

ECONOMY IN BRIEF



RESEARCH &
ANALYSIS BUREAU

December 2013

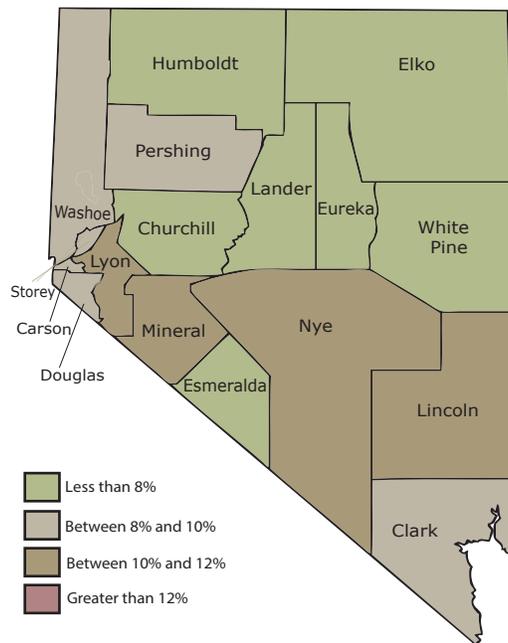
NEVADA'S PREMIER SOURCE OF WORKFORCE & ECONOMIC INFORMATION AND ANALYSIS

Economic Summary

As 2013 unfolded, Nevada's labor markets gained some momentum, although we still believe that the underlying improvement is best described as "moderate." A number of turning points became evident during the past 12 months. In 2013, the construction and financial activities industries finally turned the corner after six consecutive years of decline, building activity returned to the Strip, and home prices rebounded at astonishingly high rates, up by over 20 percent in both the northern and southern metro areas. Other indicators such as taxable sales, Las Vegas visitor volume, and gaming win were long pointing up before the labor market showed signs of improvement. These same indicators are still pointing up and foretell 2014 will be a year of further improvement.

Following the precedent of the leading indicators, Nevada's labor market statistics exhibit on-going improvement. For instance, December over-the-year job gains were 21,400, a 1.8 percent growth rate. Establishment-based industrial employment expanded by 2,200 jobs in December relative to November, on the heels of a revised gain of 11,600 in November. Perhaps most importantly, the State has added 49,000 private sector jobs since labor markets bottomed out in 2010. Specifically, 10,700 jobs were added in 2011, followed by a gain of 19,400 in 2012. Preliminary figures suggest that another 18,900 positions were created during the past calendar year. As an aside, our expectation is that these 2013 job estimates will be revised upward as we embark upon the annual benchmark/revision process in conjunc-

Unemployment Rate by County



tion with our federal partners in coming weeks.

Furthermore, the year ended with four consecutive monthly declines in the unemployment rate. In December, the jobless rate fell from nine percent to 8.8 percent; this marks the lowest reading since November 2008. Still, the State unemployment rate remains 2.1 percentage points above the national average at year-end. For all of 2013, Nevada's unemployment rate averaged 9.4 percent, down from 11.1 percent the prior year. As with the jobs statistics, these barometers will go through the annual benchmarking process in coming weeks.

Given historical trends, we would have expected jobs in Nevada to decline by

Economic Indicators

UNEMPLOYMENT RATES	DEC 2013
NEVADA *	8.8%
LAS VEGAS-PARADISE MSA	8.9%
RENO-SPARKS MSA	8.4%
CARSON CITY MSA	9.3%
ELKO MICROPOLITAN AREA	5.3%
UNITED STATES *	6.7%
CALIFORNIA *	8.3%
* Seasonally Adjusted	
JOB GROWTH (Y-O-Y)*	
NEVADA*	1.8%
LAS VEGAS-PARADISE MSA*	2.0%
RENO-SPARKS MSA*	1.3%
CARSON CITY MSA*	-1.8%
UNITED STATES*	1.6%
CALIFORNIA*	1.6%
* Seasonally Adjusted	
CONSUMER PRICE INDEX (Y-O-Y)	
UNITED STATES	1.5%
GAMING WIN (Y-O-Y)	
NOV 2012 - NOV 2013	
NEVADA	11.9%
CLARK COUNTY	12.7%
WASHOE COUNTY	14.4%
TAXABLE SALES (Y-O-Y)	
OCT 2012 -OCT 2013	
NEVADA	6.1%
CLARK COUNTY	8.3%
WASHOE COUNTY	9.2%

2,800 over the November-December timeframe. This year, however, that decline was just 600. The end result is a seasonally adjusted nonfarm payroll employment gain of 2,200 in December, noted above. The monthly increase was mostly accounted for in the industries of professional and business services (+2,000),

Economic Summary

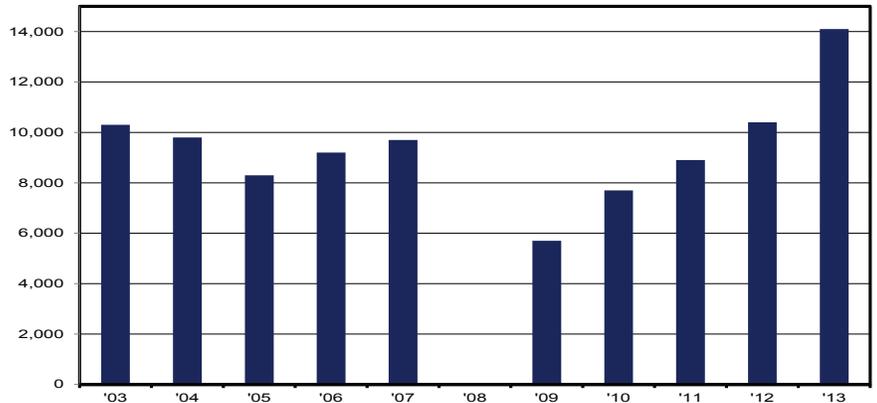
trade/transportation/utilities (+600) and local government (+400). Losses were realized in leisure and hospitality (-800) and education and health services (-600). Changes in the other industries were relatively small.

Preliminary indications suggest that seasonal holiday hiring in the final months of 2013 was relatively strong. All told, about 14,100 jobs were added between September and December in those trade/transportation industries typically home to most holiday-related hiring; this is the strongest gain in the post-recessionary period. Prior to the economic downturn, seasonal hiring typically hovered right around 10,000.

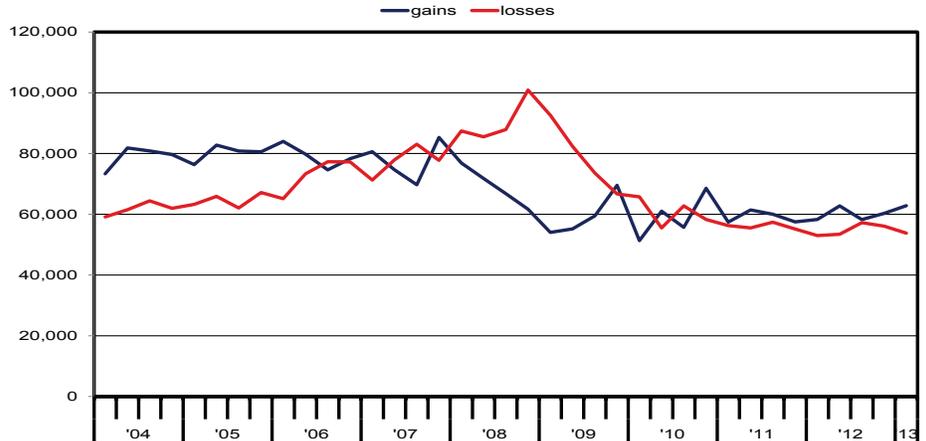
While the job changes discussed each month are at the forefront of labor market discussions, the Business Employment Dynamics series offers insight into the underlying forces beneath the job numbers. For example, in 2013:IQ, the latest data available, gross job gains at expanding or opening private sector establishments totaled 62,800. At the same time, 53,800 jobs were lost at closing or contracting establishments. The difference between the number of gross job gains and gross job losses yielded a net employment gain of just over 9,000 jobs in the private sector during the first three months of 2013. This represents the tenth consecutive quarter of net job growth, based upon BED measures. A close examination of the information offers an interesting conclusion. It appears that gross job losses have receded to "normal" levels, and are hovering around pre-recession lows. However, gross job gains, a proxy for hiring activity, remains stubbornly low. Although job trends have turned positive, hiring activity needs to pick up to see more noticeable net gains. For instance, prior to the recession, net job gains, according to the BED information, settled in the 15,000-20,000 range per quarter.

