

Economy In Brief March 2015



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

Economic Summary

For the 51st consecutive month, non-farm jobs grew in the Silver State, on a year-over-year basis. However, according to the Bureau of Labor Statistics' Current Employment Statistics (CES) Program, growth has begun to slow. Nevada experienced year-over-year gains in excess of 40,000 jobs for six consecutive months, from August 2014 through January 2015, equating to growth rates between 3.4 and four percent. Last month, we reported year-over-year growth of 36,900 jobs, up 3.1 percent. Since then, February results were revised upward to a gain of 39,300, for a growth rate of 3.3 percent. While this may seem a negligible revision, it also affected the month-to-month change. Initially, we reported a seasonally adjusted decline of 500 jobs in February, relative to January. However, with the revision, this became an increase of 1,900 jobs.

This month, Nevada payrolls increased by 34,100, for a growth rate of 2.8 percent relative to the same month last year. We expected a month-to-month increase of 5,800 (not seasonally adjusted), but only realized an addition of 5,100, leading to the seasonally adjusted decline of 700 jobs relative to February.

Construction has continued to hold the highest percentage growth rate of the industrial super sectors in the State, up 6.3 percent with the addition of 3,900 jobs relative to

last year. The leisure and hospitality sector added 11,800 jobs to payrolls this month, a growth rate of 3.5 percent, for the highest nominal growth in the State. The only super sectors to lose employment on a year-over-year basis this month were mining, down 600, and financial activities, down 300.

There are three alternative measures of jobs/employment available. The CES Program provides detailed industry-level job information to estimate current movements in the labor market. Among other things, it provides a count of jobs and is driven by a monthly survey of businesses (about 3,400 establishments in Nevada). CES job counts are nearly always the focus of the employment analyses in our monthly Overviews. The Local Area Unemployment Statistics (LAUS) Program provides estimates of the labor force, employment, and unemployment. It is driven, in part, by a monthly household survey (about 850 households in Nevada). It provides counts of individuals, as opposed to jobs. The LAUS employment measure is considered less reliable than the CES job estimates. The Quarterly Census of Employment and Wages (QCEW) Program publishes the most accurate, but less timely, measure of jobs. It represents a complete count of employment based off information reported by all businesses covered under the Unemployment Insurance System, but is not available

Economic Indicators

UNEMPLOYMENT RATES March 2015

Nevada*	7.1%
Las Vegas MSA	7.2%
Reno-Sparks MSA	6.9%
Carson City MSA	7.8%
Elko Micropolitan Area	5.5%
United States*	5.5%

JOB GROWTH (YOY)

Nevada*	2.8%
Las Vegas MSA	2.9%
Reno-Sparks MSA	3.3%
Carson City MSA	1.1%
United States*	2.3%

GAMING WIN (YOY) March 2015

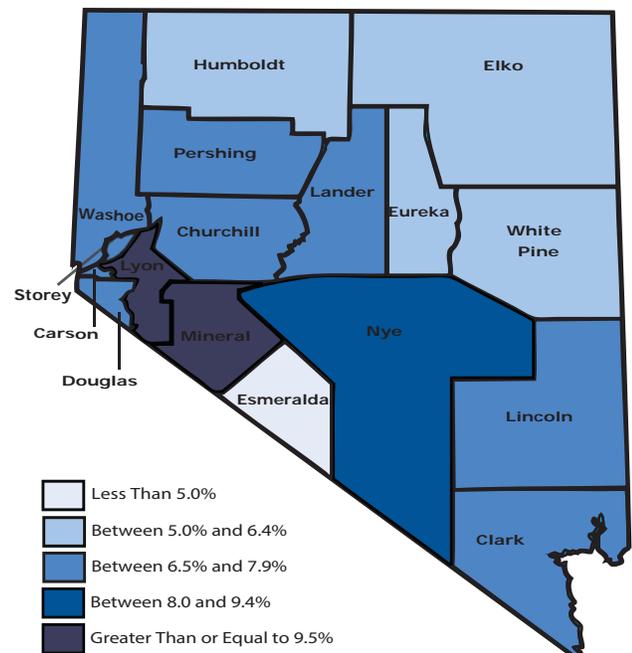
Nevada	-3.1%
Clark County	-4.0%
Washoe County	6.5%

TAXABLE SALES (YOY) Feb 2015

Nevada	9.1%
Clark County	8.7%
Washoe County	2.8%

*Seasonally Adjusted

Unemployment Rate by County



Economic Summary

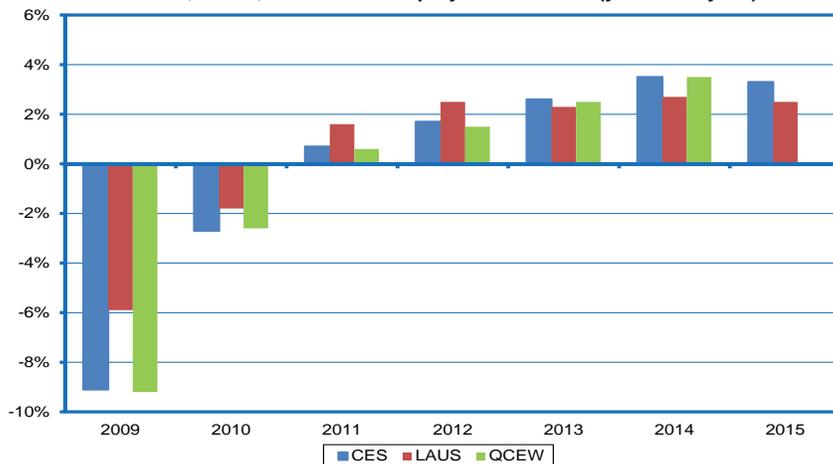
until several months following the end of a calendar quarter.

While all three measures of employment/jobs follow the same general trend over time, there can be differences at any given point in time. Each measure shows the gradual pickup in employment and job growth as the economic recovery in Nevada has unfolded. Specifically, regardless of the measure used, employment/job growth turned positive beginning in 2011. In 2014, depending on the measure used, job growth came in between 2.5 and 3.7 percent. Based upon the CES and LAUS estimates, growth has continued into the first quarter of 2015. (QCEW information is only available through 2014:IIIQ.)

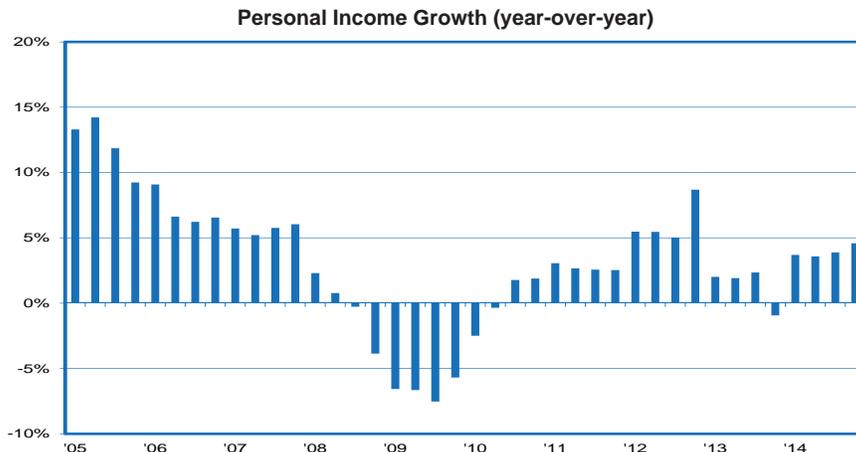
We will be keeping a very close watch on CES job trends in coming months, as we are beginning to see signs that recent estimates may not be capturing overall employment gains. The last (complete count) QCEW reading, in September 2014, showed job gains of 46,400 relative to a year ago. Preliminary evidence suggests that growth in the final three months of the year was similar. We question whether underlying growth really eased by several thousand, as shown in the March CES results.

Personal income, as defined by the Bureau of Economic Analysis, is comprised of three parts: net earnings; transfer receipts; and dividends, interest, and rents. Prior to the recession, Nevada personal income peaked in the fourth quarter of 2007 at \$108.3 billion. The series fell to a recessionary low of \$97.6 billion in the first quarter of 2010, down 9.9 percent from the peak. Since then, Nevada's personal income has steadily grown, surpassing the pre-recessionary peak. The latest data from the BEA shows that personal income in the third quarter of 2014 stands at \$114.3 billion. This is up 17.2 percent relative to the trough, and 5.6 percent relative to the prior peak. Gains have been reported in 17 of the past 18 quarters.

