are evident across nearly all establishment size classes.
- ❑ The largest gain (measured against the first three months of 2012) was recorded in those establishments with 20-49 workers, which added 7,200 jobs.
- ❑ The lone size category registering a decline over the period consisted of establishments with 500-999 employees, which saw job readings fall in excess of 3,000.





Nevada Jobs: History and Forecast

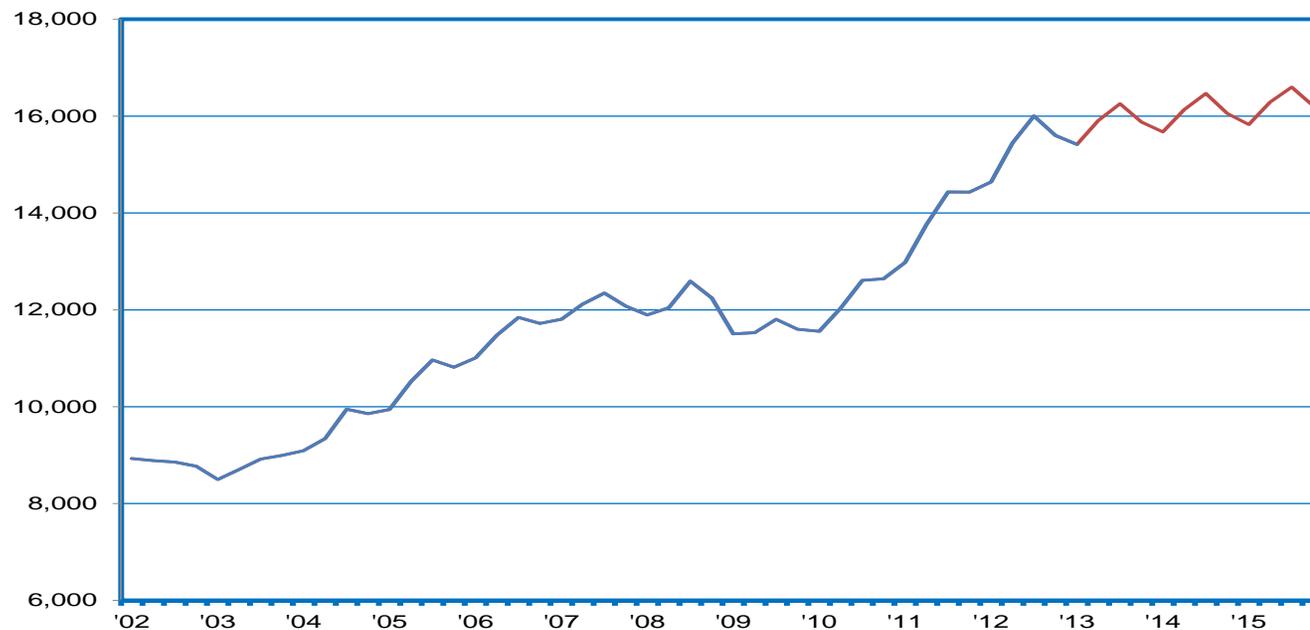


- ❑ Job growth turned positive in 2011, and continued on into 2012 and 2013.
- ❑ We are on pace to add about 23,000 jobs this year.
- ❑ Growth should strengthen a bit in 2014 and 2015.
- ❑ 26,000 and 30,000, respectively