For all of 2013, the unemployment rate

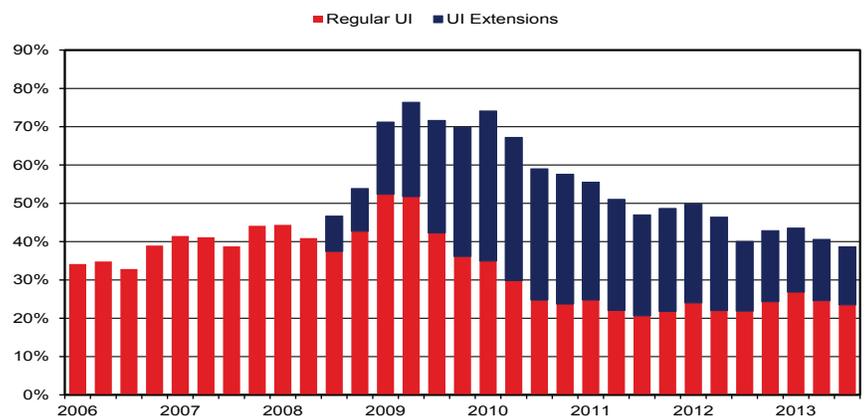
September-December Growth in Trade/Transportation Jobs as a Measure of Seasonal Hiring



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



Nevada Unemployment Insurance Coverage Ratio 2006-2013 Q:III



Economic Summary

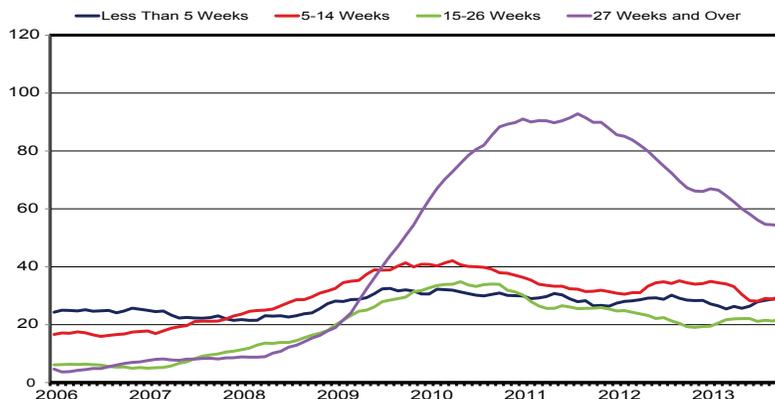
declined in each of Nevada's 17 counties compared to 2012. Nye County recorded the largest over-the-year annual decrease (2.1 percentage points). Ten counties had rate declines of at least one percentage point, and an additional seven counties had declines between 0.1 and 0.8 point. Job seekers in Lyon County face the highest unemployment rate in the State at 13 percent. In contrast, Esmeralda's annual rate was the lowest at 3.7 percent in 2013.

The labor market is making headway, but long-term unemployment remains a problem, both in Nevada and throughout the U.S. One side-effect is that, for many, eligibility for unemployment insurance has been exhausted. As of December, 26 percent of the unemployed were getting benefits in the regular unemployment insurance program. At the height of the recession, this "coverage ratio" exceeded 50 percent, aided by federally-funded benefit extensions that are no longer in place.

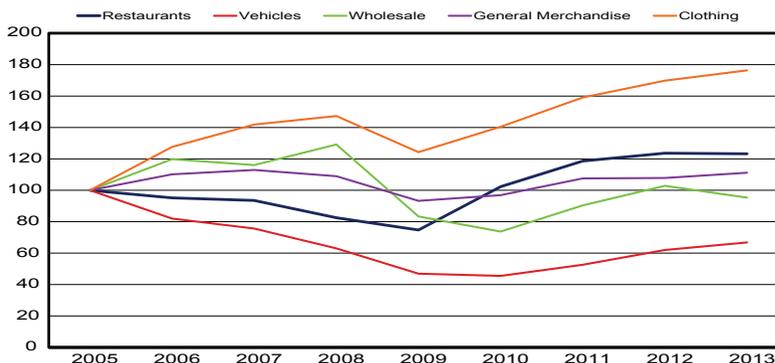
Approximately 17,000 unemployed Nevadans were receiving the federal unemployment benefits that expired on December 28, 2013. Emergency Unemployment Compensation (EUC) provided 47 weeks of benefits to job losers who exhausted the potential 26 weeks of regular state unemployment benefits. One effect on the labor market is that without the requirement to look for work each week (which is necessary to continue receiving unemployment benefits), more individuals may exit the labor market entirely. That was the experience in North Carolina when it made changes to its unemployment program causing an early end to the EUC program in mid-2013. The unemployment rate fell dramatically in subsequent months, but the decline was driven primarily by a decline in the labor force without a corresponding increase in employment. Without an extension of EUC, we will be watching if a similar drop in the labor force participation rate occurs in Nevada in early 2014.

Long-term unemployment increased dramatically in the State beginning in

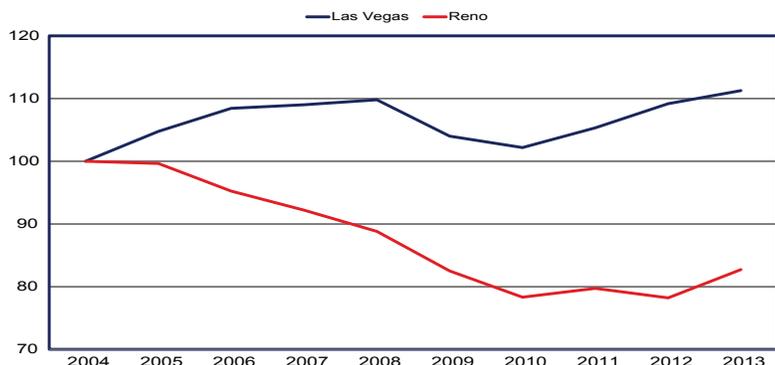
Unemployment Duration in Nevada (12-month moving average)



Nevada Taxable Sales by Fiscal Year (FY 2005 = 100)



Las Vegas vs. Reno Visitation Trends (12-month moving average; 2004=100)



Economic Summary

2009. The number of Nevadans out of work for at least 27 weeks went from a historical average of 5,800 people in the 12-month period ending January 2006 up to an average of 92,900 in October 2011. Noticeable improvement has been recorded more recently, with a reduction to 54,000 as of the period ending in December 2013. While positive, this trend suggests that considerable room remains for improvement.

More employment opportunities should abound in 2014 for the long term unemployed because taxable sales, a leading indicator of Nevada's economic performance, is on a clear path of recovery. Of the top five taxable sales categories, three are exceeding their fiscal year 2005 levels. Taxable sales at clothing stores are 76.4 percent higher than during fiscal year 2005, restaurants and drinking establishments are up 23.2 percent, and general merchandise sales are up 11.2 percent. Of these recovered categories, restaurants and drinking establishments account for the largest share, comprising 22.2 percent of Nevada's taxable sales. Clothing sales, which account for 8.1 percent of Nevada's taxable sales, are at their highest level over the observed period. Wholesale trade is reporting taxable sales 4.7 percent lower than during fiscal year 2005, while vehicle sales are down 33.2 percent. Despite these apparent declines, both of these categories are above their recessionary lows, which occurred in fiscal year 2010.

More consumer spending will surely lead to more jobs, and employment growth is strongest in Las Vegas. Employment grew by two percent, or 16,700 jobs, over-the-year with private sector gains in trade/transportation/utilities (+6,900) and professional/business services (4,600). Local government added 600 jobs in 2013, ending four years of contraction.

In the Reno/Sparks area 2,600 jobs were created from December 2012 to December 2013. Again, most of the jobs were in the trade/transportation/utilities (+2,200),

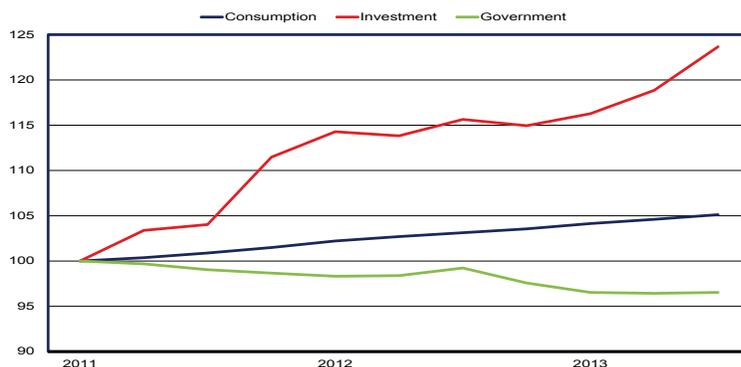
followed by leisure and hospitality (+1,000). Unlike Las Vegas, government employment dragged down the employment base as it fell by 800. Employment in Carson City contracted by 500, with losses in both the private sector (-200) and government (-300).

