

Economy In Brief October 2015



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

Economic Summary

In a month where we would expect to add 4,700 jobs to payrolls, a total of 10,900 jobs were added from September to October, leading to a seasonally adjusted gain of 6,200 jobs. Over the year, employment is up 42,100, for a gain of 3.4 percent. This is the 58th consecutive month of year-over-year employment gains in the Silver State. Further, for five of the past six months, increases in employment in excess of 40,000 jobs have been realized.

The construction sector continues to hold the highest percentage growth this month, up 11.2 percent with the addition of 7,100 jobs relative to October 2014. This month marks the 39th consecutive increase in construction employment, measured on a year-over-year basis. The leisure and hospitality sector, Nevada's largest employment sector, was home to the highest nominal growth this month, adding 16,300 jobs to payrolls, for a growth rate of 4.8 percent. Each of the first ten months of this year has had an employment level in leisure and hospitality that has exceeded the prerecession peak of 342,000 employees, reached at the end of 2007.

With the approaching holiday-related uptick in retail/wholesale trade and transportation activity, this month we examine the likely impacts on hiring. In the years prior to the recession, September-December increases in holiday-related seasonal jobs approached 10,000 in Nevada. During the recession and early stages of recovery, seasonal gains eased noticeably. However, more re-

cently, holiday-related job growth has picked up in these industries. Since 2011, holiday hiring has once again averaged close to 10,000 jobs. It is our expectation that this year's seasonal hiring will be similar, if not slightly more robust, due to the strengthening economy.

According to the Occupational Employment Statistics (OES) Survey, which measures employment and wage rates for workers in nonfarm establishments in Nevada and all states, retail trade accounts for 140,300 jobs, or 11.8 percent of total State employment. The occupations with the largest employment are retail salespersons, cashiers, and stock clerks/order fillers. Combined, these occupations account for 56.8 percent of total retail trade employment. The top ten occupations in retail trade earn between \$21,500 and \$79,900, the highest paid position being general/operations managers. Aside from that, the only other occupation to earn higher than the average wage for all occupations (\$42,300) is first-line supervisors/managers of retail sales workers, grossing \$20 more per year than the State average. The average salary for all retail trade occupations is relatively low, at \$31,000 per year; however, Nevada's average for these occupations is slightly higher than the national average of \$30,600 per year. In fact, the yearly income for retail trade occupations in the Silver State equates to 73.3 percent of average earnings for all Nevada occupations, while the same ratio for the Nation is only 64.7 percent.

Economic Indicators

UNEMPLOYMENT RATES October 2015

Nevada*	6.6%
Las Vegas MSA	6.3%
Reno-Sparks MSA	5.6%
Carson City MSA	6.6%
Elko Metropolitan Area	4.7%
United States*	5.0%

JOB GROWTH (YOY) October 2015

Nevada*	3.4%
Las Vegas MSA*	3.5%
Reno-Sparks MSA*	3.3%
Carson City MSA*	-0.7%
United States*	2.0%

GAMING WIN (YOY) September 2015

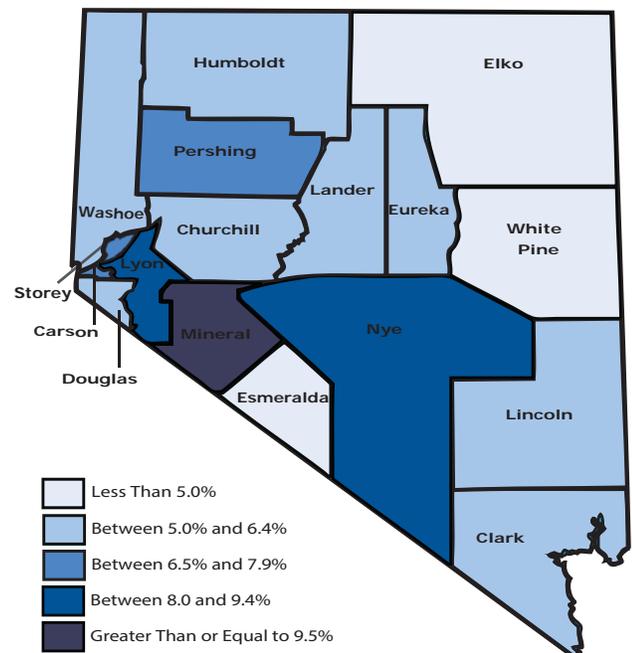
Nevada	1.5%
Clark County	1.3%
Washoe County	8.1%

TAXABLE SALES (YOY) August 2015

Nevada	2.2%
Clark County	1.8%
Washoe County	6.9%

*Seasonally Adjusted

Unemployment Rate by County



Economic Summary

In previous Overviews, we have compared two different measures of employment, from the Current Employment Statistics (CES) and the Quarterly Census of Employment and Wages (QCEW) Programs. The former is the typical focus of our monthly analyses (e.g. the October trends reported above) and provides a timely employment estimate based, in part, on a monthly survey of business establishments. The QCEW Program offers a less-timely complete-count of workers covered under the State's Unemployment Insurance Program.

There is a third employment measure, from the Local Area Unemployment Statistics Program (LAUS), based, in part, on a monthly survey of households. Unlike the CES estimate, which is an establishment-based measure of employment (i.e., the number of jobs in Nevada business establishments); LAUS employment estimates the number of Nevadans employed, regardless of their place of work. There are also differences in scope between the LAUS and CES employment estimates. Our focus is typically on CES employment, as research suggests that it is a more robust survey of underlying employment trends than LAUS estimates; though LAUS is the only source of the necessary unemployment statistics for calculating the official unemployment rate.

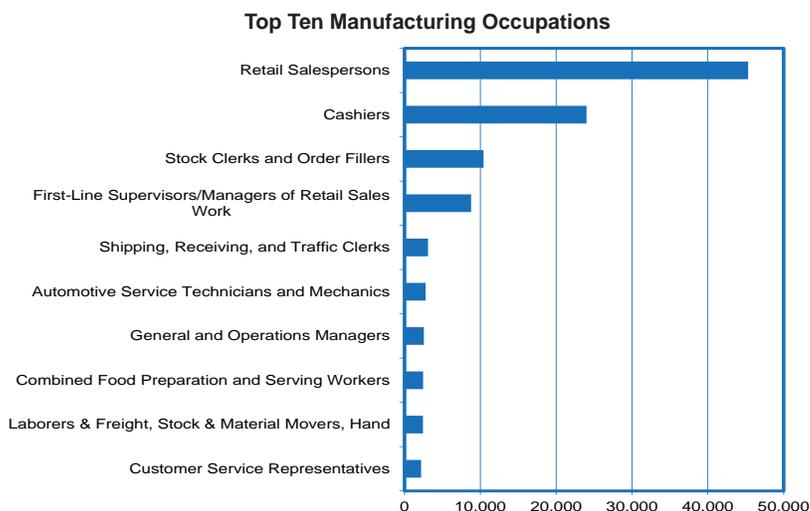
Still, over time, the CES and LAUS measures of employment tend to follow similar patterns. For instance, over the 2007-2010 recessionary period, CES employment fell about 14 percent, while LAUS employment declined eight percent. Since then, CES employment growth has come in at 12 percent, while LAUS employment growth has been 13 percent. However, the two measures can move in opposite directions over the short-term, especially on a month-to-month basis. As recently as September, establishment-based jobs from the CES Program fell by a seasonally adjusted 4,100 from August, whereas LAUS resident employment actually rose by 2,800.