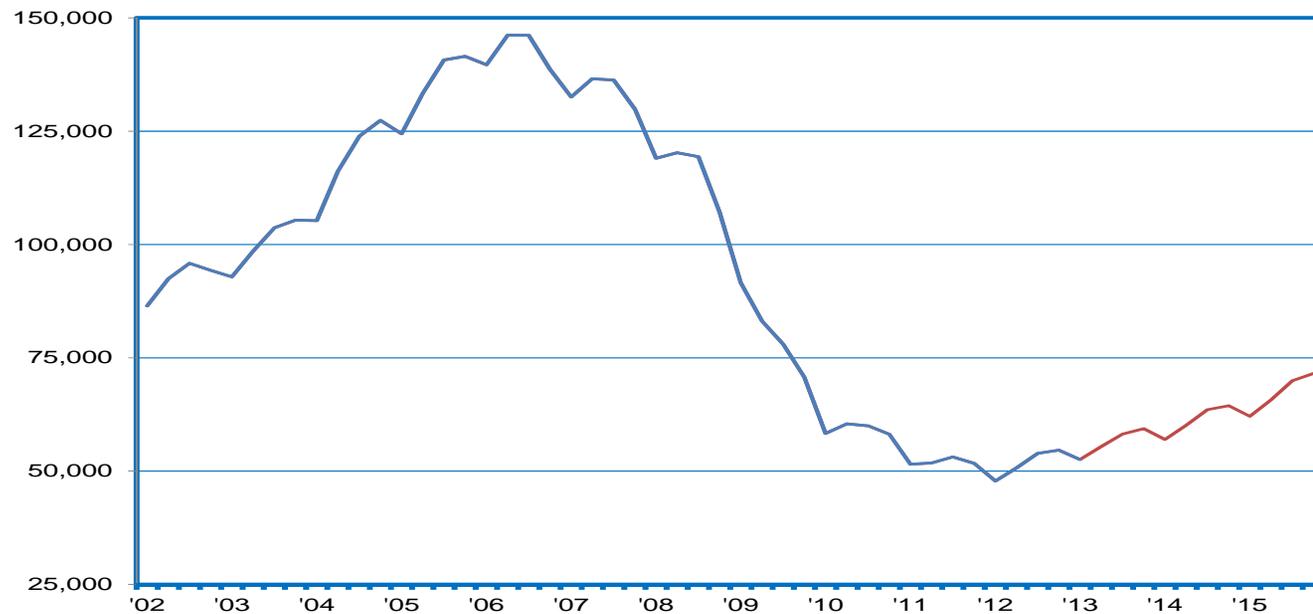
Nevada Mining Jobs: History and Forecast



- ❑ Job growth stalled during the recession, and has been on the upswing ever since.
- ❑ We are on pace to add about 400+ jobs this year.
- ❑ Growth should continue, but will moderate, in coming years.
- ❑ 150 and 200, respectively, in 2014 and 2015 (1,500+ in 2011 and 2012)



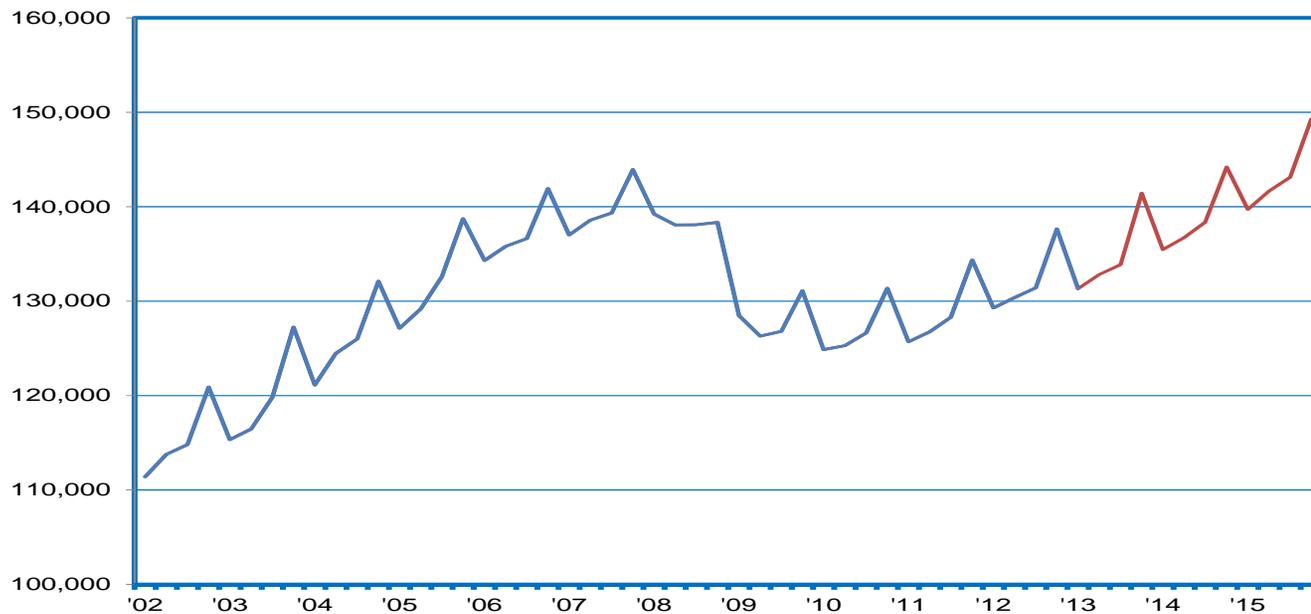
Nevada Construction Jobs: History and Forecast



- ❑ Nearly 100,000 jobs lost over 2006-2012 period; signs of growth beginning in late-2012.
- ❑ We are on pace to add about 4,600 jobs this year.
- ❑ Growth should strengthen a bit in 2014 and 2015.
 - ❑ 5,000 and 6,000, respectively