Over-the-year, the unadjusted jobless rate in Las Vegas (8.9 percent) is down by 1.1 percentage points from a year ago, Reno/Sparks (8.4) is down by 1.2 points, and Carson City's rate (9.3) fell by 0.8 percentage point. Unemployment rates in the metropolitan areas increased from November to December. The unemployment rate in the Elko region (includes Elko and Eureka counties) increased 0.2 percentage point to 5.3 percent. Unemployment rates for the State's metropolitan areas

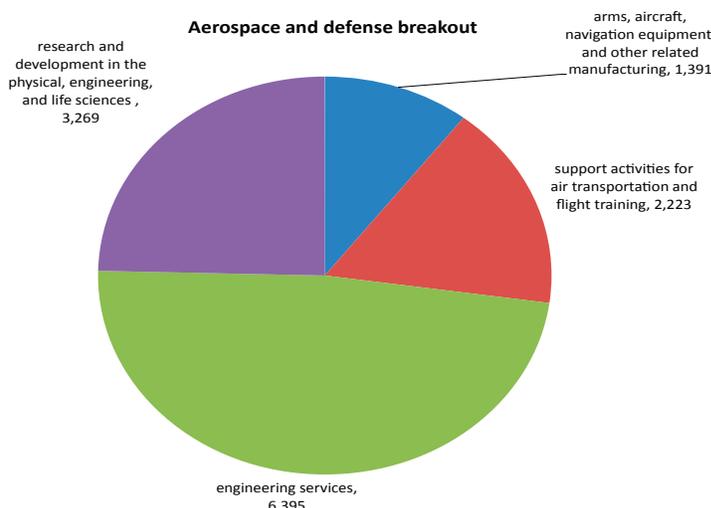
are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 8.8 percent in December, up from 8.5 percent in November.

A rising economic tide coincided with a rally in Nevada's number one industry — tourism. Tourism accounts for about one quarter of the State's total tax revenue, making clear that it still drives our economy. Although Las Vegas visitation volume was negatively affected by the recession, reducing the number of people coming to Las Vegas for two consecutive years, the region resumed its upward trend in 2010. In November 2013, visitation is up 0.9 percent, year-to-date (using a 12-month moving average). Competition from

GDP Components (2011:IQ = 100)



Aerospace and defense breakout



Economic Summary

Northern California's casinos and the latest recession contributed to the steady decline in visitation volume in the Reno area. It appears that Reno's fortunes have changed as the visitation volume has been on a steady upward trend since 2012. In November 2013, visitation is up 3.9 percent, year-to-date (using a 12-month moving average).

Improvement in the economy has been aided by the Federal Reserve's low interest rate policy, which is thought to stimulate investment and enable consumers to spend more. Despite the record low interest rate environment, the economic recovery has remained sluggish. Consumers have been less responsive to low interest rates than businesses. Using the first quarter of 2011 as the base period, investment has increased by 24 percent nationwide, whereas consumer spending has increased by only five percent. In the third quarter of this year, government spending is about three percent lower than what it was in the beginning of 2011. Over the last couple of years, federal fiscal policy has been counteracting monetary policy with deficit reduction measures passed by Congress. The fiscal drag from cuts in spending by state and local governments has restrained economic growth.

Not all federal actions have hindered growth. The FAA selected Nevada as one of six test sites for unmanned aerial vehicles (UAV) and unmanned autonomous systems, handing Nevada a potential economic windfall. The emerging, commercial UAV industry offers a source of high-wage jobs with exceptional potential for growth. Currently, the FAA does not allow the commercial use of drones, but will use data and policies developed at these sites for integration of unmanned aircraft systems into the National Airspace System.

In 2012, aerospace and defense (A&D) employment in Nevada was 13,300 (as measured by the Quarterly Census of Employment and Wages program).

Forty-eight percent of the sector is composed of engineering services, followed by research and development in the physical, engineering, and life sciences, accounting for about 25 percent of the jobs. In response to the takeoff of the A&D industry in Nevada, the manufacturing base is expected to grow by thousands of jobs, and now holds an 11 percent share. The remaining share (16 percent) goes to support activities for air transportation and flight training.

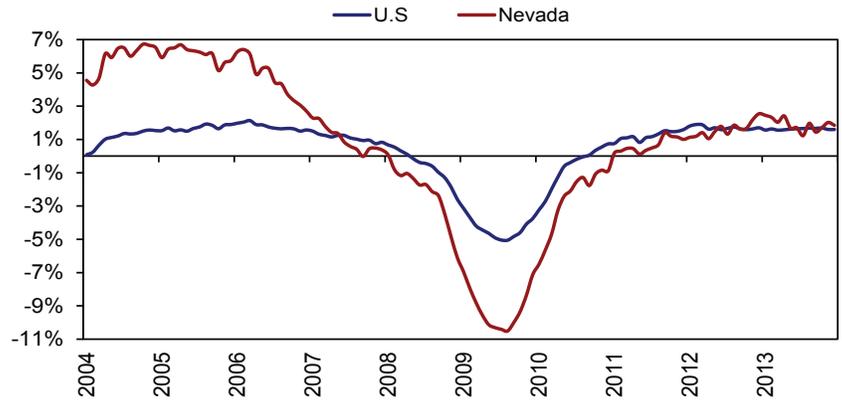
*Bill Anderson, Chief Economist
Leannndra Copeland, Supervising
Economist*

Trends at a Glance

Industrial Employment

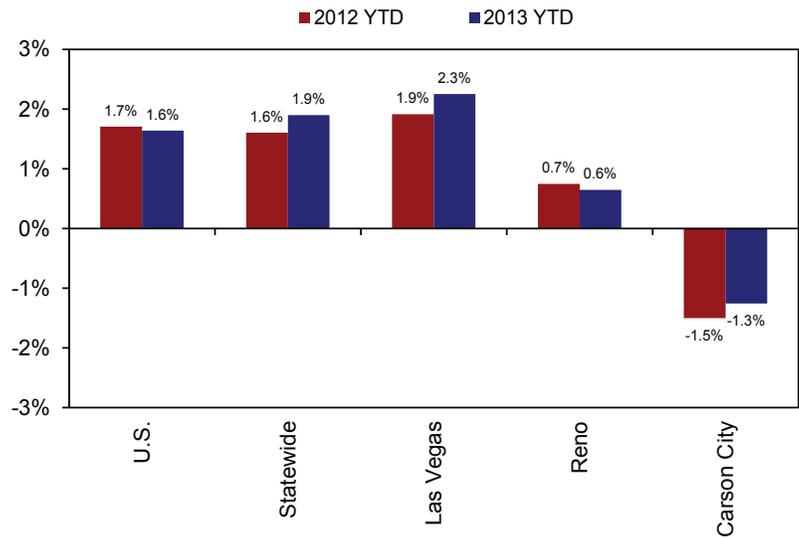
- Nevada's year-over-year job growth rate is above the nation's by 0.2 percent in December.
- Industrial employment in Nevada grew at a rate of 1.8 percent relative to a year prior, equating to a gain of 21,500 jobs.
- For the U.S., December job readings were up 1.6 percent relative to December 2012, equating to a gain of 219,300 jobs.

Job Growth
(Year-Over-Year Percent Change)
U.S. vs Nevada



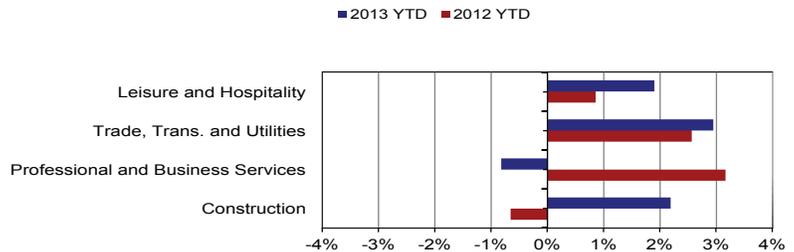
- The year-to-date annual rate of change in jobs remains better than a year ago for Nevada.
- The Las Vegas MSA's job count is 2.3 percent higher YTD in December relative to the same period in 2012.
- In the Reno-Sparks MSA, YTD job readings have increased by 0.6 percent since 2012.
- In Carson City, employment fell 1.3 percent YTD, and is the only metro area to have fewer jobs now than the same period as last year.

Job Growth by Region
(YTD through December, Not Seasonally Adjusted)



- Jobs in the State's largest industry, leisure and hospitality, are up 1.9 percent YTD through December. A year earlier, YTD job readings were up 0.9 percent over the same time frame.
- Jobs in the trade, transportation, and utilities sectors are up 2.9 percent YTD relative to the same time frame in 2012.
- The professional and business services sector decreased 0.8 percent YTD through December 2013 from a year earlier.
- Jobs in construction increased over the past year equating to a 2.2 percent YTD increase.

