

ECONOMY IN BRIEF

DETR RESEARCH & ANALYSIS BUREAU
Division of Economic and Technical Research

January 2012

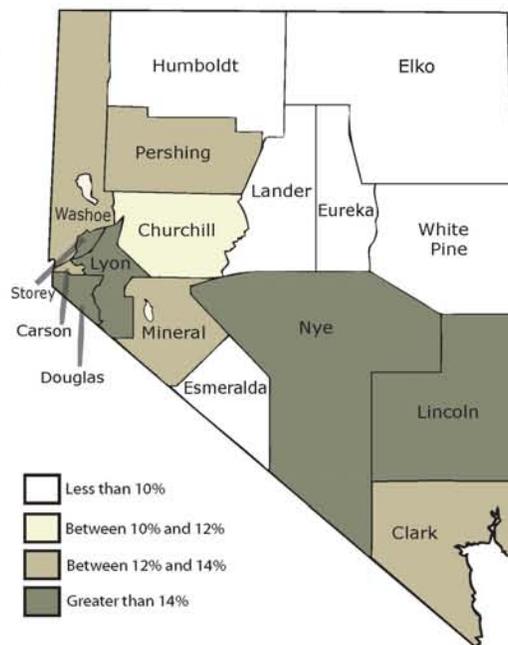
NEVADA'S PREMIER SOURCE OF WORKFORCE & ECONOMIC INFORMATION AND ANALYSIS

Economic Summary

Nevada's labor markets continued on a path of moderate improvement in January. Employers added a seasonally adjusted 1,800 payroll jobs. It marks the 12th time in the past 13 months that employment has grown on a year-over-year basis. Nevada's jobless rate fell from a revised 13 percent in December to 12.7 percent in January, down from 13.8 percent a year ago and a peak of 14 percent in October 2010. The number of unemployed Nevadans remained relatively flat at 174,700, but is down 16,300 from the same month last year. Nevada's unemployment rate is 4.4 percentage points higher than the nation's 8.3 percent.

Changes in the unemployment rates in the State's urban areas were mixed in January. In Las Vegas, the unemployment rate declined from 13.3 percent in December to 13.1. Over-the-year, the rate is down by 1.3 percentage points. In the State's northern metro areas, the unemployment rate increased by six-tenths to 13.0 percent in the Reno-Sparks area and by seven-tenths to 13.5 percent in Carson City. Reno's unemployment rate is down by 1.2 percentage points from the previous year and Carson City's is down by one percentage point. The unemployment rate in the Elko area increased from 6.4 percent to 7.3 in January and is down three-tenths from the previous year. Nevada's unadjusted unemployment rate increased one-tenth to 13 percent in January. A broader measure of unemployment (includes partially unemployed and discouraged workers) declined to 22.7 on average in 2011 down six-tenths from its previous reading.

Unemployment Rate by County



With the addition of 1,800 jobs in January, employment levels are up by 9,000 compared to a year ago, a 0.8 percent increase. Private sector employment continues to lead the way. Non-government employers added over 2,000 jobs in January, with the largest employment gains occurring in construction (+1,400), professional and business services (+1,000), and leisure and hospitality (+400). Even though construction employment gained 1,400 jobs in January, year-over-year employment has been consistently negative for the past 63 months, or since November 2006. On an over-the-year basis, construction is down 4,800 jobs or 8.1 percent. Professional and business services added 1,000 jobs in January. Employment gains of 1,500 jobs in administra-

Economic Indicators

UNEMPLOYMENT RATES	JAN 2012
NEVADA *	12.7%
LAS VEGAS-PARADISE MSA	13.1%
RENO-SPARKS MSA	13.0%
CARSON CITY MSA	13.5%
ELKO MICROPOLITAN AREA	7.3%
UNITED STATES *	8.3%
CALIFORNIA *	10.9%

* Seasonally Adjusted

JOB GROWTH (Y-O-Y)*

NEVADA	0.8%
LAS VEGAS-PARADISE MSA	0.6%
RENO-SPARKS MSA	-0.2%
CARSON CITY MSA	-3.5%
UNITED STATES	1.5%
CALIFORNIA	0.9%

* Seasonally Adjusted

CONSUMER PRICE INDEX (Y-O-Y)

UNITED STATES	2.9%
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GAMING WIN (Y-O-Y)

JAN 2011 - JAN 2012	
NEVADA	18.4%
CLARK COUNTY	21.6%
WASHOE COUNTY	-6.2%

TAXABLE SALES (Y-O-Y)

DEC 2010 - DEC 2011	
NEVADA	3.8%
CLARK COUNTY	9.5%
WASHOE COUNTY	6.1%

tive and support, waste management, and remediation services more than offset the losses in scientific, and technical services (-500). Employment in the leisure and hospitality industry increased by 400, due primarily to accommodation and food services (+300). Since a recent low in November 2009, accommodation and food

