

# Economy In Brief



A Monthly Review of Workforce & Economic Information by the Research & Analysis Bureau-

## Economic Summary

Both the number of unemployed people (116,600) and the unemployment rate (8.5 percent) declined in February. The jobless rate has fallen by 0.5 percentage point since December. For reference the unemployment rate decline by 0.2 percentage point from January to February. Over-the-year, the number of unemployed people and the unemployment rate were down by 26,000 and 1.8 percentage points, respectively.

Among the major worker groups, the unemployment rates for adult men (9.4 percent), whites (8.6 percent), and Hispanics (10.8 percent) showed declines of at least two percentage points over-the-year in February based on a 12 month moving average (12mma). The jobless rates for blacks (15.5 percent) and females (9.8 percent) were nearly unchanged over-the-year. In January 2014, the unemployment rate for males dropped below that for females for the first time since late-2008. As many know, Nevada's hardest hit industry during the recession was construction, casting a lot of men into the ranks of the unemployed. Whereas the health-care sector, which is composed mostly of women, has grown for decades, even through the recession.

The number of long-term unemployed (those jobless for 27 weeks or more) decreased by 14,500 over-the-year in February to 51,600 (12mma); these individuals

accounted for 39 percent of the unemployed. Nationally, the long-term unemployed represent 37 percent of total unemployment. The number of people employed part-time for economic reasons (sometimes referred to as involuntary part-time workers) fell to an average of 88,900 (12mma) in February, compared to a reading of 94,900 last year. These individuals were working part-time because they were unable to find full-time work or their hours had been reduced.

According to the monthly household survey conducted by the Census Bureau for the Bureau of Labor Statistics, the jobs returning to the State are mostly full-time work. Of the jobs added over the year, about 88 percent are full-time and 12 percent are part-time. Noticeable gains in full-time work have been apparent since 2011. Whereas, part-time positions have remained relatively stable since 2009.

In February, 30,700 (12mma) people were marginally attached to the labor force, a decline of 4,300 over-the-year. These individuals were not in the labor force, wanted and had looked for a job sometime in the prior 12 months. They were not counted as unemployed because they had not searched for work in the four weeks prior to the survey.

Among the marginally attached, there were 15,200 (12mma) discouraged workers in February,

### Economic Indicators

#### UNEMPLOYMENT RATES FEB 2014

Nevada*	8.5%
Las Vegas MSA	8.6%
Reno-Sparks MSA	8.8%
Carson City MSA	9.9%
Elko Micropolitan Area	6.5%
United States*	6.7%
California*	8.0%

#### JOB GROWTH (YOY)\*

Nevada*	3.6%
Las Vegas MSA	3.4%
Reno-Sparks MSA	5.4%
Carson City MSA	-0.4%
United States*	1.6%
California*	2.2%

#### CONSUMER PRICE INDEX (YOY)

United States	1.6%
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#### GAMING WIN (YOY) FEB 2014

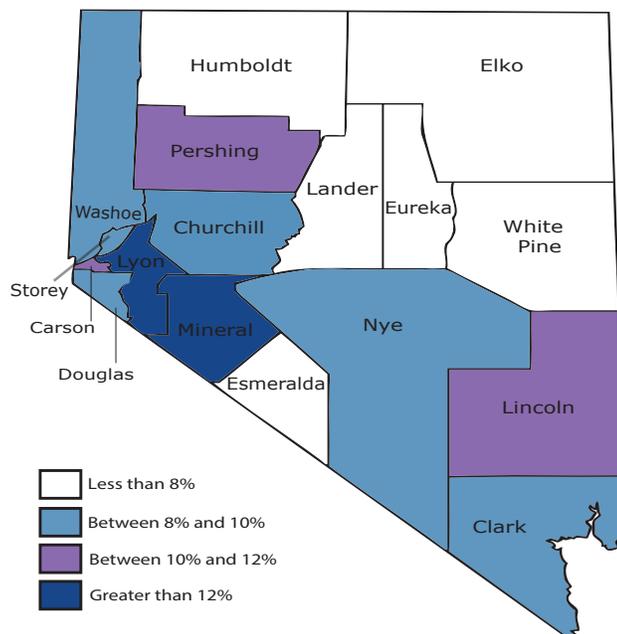
Nevada	-13.7%
Clark County	-15.2%
Washoe County	-1.4%

#### TAXABLE SALES (YOY) JAN 2013

Nevada	2.1%
Clark County	4.1%
Washoe County	7.5%

\* Seasonally Adjusted

Unemployment Rate by County



# Economic Summary

about the same as last year. Discouraged workers are people not currently looking for work because they believe no jobs are available for them. The remaining 15,500 marginally attached segment had not searched for work for reasons such as school attendance or family responsibilities.

Total nonfarm payroll employment rose by 3,000 in February over-the-month. Job growth averaged 3,400 per month over the prior 12 months. In February, job gains occurred in construction, trade/transportation/utilities, financial activities, and professional and business services. Jobs losses occurred in mining, education/health services, and other services. The remaining industries of manufacturing, leisure/hospitality, and government were little changed over the month. Total nonfarm payroll employment for January was revised from a monthly gain of 8,000 to 6,900.

