

ECONOMY IN BRIEF

DETR RESEARCH & ANALYSIS BUREAU
Division of Economic and Workforce Development

April 2012

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

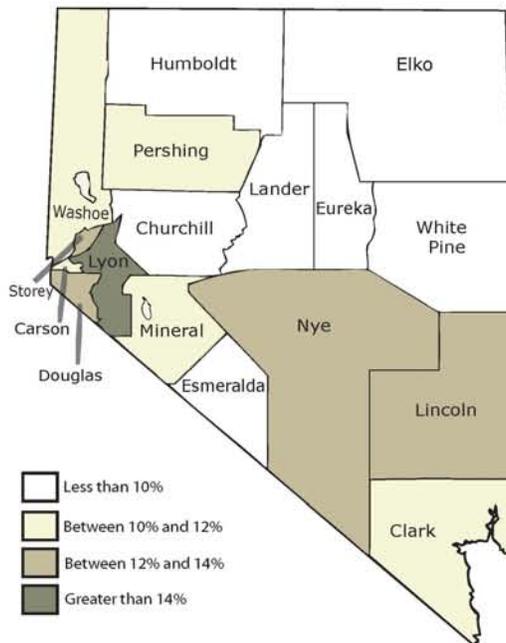
Economic Summary

In April, Nevada's unemployment rate fell below 12 percent for the first time in nearly three years. The unemployment rate declined for the eighth consecutive month, with a fall from 12 percent in March to 11.7 percent in April. The jobless rate is down from a peak of 14 percent reached in October 2010, and the number of unemployed Nevadans has fallen from 193,600 to 158,600 over the period. New job growth in Nevada is being driven by the private sector, which has added employment in every month since January 2011. So far this year, private sector job levels are trending about 13,800 higher than a year ago. That is on top of approximately 12,000 new jobs added in 2011. Those improvements are being partially offset by declines in the public sector, which has lost 6,400 jobs since January 2011.

The unemployment rate in each of the state's three metropolitan areas fell below 12 percent and reached levels not seen in nearly three years. In the Las Vegas region, the unemployment rate fell to 11.6 percent in April, down from 12.0 percent in March. The unemployment rate in the Reno-Sparks area fell by six-tenths to 11.4 percent in April. In the Capital region, the unemployment rate fell six-tenths to 11.8 percent in April, down from 12.4 percent in March. In the Elko micropolitan area (Elko and Eureka counties), the unemployment rate declined three-tenths to 6.3 percent. The rate is 5.2 percentage points lower than the statewide average and 1.4 points lower than the national average, 7.7 percent.

Much has been made of late about the underlying reasons behind the down-

Unemployment Rate by County



trend in the unemployment rate. While job growth has been positive of late, contributing to the drop in the jobless rate, there are some structural forces at play, as well. Specifically, the labor force participation rate (LFPR) has been trending down both at the state and national level for many years. At the beginning of the recession, about 66 percent of the U.S. population was in the labor force (either employed or unemployed). As of April, the LFPR was just 63.6 percent, suggesting individuals (presumably without a job) are dropping out of the labor force and are not counted amongst the unemployed. In Nevada, the labor force participation rate has been trending down since the early 1980's, after reaching a peak of 73.7 percent. The current LFPR stands at 64.9 percent,

Economic Indicators

UNEMPLOYMENT RATES	April 2012
NEVADA *	11.7%
LAS VEGAS-PARADISE MSA	11.6%
RENO-SPARKS MSA	11.4%
CARSON CITY MSA	11.8%
ELKO MICROPOLITAN AREA	6.3%
UNITED STATES *	8.1%
CALIFORNIA *	10.9%
* Seasonally Adjusted	
JOB GROWTH (Y-O-Y)*	
NEVADA	0.5%
LAS VEGAS-PARADISE MSA	0.2%
RENO-SPARKS MSA	-0.4%
CARSON CITY MSA	-3.5%
UNITED STATES	1.4%
CALIFORNIA	1.2%
* Seasonally Adjusted	
CONSUMER PRICE INDEX (Y-O-Y)	
UNITED STATES	2.3%
GAMING WIN (Y-O-Y)	
MAR 2011 - MAR 2012	
NEVADA	-10.9%
CLARK COUNTY	-12.2%
WASHOE COUNTY	0.4%
TAXABLE SALES (Y-O-Y)	
FEB 2010 - FEB 2012	
NEVADA	10.2%
CLARK COUNTY	11.1%
WASHOE COUNTY	10.7%

down from 67.8 since the start of the recession. While recent declines in the LFPR can be attributed to a poor job market, longer term trends point to changes in the structure of the economy and demographics of the population.

Seasonally adjusted nonfarm payroll

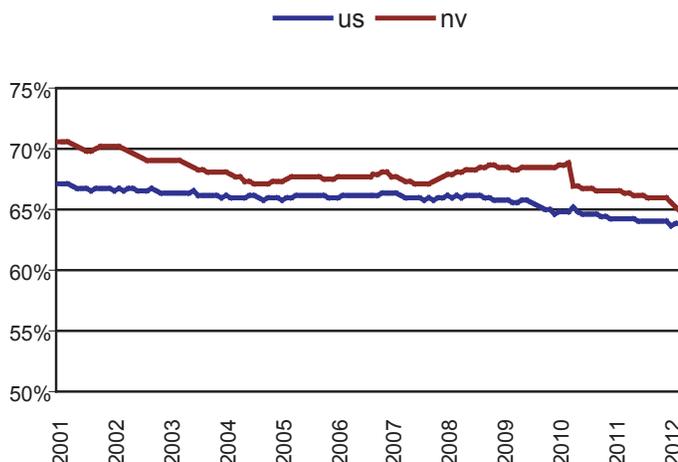
Economic Summary

employment in Nevada fell by 600 from March to April. Private-sector employment grew by 200 in April, but government employment fell by 800. Over the last year, private sector employment increased by 10,500 jobs. However, these gains were offset by a decrease in government employment of 5,100. April's lackluster jobs report comes on the heels of a strong report in March, which was revised up by 2,700 jobs, pushing that month's gain from 5,000 to 7,700.