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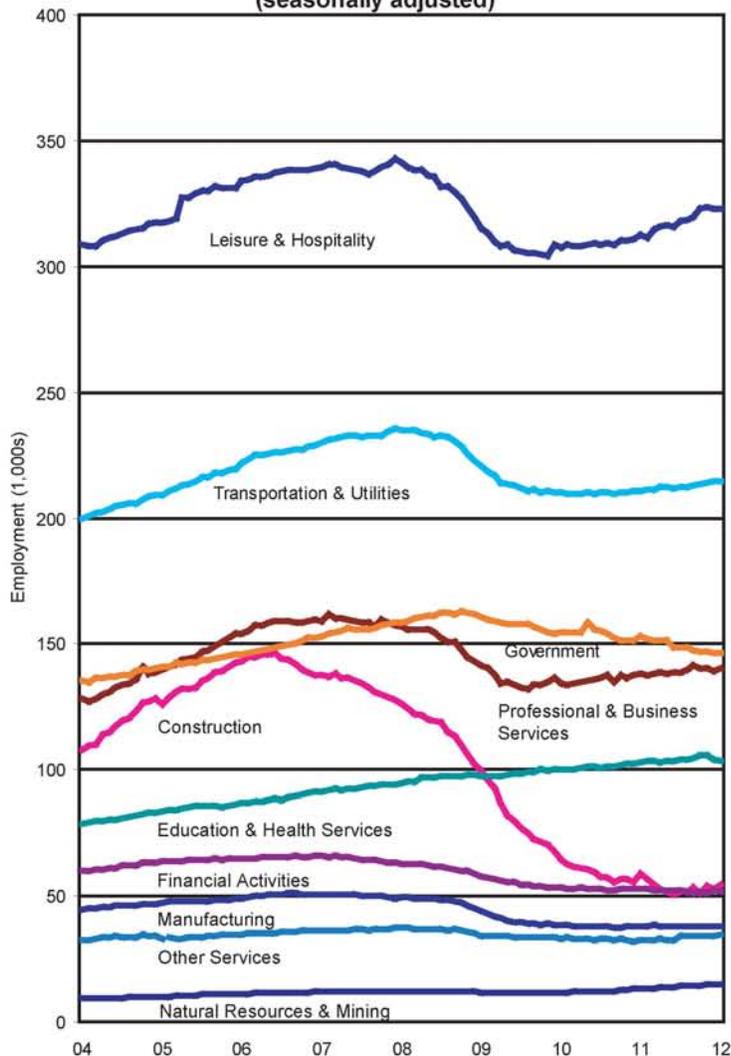
service employers have added 16,700 jobs. Mining employment (+200) continued to trend up in January marking 12 consecutive months of employment gains. Employment in this sector is up 15.4 percent over-the-year with the addition of 2,000 jobs since January 2010.

In January, education and health services declined by 200; within the industry, education services changed little over-the-month and health care and social assistance fell by 200. Since reaching an all time peak employment level in November, education and health service employment has declined by 1,700. Employment in trade, transportation and utilities dropped by 400 with most of the decrease occurring in transportation and warehousing (-200). Wholesale trade and retail trade each shed 100 jobs. Since an employment trough in November 2010, the transportation, warehousing, and utilities industry has added 3,100 jobs. In the financial activities sector, employment continued to hover around a cyclical low with a loss of 300 jobs in January. Year-over-year employment growth has been consistently negative since the middle of 2007. The industry sits a mere 600 jobs, or +1.2 percent above a low reached in November 2011. Government employment continued declining in January. Over the past 12 months, the sector has lost 6,700 jobs, with declines in local government (-4,700) and state government (-2,100).

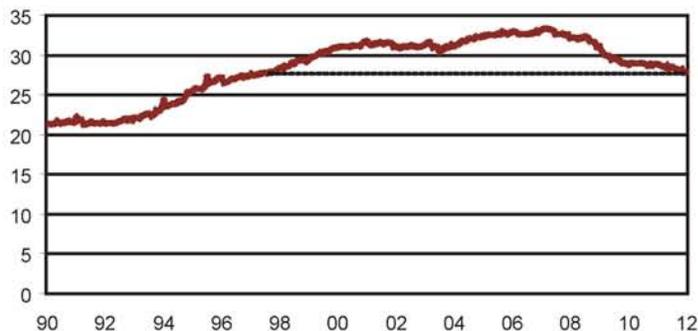
The employment trends in the north and south continue to diverge, with Las Vegas showing improvement, while Reno and Carson City continue to shed jobs. Las Vegas gained 1,600 jobs and is up 4,600 year-over-year, a 0.7 percent increase. Reno posted a loss of 400 (-0.2 percent) jobs and is also down by 400 (-0.2 percent) over-the-year. Employment levels in Carson City were unchanged from December to January, but are down 1,000 jobs over-the-year (-3.5) and remain at levels not seen since 1997.

The average workweek for all employees on private non-farm payrolls edged up by

Industry Employment (seasonally adjusted)



Carson City Employment (seasonally adjusted)