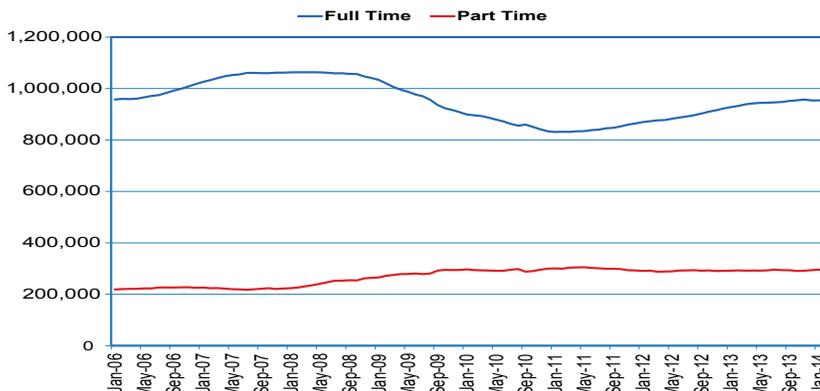
Employment in construction increased by 1,200 in February. Over the last 12 months, construction added an average of 500 jobs per month. Financial activities rose by 400, split equally between finance/insurance and real estate/rental/leasing.

In February, trade/transportation/utilities increased by 1,400 jobs, with retail (+1,300) supplying most of the growth. Wholesale trade declined by 200 and transportation/warehousing/utilities added 300. Over the prior 12 months, trade/transportation/utilities grew by an average of 800 jobs per month.

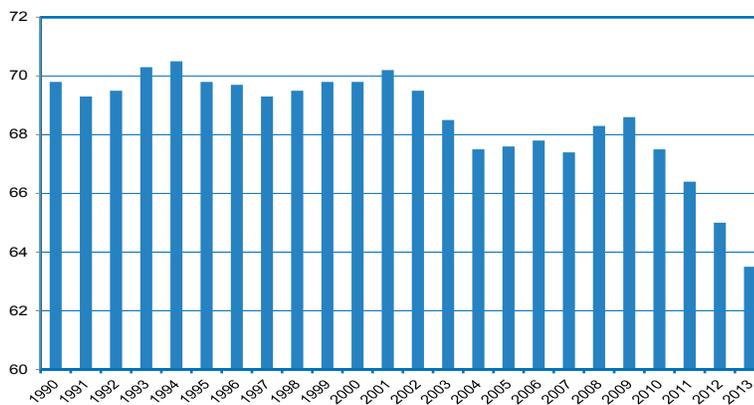
In 2013, Las Vegas retail trade matched its previous peak, set in 2007 at 100,100 jobs. Employment in 2014 is trending 6,600 higher than last year's year-to-date average. Retail trade employment in Las Vegas is now expanding after four years of recovery.

Employment in professional and business services increased by 1,600 in February. Within the industry, employment continued to trend up in professional/scientific/technical services

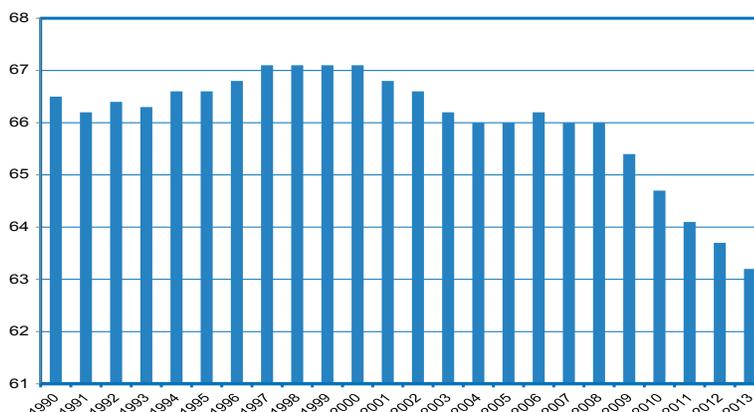
Full-Time vs. Part-Time Employment in Nevada (12-month moving average)



Nevada's Labor Force Participation Rate



United States Labor Force Participation Rate



# Economic Summary

(+1,100) and admin/support/waste management/remediation services (+600). Management of companies and enterprises fell by 100, and is down by 700 (-3.5 percent) over-the-year. Over the prior 12 months, professional and business services added an average of 900 jobs per month.

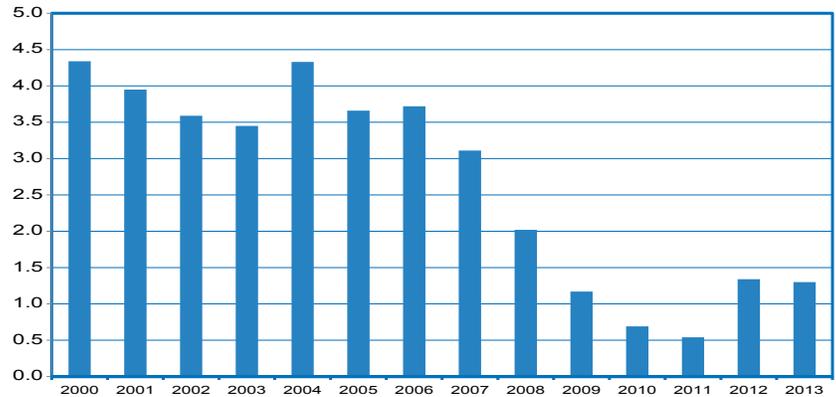
Employment in education/health services lost 1,300 jobs in February. All of the decline occurred in healthcare/social assistance, while education services was flat. Mining continues to exhibit a slow-down with a loss of 300 jobs from January to February, and has averaged a loss of 50 over the last 12 months.

Other services lost 600 jobs in February. After experiencing a small bounce back in 2012 of 2.7 percent, or 900 jobs, this industry was little changed in 2013. Over the last 12 months it has averaged a loss of 100 jobs a month.