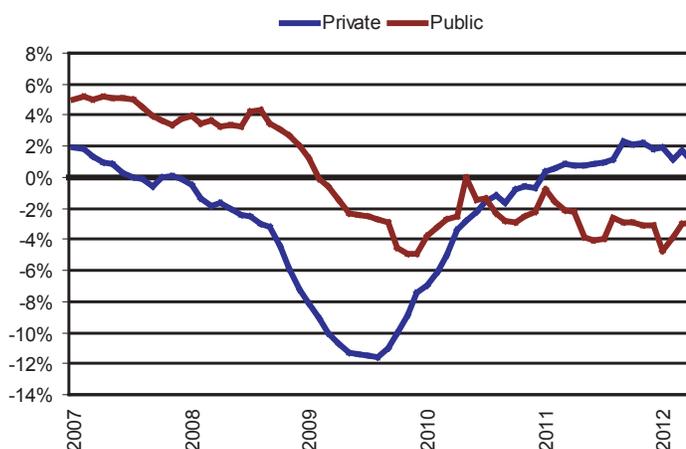
Results were mixed for Nevada's major industry sectors. Mining employment rose by 100 in April and set a new series peak dating back to 1990. The trade, transportation and utilities sector added 2,900 jobs, with a strong showing from retail trade (+1,600), transportation/warehousing/utilities (+1,100); and an increase of 200 jobs in wholesale trade. Education and health services added 1,200 jobs in April -- most of it coming from the health care and social assistance sub-sector which added 1,100 jobs. Even with the increase, the health care and social assistance employment level is still below the peak set in October 2011.

On the down side, a number of industries shed employment in April. Construction (-900) continued to trend down, setting a new post-boom low. Employment in professional and business services was down by 2,000 in April. Within the sector, administrative, waste management and remediation services lost 2,100 jobs. Although employment in accommodation and food services fell by 1,400 in April, it has gained 7,800 jobs over the last year (a gain of 2.7 percent). Government employers cut employment by 800 jobs over-the-month. Federal government employment was unchanged, and state government employment decreased slightly (-200). Most of the losses occurred in local government (-600). Local government employment has steadily decreased, losing 4,200 jobs in the last year and is currently at levels not seen since October 2005.

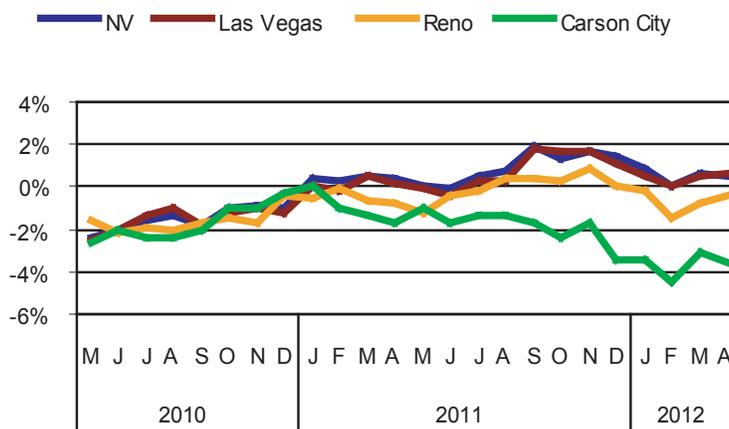
Nevada Labor Force Participation Rate vs U.S.



Nevada Public vs Private Sector Employment (Year-Over-Year Percentage Change)



Nevada Job Growth by Region



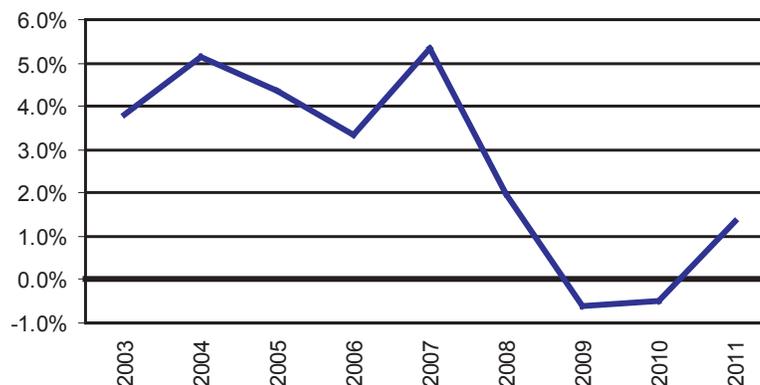
Economic Summary

Employment levels in two of Nevada's metropolitan areas increased over-the-month, with Las Vegas adding 400 jobs and Reno adding 500. Carson City lost 200 jobs and employment is down 3.5 percent from a year ago. Reno employment is also down from a year ago, with 900 fewer jobs than in April of 2011 (a decrease of 0.5 percent). Las Vegas has added 4,600 jobs since April of 2011 for a year-over-year growth rate of 0.6 percent.