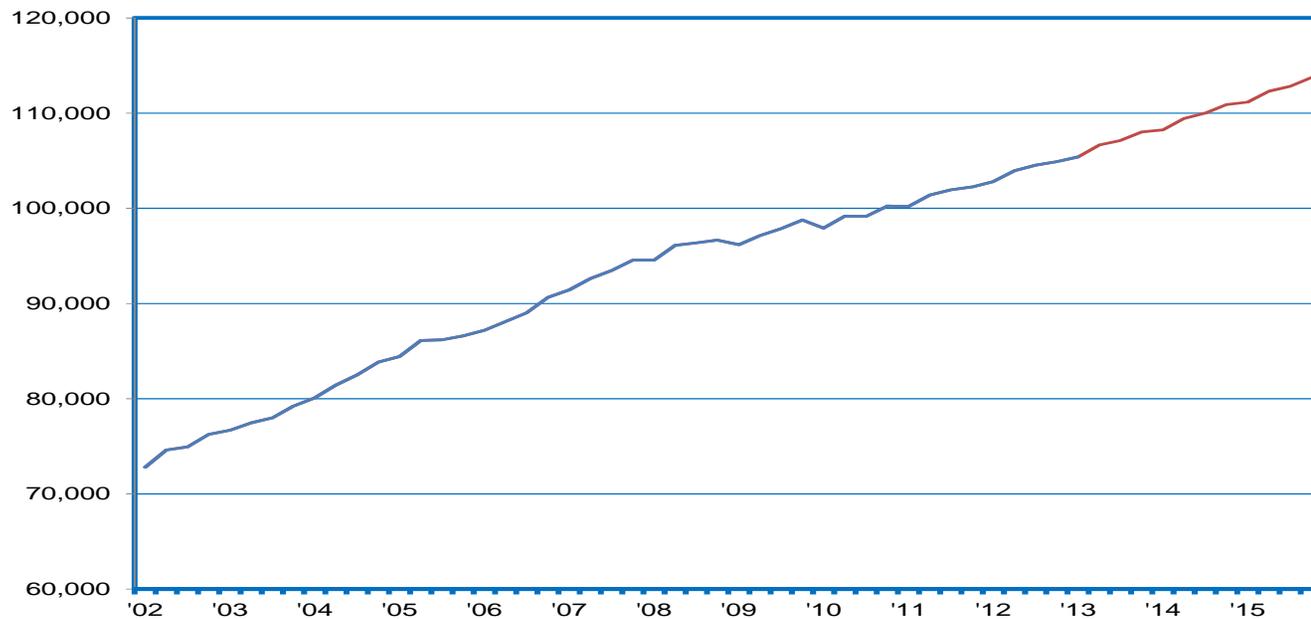
Nevada Retail Trade Jobs: History and Forecast



- ❑ Job growth of about 2,000 in both 2011 and 2012.
- ❑ We are on pace to add about 3,000 jobs this year.
- ❑ Growth should strengthen a bit in 2014 and 2015.
- ❑ 4,000 and 5,000, respectively



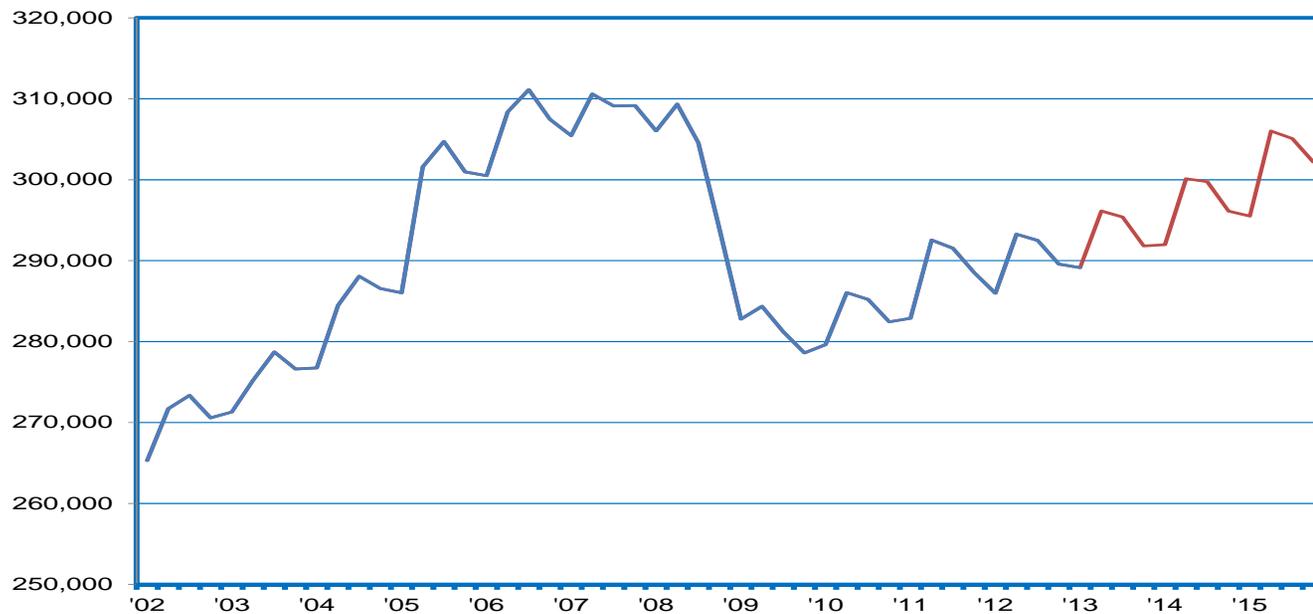
Nevada Healthcare/Social Assistance Jobs: History and Forecast