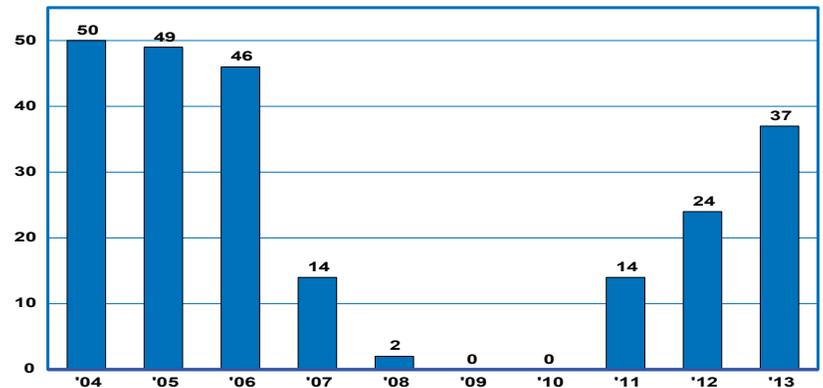
Carson City had the highest unemployment rate among the State's three metro areas in February at 9.9 percent. Las Vegas had the lowest jobless rate at 8.6 percent. The unemployment rate recorded in the Reno/Sparks area was 8.8 percent. Unadjusted sub-state unemployment rates all fell over-the-year, with the largest decline occurring in Reno/Sparks (-2.0 percentage points). Las Vegas nearly matched that fall with a drop of 1.9 percentage points, and Carson City's decline was 1.5 percentage points. The sub-state unemployment rates are not adjusted for seasonality, so a direct comparison to the statewide adjusted unemployment rate is not valid. For reference, the statewide unadjusted rate was 8.7 percent, down from 10.5 percent a year ago.

The largest over-the-year percentage increase in employment in the metro areas occurred in Reno/Sparks (+4.4 percent), followed by Las Vegas (+3.4 percent). An over-the-year percentage decrease in employment occurred in Carson City (-0.4 percent). Growth in the Reno/Sparks area has outpaced that of the other metro areas for the last six months.

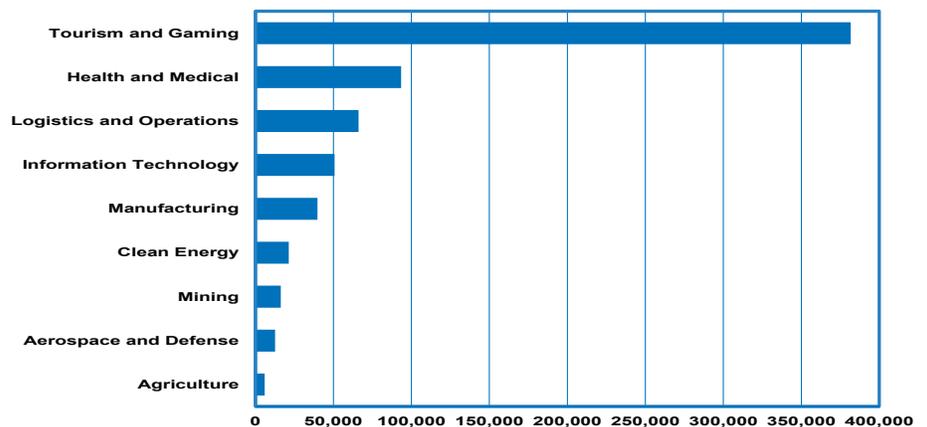
Nevada Population YOY % Change



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



Employment in Nevada's Economic Development Sectors



## Economic Summary

The civilian labor force participation rate in Nevada (63 percent) is approximately equal to that of the U.S. (63.1 percent). The labor force participation rate is the share of the population working or looking for work. Over-the-year the national rate declined by 0.5 percentage point, and Nevada's rate fell by 1.1 percentage point, partially reflecting the higher slack in Nevada's labor market. When not enough jobs are available, some may endure a long job search, while others will give up looking and drop out of the labor force entirely. According to the February Help Wanted On-line report, there are nearly three unemployed people for every online job advertisement.

Since December, Nevada's LFPR rate increased in spite of the expiration of the Extended Unemployment Compensation (EUC) insurance program. With the end of the EUC, some economists predicted further deterioration in the LFPR, but this has yet to materialize, at least in Nevada. In December, the seasonally adjusted LFPR was 62.7 percent, and in February it was 63 percent.

Nationally, the decline in the LFPR started in 2000 after peaking at 67.3 percent; it has since fallen to 63 percent. During 2004-2008, the decline leveled out. Then the Great Recession prompted further decline, leading to the idea of a dichotomous cause of the fall. Both are fairly well known at this point – the ageing of the workforce and a drawn out moderate recovery enticing the marginally attached to remain on the sidelines.

The employment-to-population rate (57.6 percent) increased marginally from February 2013 (57.4 percent), the first increase in seven years. What's more, is Nevada experienced the sixth fastest population growth rate in the nation from 2012-2013. More Nevadans have jobs and there are more Nevadans. The share of the Nevada population with a job has remained under 60 percent since mid-2009. The labor force (people aged 16+ working or actively looking for work) fell by

5,600 in February since last year -- the number of people with a job rose by 20,500, and the number of unemployed fell by 26,000.