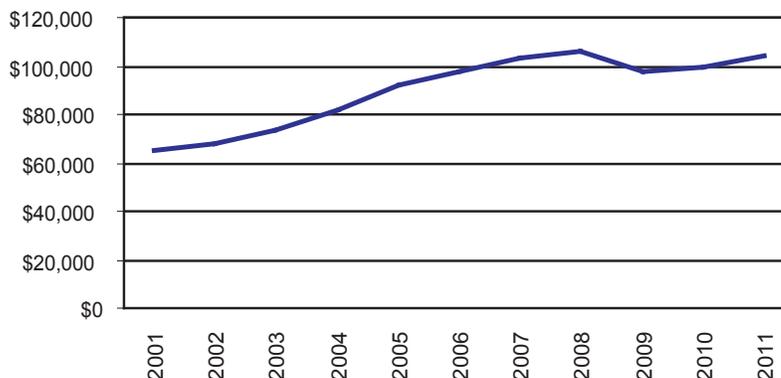
Along with a growing labor market, measures of wages paid to employees continue to trend positive. The 12 month average of hourly earnings for all employees on private nonfarm payrolls rose by six cents, to \$19.56. Average hourly earnings have increased by \$0.70 since April 2011, an increase of 3.6 percent. Additionally, contribution reports from employers enrolled in Nevada's unemployment insurance program show moderate growth in covered wages. After declining in both 2009 and 2010, average weekly wages have rebounded of late. Wages in 2011 were up 1.3 percent from a year ago (\$829 vs. \$818), despite some weakness in the fourth quarter.

Total personal income in Nevada has increased on an over-the-year basis for seven straight quarters, despite a fall in transfer payments. Transfer payments as a share of personal income rose markedly during the recession, driven by increases in unemployment insurance benefits, and peaked at 16.6 percent in the final quarter of 2010. Since then, the level of transfer payments as a part of personal income has trended down and currently stands at 15.6 percent of the total.

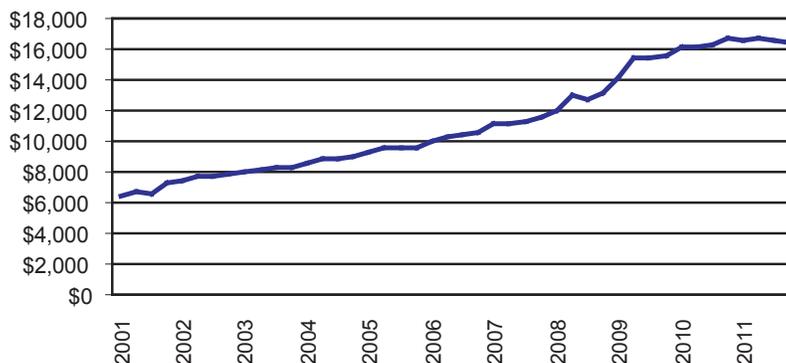
Nevada Average Weekly Wage
(Year-Over-Year Percentage Change)



Nevada Personal Income (Millions of \$)



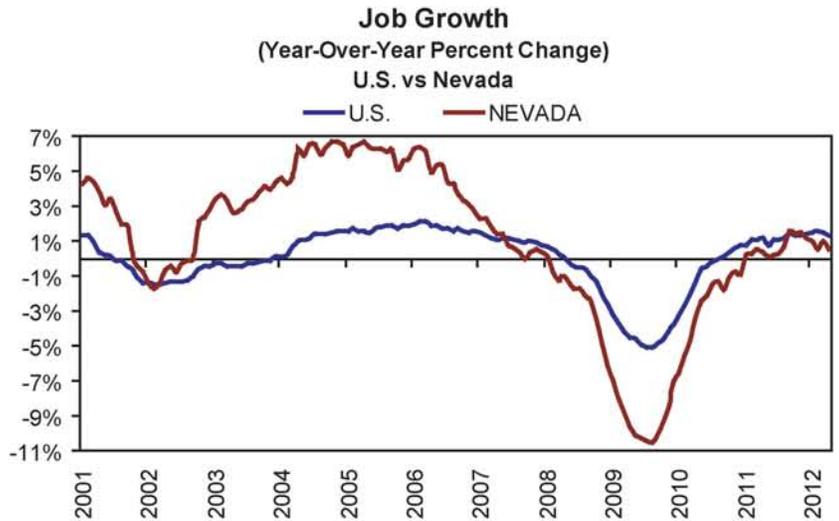
Nevada Transfer Payments (Millions of \$)