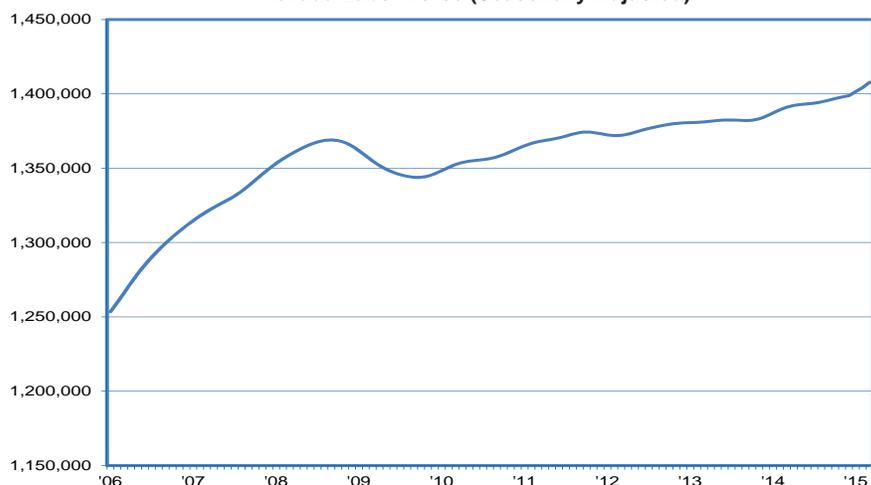
Consistent Trends Evident Over Time in Different Measures of Employment Growth
CES, LAUS, and QCEW Employment Growth (year-over-year)



Personal Income up 3.9% in 2014; Same as in U.S.; Gains in 17 of Past 18 Quarters
Personal Income Growth (year-over-year)



Labor Force has Expanded as Job Prospects Improve; Keeps Unemployment Rate High
Nevada Labor Force (Seasonally Adjusted)



Economic Summary

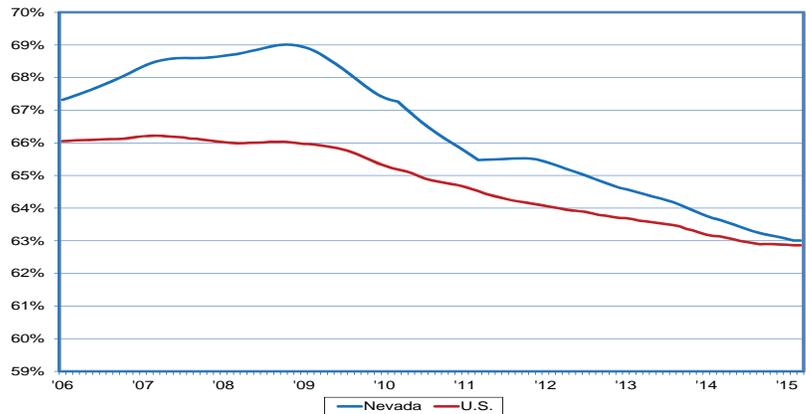
The seasonally adjusted unemployment rate in Nevada held steady this month at 7.1 percent. However, on a year-over-year basis, the rate fell by 1.1 percentage points. This is the 49th consecutive month in which year-ago declines have been realized in Nevada.

While the job picture has improved markedly over the course of the recovery, with nearly 100,000 new private sector jobs created over the 2010-2014 period (and trending an additional 39,000 higher than last year's readings during the first quarter), unemployment remains stubbornly high, even though it has been cut in half from its recessionary peak. This is at least partly the result of an expanding labor force. The labor force declined for 13 straight months beginning in October 2008. Since then, it has been on a steady upward trend. In fact, it exceeded its pre-recession peak of 1.37 million in May 2011. It currently stands at 1.4 million (seasonally adjusted). This suggests that, as employment prospects have improved, Nevadans have entered the labor market, preventing a more pronounced decline in the jobless rate.

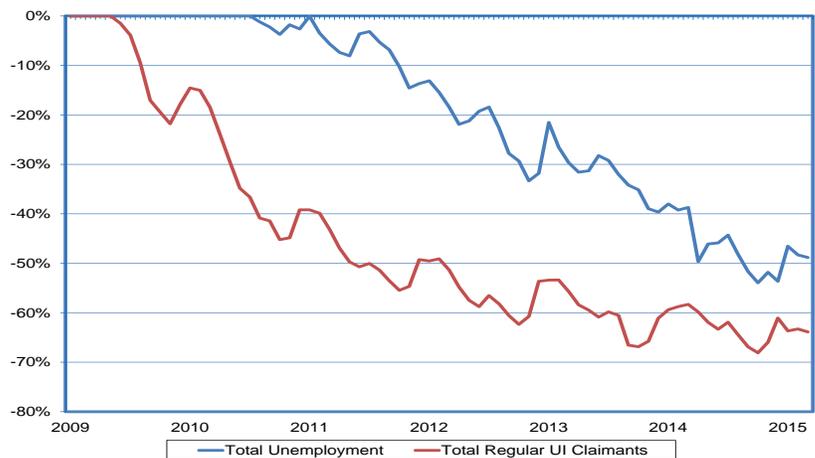
On the flip side, many have argued that at least part of the underlying improvement in the jobless rate has been the result of relatively fewer individuals participating in the labor force and actually looking for work. Hence, they are not counted amongst the unemployment estimate. One of the more commonly used measures to gauge the extent to which this is occurring is the "labor force participation rate" (LFPR). The LFPR is a simple measure: the ratio of the labor force relative to the working-age population. Specifically, between 2010 and 2014 the labor force grew by 2.8 percent, but was outpaced by population growth, at five percent.

Prior to the recession, Nevada's LFPR was hovering between 67-68 percent. In 2008, it actually broke through the 68 percent barrier for a brief period before trending down. Currently, it stands at 63 percent. With data

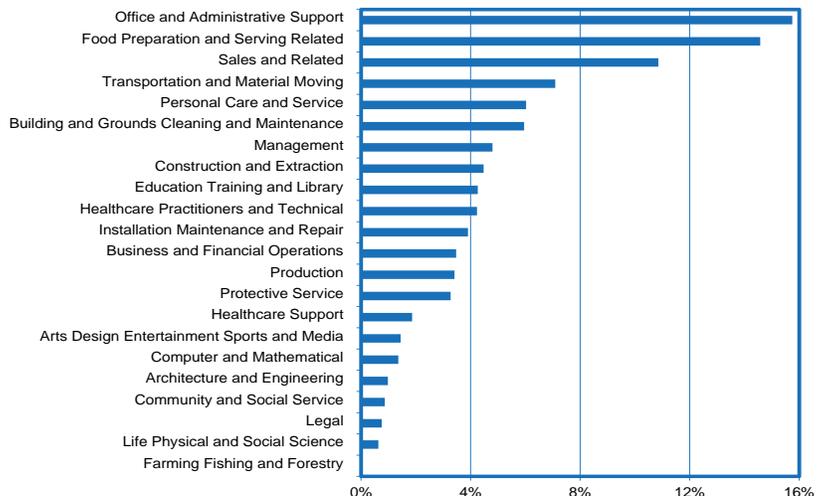
Initial Signs of Stabilization in the Labor Force Participation Rate
Labor Force Participation Rate (12-month moving average)



Unemployment Levels Down 50% During Recovery;
UI Claimants Down 60%
UI Claimants vs. the Number of Unemployed



Three Largest Occupational Groups Account for 41% of Employment
Percentage of Nevada Employment; 2014 Occupational Employment Statistics



Economic Summary

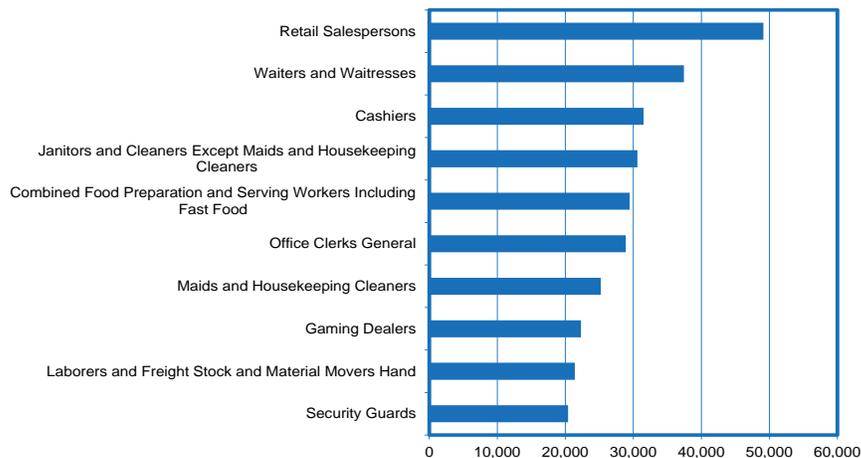
going back to 1977, this is the lowest labor force participation rate on record. The same general pattern is evident in national trends. Although the decline has been more pronounced in the Silver State, as Nevada started with a slightly higher LFPR, current readings are nearly identical (62.9 percent for the nation).

Considerable research has been done to decipher the downtrend in the LFPR. Although no definitive conclusions have been drawn, two forces appear to be in play. One is "structural." More and more individuals are entering their retirement years and dropping out of the labor force. A second is "cyclical." Following an extended period of labor market sluggishness, some may have ended their search for work and dropped out of the labor force.

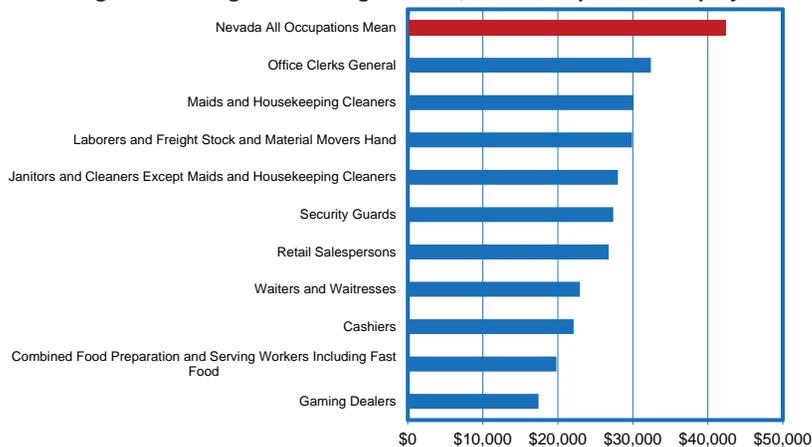
Peaking in the first half of 2010, Nevada's levels of total unemployment and total regular unemployment insurance claimants have both seen significant declines when compared to their apex values, falling by 49 percent and 64 percent, respectively. Total unemployment nearly reached the 200,000 mark in July of 2010. Thereafter, unemployment trended downward until recently, when the figure began to see slight increases. These increases are generally considered a positive during an economic recovery as people begin to "come off the sidelines" and re-enter the labor force. The number of persons in Nevada receiving regular UI benefits peaked at 79,900 in May of 2009. From then until early 2012, the number of claimants generally decreased and at a rate much faster than total unemployment.