The monthly job figures mentioned above are based on data from the Current Employment Statistics (CES), which uses a sample of businesses to estimate current movements in the labor market. A more accurate, but less timely, count of jobs is available using the Quarterly Census of Employment and Wages (QCEW). The QCEW data is available within six months after the end of each quarter. Cross-state analysis of QCEW employment, shows that Nevada was growing faster than 37 other states in 2013:IIIQ. The CES data indicates that Nevada's employment growth may have accelerated in the last quarter of 2013 and maintained the pace into 2014.

With jobs increasing in most sectors of the economy, workforce development efforts must also have a broad-based focus. Of the nine economic development sectors defined by the Governor's Office of Economic Development (GOED), tourism/gaming/entertainment is the largest with about 382,000 jobs. The next largest economic development focus is health and medical services. The sector has been growing steadily, but apparently not fast enough. Nevada has about two-thirds the national average of health-care workers given the size of the labor force. Without a robust healthcare industry, Nevada could be missing out on the pensions and savings retirees bring, sometimes from outside the region. When choosing a retirement location, most retirees will consider whether adequate healthcare services are available.

The aerospace and defense (A&D) sector (12,500) is about the same size as the mining sector (16,200). Mining is facing downward pressure and A&D is about to expand, so this may not be the case for long. Recently, Nevada inked its first deal with a unmanned aerial vehicle company. The number and type of jobs have yet to

be specified, but an economic impact study by GOED, estimated the FAA drone test site designation could bring 10,000 direct jobs to the State with an average wage of \$62,000.

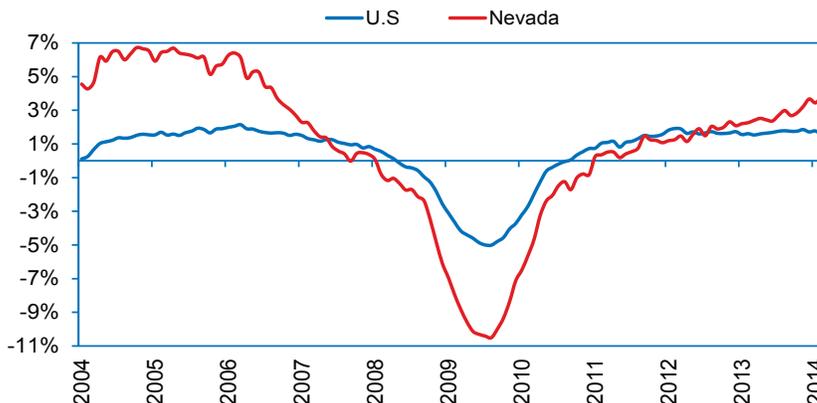
*Bill Anderson, Chief Economist  
Leannndra Copeland, Supervising  
Economist*

# Trends at a Glance

## Industrial Employment

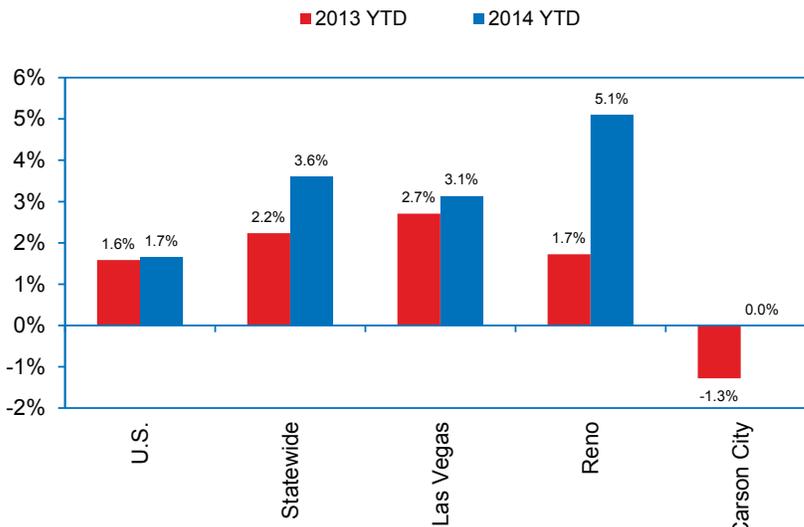
- Nevada's year-over-year job growth rate is above the nation's by 2 percentage points in February.
- Industrial employment in Nevada grew at a rate of 3.8 percent relative to a year prior, equating to a gain of 43,400 jobs.
- For the U.S., January job readings were up 1.5 percent relative to February 2013, equating to a gain of 2,071,000 jobs.

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



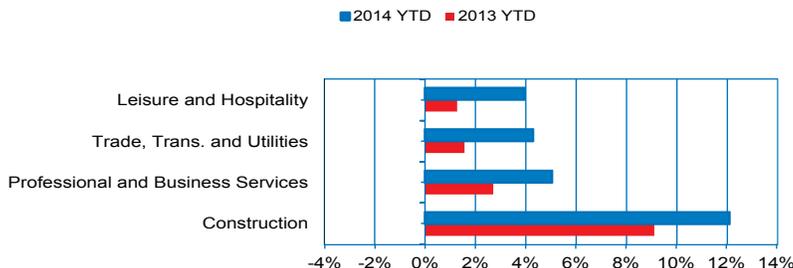
- The year-to-date annual rate of change in jobs remains better than a year ago for Nevada.
- The Las Vegas MSA's job count is 3.1 percent higher YTD in February relative to the same period in 2013.
- In the Reno-Sparks MSA, YTD job readings have increased by 5.81 percent since 2013.
- In Carson City, employment remained the same YTD.