With data generated via the Labor Insight tool offered by Burning Glass Technologies, a supplier of "real-time" labor market information, we can assess another aspect of the health of the State's economy by looking at trends in

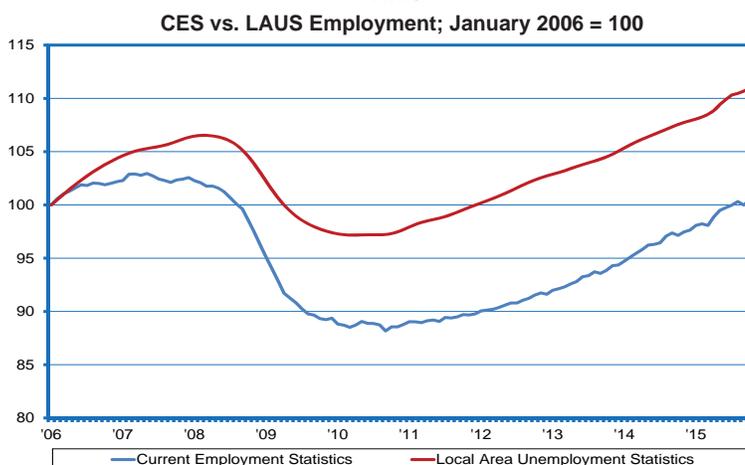
Seasonal Holiday Hiring Typically Adds Approximately 9K Jobs to Payrolls



Salespersons/Cashiers Largest Retail Occs; Wages=73% of Overall Avg vs. 65% in US



Two Alternative Employment Measures Follow Similar Patterns Over Time



Economic Summary

online job ads via DETR's Silver State Solutions initiative. In October, there were a total of 17,800 job postings in the Silver State, up from 12,300 a year ago. For those ads specifying work hours, nearly 89 percent were for full-time positions. There is an underlying trend of steady growth in job postings.

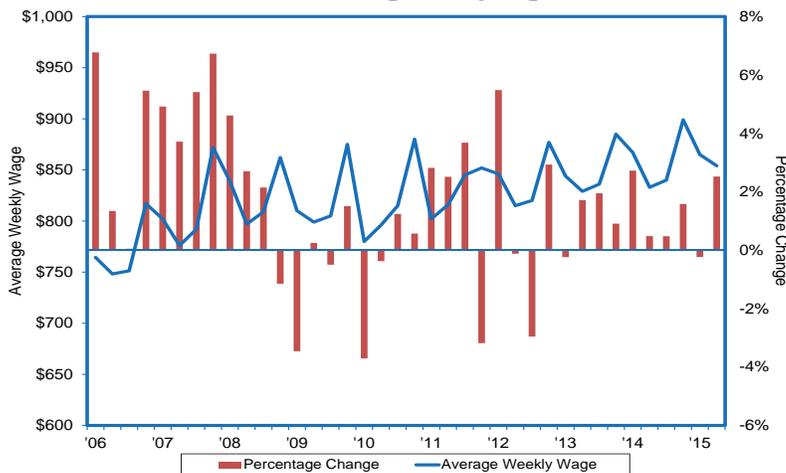
Weekly wages in Nevada averaged \$854 during 2015:IIQ. This compares to \$833 a year ago, an increase of 2.5 percent. Underlying trends continue to point to modest increases in wages. Since mid-2010, wage gains have been recorded in 15 of 20 quarters. Over the past five years, since the Silver State's labor markets bottomed out, average weekly wages are up 9 percent. Over that same five-year time frame, prices, as measured by the Consumer Price Index, have increased just over 8 percent, suggesting a slight gain in "real" wages over time, although there is considerable volatility from quarter-to-quarter. The average weekly wage is up 1.1 percent year-to-date when compared to the first half of last year.

Turning to the nation, similar trends are evident in hourly wages. According to the CES program, prior to the economic downturn, the national average hourly wage came in at \$20.69 at the beginning of 2007. Since then, wages have increased to just over \$25 per hour, with October's reading of \$25.14. Perhaps most importantly, though, wage growth has eased noticeably over the course of the past several years, as in Nevada. In 2007, wage growth came in at about 3.5 percent, measured on a year-over-year basis. During the past 12-months, wage gains have come in at two percent.

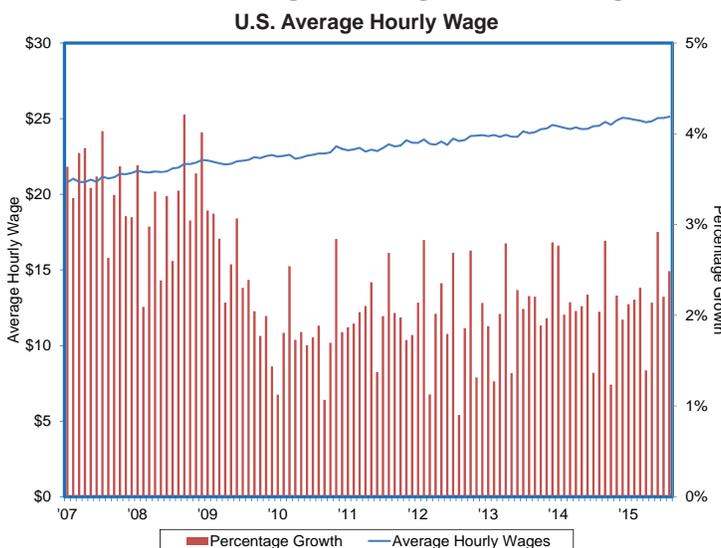
The news with respect to the nation's "real" (inflation-adjusted) wage growth is slightly more encouraging. When we compare the first ten months of 2007 to the first ten months of this year, we see that wages are up 19.5 percent. Over the same period, prices, measured by the Consumer Price Index, are up 13.2 percent.

Concurrent with the upward movement in employment this month, Nevada's seasonally adjusted unemployment rate ticked down one tenth of a percentage point over the month, to 6.6 percent. This is the 56th consecutive month of year-over-year declines in the unemployment rate, down 0.6 percentage point this month, relative to last October. Further, this is

Nevada Wages at \$854/Week in 2015:IIQ; Up 2.5% Over the Year
Nevada Average Weekly Wage

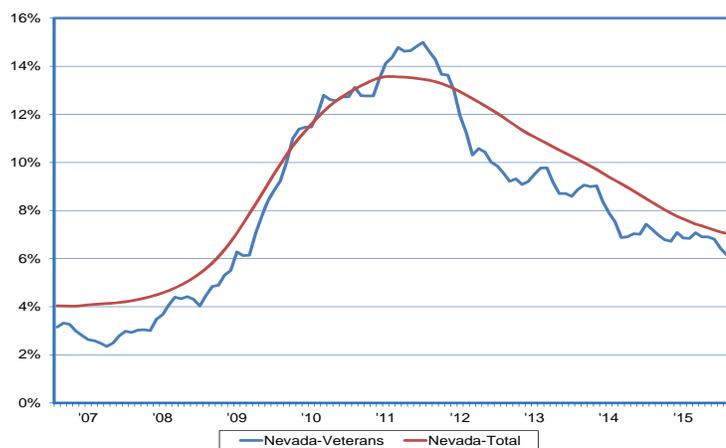


Over Past Five Years, U.S. Wages Growing at a 2.2% Average Annual Rate



Unemployment Rate for Vets has been Lower than the Total Throughout the Recovery

Nevada Unemployment Rates; 12-Month Moving Average



Economic Summary

the lowest the rate has been since June 2008.