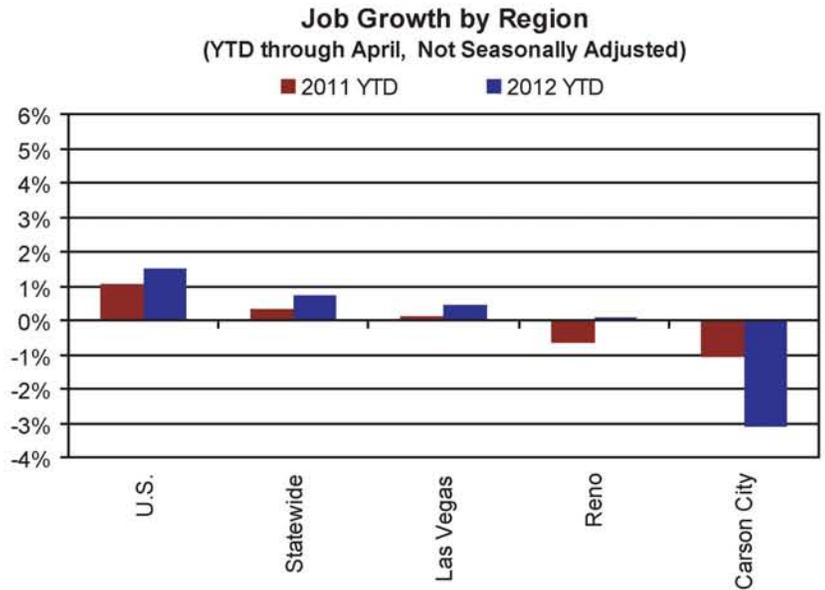
Trends at a Glance

Industrial Employment

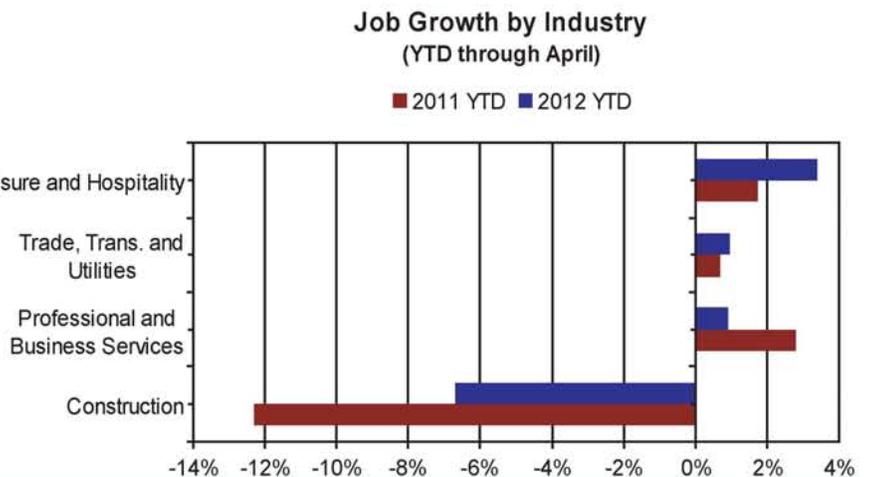
- Industrial employment in Nevada increased 0.5 percent in April relative to a year prior, equating to a gain of 5,100 jobs.
- Nationally, April readings were up 1.3 percent relative to April 2011.



- 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 0.5 percent YTD in April relative to April 2011.
- In the Reno MSA, YTD job readings were up 0.1 percent in April 2012.
- In Carson City, employment was down 3.1 percent YTD from April 2011 to April 2012.



- Approximately 3,450 jobs have been lost in the construction industry over the past year, a 6.7 percent annual decline, though the decline has continued to slow since June 2010.
- Jobs in the State's largest industry, leisure and hospitality, were up 3.4 percent YTD through April relative to a year prior. A year earlier, YTD job readings were up 1.7 percent over the same time frame.
- Professional and business services increased 0.9 percent YTD through April 2012 from a year earlier.



Trends at a Glance

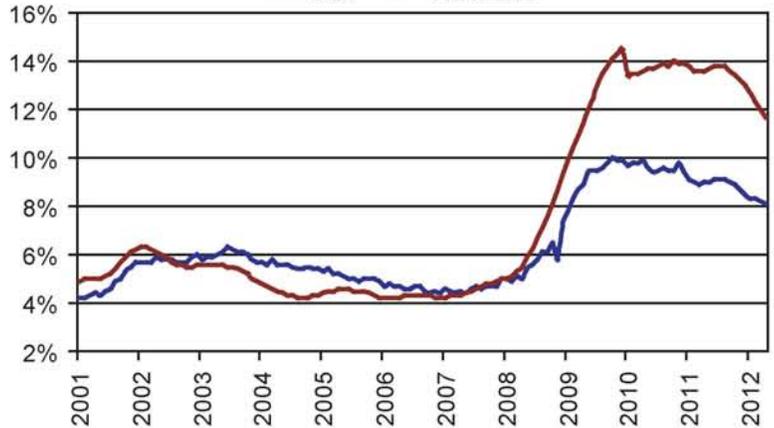
Unemployment

- Nevada's seasonally adjusted unemployment rate was 11.7 percent in April, down 0.3 percentage points from March.
- Nationally, the unemployment rate decreased one-tenth of a percent to 8.1 percent in April. Nevada has the highest unemployment rate in the nation, exceeding the national average by 3.6 percentage points. The next highest is Rhode Island with 11.2 percent.

