

RCG NEVADA JOBS FLASH REPORT July 25, 2014



Nevada

Nevada's economy added **1,600** establishment-based jobs between May and June, reaching a total of **1,221,500**. This is a year-over-year ("YOY") increase of **44,200** (3.8%) jobs compared to June 2013. The year-to-date ("YTD") growth in 2014 is **3.0%** compared to **1.1%** for the same period in 2013. With the exception of a small loss of jobs in January, the state has seen positive job growth during the last **11 months**. With this increase, the "headline" unemployment dropped to **7.7%** in June, down from 7.9% in May, still third highest in country after Mississippi and Rhode Island. The U-6 rate, which includes forced part time and discouraged workers, remains stubbornly high at 16.2% (Q2, 2014-latest available data). This means that Nevada had the highest U-6 rate in the country, tied with California, at the end of the June.

During the past year, the employment-to-population ratio rose to **44.3%**, or by 0.3 percentage points. The 12-month rolling average was 44.1%. June matched the peak month (November 2013) for the ratio during the last 12 months. The lowest point was this past February when it was 43.6%.

Nevada added **41,700** private-sector jobs during the last 12 months. Excluding Construction sector job gains, **36,100** private establishment-based jobs were added during the period.

The **Top 3 sectors** in Nevada with the highest YOY job gains were Professional & Business Services (**11,500 jobs**), Leisure & Hospitality (**10,300 jobs**) and Trade, Transportation & Utilities (**7,400 jobs**). The Natural Resources & Mining (-200 jobs) sector and the Information sector (-900) were the only sectors that experienced job losses during the 12-month period.

The **Top 3 sectors** in the state with the most recent consecutive months of job gains were Manufacturing (**7 months**), Leisure & Hospitality (**6 months**) and Construction (**3 months**).

Las Vegas MSA

The Las Vegas MSA economy lost **1,700** establishment-based jobs between May and June, resulting in a total of **874,900** jobs. This decrease is mainly attributed to a loss of 5,800 jobs in the government sector, related to the annual year-end changes among Clark County School District employees. However, we should see that value rebound in the next two months as the school year begins. On a YOY basis, there was an increase of **26,100** (3.1%) jobs compared to June 2013. Including June, Las Vegas has had **8 months** of job growth during the last 11 months. The YTD job growth in 2014 is **2.3%**, slightly ahead of the 2.2% growth during the same time period in 2013.

The **highest month of job gains** in the past 12 months was August 2013 with 10,000 jobs followed by November and March with 7,800 jobs each. The **highest month of job losses** was July 2013 at -15,600, followed by December with -2,700 jobs.

The Las Vegas MSA private sector added **25,300** establishment-based jobs from June 2013 to June 2014. Excluding the job gains in the Construction sector, the private sector added **22,900** jobs during the same period.

The MSA's June 2014 headline unemployment rate remained level at **7.9%**. It has fallen by 2.5% from 10.4% since June 2013. Compared to June 2013, the employment-to-population ratio increased by 0.3 percentage points, to **39.1%** from 38.8%. The 12-month rolling monthly average was 39.1%. The peak month for the ratio during the last 12 months was last November (39.4%) and the lowest point was in January at 38.7%.

Most of Southern Nevada's major employment sectors saw job growth during the last 12 months. The **Top 3 sectors** in jobs gains were Trade, Transportation & Utilities (**6,900 jobs**), Professional & Business Services (**6,300 jobs**) and Education & Health Services (**4,800 jobs**). All other job sectors posted job gains besides Natural Resources & Mining, which was flat over the year, and the Information sector, which lost 1,000 jobs.

The top 3 sectors in Las Vegas having the most recent consecutive months of job gains were Manufacturing (**7 months**), Other Services (**5 months**) and Education & Health Services (**4 months**).

Reno-Sparks MSA

Reno-Sparks area's economy added **600** jobs between May and June, culminating in total of **204,200** jobs. This is a YOY increase of **7,200** (3.7%) jobs compared to June 2013. The year-to-date job growth in 2014 is **3.7%**, compared to **1.4%** during the same period in 2013. June represents the 11th consecutive month of job gains. This increase partially led to a drop in the headline unemployment rate

of 2.8 percentage points from 10.0% in June 2013 to the current rate of **7.2%**.

The employment-to-population ratio rose to **34.2%** or by 0.5 percentage points compared to June 2013. The 12-month rolling average was 33.9%. The peak months for the ratio during the last 12 months are this month and December 2013 (both 34.2%); the lowest point was January 2014 at 33.3%.

The Reno-Sparks MSA private sector added **7,400** establishment-based jobs from June 2013 to June 2014. When excluding Construction sector job gains, the private sector added **7,100** jobs.

For Reno-Sparks, 7 sectors posted job gains over the year. The **Top 3 sectors** for job growth were Professional & Business Services (**3,800 jobs**), Trade, Transportation & Utilities (**1,900 jobs**), and Leisure and Hospitality (**800 jobs**). The Other Services, Information and Natural Resources & Mining lost 100 jobs while the Government sector lost 200 jobs.

In Reno-Sparks, the Professional & Business Services sector has had job growth for **11 consecutive months**. The Leisure & Hospitality sector has had **5 months** of consecutive job gains.

Conclusion

The Nevada's major job markets have generally improved compared to 2013. As we've noted, Nevada's YTD job growth in 2014 is **3.0%** compared to **1.1%** during the same period in 2013. Las Vegas' YTD job growth during the first 6 months this year has been **2.3%**, compared with **2.2%** in 2013. And, finally, YTD in 2014 has been **3.7%** versus **1.4%** in 2013. Despite these very welcome gains, Nevada's headline and U-6 unemployment rates remain very elevated, reflecting the depth of the recession's effect on the state.