

RCG NEVADA JOBS FLASH REPORT November, 2014 (October data)



Nevada

Nevada's economy gained **1,000** establishment-based jobs between September and October, reaching a total of **1,226,800**. This is a year-over-year ("YOY") increase of 33,100 (**2.8%**) jobs compared to October 2013. Nevada has recovered **56%** of the 181,600 jobs lost since the pre-recession peak in December 2007.

Year-to-date ("YTD") growth in 2014 is **3.5%**, one point higher than the 2.5% rate for same period in 2013. After experiencing negative job growth in June and July, the state has turned things around, showing consistent job growth.

Adjusting for seasonality, the "headline" unemployment rate improved to **7.1%** in October. The U-6 rate, which includes forced part-time and discouraged workers, remains stubbornly high at **15.9%** (Q3, 2014-latest available data). This means that Nevada had the highest U-6 rate in the country at the end of the third quarter.

From October 2013 to October 2014, the employment-to-population ratio rose to **44.7%**, or by 0.7 percentage points. This is the highest ratio attained in the 12 months ending this October. The lowest point was this past January when the rate stood at 43.6%. In December 2000, at the pre-recession peak (since 2000), the ratio was 51.2%. On a 12-month moving average basis, the ratio for October was 44.2%.

Nevada added **31,600** private-sector jobs during the last 12 months. Excluding the construction sector job gains, the economy added **29,200** private establishment-based jobs. Average weekly hours worked in Nevada in October were **33.4**. Average weekly hours at the start of the Great Recession (December 2007) were 37. The average hours worked have remained relatively flat over the last 35 months.

The top 3 sectors in Nevada with the highest YOY job gains were:

- ✓ *Professional & Business Services (10,100 jobs),*
- ✓ *Leisure & Hospitality (5,400 jobs) and*
- ✓ *Trade, and Transportation & Utilities (5,100 jobs).*

Natural Resources & Mining (-100 jobs) 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 are:

- ✓ *Manufacturing (11 months),*
- ✓ *Financial Activities (4 months), and*
- ✓ *Government, and Trade, Transportation & Utilities (3 months for both sectors).*

Las Vegas MSA

The Las Vegas MSA economy gained **1,500** establishment-based jobs between September and October, rising to **882,800**. The job numbers have looked promising since the end of summer. Las Vegas has recovered **57%** of the 132,900 jobs lost since the pre-recession in peak in December 2007.

On a YOY basis, there was an increase of 23,200 (**2.7%**) jobs compared to October 2013. The YTD job growth for 2014 is **3.2%**, compared to 3.5% at the same time last year.

The highest month of job gains in the past 12 months was September 2014 (+8,100 jobs), followed by March (7,800 jobs) and February (6,400 jobs). The highest month of job losses in

the last year was July 2014 with 2,900 lost jobs, followed by December 2013 with -2,700 jobs.

The Las Vegas MSA's private sector added **20,800** establishment-based jobs from October 2013 to October 2014. Excluding job losses in the Construction sector, the private sector added **21,300** jobs during the same period. Average weekly hours worked in Las Vegas in October were **33.2**. Average weekly hours at the start of the Great Recession were 37.1. Average hours worked have remained relatively flat during the last 50 months.

The Las Vegas MSA's October 2014 headline unemployment rate fell to **6.8%**. It has fallen by 2.8 percentage points since October 2013, down from 9.6%.

Also, compared to October 2013, the employment-to-population ratio increased by 0.6 percentage points, from 38.9% to **39.5%**. The peak month for the ratio during the last 12 months is now October, while the lowest point was in January at 38.7%. The pre-recession peak (since 2000) was 44.8% in December 2000. The 12-month rolling monthly average for October is 39.2%.

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 (6,600 jobs),*
- ✓ *Trade, Transportation & Utilities (5,900 jobs) and*
- ✓ *Education & Health Services (4,500 jobs).*

All other job sectors posted job gains besides Natural Resources & Mining, which was flat over the year, and Construction, which shed 500 jobs.

The top 3 sectors in Las Vegas with the most consecutive months of job gains are:

- ✓ *Trade, Transportation & Utilities (6 months),*
- ✓ *Information (3 months) and*

- ✓ *Government (3 months).*

Reno-Sparks MSA

The Reno-Sparks MSA's economy lost **1,200** establishment-based jobs between September and October, resulting in a total of **205,300** jobs. Reno has recovered **41%** of the 35,000 jobs lost since the pre-recession in peak in November 2007. The YOY increase was 4,000 (**2.0%**) jobs compared to October 2013. The YTD job growth for 2014 is **4.3%**, compared to 3.6% for the same period in 2013.

Since July, when the unemployment rate ticked up 0.1 percentage points, the Reno-Sparks MSA unemployment rate has continued to improve. In spite of the job losses this month, the unemployment rate hit **6.1%** in October, 2.7 percentage points better than at the same time last year.

The employment-to-population ratio dipped to **34.4%** but is still 0.5 percentage points higher than it was in October 2013. The 12-month rolling average was 34%. The peak month for the ratio during the last 12 months in Reno was September 2014; 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's private sector added **3,800** establishment-based jobs from October 2013 to October 2014. When excluding Construction sector job gains, the private sector added **3,600** jobs. Average weekly hours worked in Las Vegas in October were **33.7**. Average weekly hours at the start of the Great Recession (December 2007) were 37.5. Average hours worked have been increasing for the last seven months since hitting bottom in March at 31.9 hours.

Seven sectors posted job gains over the year. The top 3 sectors for job growth were:

- ✓ *Professional & Business Services (2,500 jobs),*
- ✓ *Education & Health Services (600 jobs) and*
- ✓ *Leisure & Hospitality (600 jobs).*

The Other Services (-100 jobs) and Manufacturing (-400 jobs) sectors lost jobs over the past year. The top and only sector in the MSA with consecutive months of job gains was Government (3 months).

Conclusion

Nevada's major job markets continue to moderately improve compared to 2013. As we've noted, Nevada's YTD job growth in 2014 is 3.5% compared to 2.5% for the same period in 2013. Las Vegas' YTD job growth thus far is 3.2%, compared to 3.5% a year ago. And, finally, YTD growth for Reno in 2014 is 4.3% versus 3.6% in 2013. The percentage of job loss recovery ranges from 41% to 57%. Average weekly hours worked in the state range from 33.2 to 33.7 hours. ■