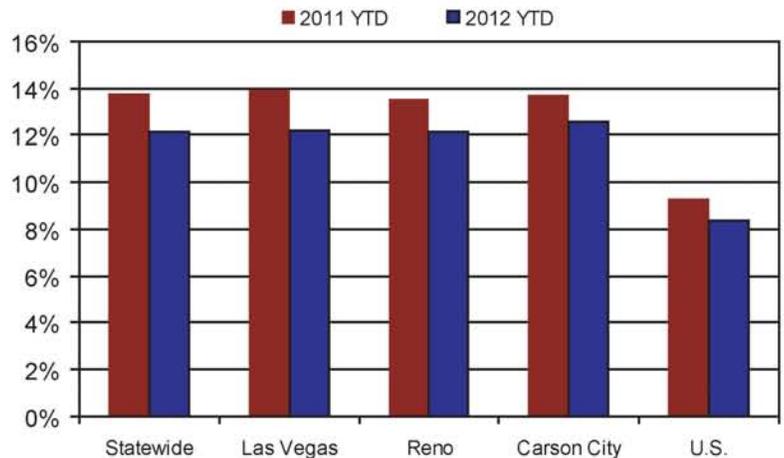
- At 12.1 percent, the Statewide unadjusted unemployment rate is down 1.6 percentage points YTD from 2011 to 2012.
- The Las Vegas-Paradise MSA recorded an unemployment rate of 12.2 percent YTD through April, a 1.7 percentage point decrease over-the-year.
- The Reno-Sparks MSA's jobless rate was 12.2 percent YTD through April. On an annual basis, the rate is down 1.4 percentage points over-the-year.
- The jobless rate in Carson City was 12.6 percent YTD through April, down 1.2 percentage points over-the-year.

- Initial claims for unemployment insurance increased in April from March by 1,971. Over-the-year, claims are down by 6.2 percent.
- Final payments, signifying an exhaustion of regular State benefits, increased by 1,088 in April over-the-month. Over-the-year, final payments were down 4.1 percent.

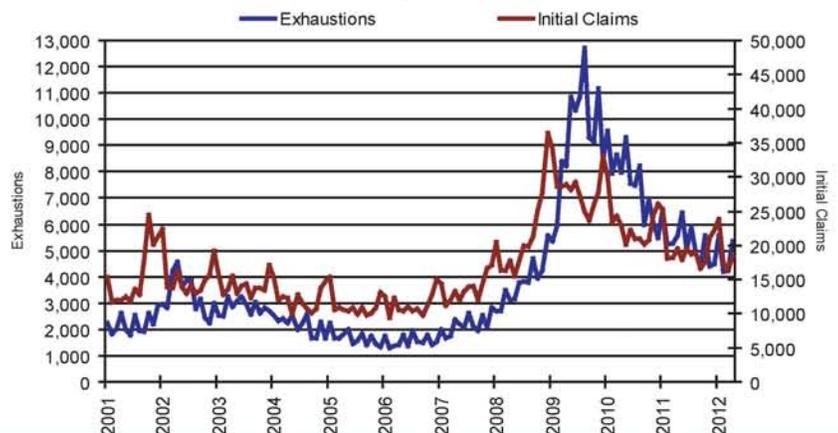
**Unemployment Rates
U.S. vs Nevada
(Seasonally Adjusted)**



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



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

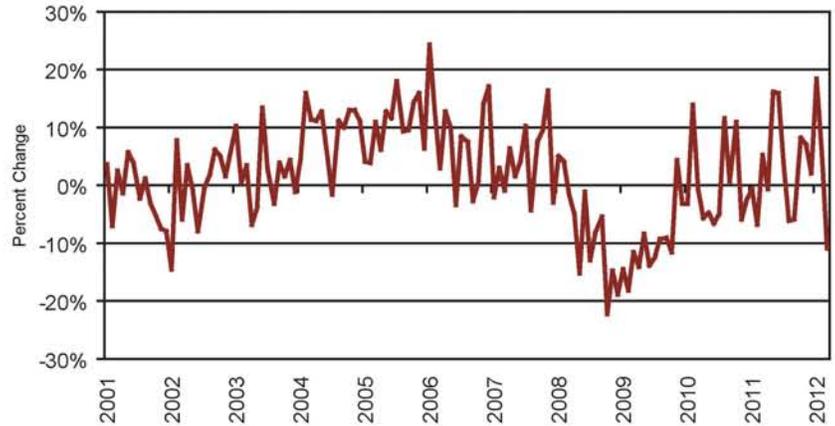


Trends at a Glance

Economic Indicators

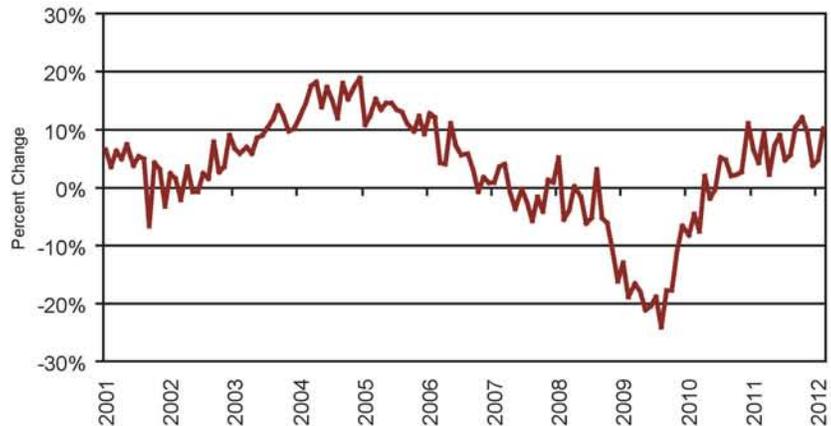
- Nevada gaming win was down 10.9 percent in March relative to the previous year.
- For the fiscal year-to-date, gaming win increased 2.2 percent compared to the same period in 2011.