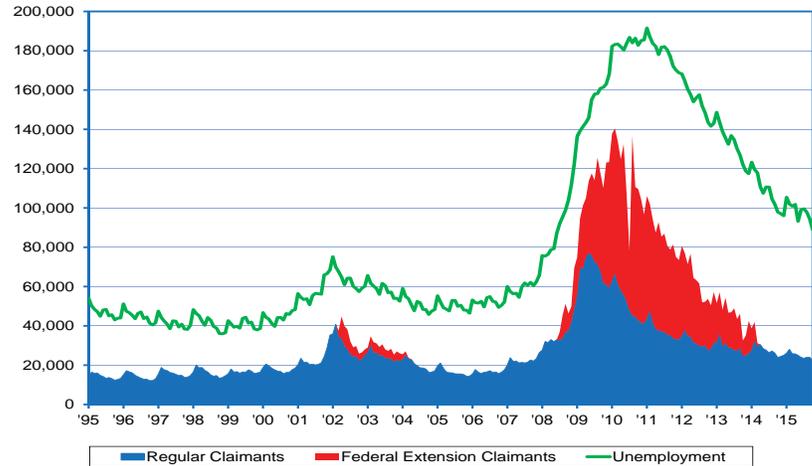
In light of the Veteran's Day holiday this month, we are taking a look at the unemployment rate for Nevada's Veterans relative to the State as a whole. Since December 2011, the unemployment rate for Veterans remained below that for the State. For instance, over the past 12 months, the unemployment rate for Veterans has averaged 6.4 percent; 0.6 percentage points below the statewide reading over the same period.

October's initial claims for unemployment insurance benefits totaled 11,620, nearly an 18 percent decline from a year ago, but an increase from September. The month-over-month increase was expected as Nevada, in all of the last 15 years, has seen an increase in claims from September to October due to the beginning of the seasonal layoff period. It is expected that month-to-month increases will continue through January and then begin to taper off thereafter. Despite the increase in initial claims, other areas of unemployment insurance claims activity continue to improve. Activity measures such as total benefit exhaustions and total benefits paid are at their lowest levels since early 2008.

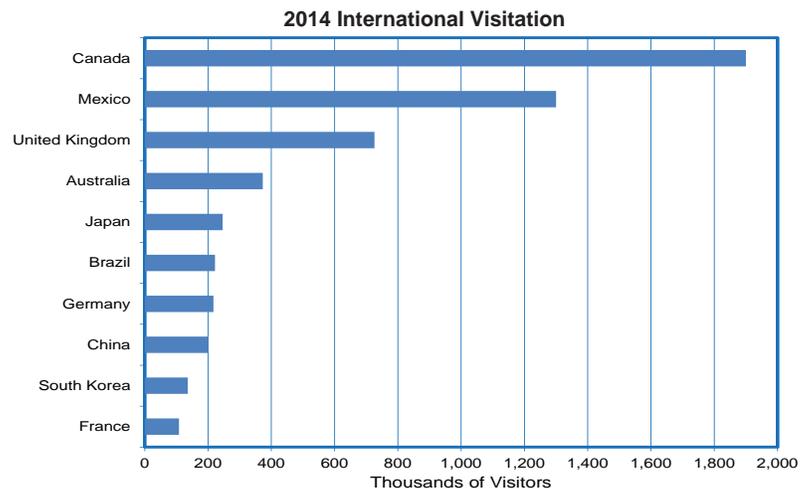
The Unemployment Insurance system provides benefits to involuntarily unemployed workers, typically up to 26 weeks. During economic downturns, federally-funded benefit extensions can be allocated, making additional weeks of benefits available to the unemployed. It is important to note that only a portion of the unemployed actually receive UI benefits. From 1995 to 2008, 38 percent of the unemployed, on average, received regular UI benefits. During recessions, the share of unemployed receiving benefits rises as layoffs rise. In the last recession as much as 53 percent of the unemployed received regular UI benefits. If the federal programs are included, nearly 80 percent received benefits. In the last several years, the reciprocity rate has declined as UI claimants exhaust their available benefits. The end of the federal benefit extensions also reduced the rate. Over the last 12 months, the share of unemployed receiving benefits in Nevada has been around 25 percent.

In each of the past two months, we high-

The # of UI Claimants is Typically Much Lower than the Estimate of Total Unemployed
Unemployment Insurance Claimants vs. the Number of Unemployed



6.2M International Visitors to Las Vegas; 1.9M from Canada; 1.3M from Mexico



lighted the importance of exports to Nevada's economy. This month, we utilize information from the Las Vegas Convention and Visitors Authority to examine international visitation in Las Vegas. In 2014, international visitation in the Silver State's largest MSA totaled 6.2 million. Of these, about 30 percent, or 1.9 million, are from Canada. Mexico, with 1.3 million Las Vegas visitors, accounted for 20 percent of international visitation. With 725,000

visitors, the United Kingdom accounted for 12 percent of total international visitors. Other notable international visitation markets include: Australia, Japan, Brazil, Germany, China, South Korea, and France. All told, Las Vegas visitation (domestic and international), totaled 41 million, a record high, in 2014.

- *Jeremy Hays, Economist*

Sub-State Economic Summary

In October, the State's largest population centers gained employment on a year-over-year basis. Las Vegas was home to the highest nominal growth, 31,100 jobs, an increase of 3.5 percent, relative to October 2014. Specifically, goods-producing industries added 8,500 jobs and service providers added 22,500¹. In Reno/Sparks, goods-producing employment was relatively flat compared to year ago; however, the metro area's service providers increased significantly, accounting for the majority of job gains, with a year-over-year increase of 6,700 jobs. Overall, growth in payrolls totaled 6,700 jobs, or 3.3 percent. Carson City was the only metropolitan statistical area (MSA) to realize a reduction in payrolls this month, down 0.7 percent – a decrease of 200 jobs over-the-year. In the State as a whole, job numbers increased 3.4 percent year-over-year, adding a seasonally adjusted 42,100 jobs.

Statewide, employment increased by a seasonally adjusted 6,200 in October, relative to September. The Las Vegas MSA had a seasonally adjusted increase of 5,500 jobs; the result of a 10,400 job increase in payrolls (not adjusted for seasonality), when an increase of 4,900 jobs was expected. In Reno/Sparks, we expected payrolls to increase by 1,900 this month, but jobs actually increased by 1,300, leading to a seasonally adjusted decrease of 600 jobs. Finally, Carson City job numbers were expected to remain stagnant, and realized no increase or decrease in jobs. Consequently, there was no seasonal adjustment this month in the State capital.

The Nevada retail trade industry continues to rebound from its recessionary low in the beginning of 2010, a drop of 15.8 percent from its all-time high at the end of 2007. This month, payrolls are up 12.3 percent since the recessionary trough, at 139,400 jobs. Year-to-date, retail trade employment in Nevada is up 0.8 percent (1,100 jobs) relative to the pri-

or year-to-date average. Retail trade jobs in Las Vegas are up 1.2 percent, with an increase of 1,200 to payrolls in comparison to the same time-frame last year. The Reno/Sparks year-to-date average was up 500 jobs in comparison to last year's average, an increase of 2.3 percent. Carson City remained stagnant in jobs for this industry, with an average of 3,000 on payrolls from January to October in both 2014 and 2015.