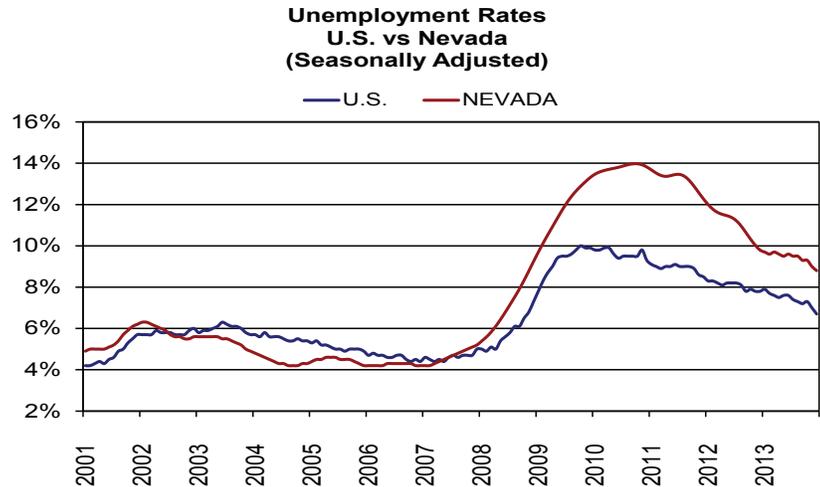
Job Growth by Industry
(YTD through December, Not Seasonally Adjusted)



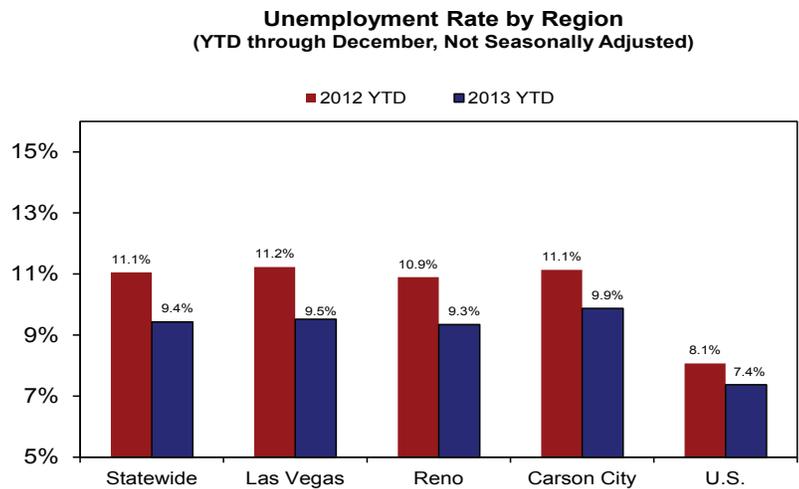
Trends at a Glance

Unemployment

- December's seasonally adjusted unemployment rate in Nevada decreased by 0.2, to 8.8 percent.
- Nationally, the unemployment rate decreased by 0.3 percentage point from November to December to 6.7 percent.
- Nevada is no longer tied for the highest unemployment rate in the nation; that distinction goes to Rhode Island with a rate of 9.1 percent. However, Nevada's rate exceeds the national average by 2.1 percentage points.



- At 9.4 percent, the statewide unadjusted unemployment rate decreased 1.6 percentage points YTD from 2012 to 2013.
- The Las Vegas-Paradise MSA recorded an unemployment rate of 9.5 percent YTD through December, a 1.7 point decrease over-the-year.
- The Reno-Sparks MSA's jobless rate was 9.3 percent YTD through December. This equates to a decrease of 1.6 percentage points compared to the same period last year.
- The jobless rate in Carson City was 9.9 percent YTD through December, down 1.3 percentage points over 2013.



- Unemployment Insurance Statistics:
We are not reporting UI information this month due to potential volatility in the data as a result of the conversion to UInv, DETR's modernized computer system. Once data is available, we will look at all affected periods and make every attempt to provide a clearer picture of claim activity during the transition period.

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

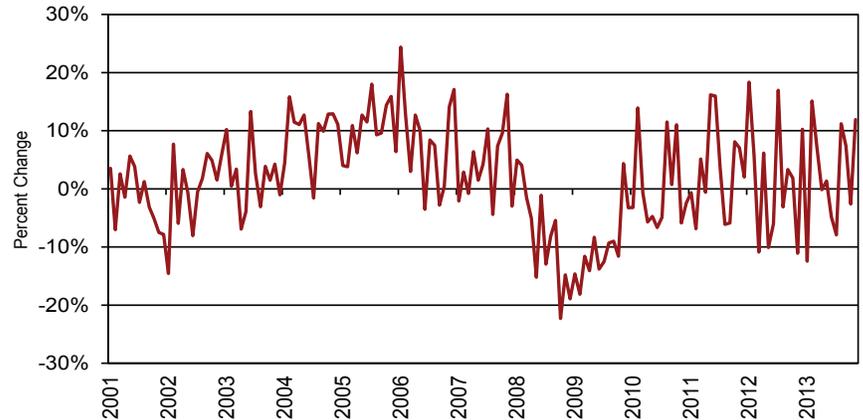


Trends at a Glance

Economic Indicators

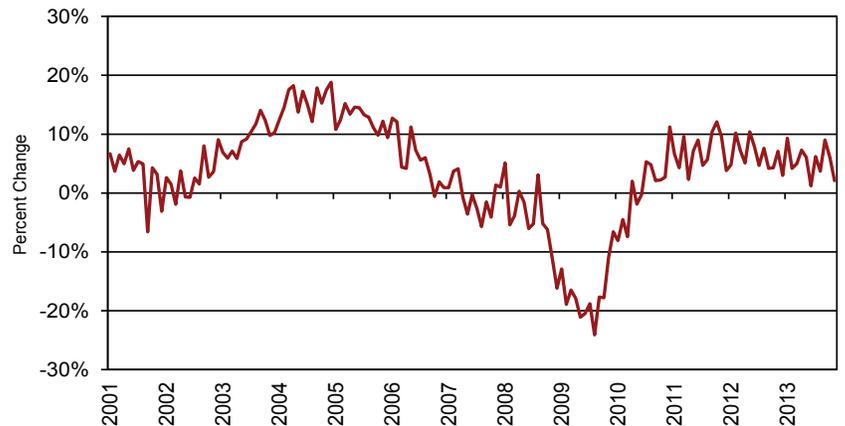
- Nevada's non-restricted gaming licensees reported a 11.9 percent increase in gaming win compared to November 2012.
- For the fiscal year-to-date, gaming win has increased 3.3 percent.

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



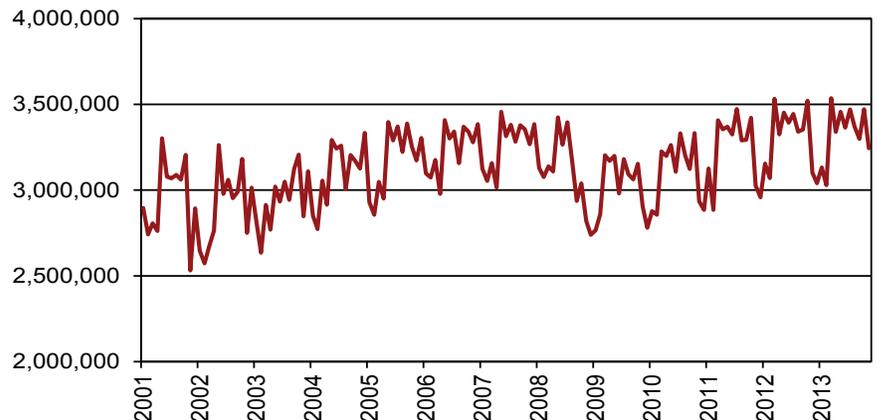
- In November, taxable sales increased 2.1 percent over November 2012 with collections totaling 3.71 million.

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



- Las Vegas visitor volume increased 141,679 in November relative to a year prior, a 4.6 percent increase.
- Year-to-date, visitor volume increased 0.1 percent in 2013 compared to a year earlier.