- Job growth has been non-stop, even during the recession.
- That trend should continue.
- Growth of about 3,000/year over 2013-2015 period.



Nevada Accommodation/Food Services Jobs: History and Forecast

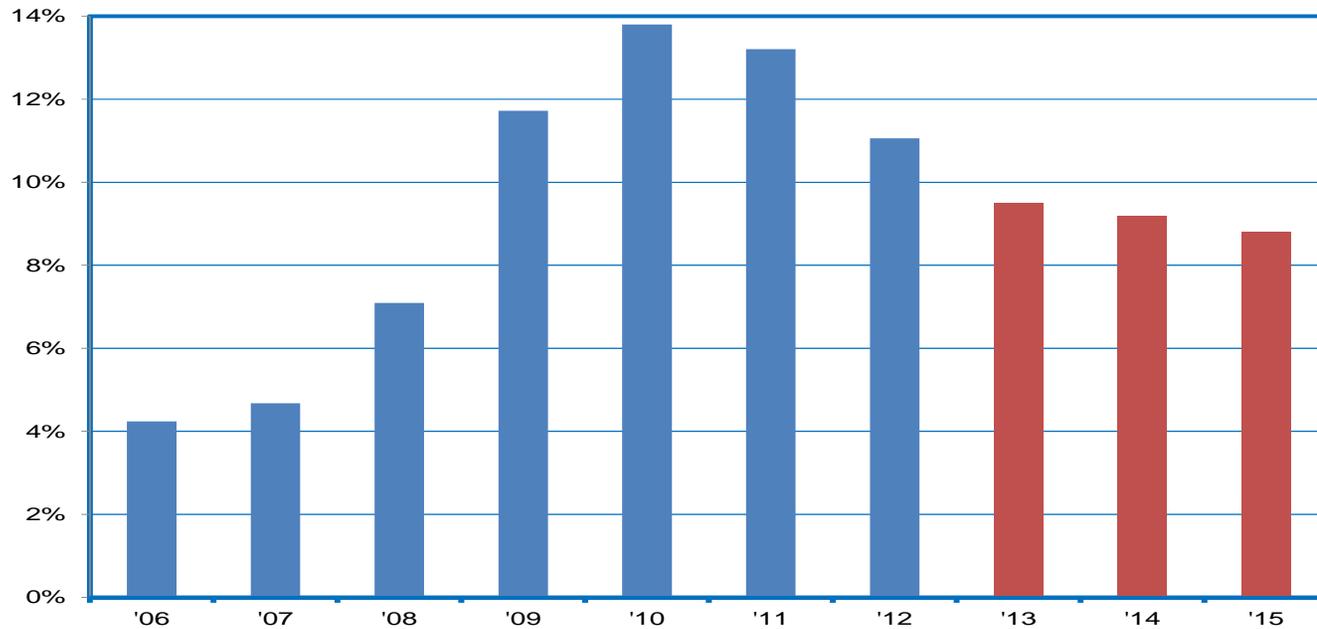


- ❑ About 30,000 jobs lost during the recession.
- ❑ Pretty steady growth beginning in 2010.
- ❑ 3,000-5,000 jobs per year going forward.
- ❑ captures new capacity





Nevada's Unemployment Rate Forecast



- ❑ The jobless rate peaked at 13.8% in 2010, and has declined more than four points since.
- ❑ We expect a modest downtrend over the next several years.
 - ❑ 9.5% in 2013 (9.7% YTD)
 - ❑ 9.2% in 2014 and 8.8% in 2015