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



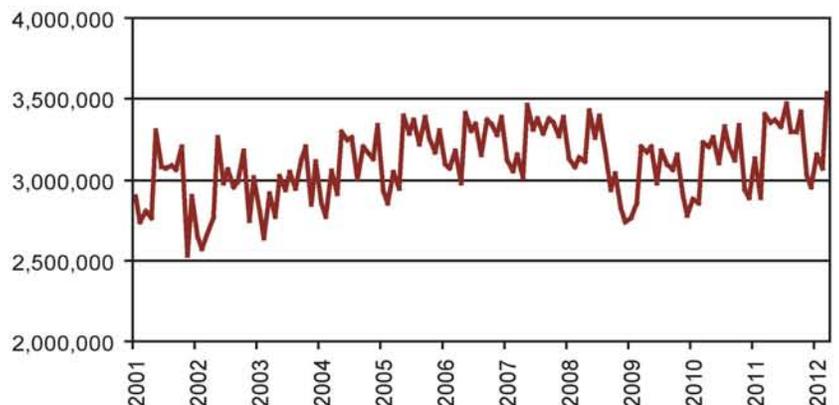
- In February, taxable sales increased 10.2 percent over February 2011 with collections totalling \$3,222,851,483.
- For the fiscal year-to-date, taxable sales are up 7.5 percent compared to the same period in 2011.

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



- Las Vegas visitor volume increased 125,609 in March relative to a year prior, a 3.7 percent increase.
- Year-to-date, visitor volume is up 3.6 percent in 2012 compared to a year earlier.

Las Vegas Monthly Visitor Volume

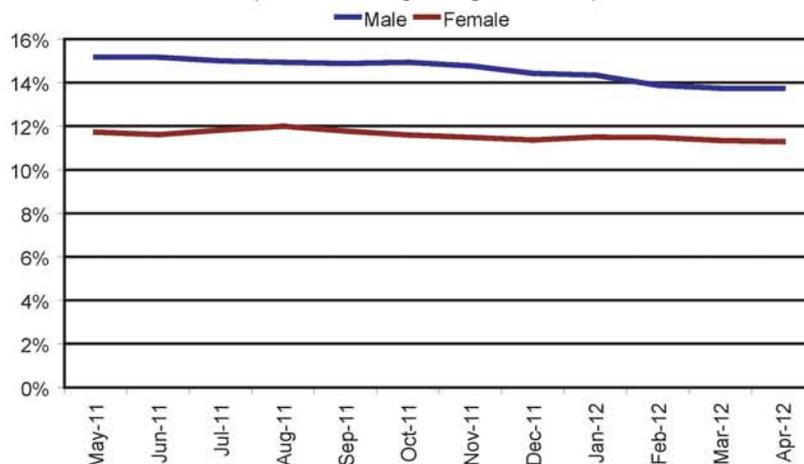


Trends at a Glance

Demographics of the Unemployed

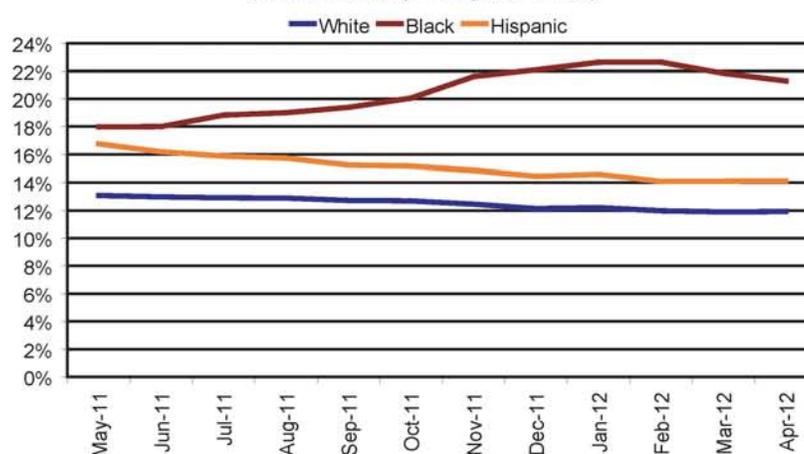
- The male unemployment rate was unchanged from March at 13.7 percent in April.
- The female unemployment rate remained constant at 11.3 percent.
- Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries have fared better overall.

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



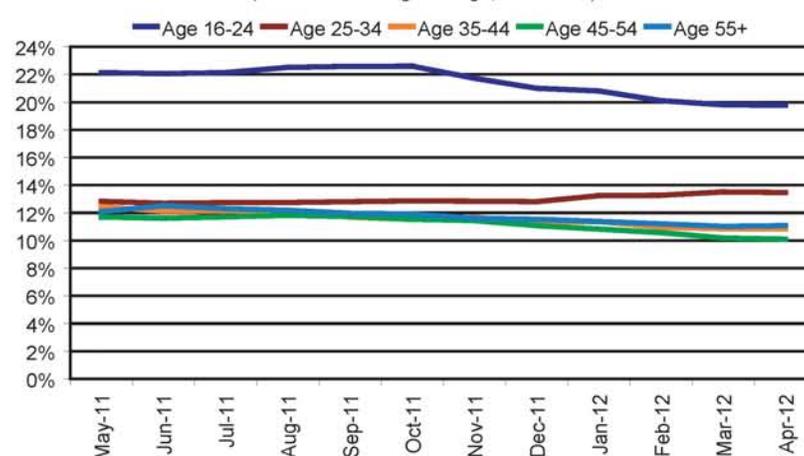
- The unemployment rate for Nevada's Hispanic labor force in April was unchanged since February at 14.1 percent.
- The rate for Nevada's unemployed Black labor force decreased five-tenths of a percent from March to 21.3 percent.
- The unemployment rate for Nevada's White labor force remained at 11.9 percent.