This speedier decline is simply explained by the expiration of unemployment insurance. A person can be unemployed for an indefinite period whereas regular UI claimants in Nevada are only eligible for 26 weeks of benefits. Recently the number of claimants has stabilized around 28,000 to 29,000 per month, still well above pre-recession levels but a marked improvement.

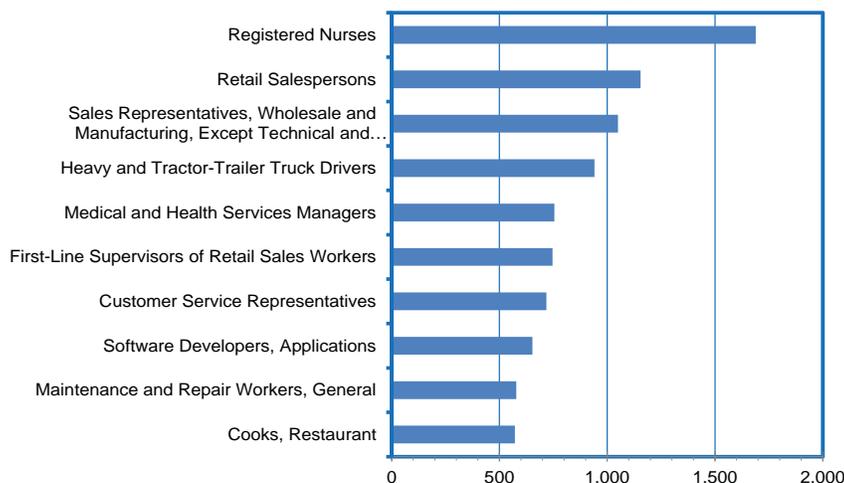
Tourism/Gaming/Entertainment Occupations Stand Out in Nevada Ten Largest Occupations; 2014 Occupational Employment Statistics



Each of NV's 10 Largest Occupations Earn Below-Avg. Wages; 9 of 10 in the U.S. as a Whole Avg. Annual Wages in 10 Largest Occs; 2014 Occupational Employment Stats



41K On-Line Job Postings in NV During 2015:IQ; Top Occupation=RN's (1,700 ads) Top 10 Occs by Job Postings (information from Burning Glass/Labor Insight)



Economic Summary

While our regular analyses are generally on the employment/jobs picture, a regular examination of Nevada's occupational structure helps to give a fuller picture of the labor market. As such, this month we are considering data from the Occupational Employment Statistics (OES) Program, as published by the Bureau of Labor Statistics. The Program is driven by a semi-annual survey measuring occupational employment and wage rates for wage and salary workers in nonfarm establishments.

Occupations can be categorized into 22 broadly-defined groups. Office and administrative support is the largest occupational group in Nevada, making up 15.7% of total employment, with 187,400 jobs. Food preparation/serving-related occupations and sales-related occupations are also large occupational groups, at 14.6 and 10.9 percent of total employment in the Silver State, respectively. The smallest occupation group in the State is farming, fishing, and forestry, with 440 jobs, about 0.04% of total Nevada employment¹.

Within these groups are approximately 800 different occupations. At this more detailed level, the ten largest occupations in the Silver State make up 24.9 percent of total employment, based upon 2014 information. The occupations with the largest share of employment are retail salespersons (49,100) and waiters/waitresses (37,400). Combined, these occupations account for 7.3 percent of occupational employment in the State. The smallest of the top ten occupations is security guards, with employment of 20,400. According to Economic Modeling Specialists Intl. (EMSI), nearly half of the ten largest occupations were employed in the following industries

during 2014: casino hotels, limited-service/full restaurants, janitorial services, and security guards/patrol services.

As mentioned above, the OES also tracks average wages by occupation. Nevada's largest occupations are relatively low-paying. In fact, of the ten largest occupations, none pay an above-average wage. For reference, the average wage in the State is \$42,300. Annual average wages (exclusive of tips) for Nevada's largest occupations range from \$17,400 for gaming dealers to \$32,400 for office clerks. The only other occupation that earns more than \$30,000 per year, on average, is maids/housekeepers, at an average wage of \$30,100 per year. While this may seem less than optimal, much the same is true in the nation as a whole, where nine of the top ten occupations pay below the national average wage.

Rounding out our analysis of occupations this month, we are utilizing the Labor/Insight tool from Burning Glass Technologies to highlight our new "real-time" labor market information capabilities for the first time. (The Department of Employment, Training and Rehabilitation is a client of Burning Glass Technologies. Among other things, Burning Glass has developed a number of tools designed to assist a variety of workforce development entities in efforts to match workers with jobs.) In upcoming months, our plan is to incorporate these new capabilities into our regular analyses of labor market conditions throughout Nevada.

Specifically, this month we look at the top ten occupations, by online job ad volume, in the Silver State. All told, there were 41,000 on-line job postings in Nevada during this year's first quarter, up from 35,300 a year ago. The largest number of openings was for registered nurses, at 1,700 postings.

The second-largest number of openings was for retail salespersons, the largest occupation in the State according to OES, with 1,200 on-line ads. The rest of the top ten, in order, are: sales representatives, truck drivers, medical and health services managers, retail managers, customer service representatives, software developers, maintenance and repair workers, and cooks.

¹The OES survey does not cover all farming establishments.

Sub-State Economic Summary

Statewide, employment fell by a seasonally adjusted 700 in March, relative to February. Reno/Sparks, the only metropolitan statistical area (MSA) to add jobs this month, had a seasonally adjusted increase of 1,300 jobs, the result of 1,400 jobs added to payrolls (not adjusted for seasonality), when only 100 jobs were expected. In Las Vegas, we expected payrolls to increase by 5,800 this month, but only 4,500 jobs were actually added, leading to a seasonally adjusted decrease of 1,300 jobs. A similar pattern unfolded in Carson City. Payrolls were expected to increase by 200, but only 100 jobs were actually added, leading to a seasonally adjusted decrease of 100 jobs.

However, all three of Nevada's population centers gained employment on a year-over-year basis. Las Vegas was home to the highest nominal growth this month, up 23,600 jobs, an increase of 2.7 percent, relative to March 2014. Reno/Sparks added 5,800 jobs to payrolls (+2.9 percent). Finally, Carson City added 200 jobs, up 0.7 percent. Statewide, job numbers increased 2.8 percent over-the-year, adding 34,100 jobs.

Looking at historical employment trends, evidence of Nevada's economic recovery is readily apparent, especially in the Las Vegas and Reno metros. For instance, between 2010 and 2014, the Las Vegas metro added 80,000 new private sector jobs. So far this year, job levels are trending up another 27,300 on top

¹The State's seasonally adjusted unemployment rate is 7.1 percent in March, unchanged from February and down from 8.2 percent in March 2014. Unemployment rates for the State's metropolitan areas and counties reported here are not adjusted for seasonality. Hence, comparisons to the State's seasonally adjusted rate should be avoided. Legitimate comparisons, however, can be made to the State's unadjusted rate - 7.2 percent in March, down from 7.3 percent in February and down from 8.5 percent in March 2014.

Nevada Metro Area Job Growth Since 2010

	Las Vegas	Reno	Carson City
2010 Baseline	707,200	160,900	18,300
Calculation of 2011 Growth			
2011	714,300	160,500	18,100
Growth from 2010	7,100	-400	-200
Calculation of 2012 Growth			
2012	731,300	162,300	18,300
Growth from 2011	17,000	1,800	200
Calculation of 2013 Growth			
2013	754,700	167,200	18,200
Growth from 2012	23,400	4,900	-100
Calculation of 2014 Growth			
2014	787,200	173,300	18,600
Growth from 2013	32,500	6,100	400
Calculation of 2015 Year-to-Date Growth			
2014 Year-to-Date (through March)	768,100	167,700	18,100
2015 Year-to-Date (through March)	795,400	173,600	18,700
Year-to-Date Growth from 2014	27,300	5,900	600
Total Growth Since 2010 (2011 Growth + 2012 Growth + 2013 Growth + 2014 Growth + 2015 YTD Growth)	107,300	18,300	900

of that. The Reno metro also experienced a significant amount of job growth in the private sector, adding 12,400 jobs between 2010 and 2014. During the first three months of 2015, job levels are continuing their positive trend, increasing by 5,900 jobs in addition to previous job growth. The Carson City metro gained only 300 jobs between 2010 and 2014; however, job levels are trending up an additional 600 jobs so far in 2015. All told 99,000 jobs were added Statewide between 2010 and 2014. In 2015 thus far, job levels are trending up another 39,000.