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



- Jobs in the State's largest industry, leisure and hospitality, are up 3.9 percent YTD through February. A year earlier, YTD job readings were up 1.3 percent over the same time frame.
- Jobs in the trade, transportation, and utilities sectors are up 4.3 percent YTD relative to the same time frame in 2013.
- The professional and business services sector increased 5.0 percent YTD through February 2014 from a year earlier.
- Jobs in construction increased over the past year equating to a 12.1 percent YTD increase.

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

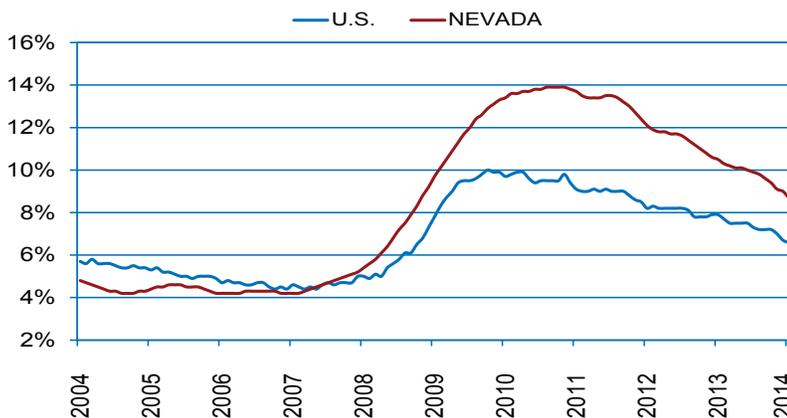


# Trends at a Glance

## Unemployment

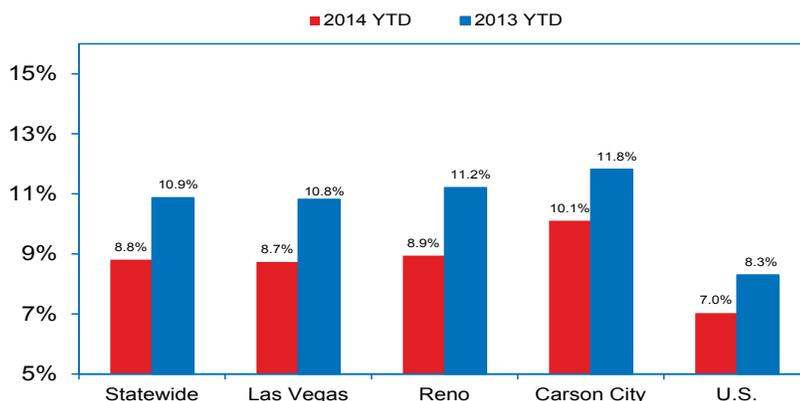
- February's seasonally adjusted unemployment rate in Nevada decreased by 0.2, to 8.5 percent.
- Nationally, the unemployment rate increased by 0.1 percentage point from January to February to 6.7 percent.
- For the fourth month Nevada is not tied for the highest unemployment rate in the nation; that distinction goes to Rhode Island with a rate of 9.0 percent. Illinois comes in second to last at 8.7 percent. However, Nevada's rate exceeds the national average by 1.8 percentage points.

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



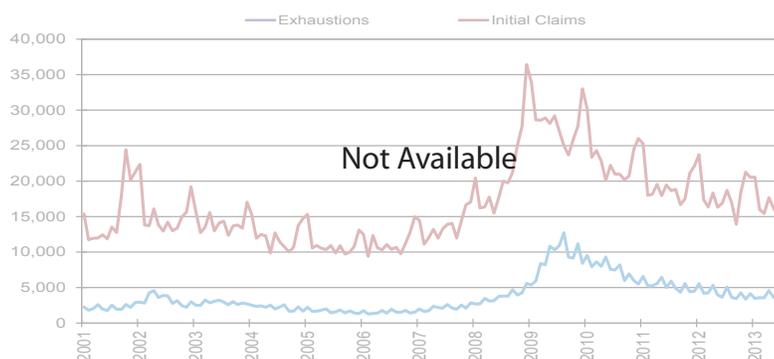
- At 8.8 percent, the statewide unadjusted unemployment rate decreased 2.1 percentage points YTD from 2013 to 2014.
- The Las Vegas-Paradise MSA recorded an unemployment rate of 8.7 percent YTD through February, a 2.1 point decrease over-the-year.
- The Reno-Sparks MSA's jobless rate was 8.9 percent YTD through February. This equates to a decrease of 2.3 percentage points compared to the same period last year.
- The jobless rate in Carson City was 10.1 percent YTD through February, down 1.7 percentage points over 2013.