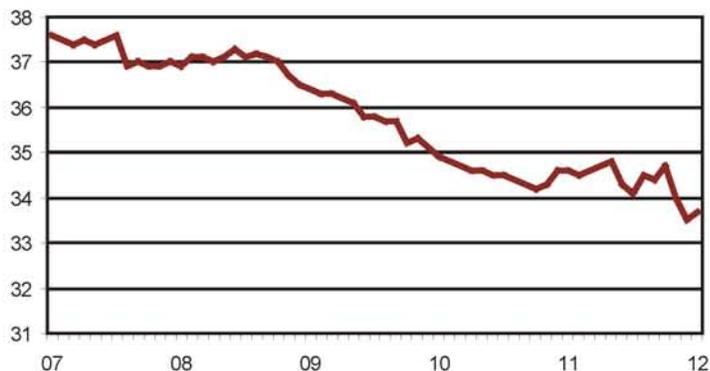


Economic Summary

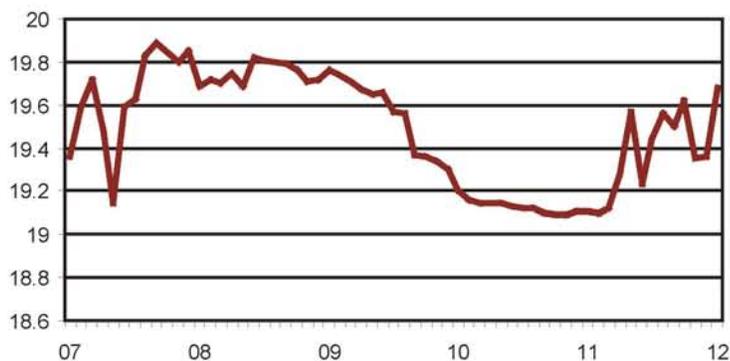
0.2 hour to 33.7 hours. Over-the-year, the average work week has declined by nearly an hour (-0.9). In January, average hourly earnings for all employees on private non-farm payrolls rose by 31 cents, or 1.6 percent, to \$19.67. Over the past 12 months, average hourly earnings have increased by 2.9 percent.

Key Nevada economic indicators continue to move in positive territory and at levels not seen since the start of the recession. So far this fiscal year, taxable sales are up seven percent, marking its largest gain since 2005. Gamings win is up 3.7 percent, for its best showing since 2006. Las Vegas visitor volume up 4.3 percent for all of 2011, marking its strongest gain in seven years. Gold prices remain high averaging \$1,660/oz. in January, up nearly \$300 from a year ago. For all of 2011 Nevada exports totaled nearly \$8 billion, up by more than one-third versus a year ago. The number of new business entity formations in Nevada rose nearly two percent from a year ago in January, while the number of businesses participating in Nevada's Unemployment Insurance System is growing following several quarters of decline. Going forward expectations are for slow to moderate improvement in Nevada's labor markets as employers continue to weigh the strength of the recovery.