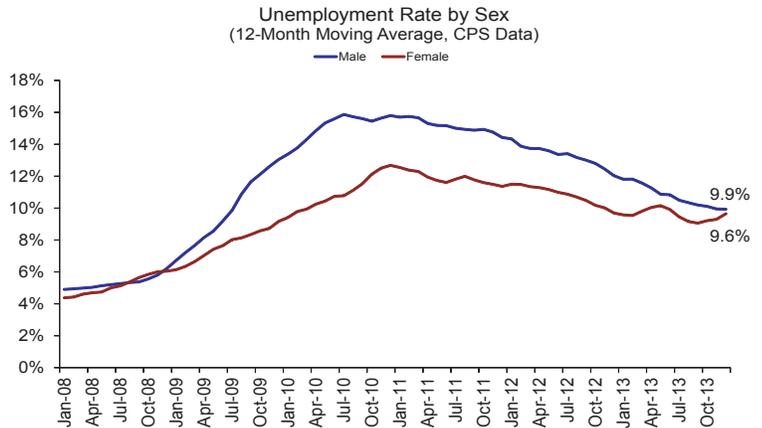
Las Vegas Monthly Visitor Volume



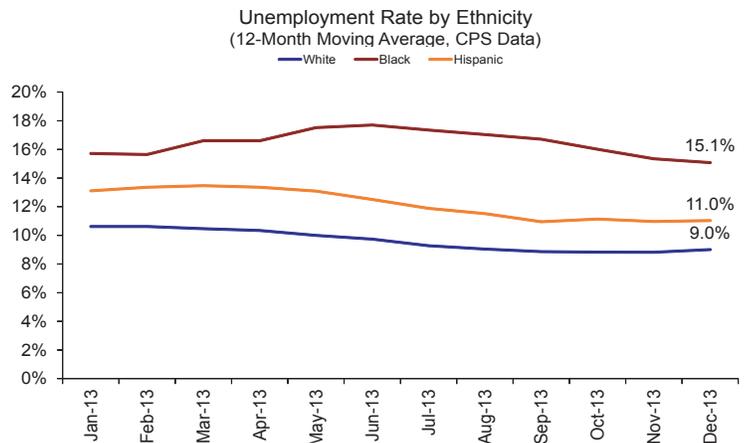
Trends at a Glance

Demographics of the Unemployed

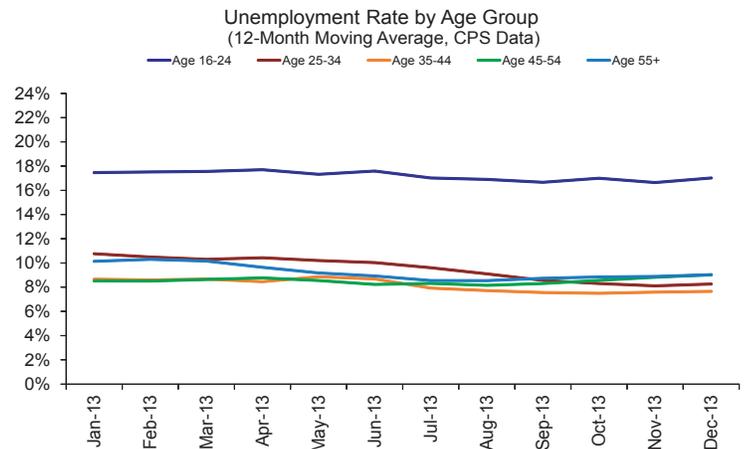
- The 12 month average unemployment rate for men in Nevada was 9.9 percent in December, maintaining the same rate as last month.
- Continuing its trend, the female unemployment rate increased to 9.6 percent from 9.3 percent.
- This is the highest the female unemployment rate has been since June of 2013.



- The 12 month average unemployment rate for Nevada’s Hispanic labor force remained the same in December at 11.0 percent.
- The rate for Nevada’s unemployed Black labor force decreased by 0.2 to 15.1 percent.
- The unemployment rate for Nevada’s white labor force increased by 0.2 from November to December, ending at 9.0 percent.



- Nevada’s youngest workers, age 16-24, experienced the highest unemployment rate of any age group in the State, coming in at 17.0 percent for the 12 month average, ending in December.
- The unemployment rate for workers age 25-34 was 8.3 percent and is up by 0.2 percentage point since last month.
- The lowest unemployment rate for any age group in Nevada goes to the 35-44 year olds. For the 12 month average ending in December, this group had an unemployment rate of 7.7 percent.

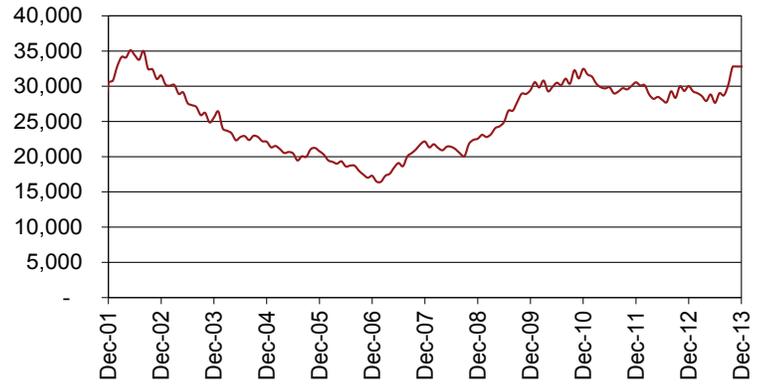


Trends at a Glance

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, reducing out-of-wedlock pregnancies and encouraging 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 December, 32,721 individuals were receiving assistance. Since December of last year, the level of assistance increased by 9.0 percent, or 2,690 more recipients.

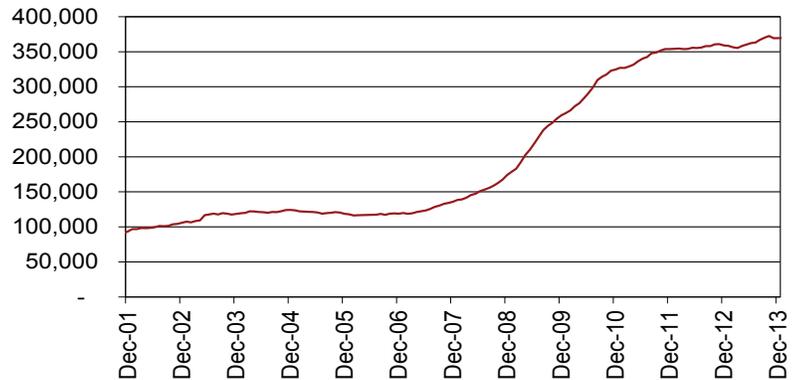
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



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.
- In December, 370,544 Nevadans participated in the program. Over-the-year, the number of participants receiving assistance had an increase of 3.2 percent, or 11,652 more recipients.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



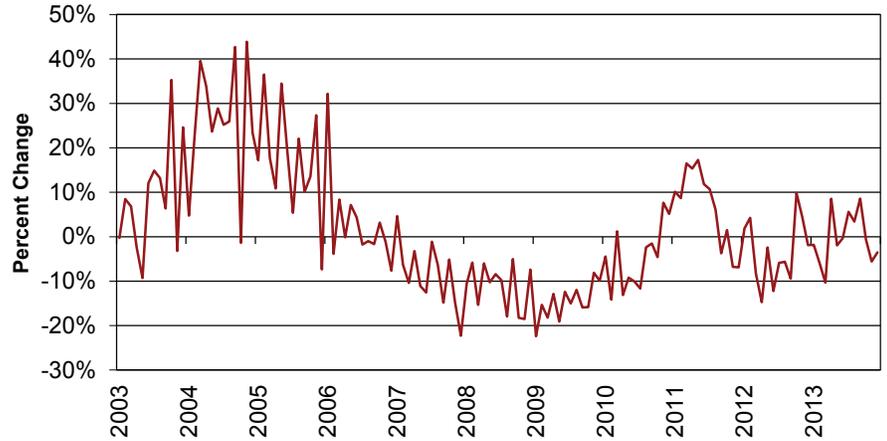
Source: Nevada Department of Health and Human Services

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 December, new business filings were down 3.5 percent over December 2012. Year-to-date the formation of new businesses are up 0.5 percent compared to the same period last year.

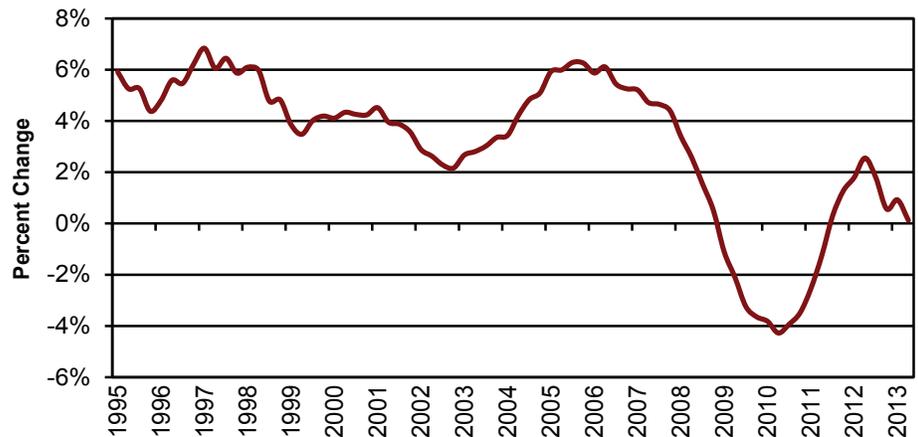
Business Entity Formations
(Year-Over-Year Percentage Change)



Source: Nevada Secretary of State

- The State unemployment insurance (UI) contribution operations report identifies the number of UI-liable employers processed each quarter.
- During the second quarter of 2013 there were 57,595 employers subject to UI taxes. Compared to the same quarter in 2012, there are 72 more employers in the program, a 0.1 percent increase.