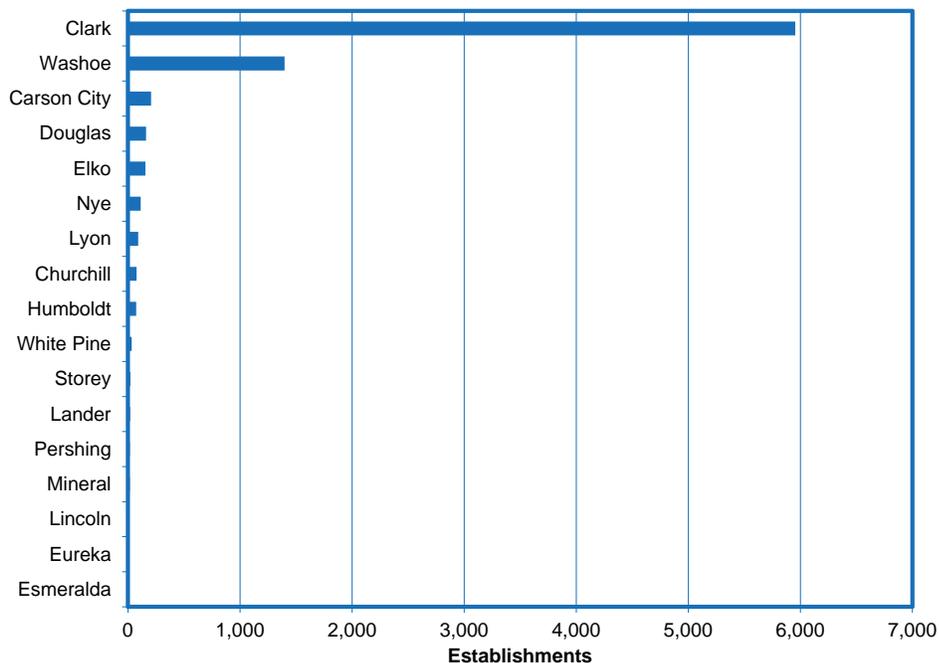
The Bureau of Labor Statistics' Quarterly Census of Employment and Wages Program, in partnership with individual states, allows for, among other things, analysis of specific industries by employment and number of establishments. In Nevada, 11 percent of establishments are in the retail trade industry, equating to 8,400 businesses. In total, the retail trade industry employs 140,500 Nevadans. The Silver State's population centers are home to 89.9 percent of Nevada's retail trade businesses – Clark having the largest portion, at 6,000 establishments, or 11.5 percent of all establishments in the county. Washoe has 1,400 retail

trade establishments and Carson City has 200 establishments. Nevada's rural counties tend to have a higher percentage of retail trade establishments, which can be attributed to the small number of total establishments residing in these counties. Of all the counties, Mineral has the highest proportion of retail trade establishments, at 15.8 percent, followed by Lander, Humboldt, and Pershing, though these account for fewer than 75 total establishments per county.

Over-the-year, online job posting activity² is up in 13 of 17 counties this month. Clark job postings increased more than any other county (+4,000) at 12,700 ads, up from 8,700 postings a year ago. Washoe also realized significant growth in job postings, with an increase of 800 ads, at 2,900 postings. Lincoln, White Pine, Eureka, and Lander declined in the amount of postings year-over-year. The greatest drop in

¹ References to total MSA employment are adjusted for seasonality, whereas references to goods-producing and service-providing industries are not.
² 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 to assist a variety of workforce development entities in efforts to match workers with jobs. Online job posting information is available via their Labor Insight tool.

90% of Retail Trade Establishments Reside in Clark/Washoe/Carson City
County Retail Trade Establishments



Sub-State Economic Summary

job ads occurred in Lander, at 14 fewer postings than October last year.

This month, the unemployment rates in the State's MSAs decreased both relative to last month and last year³. The rate in Las Vegas decreased 0.4 percentage point relative to September, to 6.3 percent, and is down 0.8 percentage point from last year. Over-the-year, the rate in the Reno/Sparks area decreased one percentage point, to 5.6 percent, and is down 0.3 percentage point over-the-month. The Carson City MSA rate is down 0.2 percentage point relative to last month and declined 0.8 percentage point over-the-year, resulting in an unemployment rate of 6.6 percent.

County unemployment rates ranged from 4.7 percent in Elko to ten percent in Mineral, the only county with a double-digit rate. In addition to Elko, relatively low unemployment rates are also found in Esmeralda (4.8 percent), and White Pine (4.9 percent). The highest unemployment rates, other than Mineral, belong to Lyon (8.5 percent) and Nye (8.4 percent).

- *Chelsea Schmitt, Economist*

³ The State's seasonally adjusted unemployment rate is 6.6 percent in October, down 0.1 percentage point from September and down from 7.2 percent in October 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 – 6.2 percent in October, down from 6.6 percent in September and down from 7.0 percent in October 2014.

Trends at a Glance

Industrial Employment

October

- Total seasonally adjusted jobs = 6,200
- Las Vegas seasonally adjusted jobs = 5,500
- Reno seasonally adjusted jobs = -600
- Carson City seasonally adjusted jobs = 0

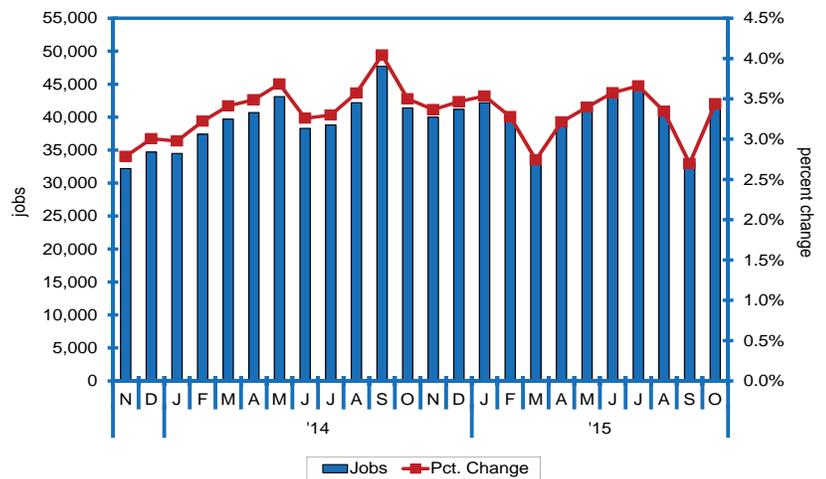
**Nevada Nonfarm Jobs
Seasonally Adjusted Change**

	Unadjusted Change	Expected Seasonal Movement	Seasonally Adjusted Change
Total Nonfarm Jobs	10,900	4,700	6,200
Private Sector	9,100	2,600	6,500
Public Sector	1,800	2,100	-300
Las Vegas	10,400	4,900	5,500
Reno	1,300	1,900	-600
Carson City	0	0	0

October

- 1,266,400 non-farm jobs
- 42,100 jobs added over-the-year
- October marks 58 straight months of growth in Nevada.

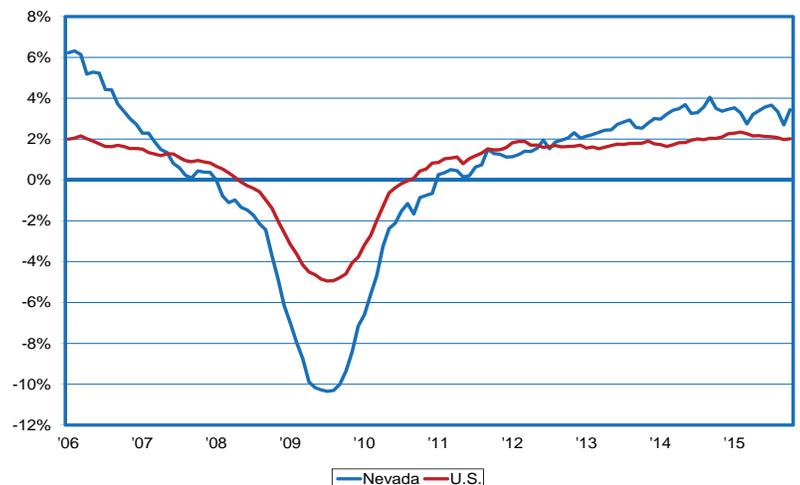
**Nevada Job Growth
(Seasonally Adjusted)**



October

- Nevada = 3.4 percent
- U.S. = 2.0 percent
- Growth in Nevada has exceeded that in the U.S. for 39 straight months.

