

RCG NEVADA JOBS FLASH REPORT September 24, 2014



Nevada

Nevada's economy gained **4,700** establishment-based jobs between July and August, ending the month with a total of **1,216,400 jobs**. This is a year-over-year ("YOY") increase of **36,900** (3.1%) jobs compared to August 2013. Year-to-date ("YTD") growth in 2014 is **2.6%**, double the **1.3%** for the same period in 2013. The state experienced negative job growth in June and July but turned things around in **August** after the summer employment slump.

Adjusting, for seasonality, the "headline" unemployment rate improved to **7.6%** in August. 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 second quarter.

During the past year, the employment-to-population ratio rose to **44.3%**, or by 0.3 percentage points. The 12-month moving average was 44.1%. The 12-month average peaked in July at 44.4%. The lowest point was this past January/February when it was 43.6%. The pre-recession peak (since 2000) was 51.2% in December 2000.

Nevada added **36,500** private-sector jobs during the last 12 months. Excluding Construction sector job gains, **31,200** 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 (**10,300 jobs**), Trade, Transportation & Utilities (**6,600 jobs**) and Education and Health Services (**6,000 jobs**). The Natural Resources & Mining (-400 jobs) sector was the only sector 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 (**9 months**), Construction (**5 months**) and Financial Activities (**2 months**).

Las Vegas MSA

The Las Vegas MSA economy gained **3,000** establishment-based jobs between July and August, rising to **874,800**. We are seeing a rebound, as is typical in late summer/early fall. On a YOY basis, there was an increase of **24,700** (2.9%) jobs compared to August 2013. Las Vegas also saw job losses in June and July but improved in August, gaining back all jobs lost in July. The YTD job growth for 2014 is **2.3%**, on pace with the same period last year.

The **highest months of job gains** in the past 12 months were November 2013 and March 2014 with 7,800 jobs each, followed by February with 6,400 jobs. The **highest month of job losses** in the last year was September 2013 with -5,800, followed by this July with -2,900 jobs.

The Las Vegas MSA private sector added **22,900** establishment-based jobs from August 2013 to August 2014. Excluding the job gains in the Construction sector, the private sector added **22,000** jobs during the same period.

The Las Vegas MSA's July 2014 headline unemployment rate fell to **7.7%**. It has fallen

by 1.9 percentage points since August 2013, down from 9.6%. Also, compared to August 2013, the employment-to-population ratio increased by 0.4 percentage points, to **39.2%** 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%. The pre-recession peak (since 2000) was 44.8% in December 2000.

Most of Southern Nevada's employment sectors saw job growth during the last 12 months. The **Top 3 sectors** in jobs gains were Professional & Business Services (**6,400 jobs**), Trade, Transportation & Utilities (**6,200 jobs**) and Education & Health Services (**5,900 jobs**). All other job sectors posted job gains besides Natural Resources & Mining, which was flat over the year, and the Information sector, which lost 100 jobs.

The top 3 sectors in Las Vegas with the most consecutive months of job gains were Education & Health Services (**6 months**), Trade, Transportation & Utilities (**4 months**) and Financial Activities, as well as, Manufacturing (**2 months each**).

Reno-Sparks MSA

The Reno-Sparks MSA's economy gained **1,000** establishment-based jobs between July and August, resulting in a total of **202,800** jobs. This is a YOY increase of **4,200** (2.1%) jobs compared to August 2013. The year-to-date job growth for 2014 is **3.0%**, compared to **2.2%** during the same period in 2013.

After its first month of net job losses since September 2013 in July, Reno rebounded and the headline unemployment rate responded with a 0.4 percentage point improvement, hitting **6.9%** in August. This is year-over-year progress of 2.2 percentage points.

The employment-to-population ratio rose to **34.0%** or by 0.1 percentage points compared to August 2013. The 12-month rolling average was 33.9%. The peak months for the

ratio during the last 12 months are November and December 2013 (both 34.2%); the lowest point was January 2014 at 33.3%. The pre-recession peak (since 2000) was 40.7% in December 2000.

The Reno-Sparks MSA private sector added **5,200** establishment-based jobs from August 2013 to August 2014. When excluding Construction sector job gains, the private sector added **4,600** jobs.

For Reno-Sparks, 6 sectors posted job gains over the year. The **Top 3 sectors** for job growth were Professional & Business Services (**3,000 jobs**), Trade, Transportation & Utilities (**1,300 jobs**) and Construction, as well as, Education & Health Services (**600 jobs each**). Other Services (-100 jobs), Manufacturing (-500 jobs) and Government (-1,000 jobs) sectors all lost jobs over the past year.

In Reno-Sparks, there are no sectors with long consecutive runs of growth, as the Professional & Business Services sector saw its first month of losses in nearly a year. The Construction sector has had **2 months** of consecutive job gains, while the Trade, Transportation & Utilities, Education & Health Services, Leisure & Hospitality and Government sectors are all on **1 month** of growth.

Conclusion

Nevada's major job markets continue to generally improve compared to 2013. As we've noted, Nevada's YTD job growth in 2014 is **2.6%** compared to **1.3%** during the same period in 2013. Las Vegas' YTD job growth thus far this year has been **2.3%**, same as recorded at this time in 2013. And, finally, YTD growth for Reno in 2014 has been **3.0%** versus **2.2%** in 2013.