Average Weekly Hours



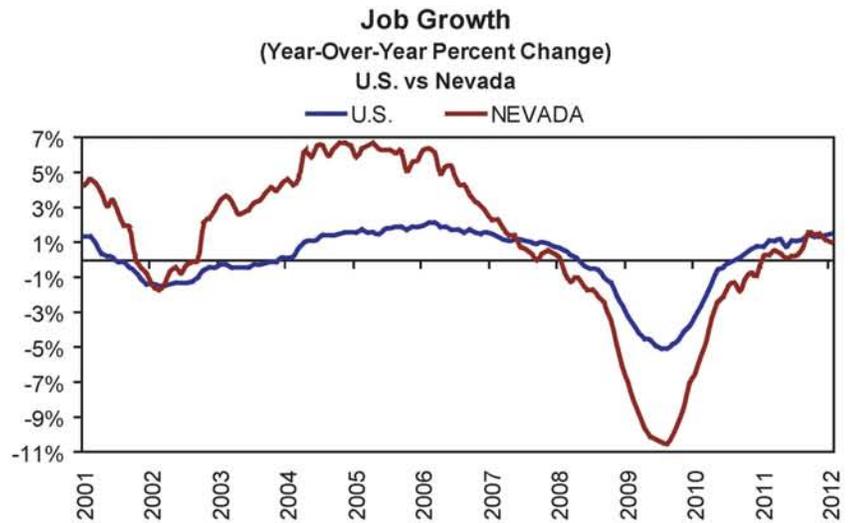
Average Weekly Earnings



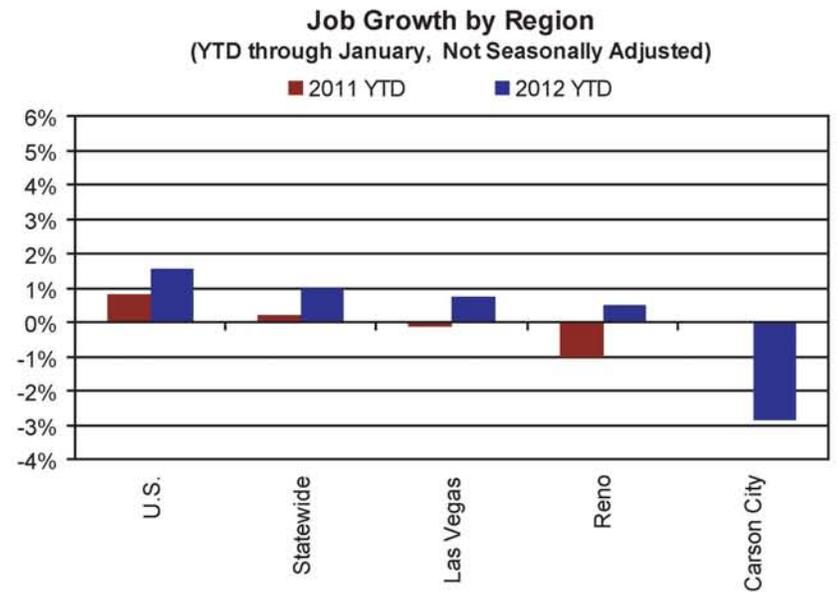
Trends at a Glance

Industrial Employment

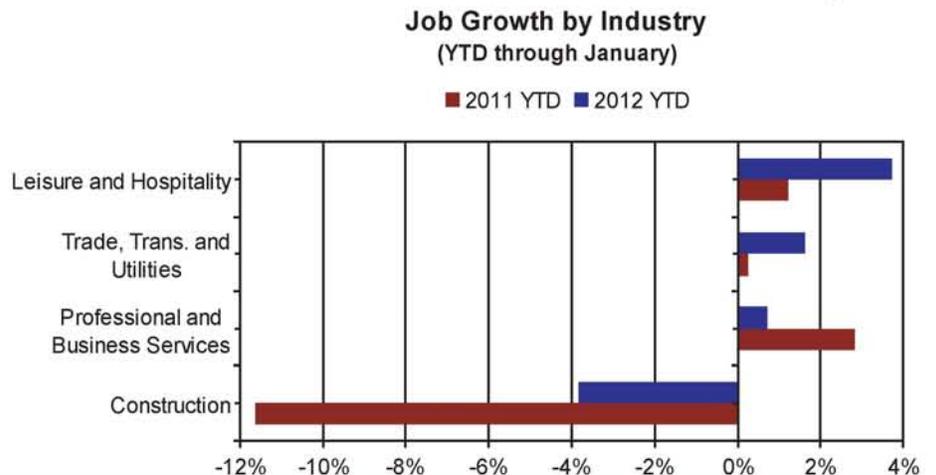
- Industrial employment in Nevada increased 1.0 percent in January relative to a year prior, equating to a gain of 10,800 jobs.
- December readings were up 1.5 percent nationally relative to January 2011.



- The year-to-date annual growth rates remain higher than a year ago throughout most regions of the State.
- The Las Vegas MSA's job count increased 0.7 percent YTD in January relative to January 2011.
- In the Reno MSA, YTD job readings were up 0.5 percent in January 2012.
- In Carson City, employment was down 2.9 percent YTD from January 2011 to January 2012.



- Approximately 2,250 jobs have been lost in the construction industry over the past year, a 3.8 percent annual decline, though the decline has continued to slow since June 2010.
- Jobs in the State's largest industry, leisure and hospitality, was up 3.7 percent YTD through January relative to a year prior. A year earlier, YTD job readings were up 1.2 percent over the same time frame.
- Professional and business services increased 0.7 percent YTD through January 2012 from a year earlier.



Trends at a Glance

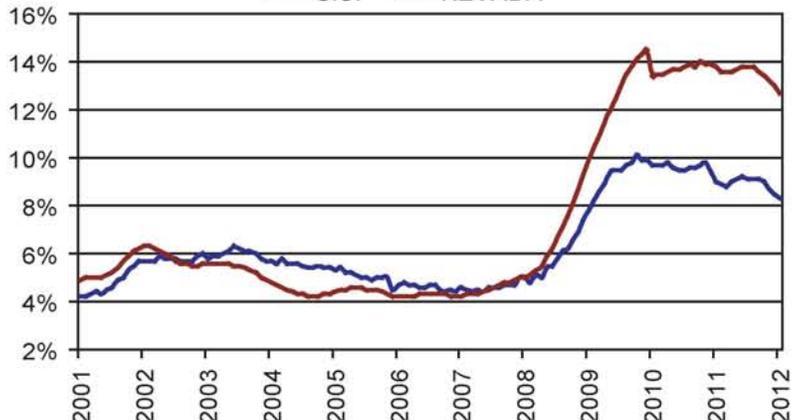
Unemployment

- Nevada's seasonally adjusted unemployment rate was 12.7 percent in January, down 0.3 percentage points from December.
- Nationally, the unemployment rate decreased two-tenths of a percent to 8.3 percent in January. Nevada has the highest unemployment rate in the nation, exceeding the national average by 4.4 percentage points. The next highest is California and Rhode Island with 10.9 percent.

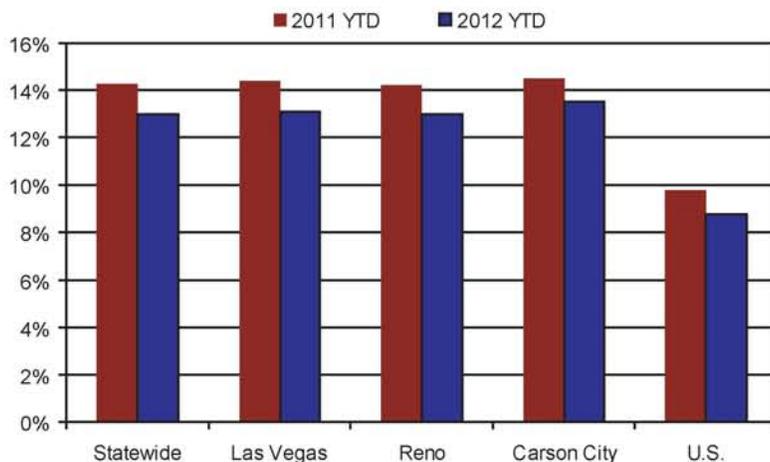
- At 13.0 percent, the Statewide unadjusted unemployment rate is down 1.3 percentage points YTD from 2011 to 2012.
- The Las Vegas-Paradise MSA recorded an unemployment rate of 13.1 percent YTD through January, a 1.3 percentage point decrease over-the-year.
- The Reno-Sparks MSA's jobless rate was 13.0 percent YTD through January. On an annual basis, the rate is down 1.2 percentage points over-the-year.
- The jobless rate in Carson City was 13.5 percent YTD through January, down 1.0 percentage points over-the-year.