The unemployment rate in each of the State's MSAs varied in March, both over the month and on a year-over-year basis¹. The rate in Las Vegas held steady relative to Feb-

ruary, at 7.2 percent, but is down 1.2 percentage points from last year. The Reno/Sparks area is down two tenths of a point over the month, to 6.9 percent, and is down 1.5 percentage points over the year. The Carson City MSA was home to the largest year-over-year decline of 1.8 percentage points, for an unemployment rate of 7.8 percent, down 0.4 percentage points relative to February.

In March, county unemployment rates ranged from 3.6 percent in Esmeralda County to 11.6 percent in Mineral County, the only county with a double-digit rate. Besides Esmeralda, relatively low unemployment rates are also found in Elko (5.5 percent), and Eureka (5.6 percent). The highest unemployment rates, aside from Mineral, belong to Lyon (9.9 percent), and Nye (8.9 percent).

Sub-State Economic Summary

As a point of reference, in March 2010, 13 counties had unemployment rates in excess of ten percent.

In fact, since March 2010, as the recession was bottoming out, the unemployment rate has decreased in every county, signifying the economy is regaining strength. During the past five years, the four most notable declines belong to Storey, Lyon, Nye, and Esmeralda counties. From March 2010 to March 2015, Storey County had the greatest decline in unemployment, dropping from 17.7 percent to 7.7 percent (down ten percentage points). Lyon County shed nearly half of its unemployment rate, decreasing 8.6 percentage points from an unemployment rate of 18.5 percent in March 2010 to 9.9 percent in March 2015. Nye County experienced an 8.2 percentage point decrease in the unemployment rate over the last five years, decreasing from 17.1 percent to 8.9 percent. Rounding out the top four, Esmeralda County dropped 6.7 percentage points from an unemployment rate of 10.3 percent to a rate of 3.6 percent. In total, the Statewide unemployment rate dropped from 13.6 percent to 7.2 percent (not seasonally adjusted) during this period, an overall decrease of 6.4 percentage points.

Trends at a Glance

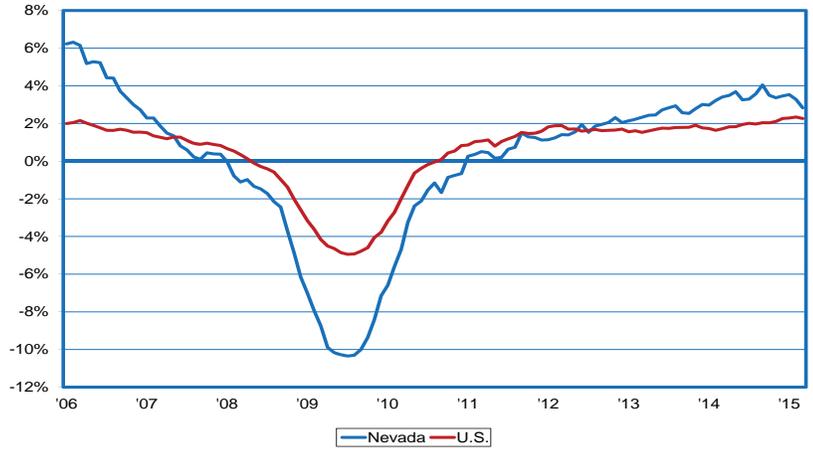
Industrial Employment

March

- Nevada = 2.8 percent
- U.S. = 2.3 percent
- March marks 51 straight months of growth in Nevada.
- Growth in Nevada has exceeded that in the U.S. for 32 straight months.

Job Growth: Nevada vs. U.S.

(Year-Over-Year Percent Change; Seasonally Adjusted)

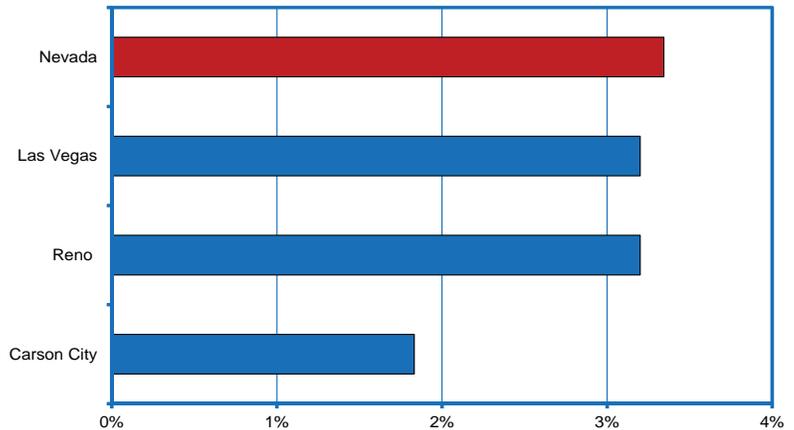


March

- Las Vegas MSA = 3.2 percent
- Reno-Sparks MSA = 3.2 percent
- Carson City = 1.8 percent

Job Growth by Region

(Year-to-Date)

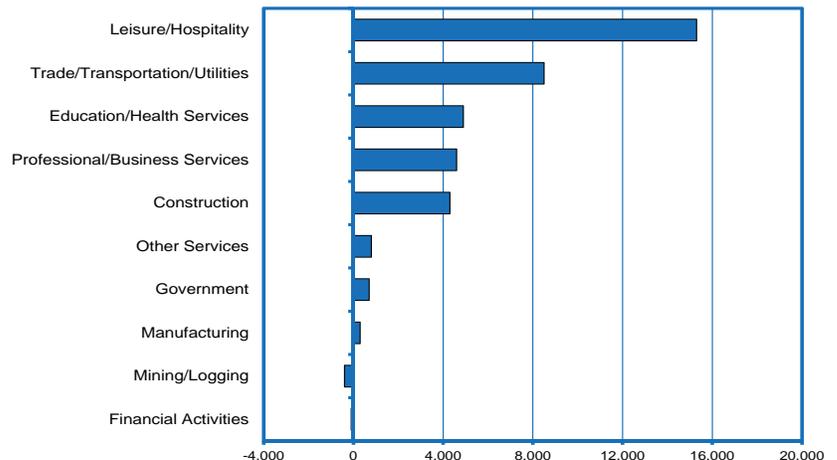


March

- Leisure/hospitality added 15,300 jobs, more than any other sector.
- Eight sectors added jobs through March; only financial activities and mining/logging contracted.
- Total job growth = 39,100 jobs.

Job Growth by Industry

(Year-to-Date)



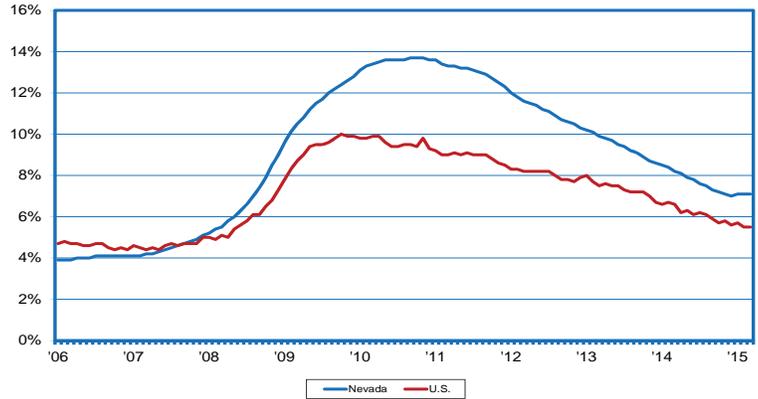
Trends at a Glance

Unemployment

March

- Nevada = 7.1 percent; unchanged from February; down from 8.2 percent a year ago.
- U.S. = 5.5 percent; unchanged from February; down from 6.6 percent a year ago.
- 1.6 point gap between Nevada and the Nation compares to 4.4 points at the height of the recession.

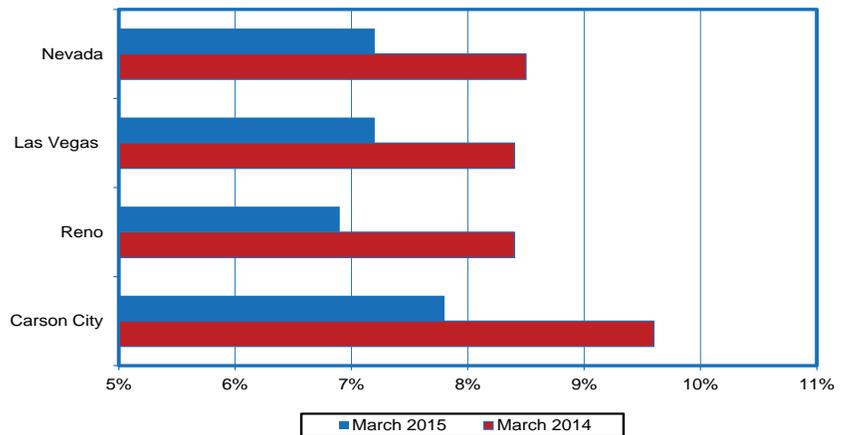
Unemployment Rate: Nevada vs. U.S.
(Seasonally Adjusted)



March (Not Seasonally Adjusted)

- Nevada = 7.2 percent; down 1.3 percentage points from March 2014.
- Las Vegas-Paradise MSA = 7.2 percent; down 1.2 percentage points from March 2014.
- Reno-Sparks MSA = 6.9 percent; down 1.5 percentage points from March 2014.
- Carson City = 7.8 percent; down 1.8 percentage points from March 2014.