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



Macroeconomic Fundamentals

The U.S. economy gained an average of 172,000 seasonally adjusted jobs in the fourth quarter, slightly above the third quarter average increase of 167,000 jobs. The job market posted slow, but steady gains in 2013 when job growth averaged 182,000 per month, slightly down from 183,000 in 2012. December disappointed the markets with dismal job gains of 74,000, the smallest gain in three years. The unemployment rate fell to 6.7 percent in December, driven mostly by people dropping out of the labor force, a proportion of those job seekers became discouraged. The unemployment rate has been falling since 2010 when it reached 9.6 percent. In 2013, the unemployment rate edged down to 7.4 percent from 8.1 percent the year earlier. Although job growth has approached 200,000 per month and has been enough to drive down the unemployment rate, the decline in the unemployment rate is not entirely due to gains in employment. The rate has been partially falling due to shrinking labor force.

The labor-force participation rate, which is the share of working age people who are either employed or looking for work, has been falling and currently stands at 62.8 percent, a four-decade low. In fact, the participation rate peaked at 67.1 between the years 1997 and 2000, but has been in a steady decline since then. So, the decline started well before the recent recession. Much of the fall in the labor force participation rate is due to non-worrisome factors. The low labor force participation rate is a result of long-term structural changes, such as an aging population, but also is an outcome of cyclical factors.

Even though the job market is improving, millions of Americans have been out of work for years and have become discouraged by their inability to find work. The number of long-term

unemployed, those who have been out of work for 27 weeks or more, fell to 4.3 million in 2013. Although, the number of long-term unemployed is in decline, last year they made up 37.6 percent of the total unemployed. A persistent, high number of long-term unemployed poses a risk for cyclical unemployment eventually turning into structural unemployment.

Ostensibly, the U.S. economy hit a growth stride in the third quarter when output expanded 4.1 percent, the fastest pace in two years. Still, the report should be read with caution. The details reveal that almost half of the increase came from firms piling up goods for inventory. Government made a small but its first positive contribution this year. In the last three years, federal fiscal policy has been contractionary as a result of deficit reduction measures passed by Congress. Combined with the fiscal drag from the cuts in spending by the state and local governments, public sector spending cuts have restrained economic growth. The overall pace of the U.S. economic recovery has been lackluster since it began in mid-2009 and the output gap still remains large. Nonetheless, after six years of a shaky recovery, it seems that several indicators are pointing toward stronger economic growth in 2014.

The third quarter GDP report showed that the personal consumption expenditures (PCE) price index increased 1.9 percent annualized, after falling 0.1 percent in the prior quarter. A better measure of inflation is the core PCE deflator, which excludes food and energy due to their volatility. The core measure rose by 1.4 percent annualized. Inflation remains low and is well below the Fed's long-run goal of two percent.

The Federal Reserve policy remains highly accommodative even though the

Fed announced a reduction in the quantitative easing program. With regards to the Fed's rate guidance, the Fed signaled that it will keep the federal funds rate near zero as long as unemployment exceeds 6.5 percent and the outlook for inflation doesn't go above 2.5 percent in the next year or two. Since the unemployment rate is declining probably faster than the Fed had expected, falling to 6.7 percent in December, the Fed is likely to maintain the current target for the federal funds rate well past the time when it declines below the 6.5 percent threshold, given that inflation will remain below their long-term goal.

Homebuilding activity moderated in December after the fastest acceleration since February 2008 in the previous month. In December, housing starts fell to 999,000 units at an annualized pace, a decline of 9.8 percent from the prior month and flat year-over year. Permits declined by 3.1 percent to 986,000 units annualized. Housing starts have recovered from their low of 554,000 in 2009. In 2013, housing starts were at 928,000 units, the highest level since 2007 and an 18.4 percent increase from 2012. Even though, housing starts are on the mend, last year's total is still only about half the level reached in 2005. Permit activity shows a similar trend. Last year, building permits reached 963,000 units, slightly less than half the permits issued in 2005.

Gains in home prices show signs of slowing. The Federal Housing Finance Agency's purchase-only index increased marginally in November. The November index, yet marginal, marks the twenty-second consecutive monthly price increase. Although home prices are up 7.6 percent on a seasonally adjusted basis from a year earlier, the index declined from the annual gain of 8.1 percent recorded the previous month. In November, the index is 8.9 percent below the April 2007 peak.

Macroeconomic Fundamentals

Price gains have been driven by affordability, investor demand, and low supply. The momentum for the ongoing housing recovery is expected to continue and will be supported with rising household formations and improving household balance sheets, despite several remaining headwinds. Distressed inventory will need to be worked off and stronger job and income growth are required for sustainable strength in the housing market. The housing market is unlikely to sustain its recent gains as home prices and interest rates rise.

Consumer confidence improved in January. The Conference Board's index of consumer confidence increased to 80.7 in January, a 3.2 point increase from December, and is at the highest level since August, before all the political gridlock. Consumer confidence is an important indicator of near-term economic growth because consumer spending accounts for about two-thirds of U.S. economic activity. Consumer sentiment was not captured as optimistic in the January survey conducted by the University of Michigan. The index slid 2.1 points from 82.5 in December. Overall, the consumer sentiment index shows a similar improving pattern in consumer optimism as the consumer confidence index. Yet both indexes remain well below the pre-recessionary levels and show that consumers are still cautious.

The December report on industrial production shows that the ISM manufacturing index slipped to 57, a 0.3 percentage point decline from the prior month, suggesting a slightly slower expansion in December (readings greater than 50 indicate expansion and an index level below 50 suggests a contraction in activity). Yet, the ISM index has shown encouraging trends. The production subcomponent has expanded for seven consecutive

months. Service industries expanded at a slower pace, indicating the economy lost some momentum in the last quarter. The nonmanufacturing index fell to 53 from 53.9 in November, but is still in the growth mode.

Weak income growth is holding back consumption. The income growth needed to boost spending sustainably has been slow moving as a result of the sluggish labor market. On a year-ago basis, personal income growth is 2.3 percent higher than a year ago in November. Inflation adjusted income and consumption were up 1.5 and 2.6 percent from a year earlier, respectively. Real disposable income growth advanced only 0.6 percent in November year-over-year.

Last year, global economic growth remained subdued. For 2014, the global economic outlook is improving but remains weak. The world enters a new year with a stronger U.S. economy, but slowly recovering European economies. Emerging markets' currencies have come under pressure from capital outflows as investors are reallocating capital on the expectations of future increase in interest rate in the U.S. The slowdown in the rate of economic growth in China is stabilizing and recovery is likely to continue in Japan.

Susanna Powers, Economist

Employment and Labor Force Summary

Nevada

Employment By Industry

(Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013- 2012	Dec12- Dec13	Dec 13- Nov13	2013- 2012
Total Nonfarm Employment	1185.7	1164.2	1184.2	21.5	1.5	21.2	1.8%	0.1%	1.9%
Goods Producing Industries	110.8	110.3	110.9	0.5	-0.1	2.6	0.5%	-0.1%	2.4%
Natural Resources and Mining	16.9	15.9	16.9	1.0	0.0	1.0	6.3%	0.0%	6.4%
Construction	54.1	55.0	54.4	-0.9	-0.3	1.1	-1.6%	-0.6%	2.2%
Manufacturing	39.8	39.4	39.6	0.4	0.2	0.5	1.0%	0.5%	1.2%
Service Producing Industries	1074.9	1053.9	1073.3	21.0	1.6	18.7	2.0%	0.1%	1.8%
Trade, Transportation & Utilities	238.8	228.6	237.6	10.2	1.2	6.5	4.5%	0.5%	3.0%
Wholesale	36.0	34.2	35.5	1.8	0.5	1.8	5.3%	1.4%	5.6%
Retail	148.0	140.0	147.8	8.0	0.2	4.3	5.7%	0.1%	3.3%
Trans, Warehousing and Utilities	54.8	54.4	54.3	0.4	0.5	0.4	0.7%	0.9%	0.7%
Information	12.6	12.5	12.5	0.1	0.1	0.1	0.8%	0.8%	0.6%
Financial Activities	54.8	55.5	54.6	-0.7	0.2	0.9	-1.3%	0.4%	1.7%
Finance and Insurance	29.9	31.7	29.8	-1.8	0.1	-0.3	-5.7%	0.3%	-0.9%
Professional & Business Services	144.6	142.4	144.4	2.2	0.2	-1.1	1.5%	0.1%	-0.8%
Education & Health Services	112.6	108.3	111.9	4.3	0.7	3.5	4.0%	0.6%	3.3%
Health Care and Social Assistance	102.2	98.7	101.6	3.5	0.6	3.6	3.5%	0.6%	3.7%
Leisure & Hospitality	322.9	321.6	324.4	1.3	-1.5	5.9	0.4%	-0.5%	1.9%
Casino Hotels	176.5	177.2	175.6	-0.7	0.9	-0.4	-0.4%	0.5%	-0.2%
Food Services and Drinking Places	106.9	103.7	109.2	3.2	-2.3	6.6	3.1%	-2.1%	6.6%
Other Services	33.1	33.0	33.4	0.1	-0.3	0.2	0.3%	-0.9%	0.7%
Government	155.5	152.0	154.5	3.5	1.0	2.6	2.3%	0.6%	1.7%