- Initial claims for unemployment insurance increased in January from December by 1,589. Over-the-year, claims are down by 6.1 percent.
- Final payments, signifying an exhaustion of regular State benefits, increased by 1,080 in January over-the-month. Over-the-year, final payments were down 15.4 percent.

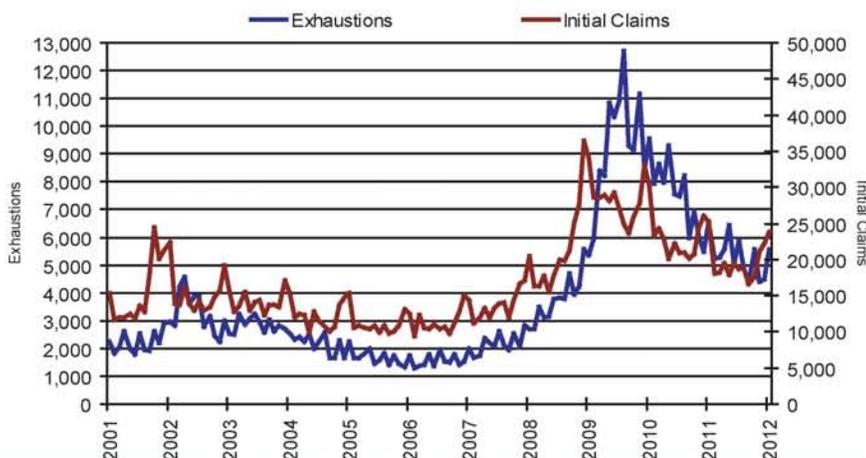
Unemployment Rates
U.S. vs Nevada
(Seasonally Adjusted)



Unemployment Rate by Region
(YTD through January, Not Seasonally Adjusted)



Nevada Unemployment Insurance: Initial Claims and Exhaustions (final payments)

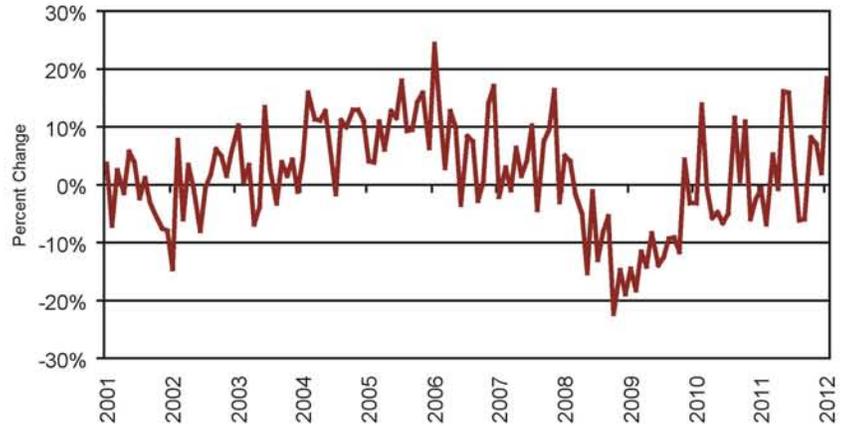


Trends at a Glance

Economic Indicators

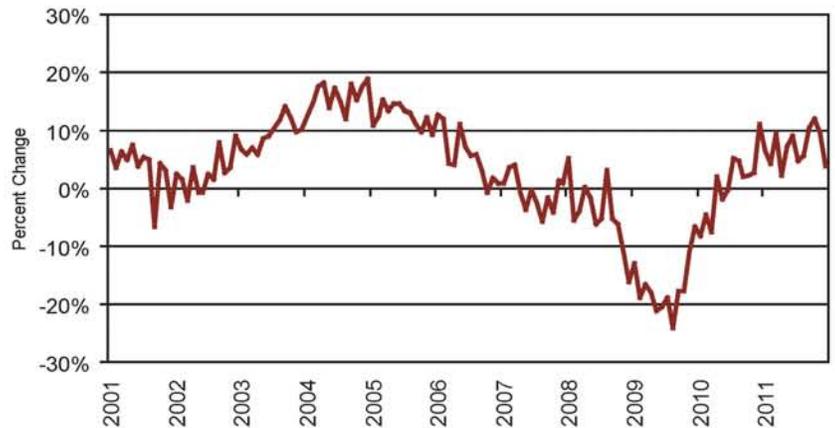
- Nevada gaming win was up 18.4 percent in January relative to the previous year.
- For the fiscal year-to-date, gaming win increased 3.7 percent compared to the same period in 2011.