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



- At 19.8 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 was unchanged from March at 13.5 percent.
- The unemployment rate for Nevada's oldest workers is 11.1 percent, up one-tenth from March.

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

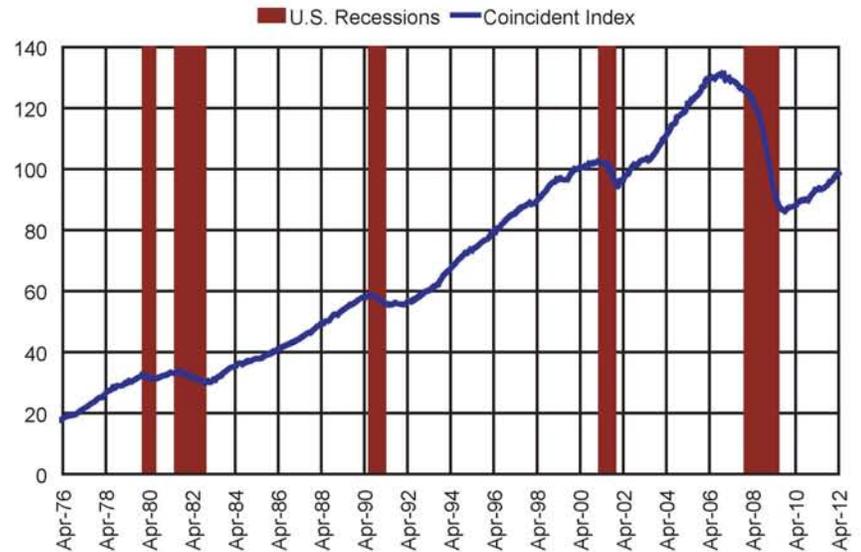


Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

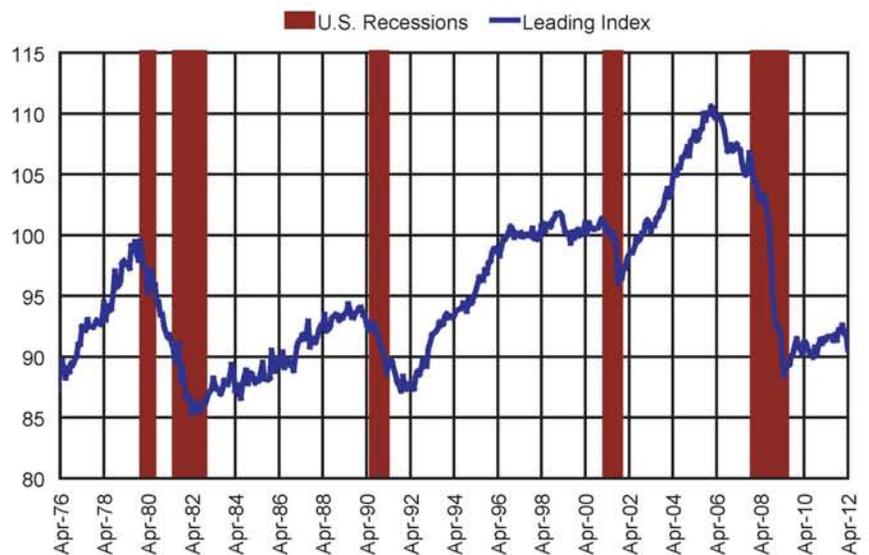
- The Nevada Coincident Employment Index measures the ups and downs of the Nevada economy using an index of employment variables. The April release of seasonally adjusted data conveys a generally positive picture for the coincident index. On a year-over-year basis, the unemployment rate, household employment, nonfarm employment, and the insured unemployment rate all moved in a positive direction. 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.

CBER-DETR Nevada Coincident Employment Index



- The Nevada Leading Employment Index, which provides a signal about the future direction of the coincident index, showed a monthly decrease of 1.4 percent in April. Based on seasonally adjusted data, the components of the index experienced the following changes - initial claims for unemployment insurance, commercial permits, and the short-duration unemployment rate moved in a positive direction, whereas the real Moody's Baa bond rate, construction employment, and housing permits moved in a negative direction. The leading index took a significant drop in April, continuing a downward trend from the high mark in January 2012. The leading index fell to a level not seen since November 2010. But, one significant month does not tell a story. We need to see future releases of the leading index to see if it now signals a slowdown in the Nevada economy.

CBER-DETR Nevada Leading Employment Index

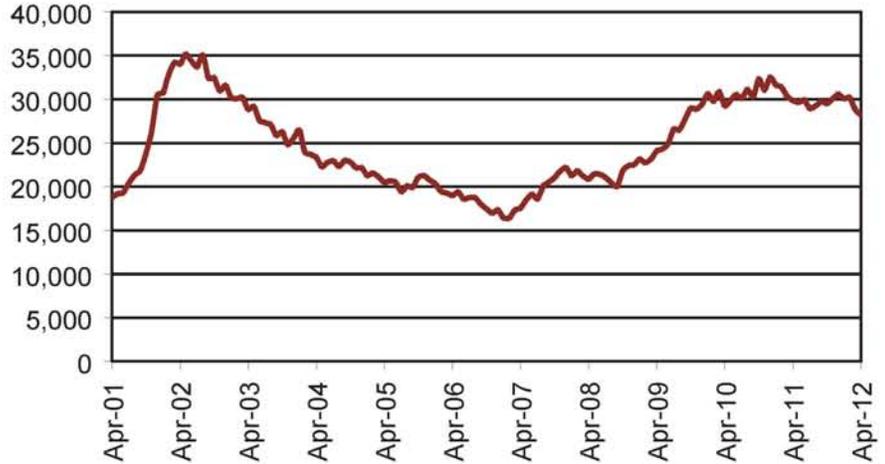


Trends at a Glance

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 April, 28,215 individuals were receiving assistance. Since April 2011, the level of assistance has decreased 5.5 percent or 1,644 less recipients.