Labor Force and Unemployment

(Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013-2012	Dec12- Dec13	Dec 13- Nov13	2013-2012
Total Labor Force	1359.7	1367.7	1363.6	-8.0	-3.9	-9.2	-0.6%	-0.3%	-0.7%
Unemployment	119.1	134.5	115.8	-15.4	3.3	-23.3	-11.5%	2.9%	-15.3%
Unemployment Rate (NSA)	8.8%	9.8%	8.5%	**	**	**	**	**	**
Unemployment Rate (SA)	7.6%	9.8%	7.8%	**	**	**	**	**	**
Total Employment	1240.6	1233.1	1247.8	7.5	-7.2	14.2	0.6%	-0.6%	1.2%

Size Class of Industries - Second Quarter 2013 (Non-Government Worksites)

Largest Private Employers Second Quarter 2013

Avg Wages By Industry QCEW Data Second Quarter 2013

Sizeclass	Employees Per Worksite	Employment in Size Class	Number of Worksites	Trade Name	Industry	Sizeclass	Industry	Weekly Wage
01	0-4	61,033	43,014	WYNN LAS VEGAS	Casino Hotels	8000 to 8499	Total, All Industries	\$804
02	5-9	81,325	12,176	MGM GRAND HOTEL/CASINO	Casino Hotels	7500 to 7999	Natural Resources and Mining	\$1,473
03	10-19	119,106	8,756	BELLAGIO LLC	Casino Hotels	7500 to 7999	Construction	\$975
04	20-49	163,254	5,478	ARIA RESORT & CASINO LLC	Casino Hotels	7000 to 7499	Manufacturing	\$981
05	50-99	125,662	1,849	MANDALAY BAY RESORT & CASINO	Casino Hotels	6500 to 6999	Trade, Transportation and Utilities	\$725
06	100-249	141,013	957	CAESARS PALACE	Casino Hotels	6000 to 6499	Information	\$1,093
07	250-499	79,072	228	THE VENETIAN CASINO RESORT	Casino Hotels	4000 to 4499	Financial Activities	\$1,027
08	500-999	68,514	102	MIRAGE CASINO-HOTEL, THE	Casino Hotels	4000 to 4499	Professional and Business Services	\$1,006
09	1000+	180,520	78	THE COSMOPOLITAN OF LAS VEGAS	Casino Hotels	4000 to 4499	Education and Health Services	\$946
				THE PALAZZO CASINO RESORT	Casino Hotels	3500 to 3999	Leisure and Hospitality	\$594
				BALLY'S CASINO HOTEL	Casino Hotels	3000 to 3499	Other Services	\$636
				ENCORE LAS VEGAS	Casino Hotels	3000 to 3499	Unclassified	\$1,157
	Total	1,019,499	72,638					

Employment and Labor Force Summary

Las Vegas-Paradise

Employment By Industry (Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013- 2012	Dec12- Dec13	Dec 13- Nov13	2013- 2012
Total Nonfarm Employment	855.4	838.7	857.0	16.7	-1.6	18.2	2.0%	-0.2%	2.2%
Goods Producing Industries	56.7	60.0	57.0	-3.3	-0.3	0.3	-5.5%	-0.5%	0.5%
Natural Resources and Mining	0.2	0.3	0.3	-0.1	-0.1	0.0	-33.3%	-33.3%	-2.8%
Construction	36.2	39.5	36.7	-3.3	-0.5	0.2	-8.4%	-1.4%	0.6%
Manufacturing	20.3	20.2	20.0	0.1	0.3	0.0	0.5%	1.5%	0.2%
Service Producing Industries	798.7	778.7	800.0	20.0	-1.3	18.0	2.6%	-0.2%	2.3%
Trade, Transportation & Utilities	168.4	161.5	168.0	6.9	0.4	4.2	4.3%	0.2%	2.7%
Wholesale	20.9	20.5	20.8	0.4	0.1	0.4	2.0%	0.5%	2.0%
Retail	110.9	104.4	110.9	6.5	0.0	4.1	6.2%	0.0%	4.2%
Trans, Warehousing and Utilities	36.6	36.6	36.3	0.0	0.3	-0.3	0.0%	0.8%	-0.8%
Information	9.1	9.6	9.0	-0.5	0.1	-0.2	-5.2%	1.1%	-2.0%
Financial Activities	42.2	42.2	42.7	0.0	-0.5	0.7	0.0%	-1.2%	1.6%
Finance and Insurance	23.3	23.6	23.4	-0.3	-0.1	0.1	-1.3%	-0.4%	0.3%
Professional & Business Services	111.0	106.4	111.2	4.6	-0.2	3.5	4.3%	-0.2%	3.3%
Education & Health Services	79.3	76.2	78.8	3.1	0.5	1.9	4.1%	0.6%	2.5%
Health Care and Social Assistance	68.0	68.8	67.8	-0.8	0.2	0.3	-1.2%	0.3%	0.5%
Leisure & Hospitality	263.9	263.6	266.6	0.3	-2.7	4.5	0.1%	-1.0%	1.7%
Casino Hotels	151.4	152.7	151.7	-1.3	-0.3	-0.3	-0.9%	-0.2%	-0.2%
Food Services and Drinking Places	84.7	81.6	86.8	3.1	-2.1	5.3	3.8%	-2.4%	6.7%
Other Services	24.1	23.9	24.1	0.2	0.0	0.3	0.8%	0.0%	1.4%
Government	100.7	95.3	99.6	5.4	1.1	3.1	5.7%	1.1%	3.3%

Labor Force and Unemployment (Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013-2012	Dec12- Dec13	Dec 13- Nov13	2013-2012
Total Labor Force	983.1	987.9	987.0	-4.8	-3.8	-1.3	-0.5%	-0.4%	-0.1%
Unemployment	87.4	98.4	85.1	-10.9	2.3	-13.1	-11.1%	2.7%	-11.8%
Unemployment Rate	8.9%	10.0%	8.6%	**	**	**	**	**	**
Total Employment	895.7	889.6	901.9	6.2	-6.1	11.8	0.7%	-0.7%	1.3%

Size Class of Industries - Second Quarter 2013 (Non-Government Worksites)

Largest Private Employers Second Quarter 2013

Avg Wages By Industry QCEW Data Second Quarter 2013

Sizeclass	Employees Per Worksite	Employment in Size Class	Number of Worksites	Trade Name	Industry	Sizeclass	Industry	Weekly Wage
01	0-4	40,188	29,221	WYNN LAS VEGAS	Casino Hotels	8000 to 8499	Total, All Industries	\$793
02	5-9	54,133	8,069	MGM GRAND HOTEL/CASINO	Casino Hotels	7500 to 7999	Natural Resources and Mining	\$983
03	10-19	81,358	5,955	BELLAGIO LLC	Casino Hotels	7500 to 7999	Construction	\$987
04	20-49	112,474	3,765	ARIA RESORT & CASINO LLC	Casino Hotels	7000 to 7499	Manufacturing	\$998
05	50-99	91,370	1,339	MANDALAY BAY RESORT & CASINO	Casino Hotels	6500 to 6999	Trade, Transportation and Utilities	\$712
06	100-249	104,062	707	CAESARS PALACE	Casino Hotels	6000 to 6499	Information	\$1,106
07	250-499	56,222	161	THE VENETIAN CASINO RESORT	Casino Hotels	4000 to 4499	Financial Activities	\$1,016
08	500-999	53,625	79	MIRAGE CASINO-HOTEL, THE	Casino Hotels	4000 to 4499	Professional and Business Services	\$1,000
09	1000+	154,667	62	THE COSMOPOLITAN OF LAS VEGAS	Casino Hotels	4000 to 4499	Education and Health Services	\$950
				THE PALAZZO CASINO RESORT	Casino Hotels	3500 to 3999	Leisure and Hospitality	\$631
				UNIVERSITY MEDICAL CTR OF S NV	General Medical & Surgical H	3500 to 3999	Other Services	\$609
				BALLY'S CASINO HOTEL	Casino Hotels	3000 to 3499	Unclassified	\$1,093
	Total	748,099	49,358					