**Job Growth: Nevada vs. U.S.
(Year-Over-Year Percent Change; Seasonally Adjusted)**



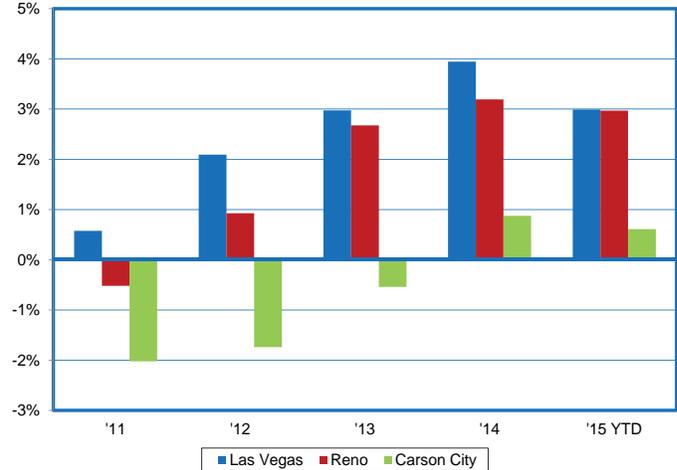
Trends at a Glance

Industrial Employment

October

- Las Vegas MSA = three percent year-to-date
- Reno-Sparks MSA = three percent year-to-date
- Carson City = 0.6 percent year-to-date

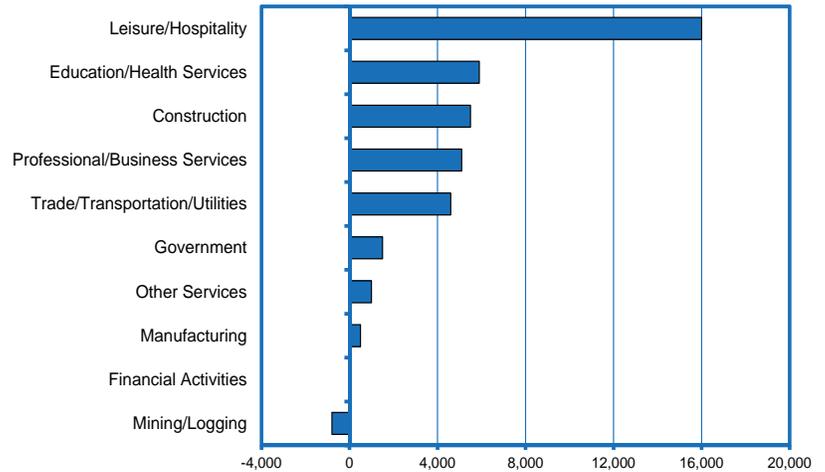
**Job Growth by Region
(Percent Change)**



October

- Leisure/hospitality added 16,000 jobs, more than any other sector.
- Eight sectors added jobs through October; financial activity remained stagnant and mining/logging was the only sector to contract.
- Total job growth = 39,400 jobs

**Job Growth by Industry
(Year-to-Date)**



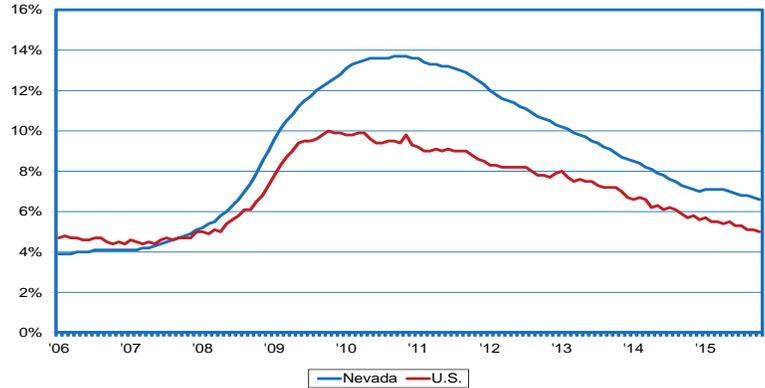
Trends at a Glance

Unemployment

October

- Nevada = 6.6 percent; down from 6.7 percent in September; down from 7.2 percent a year ago.
- U.S. = 5.0 percent; down from 5.1 percent in September; down from 5.7 percent a year ago.
- 1.6 point gap between Nevada and the Nation compares to 4.4 points at the height of the recession.

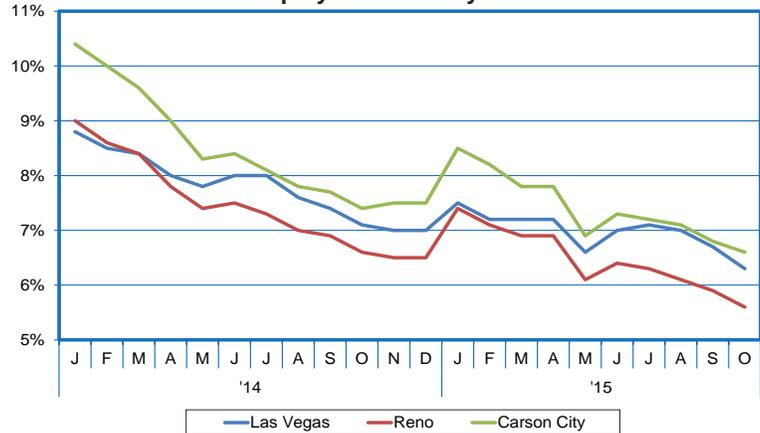
Unemployment Rate: Nevada vs. U.S.
(Seasonally Adjusted)



October (Not Seasonally Adjusted)

- Nevada = 6.2 percent; down 0.8 percentage point from October 2014.
- Las Vegas-Paradise MSA = 6.3 percent; down 0.8 percentage point from October 2014.
- Reno-Sparks MSA = 5.6 percent; down one percentage point from October 2014.
- Carson City = 6.6 percent; down 0.8 percentage point from October 2014.

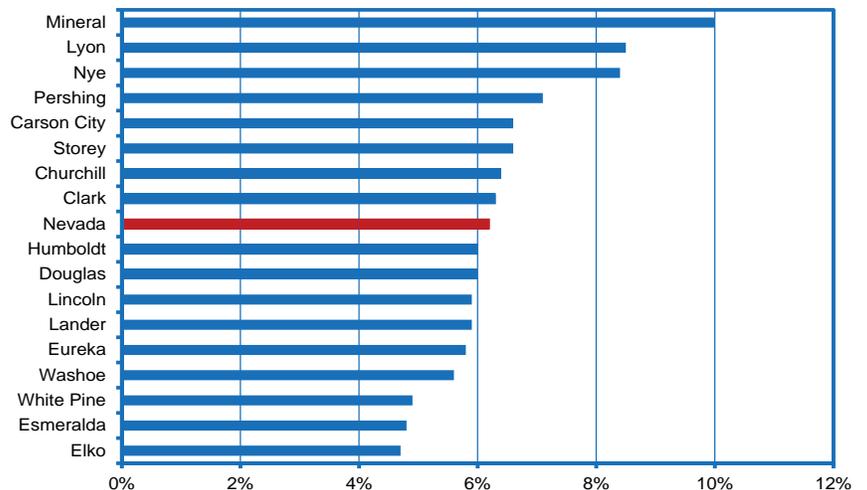
Unemployment Rate by Metro Area



October (Not Seasonally Adjusted)

- Unemployment rates ranged from 10.0 percent (Mineral) to 4.7 percent (Elko).
- Clark = 6.3 percent; Washoe = 5.6 percent; Carson City = 6.6 percent.