Nevada Gross Gaming Win
(Year-Over-Year Percentage Change)



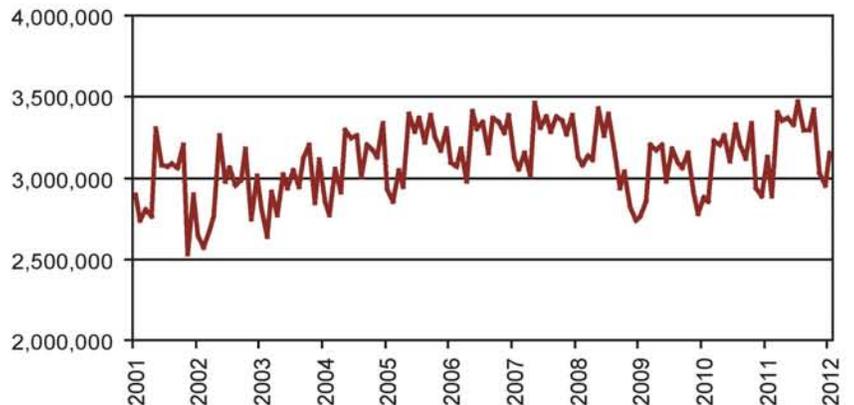
- In December, taxable sales increased 3.8 percent over December 2011 with collections totalling \$4,215,893,231.
- For the fiscal year-to-date, taxable sales are up 7.5 percent compared to the same period in 2011.

Statewide Taxable Sales
(Year-Over-Year Percentage Change)



- Las Vegas visitor volume increased 28,275 in January relative to a year prior, a 0.9 percent increase.
- Year-to-date, visitor volume is up 0.9 percent in 2012 compared to a year earlier.

Las Vegas Monthly Visitor Volume

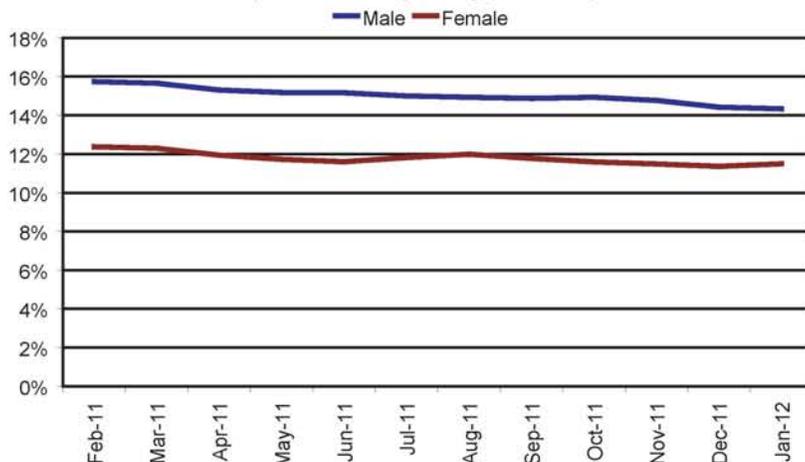


Trends at a Glance

Demographics of the Unemployed

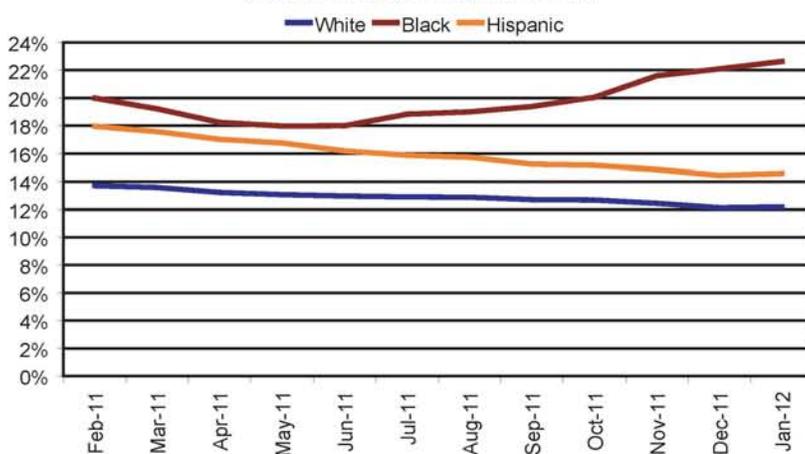
- The male unemployment rate decreased by one-tenth to 14.3 percent in January.
- The female unemployment rate was up one-tenth to 11.5 percent.
- Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries have fared better overall.

Unemployment Rate by Sex
(12-Month Moving Average, CPS Data)



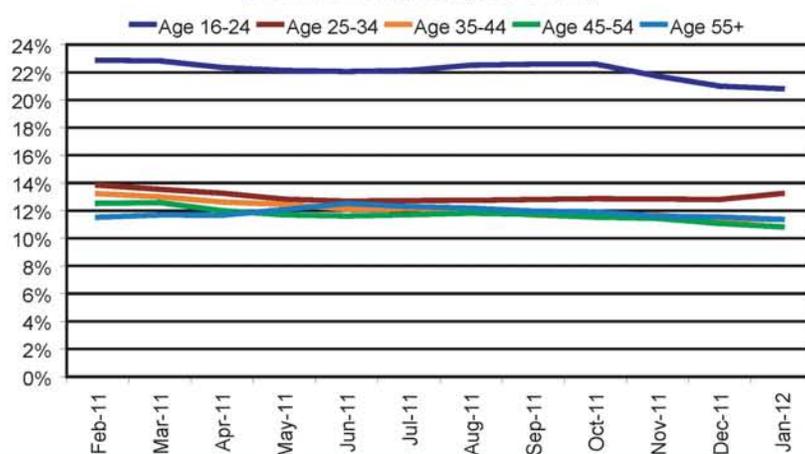
- The unemployment rate for Nevada's Hispanic labor force increased one-tenth of a percent to 14.6 percent in January.
- The rate for Nevada's unemployed Black labor force increased half of a percent to 22.6 percent.
- The unemployment rate for Nevada's White labor force was up one-tenth of a percent to 12.2 percent.