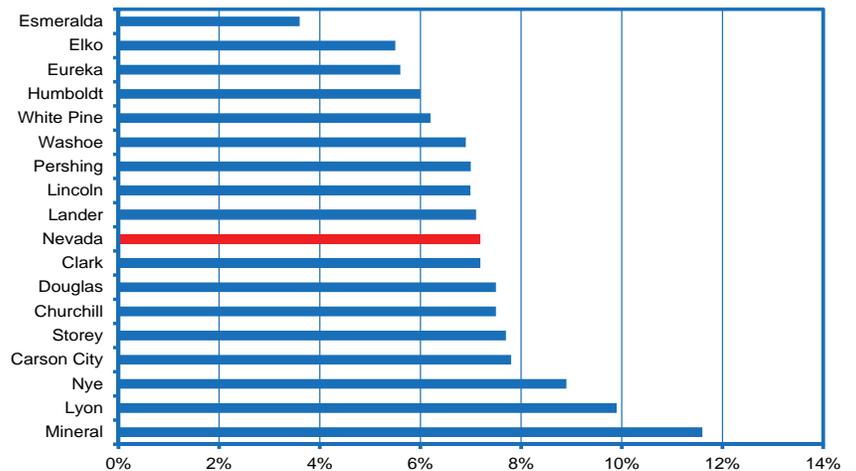
Unemployment Rate by Metro Area



March (Not Seasonally Adjusted)

- Unemployment rates ranged from 11.6 percent (Mineral) to 3.6 percent (Esmeralda).
- Clark = 7.2 percent; Washoe = 6.9 percent; Carson City = 7.8 percent.

Unemployment Rate by County



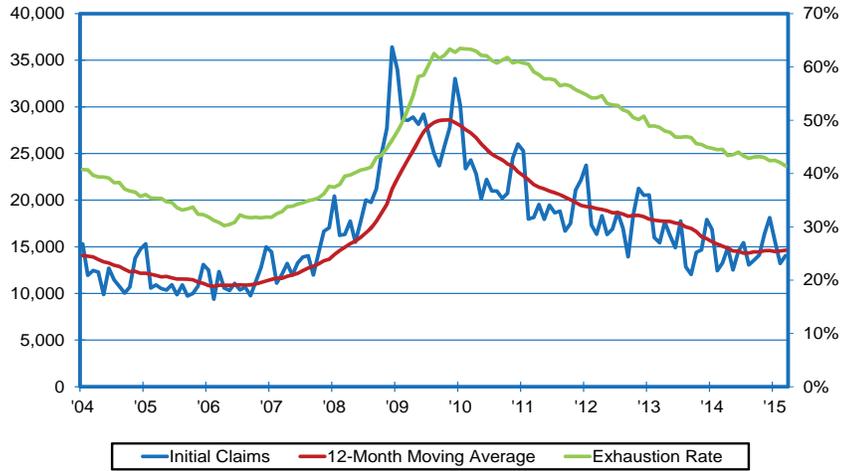
Trends at a Glance

Unemployment

March

- Initial claims = 14,000
- Exhaustion rate (the percentage of unemployment insurance claimants who exhausted UI benefits prior to finding a job) = 41.4 percent

Nevada Unemployment Insurance: Initial Claims and Exhaustion Rate



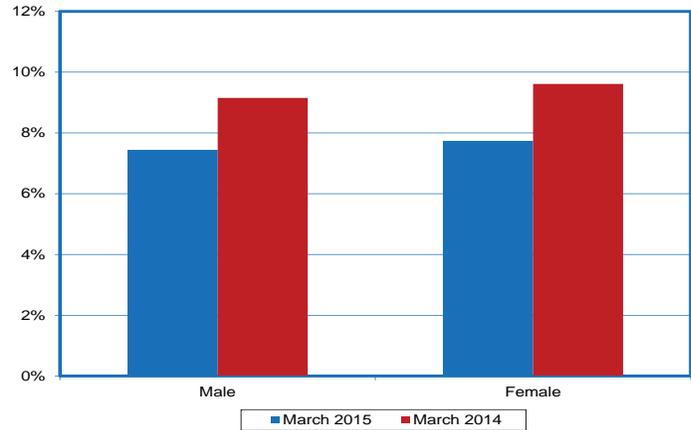
Trends at a Glance

Demographics of the Unemployed

March

- Male unemployment rate = 7.4 percent; down 0.1 percentage points from February; down 1.8 percentage points from a year ago.
- Female unemployment rate = 7.7 percent; unchanged from February; down 1.9 percentage points from a year ago.

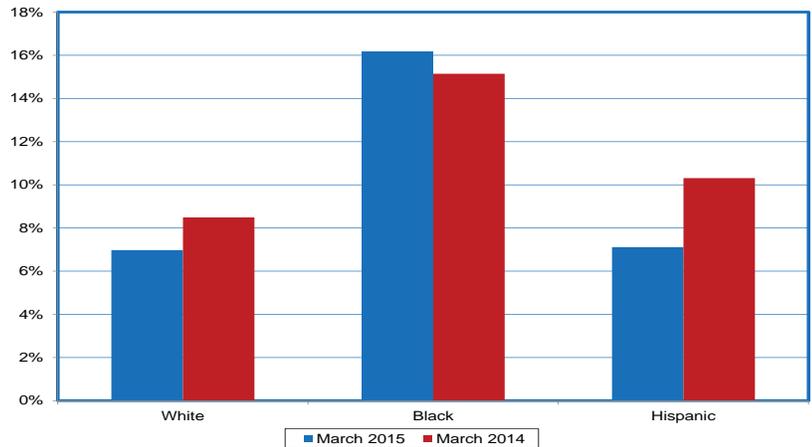
Unemployment Rate by Gender
(12-Month Moving Average)



March

- White unemployment rate = 7.0 percent; down 0.1 percentage point from February; down 1.5 percentage points from a year ago.
- Black unemployment rate = 16.2 percent; up 0.5 percentage point from February; up 1.1 percentage points from a year ago.
- Hispanic unemployment rate = 7.1 percent; down 0.1 percentage point from February, down 3.2 percentage points from a year ago.

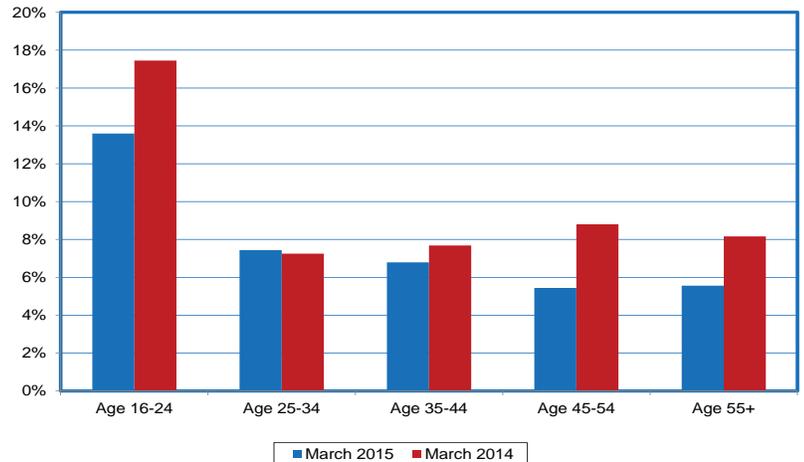
Unemployment Rate by Ethnicity
(12-Month Moving Average)



March

- Age 16-24 unemployment rate = 13.6 percent; down one percentage point from February; down 3.8 percentage points from a year ago.
- Age 25-34 unemployment rate = 7.4 percent; up 0.1 percentage point from February; up 0.1 percentage point from a year ago.
- Age 35-44 unemployment rate = 6.8 percent; unchanged from February; down 0.9 percentage points from a year ago.
- Age 45-54 unemployment rate = 5.4 percent; down 0.3 percentage point from February; down 3.4 percentage point from a year ago.
- Age 55+ unemployment rate = 5.6 percent; down 0.1 percentage point from February; down 2.6 percentage points from a year ago.

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



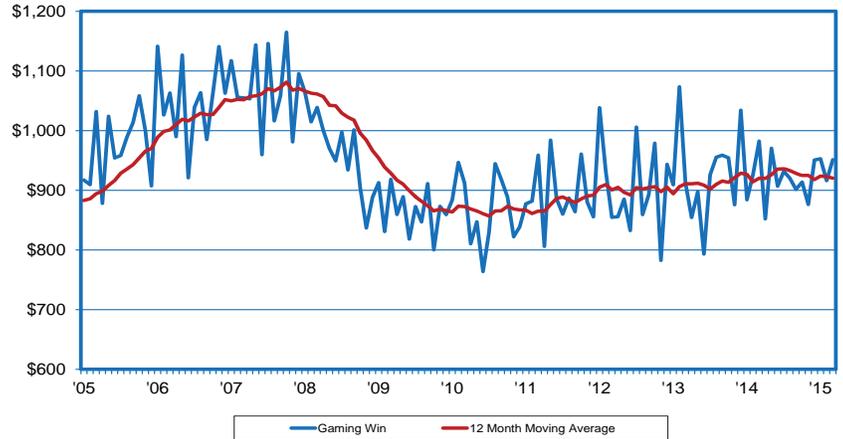
Trends at a Glance

Economic Indicators

March

- Gaming win = \$951.2 million
- Down 3.1 percent year-over-year; up 1.0 percent year-to-date.