Unemployment Rate by County



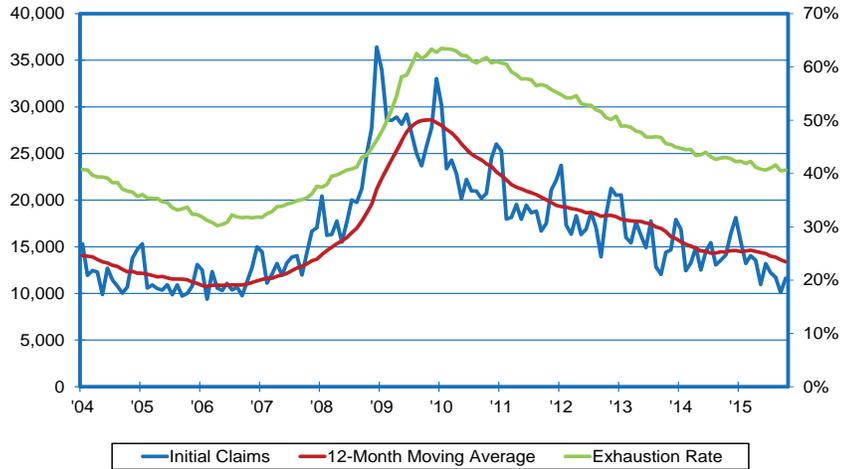
Trends at a Glance

Unemployment

October

- Initial claims = 11,600
- Exhaustion rate (the percentage of unemployment insurance claimants who exhausted UI benefits prior to finding a job) = 40.7 percent.

Nevada Unemployment Insurance: Initial Claims and Exhaustion Rate



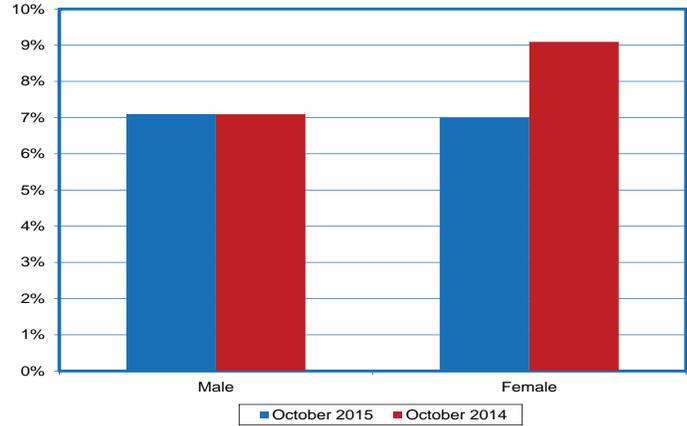
Trends at a Glance

Demographics of the Unemployed

October

- Male unemployment rate = 7.1 percent; unchanged from September; unchanged from a year ago.
- Female unemployment rate = 7.0 percent; down 0.1 percentage point from September; down 2.1 percentage points from a year ago.

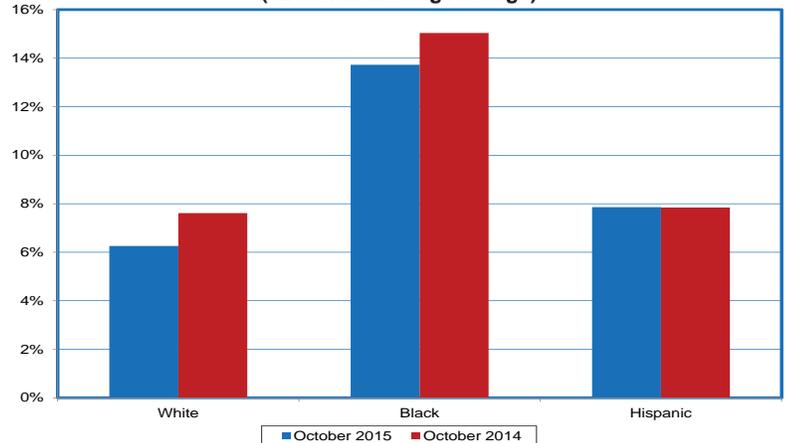
Unemployment Rate by Gender
(12-Month Moving Average)



October

- White unemployment rate = 6.3 percent; down 0.1 percentage point from September; down 1.3 percentage points from a year ago.
- Black unemployment rate = 13.7 percent; up 0.1 percentage point from September; down 1.3 percentage points from a year ago.
- Hispanic unemployment rate = 7.9 percent; unchanged from September, up 0.1 percentage point from a year ago.

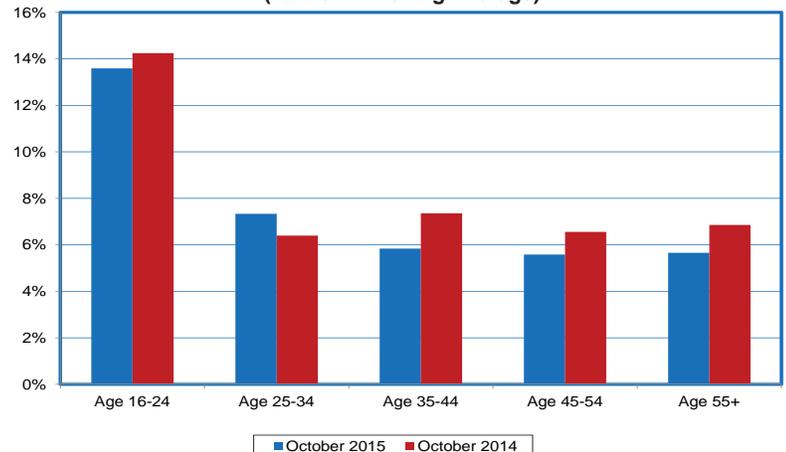
Unemployment Rate by Ethnicity
(12-Month Moving Average)



October

- Age 16-24 unemployment rate = 13.6 percent; up 0.4 percentage points from September; down 0.6 percentage point from a year ago.
- Age 25-34 unemployment rate = 7.3 percent; down 0.3 percentage point from September; up 0.9 percentage point from a year ago.
- Age 35-44 unemployment rate = 5.8 percent; unchanged from September; down 1.6 percentage points from a year ago.
- Age 45-54 unemployment rate = 5.6 percent; down 0.1 percentage point from September; down one percentage point from a year ago.
- Age 55+ unemployment rate = 5.7 percent; down 0.1 percentage point from September; down 1.2 percentage points from a year ago.

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



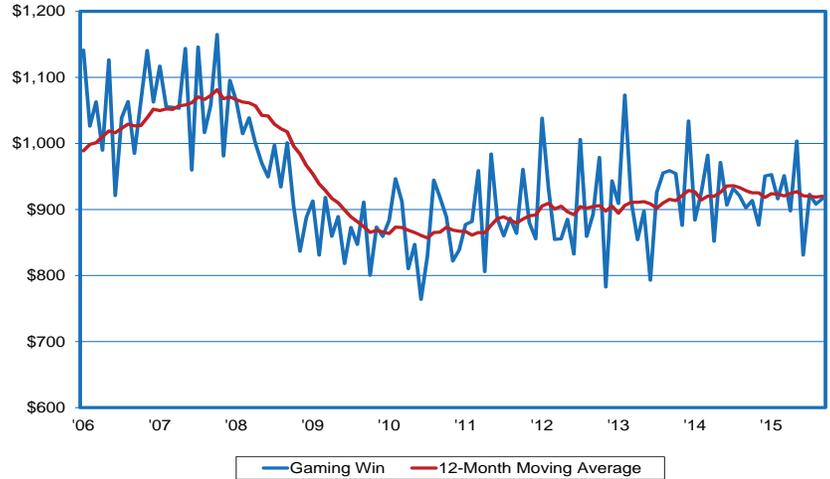
Trends at a Glance

Economic Indicators

September

- Gross gaming win = \$916.4 million
- Up 1.5 percent year-over-year; up 0.3 percent year-to-date over 2014.