Unemployment Rate by Ethnicity
(12-Month Moving Average, CPS Data)



- At 20.8 percent, the unemployment rate for Nevada's youngest workers age 16-24 continued to trend higher than any other age group.
- The unemployment rate for workers age 25-34 increased four-tenth to at 13.2 percent.
- The unemployment rate for Nevada's oldest workers is 11.4 percent, down one-tenth from December.

Unemployment Rate by Age Group
(12-Month Moving Average, CPS Data)

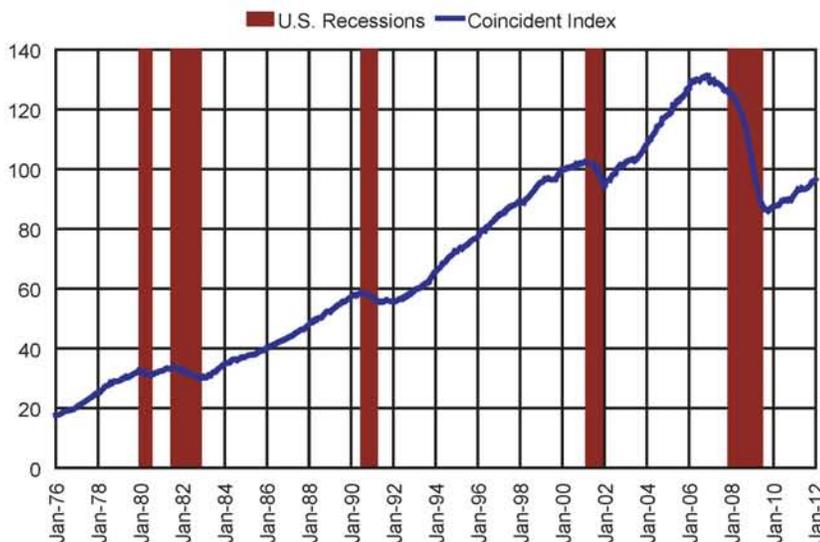


Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

- The peak of the last employment cycle in Nevada occurred in December 2006. The coincident index then regressed steadily through October 2009, where the coincident index reached a bottom. With the new benchmark revisions in the employment date, the coincident index also rose much more steadily than indicated by the pre-benchmark revision data. The January 2012 coincident index recovered to a level not seen since March 2009. In sum, during the recent employment recession, the coincident index fell by 34.5 percent from peak to trough and now recovered by 12.3 percent from the October 2009 trough, which implies much more ground to recover.

CBER-DETR Nevada Coincident Employment Index



- The Nevada Leading Employment Index, which provides a signal about the future direction of the coincident index, showed an increase of 0.5 percent in January. After reaching a bottom in May 2009, the leading index now stands at its highest level since February 2009. Based on seasonally adjusted data, the components of the leading index experienced the following changes - Initial claims for unemployment insurance, real Moody's Baa bond rate, and housing permits moved in a negative direction, whereas commercial permits, construction employment, and the short-duration unemployment rate moved in a positive direction.

CBER-DETR Nevada Leading Employment Index

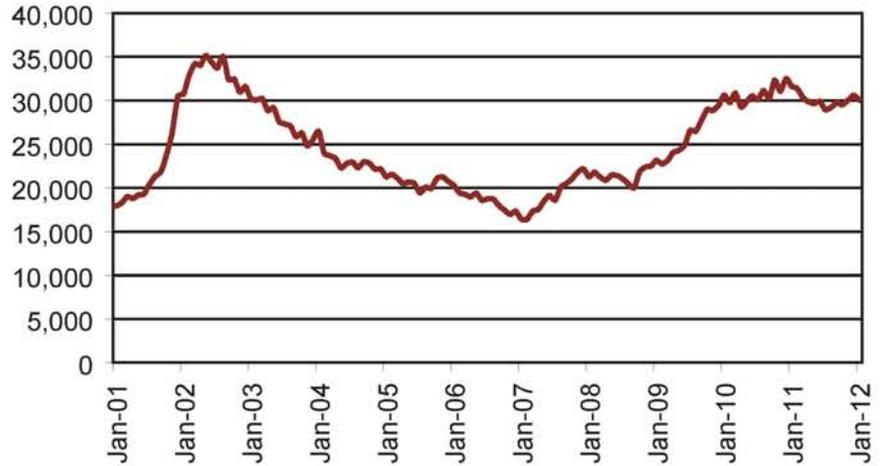


Trends at a Glance

Welfare Indicators

- The Temporary Assistance for Needy Families (TANF) program provides time-limited cash assistance to low-income families with children so they can be cared for in their own home. TANF also seeks to reduce dependency by promoting job preparation, reduce out-of-wedlock pregnancies and encourage the formation and maintenance of two-parent families.
- As an economic indicator, TANF reveals information on the relative well-being of Nevada's low-income families. The number of recipients in the program is strongly influenced by the ups and downs of the business cycle. In January, 30,100 individuals were receiving assistance. Since January 2011, the level of assistance has decreased 5.0 percent or 1,570 less recipients.