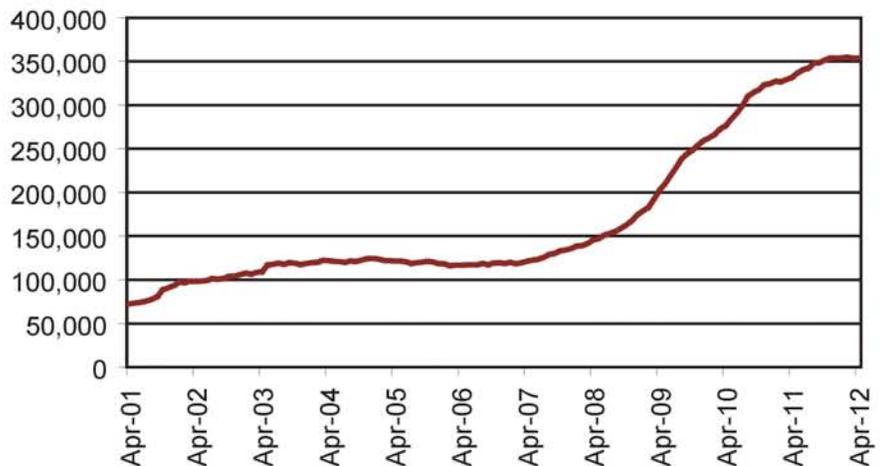
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



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 April, 353,983 Nevadans participated in the program, setting a new all-time high. Over-the-year, the number of participants receiving assistance has increased 6.7 percent.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



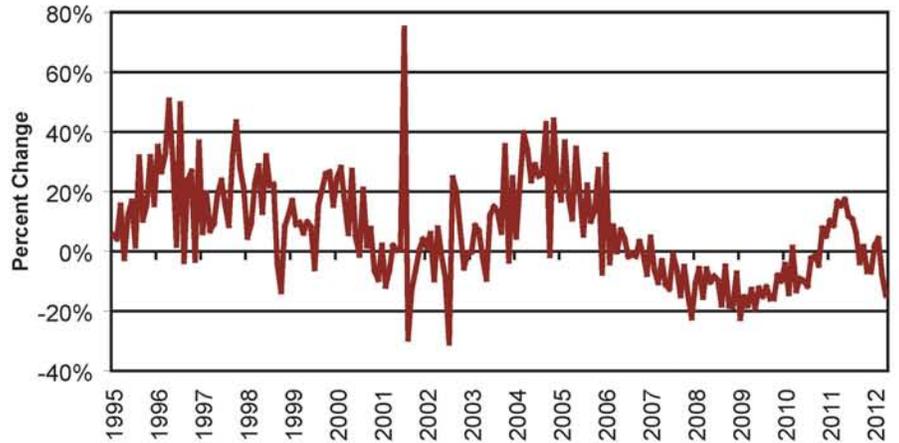
Source: Nevada Department of Health and Human Services

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 April, new business filings were down 14.7 percent over April 2011.

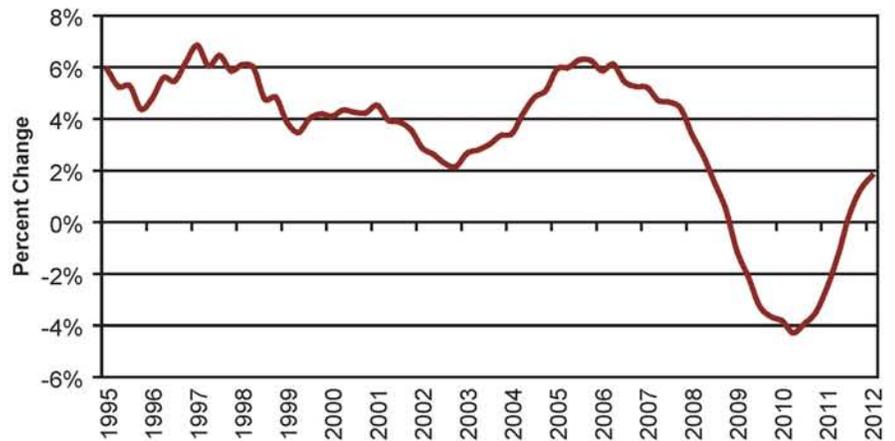
Business Entity Formations
(Year-Over-Year Percentage Change)



Source: Nevada Secretary of State

- The State unemployment insurance (UI) contribution operations report identifies the number of UI-liable employers processed each quarter.
- The total number of employers subject to UI taxes was 57,032 during the first quarter of 2012. The employer count increased 1,005 over the same period of the prior year, a 1.8 percent annual increase.

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



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