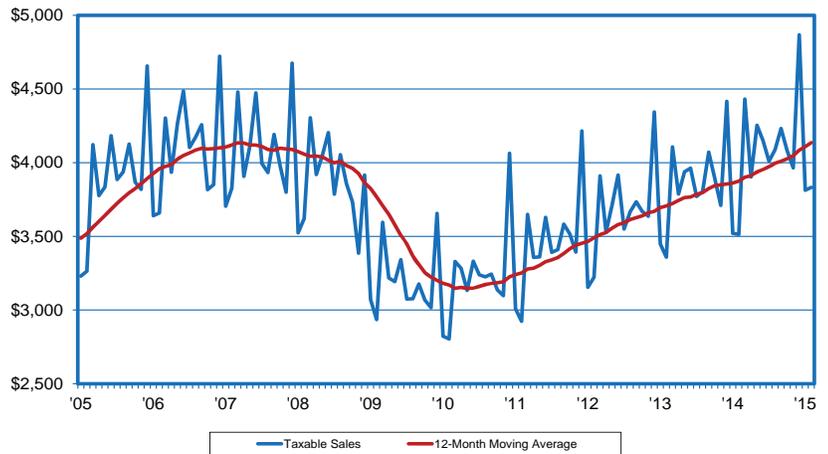
Nevada Gross Gaming Win
(Millions of Dollars)



February

- Taxable sales = \$3.83 billion
- Up 9.1 percent year-over-year

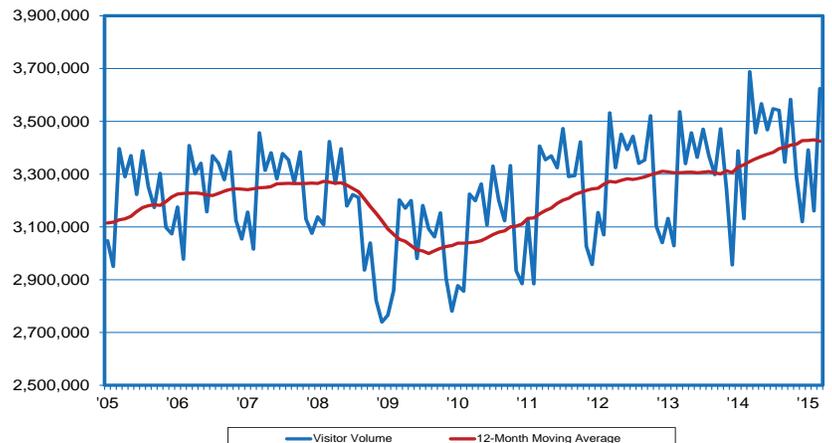
Statewide Taxable Sales
(Millions of Dollars)



March

- 3,624,600 visitors
- 63,800 visitor decrease from prior year (-1.7 percent); down 0.3 percent year-to-date over 2014.

Las Vegas Visitor Volume



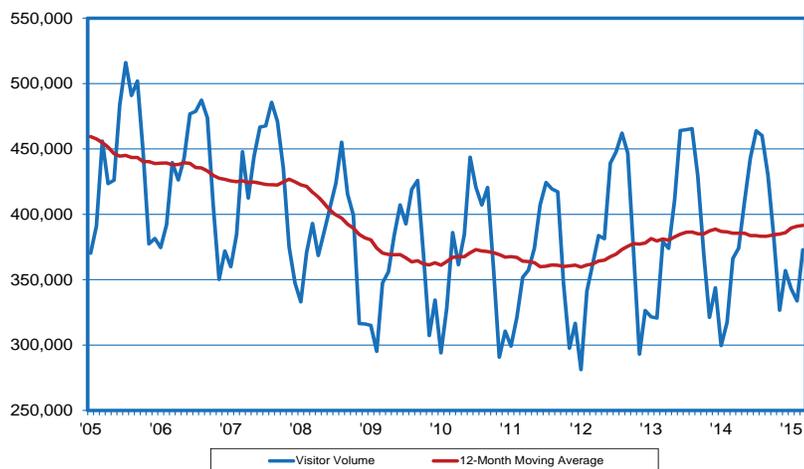
Trends at a Glance

Economic Indicators

March

- 372,900 visitors
- 6,700 visitor increase from prior year (+1.8 percent); up 6.8 percent year-to-date over 2014.

Reno Visitor Volume



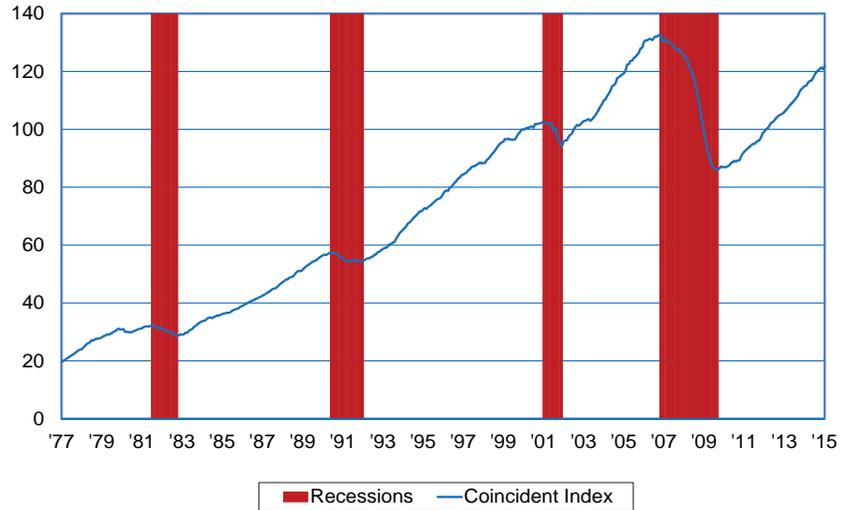
Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indexes

February

- 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 data release conveys a positive story for the coincident index and a slightly mixed story for the leading index 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.
- For the coincident index, the unemployment rate (inverted), household employment, nonfarm employment, and insured unemployment rate (inverted) all moved in a positive direction.

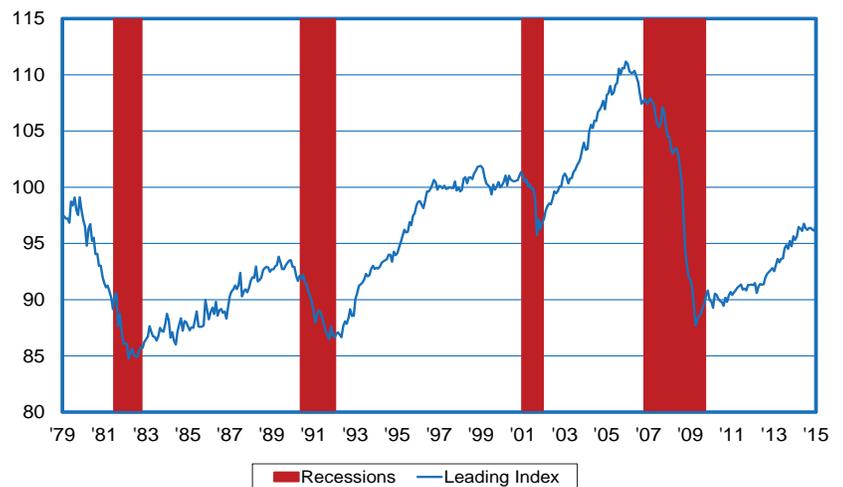
CBER-DETR Nevada Coincident Employment Index



February

- 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.
- For the leading index, the short-duration unemployment rate (inverted), housing permits, commercial permits, and construction employment moved in a positive direction while the real Moody's Baa bond rate (inverted) and initial claims for unemployment insurance (inverted) moved in a negative direction.
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CBER-DETR Nevada Leading Employment Index



Macroeconomics Fundamentals

According to the Current Population Survey (CPS) employment growth in the U.S. continued to accelerate during the first quarter of 2015. The seasonally adjusted payroll report shows employers added 264,000 jobs in February, 63,000 more jobs than were added in January. Employers slowed their hiring in March, adding 126,000 jobs. This is the 54th consecutive monthly employment gain in the nation. Retailers, health-care employers, and the professional and business services sectors added positions. The mining and logging industry, which includes oil and gas extraction, declined by 11,000 jobs in March and has lost 30,000 positions so far in 2015. A plunge in global oil prices since mid-2014 has affected U.S. drillers and other firms in the energy sector and related industries. The average monthly gain in the first quarter was 197,000, down from an average of 324,000 in the final three months of 2014. Employers added 197,000 jobs on a monthly average during the first quarter of 2015 which is solid when compared to 193,000 new jobs added in the first quarter of 2014.

The Job Openings & Labor Turnover Survey (JOLTS) shows there were 5.1 million job openings in February, little change from January at five million. This is the highest level since January 2001. In February there were 4.9 million hires and 4.7 million separations, about the same as in January. Over the 12 months ending in February 2015, the net employment gain totaled 3.2 million, with 59.3 million hires and 56.1 million separations.

The Current Population Survey (CPS) data indicates the labor market continues to improve, with an unemployment rate edging down in March and February to 5.5 percent, from 5.7 percent in January. The number of unemployed persons was 8.6 million in March, down from 8.9 million in January. The number of long-term unemployed (those jobless for 27 weeks or more) was 2.6 million in March down from 2.7 million in February and 2.8 million in January.