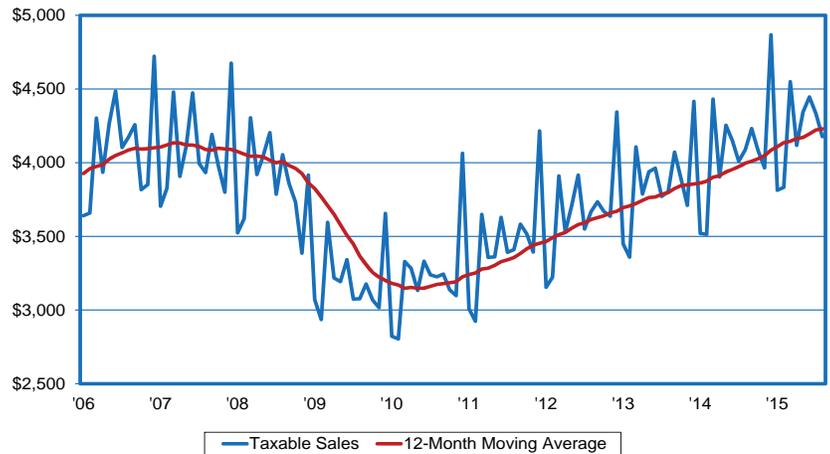
Nevada Gross Gaming Win
(Millions of Dollars)



August

- Taxable sales = \$4.18 billion
- Up 2.2 percent year-over-year

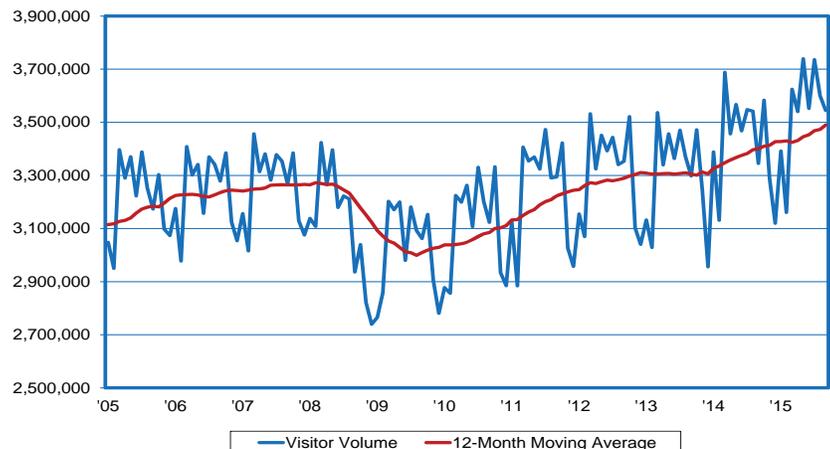
Statewide Taxable Sales
(Millions of Dollars)



September

- 3,544,500 visitors
- 199,300 visitor increase from prior year (+six percent); up 2.4 percent year-to-date over 2014.

Las Vegas Visitor Volume

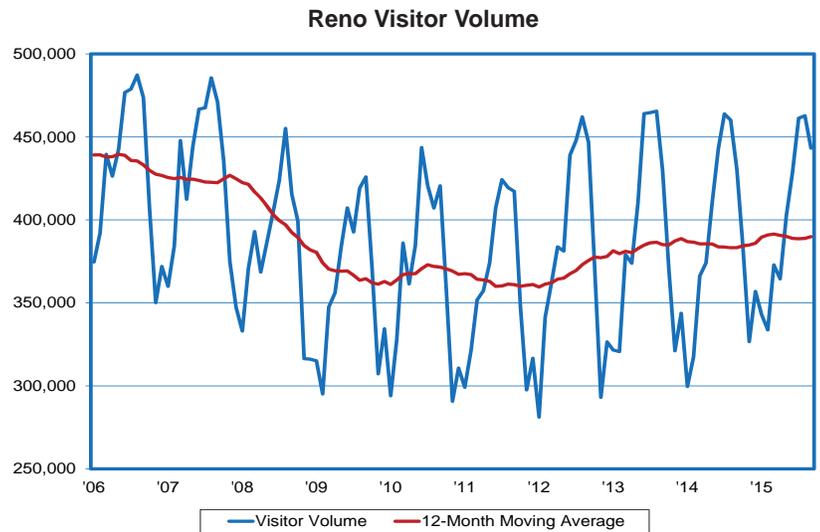


Trends at a Glance

Economic Indicators

September

- 443,300 visitors
- 13,000 visitor increase from prior year (+three percent); up 1.3 percent year-to-date over 2014.



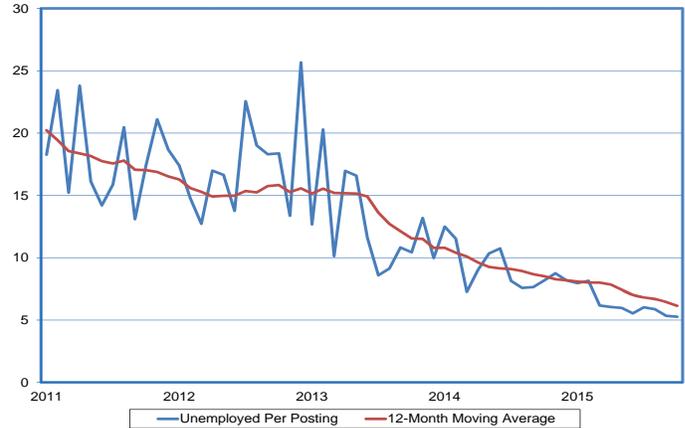
Trends at a Glance

Real-Time Labor Market Information

October

- For every job posting there are 5.3 unemployed persons, down from 8.2 in October 2014.

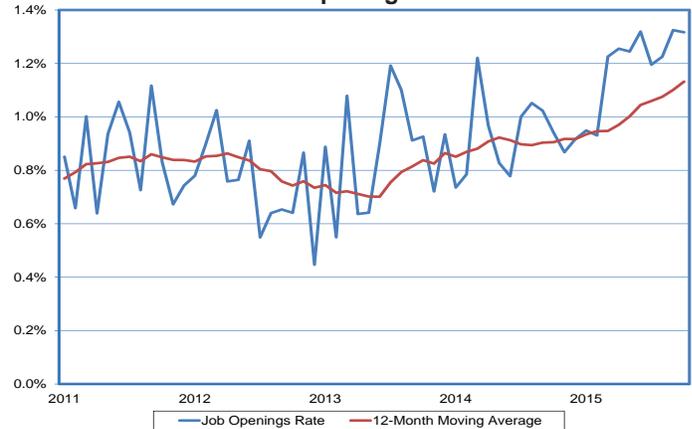
Unemployed per Online Job Posting



October

- Jobs became available at a rate of 1.3 percent, indicating employment prospects are trending up.
- The job openings rate is the ratio of the number of online job postings to the sum of job postings and employment.

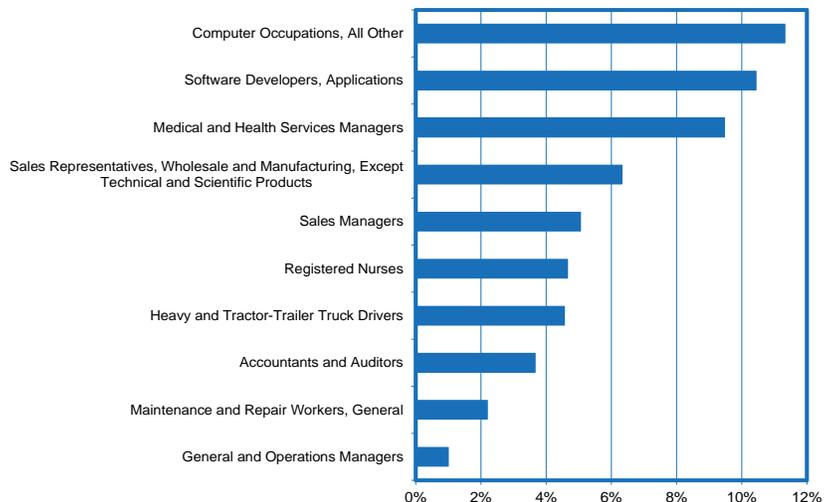
Job Openings Rate



October

- Job opening rate for all occupations = 1.48 percent.
- For occupations earning above-average wages, medical and health service managers have the highest job openings rate.