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



- **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)**

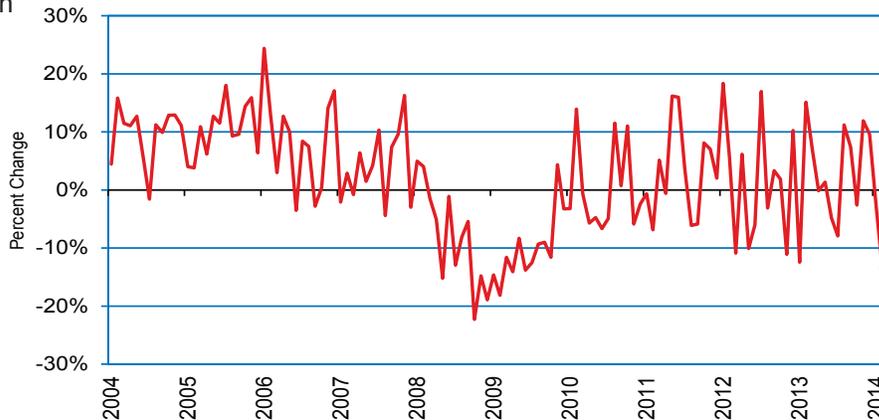


# Trends at a Glance

## Economic Indicators

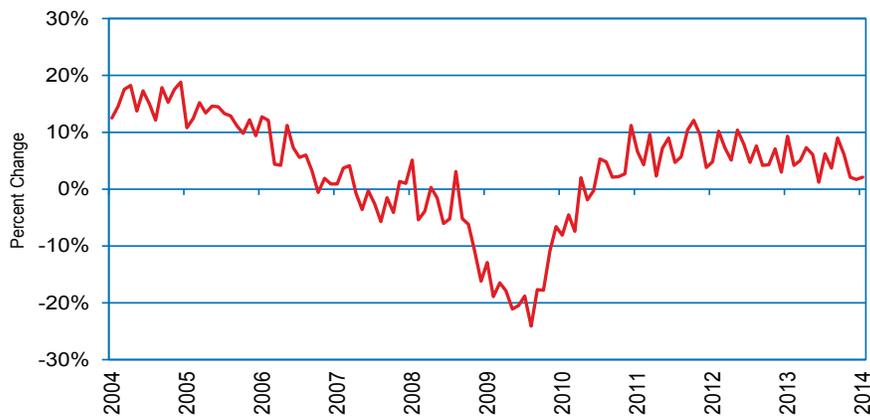
- Nevada's non-restricted gaming licensees reported a -13.7 percent decrease in gaming win compared to February 2013.
- For the fiscal year-to-date, gaming win has increased 0.9 percent.

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



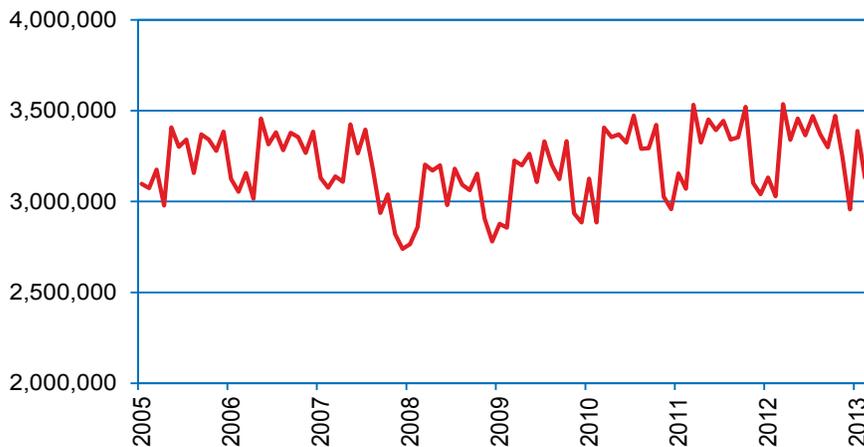
- In January, taxable sales increased 2.1 percent over January 2013 with collections totaling 3.5 billion.

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



- Las Vegas visitor volume increased 102,385 in February relative to a year prior, a 3.4 percent increase.
- Year-to-date, visitor volume increased 5.8 percent in 2013 compared to a year earlier.