Another indicator of continuing economic expansion is the Real Gross Domestic Product (GDP) growth rate, which measured 2.4 percent during 2014, compared with 2.2 percent in 2013. The acceleration in real GDP growth reflected an increase in nonresidential fixed investment, a small decrease in federal government spending, and increases in personal consumption expenditures (PCE), state and local government spending, and in private inventory investment. This growth was partly offset by an increase in imports and a decrease in residential fixed investment. In the first quarter 2015, real GDP increased 0.2 percent, compared to 2.2 percent during the fourth quarter 2014. Various factors, such as winter weather, disruptions of west coast ports, the negative effect of a stronger dollar on exports, and the impact of cheaper oil which caused a drop in energy-related investment, explain this low growth. It is expected that growth will rebound next quarter. Figures indicate first-quarter GDP growth has averaged 0.6% since 2010 and 2.9% quarterly growth for all other quarters.

Consumer spending accounts for more than 60 percent of U.S. Gross Domestic Product. Real personal consumption expenditures increased 1.9 percent in the first quarter of 2015, compared to 4.4 percent during the fourth quarter of 2014. The harsh winter weather kept consumers at home, which converted the cheaper gasoline prices into savings instead of spending. In fact, the personal saving rate—personal savings as a percentage of disposable personal income—was 5.5 in the first quarter 2015, compared with 4.6 percent in the fourth quarter 2014. Real disposable income rose 6.2 percent in the first quarter compared to 3.6 percent in the fourth of 2014.

In 2014, exports increased 2.9 percent while imports were up 3.4 percent. The goods and services deficit was \$505.0 billion, up \$28.7 billion from 2013. According to the Department of Commerce, 11.7 million jobs were supported by exports in 2014, up 1.8 million since 2009.

Sixty percent of total jobs were generated by goods exports and forty percent by services exports. Exports decreased 7.2 percent in the first quarter, in contrast to an increase of 4.7 percent in the fourth quarter of 2014. The appreciation of the dollar and weak foreign demand for U.S. products contributed to this reduction. Imports increased 1.8 percent, compared to an increase of 10.4 percent in the fourth quarter. The disruptions of west coast ports contributed to this decline.

The Personal Consumption Expenditures (PCE) Index, a measure of inflation excluding food and energy, increased 1.3 percent in March, relative to a year ago. The PCE index reached 1.3 percent for all 2014 up from 1.2 percent for all 2013. This is still below the Federal Reserve's target of two percent inflation. During the monetary policy meeting in June an increase in the federal funds short term rate will be discussed. The median estimate among Fed officials for the fed funds rate is expected to be 0.625% by year's end. This estimated is down 0.5 percentage point from the December projection of 1.125%. The Federal Reserve has to be confident that inflation is moving in the right direction. This condition has not been met in part because wage growth is tame. Inflation is not likely to pick up any time soon given the ongoing collapse in oil prices and surging U.S. dollar. The San Francisco Federal Reserve Office says that with an improving economy and unemployment falling to low levels, it is expected the prices will return to normal levels over the next two years.

The Conference Board's Consumer Confidence Index (analysis of what consumers buy and watch), improved in March to 101.4 compared to 96.4 in February. Consumers' optimism about the short-term outlook, which had declined last month, rebounded in March. This month's increase is explained by an improved short-term outlook on employment and income prospects.

The residential construction sector continues to improve. Privately-owned housing

Macroeconomics Fundamentals

starts reached a seasonally adjusted 926,000 in March. This is two percent above February which was at 908,000. Compared to March 2014 it is 2.5 percent lower, in part because of the harsh winter that required builders to wait for the ground to thaw and dry before beginning construction. Construction permits dropped to 1.04 million in March, which is 5.7 percent below the February number of 1.10 million. It is 2.9 percent above the March 2014 figure of 1.01 million. Low interest rates and job growth are supporting a stronger housing market.

The Federal Housing Finance Agency's purchase-only index stood at 218.38 in December 2014, while in December 2013 the index measured 207.14, an increase in home prices of 11.24 percent year-over-year. In February 2015 the index stands at 220.49 up 5.38 percent from 209.23 reading in February of last year.

Existing-home sales rose 6.1% to a seasonally adjusted annual rate of 5.19 million in March from 4.89 million in February. This is the highest annual rate in 18 months, indicating the housing market is gaining strength. Sales are 10.4 percent higher than a year ago and have grown year-over-year for the sixth consecutive month. The median existing-home price for all housing types in March was \$212,000 compared to February's median price of \$202,600. This is 7.8 percent above March 2014. It is the 37th consecutive month of year-over-year price gains and the largest since February 2014. New home sales in March were at 481,000, this is 11.4 percent below the February sales of 543,000. It is 19.4 percent above the March 2014 estimate of 403,000. The median sales price of new houses sold in March 2015 was \$277,400 up from \$275,000 in February.

The March Report from the Institute for Supply Management shows the Purchasing Manager's Index (PMI), an indicator of the economic health of the manufacturing sector, stood at 51.1; a decrease of 1.4 percentage points from February's reading of 52.9. Although this is the fifth

consecutive monthly decline in the index, it is still above 50 indicating continued growth. The manufacturing sector was hurt by a weakness in overseas economies, slowdown of west coast ports that delayed incoming products, residual effects of the harsh winter, higher costs of healthcare premiums, and a stronger dollar. Ten out of eighteen manufacturing industries reported growth in March. The non-manufacturing index (NMI) registered 56.5 in March, 0.4 percentage point lower than February's reading of 56.9. This represents continued growth in the non-manufacturing sector since it is over 50. Fourteen out of eighteen non-manufacturing industries reported growth in March.

After growing by an estimated 2.6 percent in 2014, the global economy is projected to expand by three percent in 2015, according to the World Bank Group's Global Economic Prospects (GEP) report. The U.S. will play a strong leading role in this expansion. Developing countries grew by 4.4 percent in 2014 and are expected to edge up to 4.8 percent this year, boosted in part by soft oil prices, a stronger U.S. economy, continued low global interest rates, and improving domestic conditions in several large emerging markets. Latin America will struggle as low commodity prices and domestic imbalances impede growth. The Bank of Canada is projecting real GDP growth will slow to about 1.5 percent in the first half of 2015. As of January, the Canadian economy is showing a slow pace due to the plunge in the price of crude oil, its top export commodity. The Bank expects the economy will gradually strengthen in the second half of the year, with real GDP growth averaging 2.1 percent in 2015. The Euro Area expanded 0.9% in 2014, and growth has continued despite the lack of progress toward the fiscal and banking union, the re-intensification of the debt crisis, and the conflict in Ukraine. Low oil prices, low interest rates, and the weaker euro are driving the fragile recovery. It is expected that the euro zone will grow 1.3% in 2015. China is undergoing a carefully managed slowdown with growth slowing to a still-robust

7.1 percent this year, compared to 7.4 percent in 2014. Japan's export sector has improved due to a weakening yen since late 2014. However, without an increased rate of fixed investment and real wages, the domestic economy will stagnate with the growth rate expected to be 1.2 percent in 2015. Although the world's economic growth is starting slowly in 2015, it is expected to reach a faster pace by midyear.

The International Trade Administration reported that exports in the Silver State totaled \$7.7 billion in 2014, down from \$8.7 billion in 2013. Imports totaled \$7.8 billion, down from \$8.5 billion in 2013. The commercial deficit was \$100 million in 2014, while in 2013 Nevada had a surplus of \$200 million. The deficit is explained in part by a decrease in gold exports from \$3.9 billion in 2013 to \$2.8 billion in 2014. Nevada's top export markets include Switzerland, Canada, China, India, and Mexico. In 2014, goods exports from the State supported more than 30,000 jobs.

Employment and Labor Force Summary

Nevada

Employment By Industry (Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014	Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014
	1234.6	1198.3	1229.5	36.3	5.1	39.7	3.0%	0.4%	3.3%
Goods Producing Industries	119.0	114.9	118.2	4.1	0.8	4.2	3.6%	0.7%	3.7%
Natural Resources and Mining	13.7	14.2	13.8	-0.5	-0.1	-0.4	-3.5%	-0.7%	-2.8%
Construction	63.7	59.5	62.9	4.2	0.8	4.3	7.1%	1.3%	7.4%
Manufacturing	41.6	41.2	41.5	0.4	0.1	0.3	1.0%	0.2%	0.7%
Service Producing Industries	1115.6	1083.4	1111.3	32.2	4.3	35.5	3.0%	0.4%	3.3%
Trade, Transportation & Utilities	232.5	225.1	233.1	7.4	-0.6	8.5	3.3%	-0.3%	3.8%
Wholesale	34.9	33.6	34.7	1.3	0.2	1.4	3.9%	0.6%	4.1%
Retail	137.9	135.7	139.6	2.2	-1.7	3.4	1.6%	-1.2%	2.5%
Trans, Warehousing and Utilities	59.7	55.8	58.8	3.9	0.9	3.8	7.0%	1.5%	6.9%
Information	13.5	12.7	13.5	0.8	0.0	0.7	6.3%	0.0%	5.2%
Financial Activities	56.7	56.7	56.4	0.0	0.3	-0.1	0.0%	0.5%	-0.1%
Finance and Insurance	32.1	32.4	31.9	-0.3	0.2	-0.4	-0.9%	0.6%	-1.2%
Professional & Business Services	157.7	154.0	158.0	3.7	-0.3	4.6	2.4%	-0.2%	3.0%
Education & Health Services	119.2	115.0	119.5	4.2	-0.3	4.9	3.7%	-0.3%	4.3%
Health Care and Social Assistance	105.1	102.0	105.5	3.1	-0.4	3.8	3.0%	-0.4%	3.8%
Leisure & Hospitality	344.3	330.7	340.9	13.6	3.4	15.3	4.1%	1.0%	4.7%
Casino Hotels	184.1	178.2	183.6	5.9	0.5	6.4	3.3%	0.3%	3.6%
Food Services and Drinking Places	116.1	109.5	113.8	6.6	2.3	7.5	6.0%	2.0%	7.0%
Other Services	35.0	34.0	34.4	1.0	0.6	0.8	2.9%	1.7%	2.4%
Government	156.7	155.2	155.5	1.5	1.2	0.7	1.0%	0.8%	0.5%