**Occupations with Above Average Wages
Job Openings Rates for Online Postings**



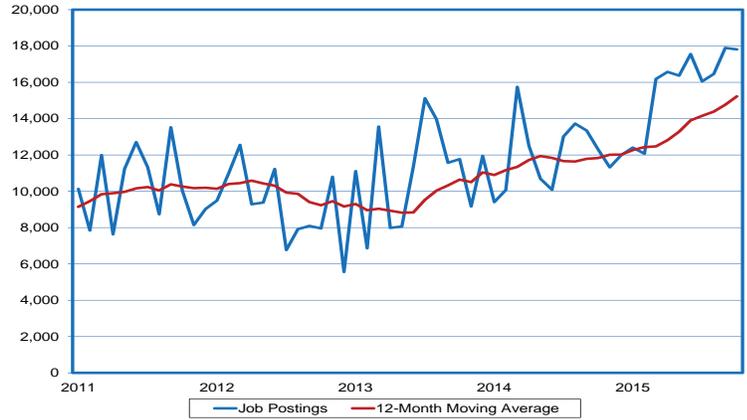
Trends at a Glance

Real-Time Labor Market Information: Spotlight on Nevada

October

- Nevada online job postings total 17,800; up from 12,300 a year ago.

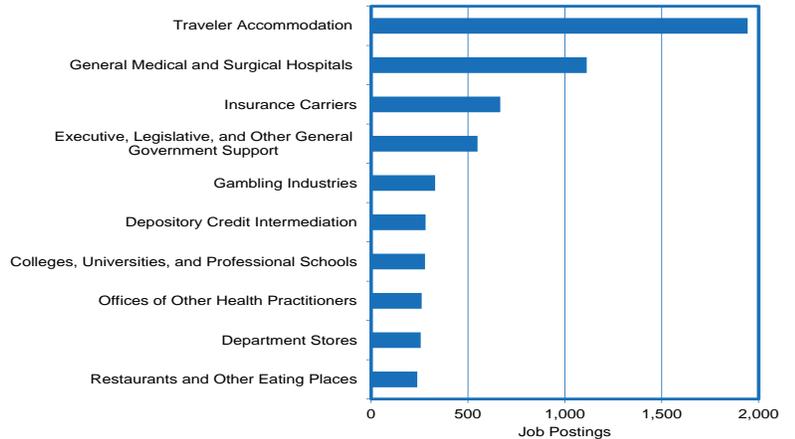
Nevada Job Postings



October

- The industries with the most postings are traveler accommodation and general medical/surgical hospitals.

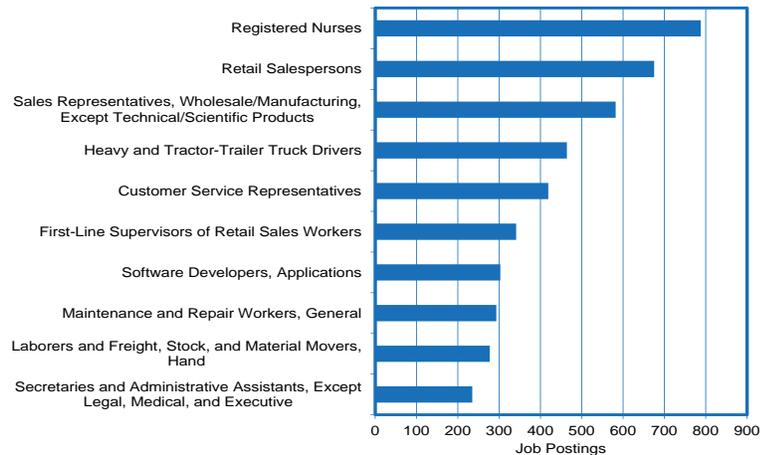
Top Industries



October

- The top occupations in demand are registered nurses, followed by retail salespersons.

Top Occupations in Demand



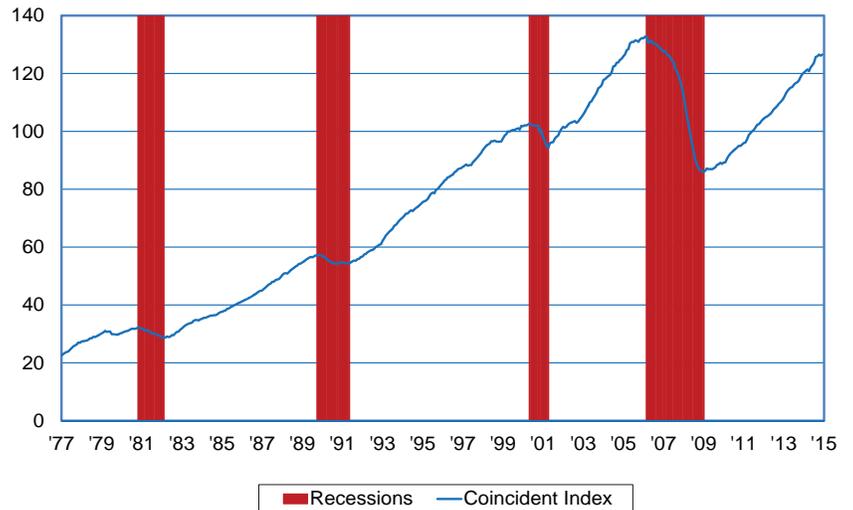
Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indexes

September

- 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 it bottomed out.
- The September release conveys a positive story for the coincident index and a 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, nonfarm employment, household employment, and the unemployment rate (inverted) moved in a positive direction, whereas the insured unemployment rate (inverted) moved in a negative direction.

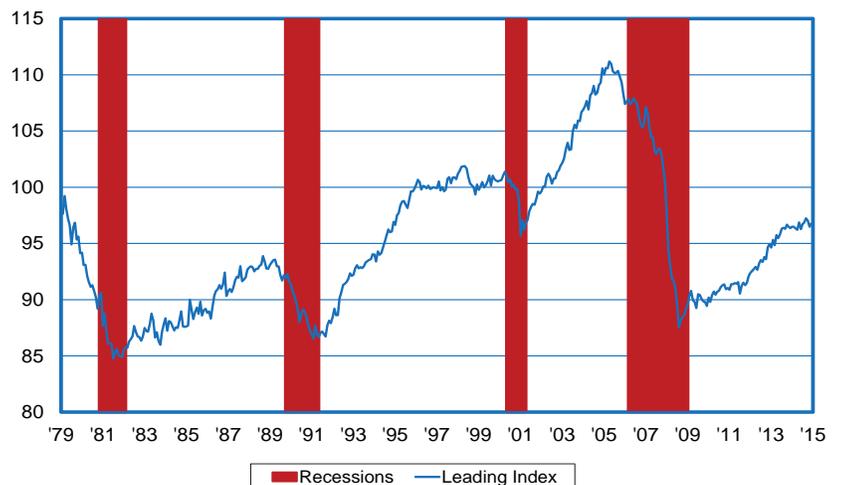
CBER-DETR Nevada Coincident Employment Index



September

- The Nevada Leading Employment Index measures the ups and downs of the Nevada economy, providing a signal about the future direction of the coincident index. For the current 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, initial claims for unemployment insurance (inverted), the short-duration unemployment rate (inverted), and construction employment moved in a positive direction, while the real Moody's Baa bond rate (inverted), housing permits, and commercial permits moved in a negative direction.
- For the leading index, initial claims for unemployment insurance (inverted), the short-duration unemployment rate (inverted), and construction employment moved in a negative direction, while commercial permits, the real Moody's Baa bond rate (inverted), and housing permits moved in a positive direction.

CBER-DETR Nevada Leading Employment Index



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Research & Analysis Bureau

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