Employment and Labor Force Summary

Reno-Sparks

Employment By Industry (Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013- 2012	Dec12- Dec13	Dec 13- Nov13	2013- 2012
Total Nonfarm Employment	196.9	194.3	196.6	2.6	0.3	1.3	1.3%	0.2%	0.7%
Goods Producing Industries	20.8	20.7	20.8	0.1	0.0	-0.2	0.5%	0.0%	-1.0%
Natural Resources and Mining	0.2	0.2	0.2	0.0	0.0	-0.1	0.0%	0.0%	-22.9%
Construction	9.3	9.0	9.3	0.3	0.0	-0.1	3.3%	0.0%	-0.8%
Manufacturing	11.3	11.5	11.3	-0.2	0.0	-0.1	-1.7%	0.0%	-0.6%
Service Producing Industries	176.1	173.6	175.8	2.5	0.3	1.5	1.4%	0.2%	0.9%
Trade, Transportation & Utilities	46.1	43.9	46.2	2.2	-0.1	0.6	5.0%	-0.2%	1.3%
Wholesale	8.9	8.7	9.0	0.2	-0.1	0.0	2.3%	-1.1%	-0.3%
Retail	23.3	22.0	23.4	1.3	-0.1	0.3	5.9%	-0.4%	1.4%
Trans, Warehousing and Utilities	13.9	13.2	13.8	0.7	0.1	0.3	5.3%	0.7%	2.3%
Information	2.0	2.0	1.9	0.0	0.1	0.0	0.0%	5.3%	-1.2%
Financial Activities	9.1	9.0	9.0	0.1	0.1	0.1	1.1%	1.1%	1.0%
Finance and Insurance	5.6	5.5	5.6	0.1	0.0	0.0	1.8%	0.0%	0.3%
Professional & Business Services	25.8	26.1	25.5	-0.3	0.3	-1.0	-1.1%	1.2%	-3.9%
Education & Health Services	22.2	21.8	22.2	0.4	0.0	0.2	1.8%	0.0%	0.9%
Leisure & Hospitality	35.6	34.6	35.9	1.0	-0.3	1.3	2.9%	-0.8%	3.9%
Casino Hotels	14.6	14.3	14.6	0.3	0.0	-0.1	2.1%	0.0%	-0.7%
Food Services and Drinking Places	13.6	13.1	13.9	0.5	-0.3	0.5	3.8%	-2.2%	3.9%
Other Services	6.0	6.1	6.0	-0.1	0.0	-0.1	-1.6%	0.0%	-0.9%
Government	29.3	30.1	29.1	-0.8	0.2	0.4	-2.7%	0.7%	1.3%

Labor Force and Unemployment (Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013- 2012	Dec12- Dec13	Dec 13- Nov13	2013- 2012
Total Labor Force	220.4	223.3	220.2	-2.9	0.2	-2.0	-1.3%	0.1%	-0.9%
Unemployment	18.6	21.5	18.0	-3.0	0.5	-1.7	-13.9%	3.0%	-7.0%
Unemployment Rate	8.4%	9.6%	8.2%	**	**	**	**	**	**
Total Employment	201.8	201.7	202.2	0.1	-0.4	-0.3	0.0%	-0.2%	-0.1%

Size Class of Industries - Second Quarter 2013
(Non-Government Worksites)

Sizeclass	Employees Per Worksite	Employment in Size Class	Number of Worksites
01	0-4	11,774	7,824
02	5-9	15,444	2,334
03	10-19	23,348	1,723
04	20-49	31,417	1,057
05	50-99	20,644	308
06	100-249	24,483	163
07	250-499	12,662	35
08	500-999	6,087	9
09	1000+	17,157	10
	Total	163,016	13,463

Largest Private Employers Second Quarter 2013

Trade Name	Industry	Sizeclass
RENOWN REGIONAL MEDICAL CENTER	General Medical & Surgical	2500 to 2999
PEPPERMILL HOTEL CASINO - RENO	Casino Hotels	2000 to 2499
IGT	All Other Misc. Manufacturir	2000 to 2499
SILVER LEGACY RESORT CASINO	Casino Hotels	1500 to 1999
ATLANTIS CASINO RESORT	Casino Hotels	1500 to 1999
ELDORADO HOTEL & CASINO	Casino Hotels	1000 to 1499
GRAND SIERRA RESORT AND CASINO	Casino Hotels	1000 to 1499
SAINT MARYS	General Medical & Surgical	1000 to 1499
CIRCUS CIRCUS CASINOS - RENO	Casino Hotels	1000 to 1499
SPARKS NUGGET INC.	Casino Hotels	1000 to 1499
UNITED PARCEL SERVICE	Couriers	900 to 999
INTEGRITY STAFFING SOLUTIONS	Temporary Help Services	900 to 999
WEST BUSINESS SOLUTIONS LLC	Telemarketing Bureaus	800 to 899
HARRAHS RENO	Casino Hotels	600 to 699

QCEW Data
Avg Wages By Industry
Second Quarter 2013

Industry	Weekly Wage
Total, All Industries	\$790
Natural Resources and Mining	\$1,265
Construction	\$912
Manufacturing	\$949
Trade, Transportation and Utilities	\$738
Information	\$1,069
Financial Activities	\$1,121
Professional and Business Services	\$975
Education and Health Services	\$969
Leisure and Hospitality	\$421
Other Services	\$688
Unclassified	\$1,371

Employment and Labor Force Summary

Carson City

Employment By Industry

(Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013- 2012	Dec12- Dec13	Dec 13- Nov13	2013- 2012
Total Nonfarm Employment	27.4	27.9	27.2	-0.5	0.2	-0.4	-1.8%	0.7%	-1.3%
Goods Producing Industries	3.3	3.5	3.4	-0.2	-0.1	0.0	-5.7%	-2.9%	-0.7%
Manufacturing	2.6	2.6	2.6	0.0	0.0	0.0	0.0%	0.0%	-1.6%
Service Producing Industries	24.1	24.4	23.8	-0.3	0.3	-0.3	-1.2%	1.3%	-1.4%
Trade, Transportation & Utilities	4.0	3.9	4.0	0.1	0.0	0.1	2.6%	0.0%	2.0%
Retail	3.1	3.0	3.1	0.1	0.0	0.1	3.3%	0.0%	2.3%
Professional & Business Services	2.1	2.0	2.1	0.1	0.0	0.0	5.0%	0.0%	-2.0%
Leisure & Hospitality	3.5	3.4	3.4	0.1	0.1	0.1	2.9%	2.9%	3.8%
Government	9.3	9.6	9.2	-0.3	0.1	0.0	-3.1%	1.1%	0.0%

Labor Force and Unemployment

(Estimates in Thousands)

	Dec13	Dec12	Nov13	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Dec12- Dec13	Dec 13- Nov13	2013- 2012	Dec12- Dec13	Dec 13- Nov13	2013- 2012
Total Labor Force	26.5	27.3	26.6	-0.8	-0.1	-0.6	-3.0%	-0.4%	-2.2%
Unemployment	2.5	2.8	2.4	-0.3	0.1	-0.2	-10.6%	2.7%	-4.8%
Unemployment Rate	9.3%	10.1%	9.0%	**	**	**	**	**	**
Total Employment	24.0	24.6	24.2	-0.5	-0.2	-0.5	-2.2%	-0.7%	-1.9%

Size Class of Industries - Second Quarter 2013 (Non-Government Worksites)

Sizeclass	Employees Per Worksite	Employment in Size Class	Number of Worksites
01	0-4	1,799	1,147
02	5-9	2,327	349
03	10-19	2,858	215
04	20-49	3,936	135
05	50-99	3,449	49
06	100-249	1,760	12
07	250-499	1,188	4
08	500-999	0	0
09	1000+	1,051	1
Total		18,368	1,912

Largest Private Employers Second Quarter 2013

Trade Name	Industry	Sizeclass
CARSON TAHOE HOSPITAL	General Medical & Surgical	1000 to 1499
CASINO FANDANGO	Casinos (except Casino Hote)	300 to 399
WAL-MART SUPERCENTER	Warehouse Clubs and Super	300 to 399
CLICK BOND INC	Bolts, Nuts, Screws, Rivets,	8200 to 299
PCC STRUCTURALS CARSON CITY	Steel Investment Foundries	200 to 299
GOLD DUST WEST CARSON CITY	Casino Hotels	200 to 299
CARSON CITY NUGGET	Casinos (except Casino Hote)	200 to 299
COSTCO WHOLESALE CORP	Warehouse Clubs and Super	100 to 199

Avg Wages By Industry QCEW Data Second Quarter 2013

Industry	Weekly Wage
Total, All Industries	\$801
Natural Resources and Mining	*
Construction	\$745
Manufacturing	\$972
Trade, Transportation and Utilities	\$700
Information	\$932
Financial Activities	\$892
Professional and Business Services	\$1,021
Education and Health Services	\$1,036
Leisure and Hospitality	\$377
Other Services	\$641
Unclassified	\$1,428

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