Labor Force and Unemployment

(Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014	Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014
Total Labor Force	1408.3	1383.4	1404.6	24.9	3.7	25.4	1.8%	0.3%	1.8%
Unemployment	101.0	121.0	102.0	-20.1	-1.0	-18.3	-16.6%	-1.0%	-15.2%
Unemployment Rate (NSA)	7.2%	8.7%	7.3%	-1.5	-0.1	-1.5	**	**	**
Unemployment Rate (SA)	6.8%	8.5%	6.9%	-1.7	-0.1	**	**	**	**
Total Employment	1307.3	1262.4	1302.6	44.9	4.7	43.7	3.6%	0.4%	3.5%

Employment and Labor Force Summary

Las Vegas-Paradise

Employment By Industry (Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014	Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014
Total Nonfarm Employment	897.6	872.5	893.1	25.1	4.5	27.4	2.9%	0.5%	3.2%
Goods Producing Industries	70.9	64.4	69.9	6.5	1.0	5.7	10.1%	1.4%	8.8%
Natural Resources and Mining	0.4	0.3	0.4	0.1	0.0	0.1	33.3%	0.0%	33.3%
Construction	49.6	43.2	48.6	6.4	1.0	5.6	14.8%	2.1%	13.1%
Manufacturing	20.9	20.9	20.9	0.0	0.0	-0.1	0.0%	0.0%	-0.3%
Service Producing Industries	826.7	808.1	823.2	18.6	3.5	21.7	2.3%	0.4%	2.7%
Trade, Transportation & Utilities	162.9	158.6	163.6	4.3	-0.7	5.0	2.7%	-0.4%	3.1%
Wholesale	21.6	20.9	21.4	0.7	0.2	0.6	3.3%	0.9%	3.0%
Retail	102.2	100.2	103.5	2.0	-1.3	2.8	2.0%	-1.3%	2.8%
Trans, Warehousing and Utilities	39.1	37.5	38.7	1.6	0.4	1.6	4.3%	1.0%	4.2%
Information	10.1	9.7	10.1	0.4	0.0	0.3	4.1%	0.0%	3.4%
Financial Activities	42.9	43.5	42.7	-0.6	0.2	-0.6	-1.4%	0.5%	-1.5%
Finance and Insurance	23.4	24.1	23.4	-0.7	0.0	-0.7	-2.9%	0.0%	-3.0%
Professional & Business Services	118.8	116.5	119.6	2.3	-0.8	3.3	2.0%	-0.7%	2.9%
Education & Health Services	83.3	81.7	83.0	1.6	0.3	1.8	2.0%	0.4%	2.2%
Health Care and Social Assistance	73.3	71.9	73.1	1.4	0.2	1.6	1.9%	0.3%	2.2%
Leisure & Hospitality	283.5	274.6	280.5	8.9	3.0	10.8	3.2%	1.1%	4.0%
Casino Hotels	159.9	155.0	159.7	4.9	0.2	5.6	3.2%	0.1%	3.6%
Food Services and Drinking Places	90.9	88.2	89.1	2.7	1.8	3.8	3.1%	2.0%	4.4%
Other Services	26.2	25.1	25.8	1.1	0.4	1.0	4.4%	1.6%	4.2%
Government	99.0	98.4	97.9	0.6	1.1	0.2	0.6%	1.1%	0.2%

Labor Force and Unemployment

(Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015-2014	Mar 15- Mar 14	Mar 15- Apr 15	2015-2014
Total Labor Force	1030.4	1000.3	1029.2	30.1	1.3	33.0	3.0%	0.1%	3.3%
Unemployment	73.8	87.8	74.3	-14.0	-0.5	-12.6	-16.0%	-0.6%	-1.3%
Unemployment Rate	7.2%	8.8%	7.2%	-1.6	0.0	-1.5	**	**	**
Total Employment	956.6	912.5	954.9	44.1	1.7	45.6	4.8%	0.2%	5.0%

Employment and Labor Force Summary

Reno-Sparks

Employment By Industry (Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014	Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014
Total Nonfarm Employment	205.2	198.7	203.8	6.5	1.4	6.3	3.3%	0.7%	3.2%
Goods Producing Industries	23.2	23.4	23.3	-0.2	-0.1	0.1	-0.9%	-0.4%	0.6%
Natural Resources and Mining	0.2	0.2	0.2	0.0	0.0	0.0	0.0%	0.0%	0.0%
Construction	10.1	10.4	10.2	-0.3	-0.1	0.0	-2.9%	-1.0%	0.0%
Manufacturing	12.9	12.8	12.9	0.1	0.0	0.1	0.8%	0.0%	1.0%
Service Producing Industries	182.0	175.3	180.5	6.7	1.5	6.2	3.8%	0.8%	3.6%
Trade, Transportation & Utilities	45.8	44.5	46.0	1.3	-0.2	1.7	2.9%	-0.4%	3.8%
Wholesale	9.2	8.9	9.2	0.3	0.0	0.3	3.4%	0.0%	3.8%
Retail	21.7	21.4	22.0	0.3	-0.3	0.5	1.4%	-1.4%	2.2%
Trans, Warehousing and Utilities	14.9	14.2	14.8	0.7	0.1	0.9	4.9%	0.7%	6.5%
Information	2.0	2.0	2.0	0.0	0.0	0.0	0.0%	0.0%	1.7%
Financial Activities	9.6	9.3	9.5	0.3	0.1	0.3	3.2%	1.1%	2.9%
Finance and Insurance	5.9	5.8	5.9	0.1	0.0	0.1	1.7%	0.0%	1.7%
Professional & Business Services	28.2	26.2	27.2	2.0	1.0	1.4	7.6%	3.7%	5.2%
Education & Health Services	24.2	23.5	24.1	0.7	0.1	0.8	3.0%	0.4%	3.6%
Leisure & Hospitality	35.9	34.4	35.4	1.5	0.5	1.5	4.4%	1.4%	4.5%
Casino Hotels	14.9	14.6	14.8	0.3	0.1	0.2	2.1%	0.7%	1.6%
Food Services and Drinking Places	14.5	13.8	14.3	0.7	0.2	0.7	5.1%	1.4%	4.9%
Other Services	5.8	5.8	5.8	0.0	0.0	0.0	0.0%	0.0%	-0.6%
Government	30.5	29.6	30.5	0.9	0.0	0.5	3.0%	0.0%	1.7%

Labor Force and Unemployment

(Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015-2014	Mar 15- Mar 14	Mar 15- Apr 15	2015-2014
Total Labor Force	227.2	225.0	226.9	2.2	0.4	0.7	1.0%	0.2%	0.3%
Unemployment	15.8	19.3	16.1	-3.5	-0.4	-3.4	-18.2%	-2.4%	-17.4%
Unemployment Rate	6.9%	8.6%	7.1%	-1.7	-0.2	-1.5	**	**	**
Total Employment	211.5	205.7	210.7	5.7	0.8	4.1	2.8%	0.4%	1.8%

Employment and Labor Force Summary

Carson City

Employment By Industry (Estimates in Thousands)	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014	Mar 15- Mar 14	Mar 15- Apr 15	2015- 2014
Total Nonfarm Employment	27.9	27.6	27.8	0.3	0.1	0.5	1.1%	0.4%	1.8%
Goods Producing Industries	3.7	27.6	3.6	-23.9	0.1	-23.6	-86.6%	2.8%	-86.6%
Manufacturing	2.6	2.7	2.6	-0.1	0.0	-0.1	-3.7%	0.0%	-2.5%
Service Producing Industries	24.2	24.0	24.2	0.2	0.0	0.4	0.8%	0.0%	1.5%
Trade, Transportation & Utilities	3.9	3.8	3.9	0.1	0.0	0.2	2.6%	0.0%	5.4%
Retail	3.0	3.0	3.0	0.0	0.0	0.1	0.0%	0.0%	3.4%
Professional & Business Services	2.1	1.9	2.0	0.2	0.1	0.2	10.5%	5.0%	10.9%
Leisure & Hospitality	3.4	3.3	3.3	0.1	0.1	0.1	3.0%	3.0%	3.1%
Government	9.1	9.2	9.1	-0.1	0.0	-0.1	-1.1%	0.0%	-1.4%

Labor Force and Unemployment (Estimates in Thousands)

	Mar15	Mar14	Feb15	Nominal Change			% Change		
				Annual	Monthly	YTD	Annual	Monthly	YTD
				Mar 15- Mar 14	Mar 15- Apr 15	2015-2014	Mar 15- Mar 14	Mar 15- Apr 15	2015-2014
Total Labor Force	25.0	26.9	25.1	-1.9	-0.1	-1.2	-7.0%	-0.5%	-4.7%
Unemployment	2.0	2.6	2.1	-0.633	-0.1	-0.6	-24.5%	-5.8%	-22.0%
Unemployment Rate	7.8%	9.6%	8.2%	-1.8	-0.4	-1.6	**	**	**
Total Employment	23.1	24.3	23.1	-1.2	0.0	-1.2	-5.1%	0.0%	-4.7%

Economy In Brief

Research & Analysis Bureau

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