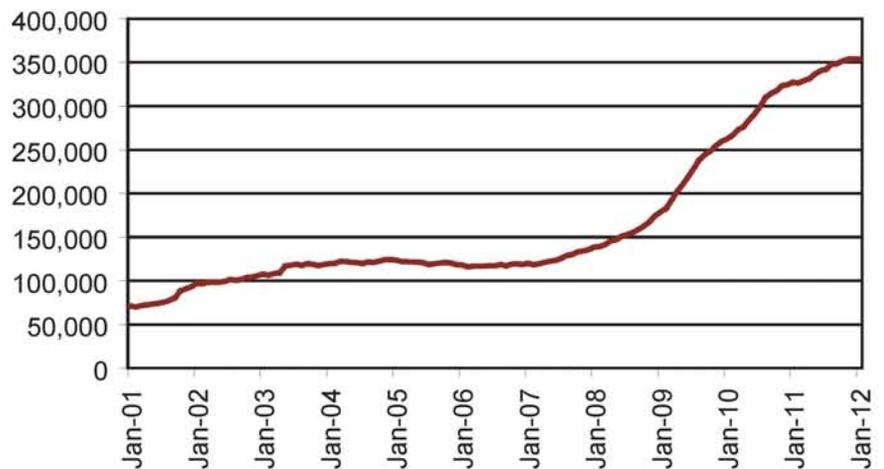
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



Source: Nevada Department of Health and Human Services

- The Supplemental Nutrition Assistance Program (SNAP), formerly known as "food stamps", provides the means to increase food purchasing power to raise the nutritional level among low-income households and is the first line of defense against hunger for thousands of Nevadans.
- The number of Nevadans participating in SNAP has increased significantly in recent years, suggesting more and more families are struggling to make ends meet. In January, 354,081 Nevadans participated in the program, setting a new all-time high. Over-the-year, the number of participants receiving assistance has increased 8.3 percent.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



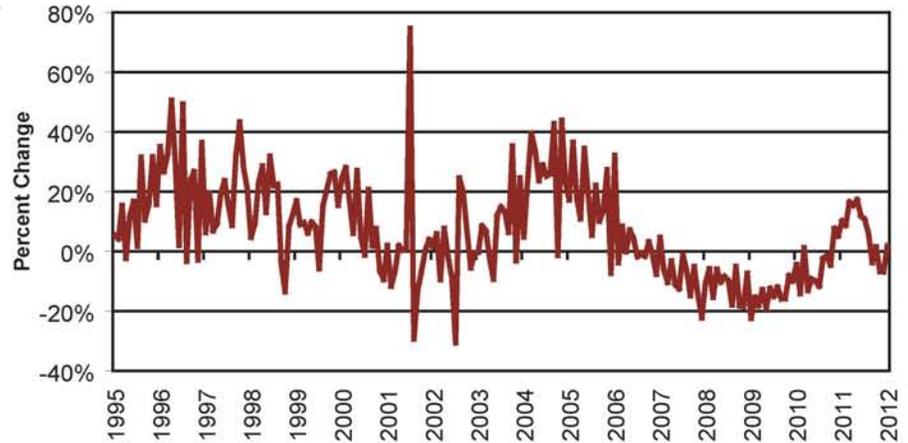
Source: Nevada Department of Health and Human Services

Trends at a Glance

Business Activity

- New business entity formations are comprised of both domestic and foreign entities forming/registering in the State. Trends indicate directional insight into business formation and investments.
- In January, new business filings were up 1.84 percent over January 2011.

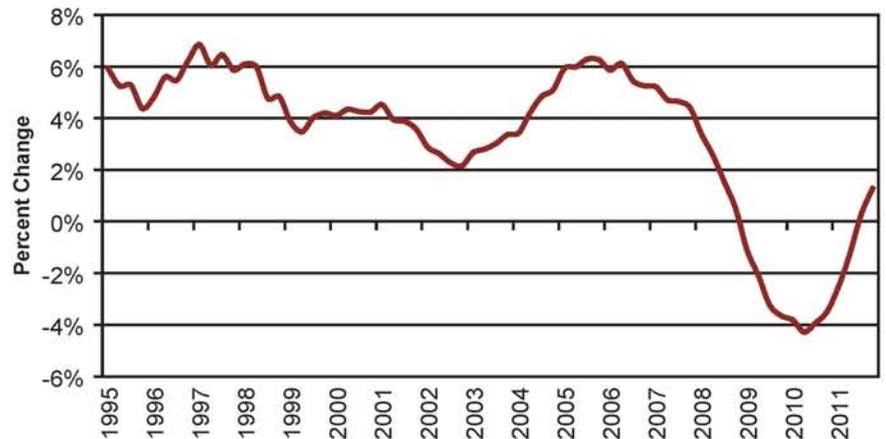
Business Entity Formations
(Year-Over-Year Percentage Change)



Source: Nevada Secretary of State

- The State unemployment insurance (UI) contribution operations report identifies the number of UI-liable employers processed each quarter.
- Total number of employers subject to UI taxes was 56,834 during the fourth quarter of 2011. The employer count increased 716 over the same period of the prior year, a 1.28 percent annual increase.

U.I. Contributory Employers
(Year-Over-Year Percentage Change)



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