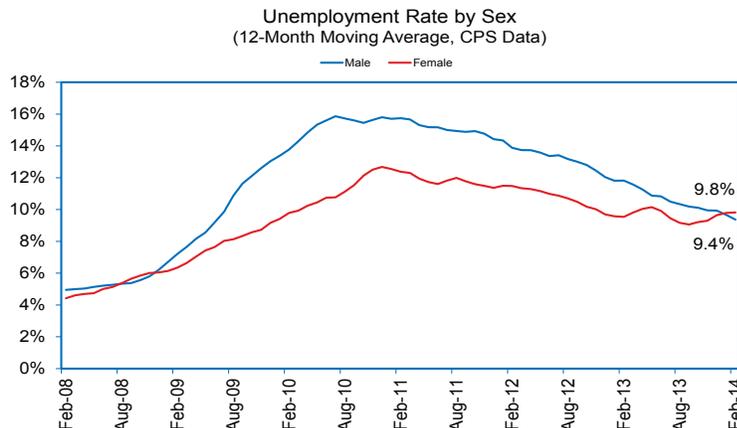
**Las Vegas Monthly Visitor Volume**



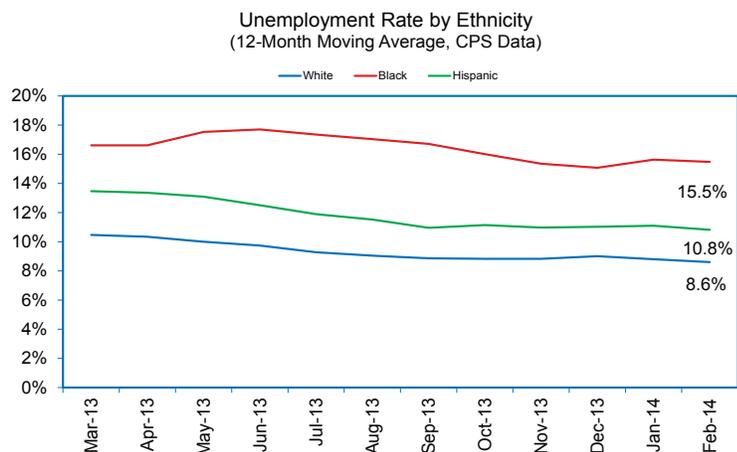
# Trends at a Glance

## Demographics of the Unemployed

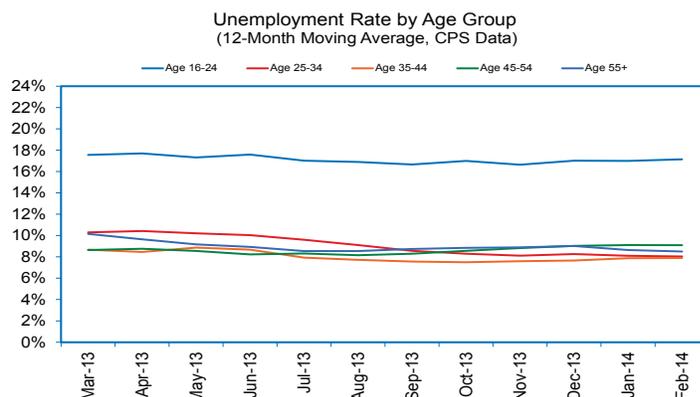
- The 12 month average unemployment rate for men in Nevada was 9.4 percent in February, decreasing from 9.7 percent last month.
- Continuing its trend, the female unemployment rate remained the same at 9.8 percent.
- This is the highest the female unemployment rate has been since June of 2013.



- The unemployment rate for Nevada's white labor force decreased by 0.2 from January to February, ending at 8.6 percent.
- The rate for Nevada's unemployed Black labor force decreased by 0.1 to 15.5 percent.
- The 12 month average unemployment rate for Nevada's Hispanic labor force decreased in February to 10.8 percent, from 11.1 percent in January.



- Nevada's youngest workers, age 16-24, experienced the highest unemployment rate of any age group in the State, coming in at 17.1 percent for the 12 month average ending in February.
- The unemployment rate for workers age 25-34 was 8.0 percent and is down by 0.1 percentage points 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 February, this group had an unemployment rate of 7.9 percent.

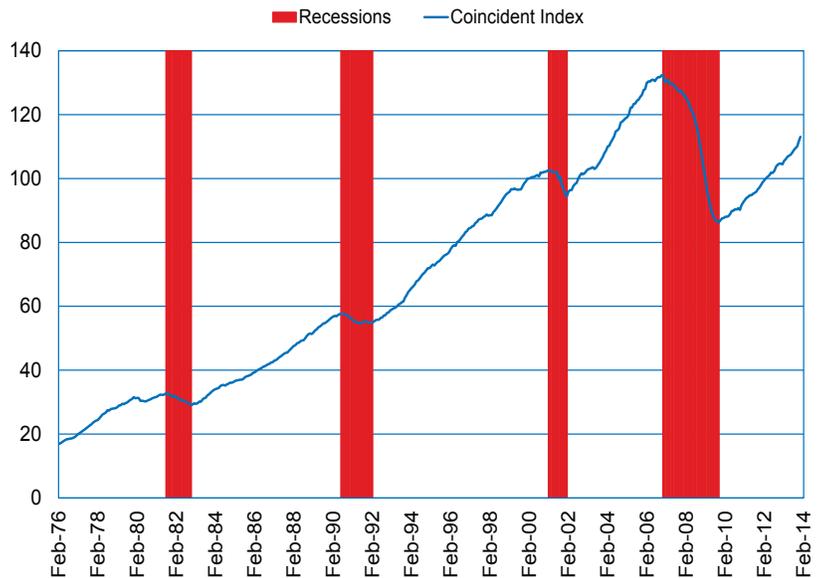


# Trends at a Glance

## CBER-DETR Nevada Coincident and Leading Employment Indexes

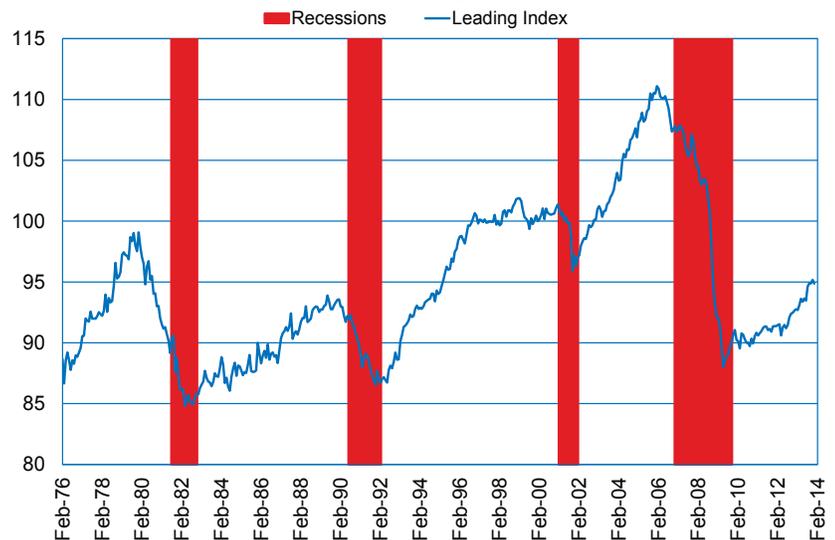
- The Nevada Coincident Employment Index measures the ups and downs of the Nevada economy using an index of employment variables. The peak of the last employment cycle in Nevada occurred in December 2006. The coincident index then regressed steadily through October 2009, where the coincident index reached a bottom.
- The February release of data includes the benchmark revisions that adjust data back to January 2009. This data conveys a generally positive story for both indexes on a year-over-year basis. For the coincident index, the unemployment rate (inverted), household employment, nonfarm employment, and the insured unemployment rate (inverted) all moved in a positive direction.
- Since January 2014, the indexes tell a slightly less-positive story. For the coincident index, nonfarm employment, the insured unemployment rate (inverted), the unemployment rate (inverted), and household employment all moved in a positive direction.

CBER-DETR Nevada Coincident Employment Index



- The Nevada Leading Employment Index provides a signal about the future direction of the coincident index. For example, for Nevada’s most recent employment recession, the leading index provided a clear signal by peaking in January 2006, eleven months before the coincident index reached its peak, and reached a bottom in May 2009, five months before the coincident index reached its bottom.
- Since January 2013 for the leading index, commercial permits, construction employment, housing permits, the short-duration unemployment rate (inverted), and initial claims for unemployment insurance (inverted) moved in a positive direction whereas the real Moody’s Baa bond rate (inverted) moved in a negative direction.
- For the leading index, construction employment, initial claims for unemployment insurance (inverted), and housing permits moved in a positive direction whereas commercial permits, the real Moody’s Baa bond rate (inverted), and the short-duration unemployment rate (inverted) moved in a negative direction on a YOY basis.

CBER-DETR Nevada Leading Employment Index

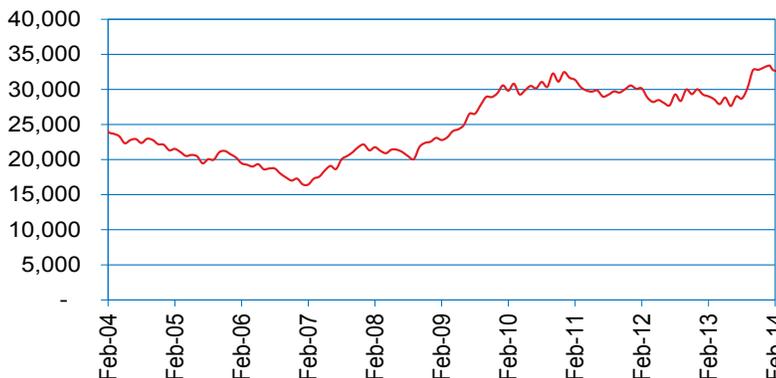


# Trends at a Glance

## 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, 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 February, 32,660 individuals were receiving assistance. Since February of last year, the level of assistance increased by 12.6 percent, or 3,649 more recipients.

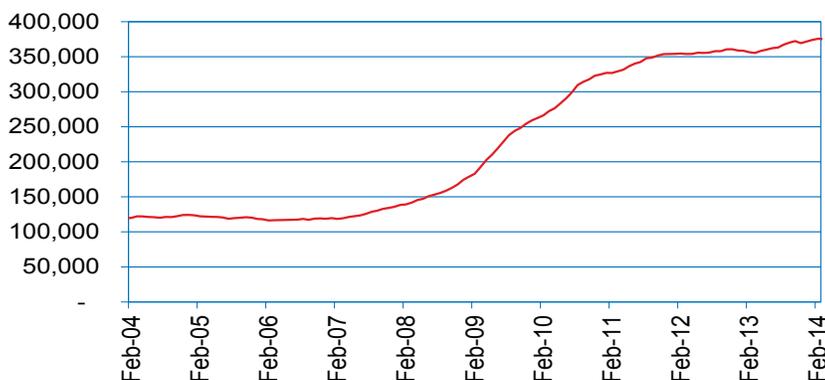
**Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients**



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 February, 375,708 Nevadans participated in the program. Over-the-year, the number of participants receiving assistance had an increase of 5.4 percent, or 19,294 more recipients.

**Supplemental Nutrition Assistance Program, Number of Participating Nevadans**



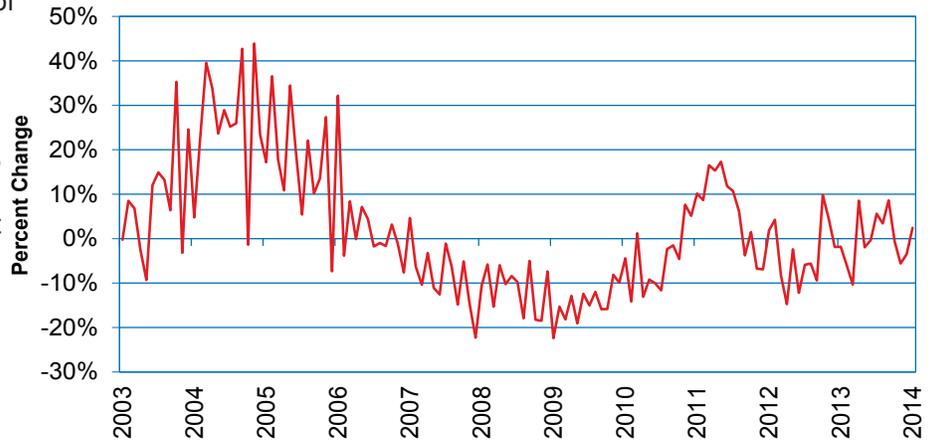
Source: Nevada Department of Health and Human Services

# 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 February new business filings were down 1.6 percent over February 2013. Year-to-date the formation of new businesses are up 1.4 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 fourth quarter of 2013 there were 58,523 employers subject to UI taxes. Compared to the same quarter in 2012, there are 1,369 more employers in the program, a 2.4 percent increase.

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

