

RCG NEVADA JOBS FLASH REPORT DECEMBER, 2014 (NOVEMBER DATA)



Nevada

Nevada's economy gained **3,500** establishment-based jobs between October and November, reaching **1,230,700**. This is a year-over-year ("YOY") increase of **27,500 (2.3%)** jobs compared to November 2013. Nevada has recovered **58%** of the 181,600 jobs lost since the pre-recession peak in December 2007.

Year-to-date ("YTD") growth in 2014 is **2.3%**, 1.4 points less than the 3.7% for same period in 2013. Still, the state is showing consistent job growth.

Adjusting for seasonality, the "headline" unemployment rate improved to **6.9%** in November. 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 November 2013 to November 2014, the employment-to-population ratio rose to **44.7%**, or by 0.4 percentage points. This is the highest ratio attained in the 12 months ending this November. 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 November was 44.3%.

Nevada added **26,200** private-sector jobs during the last 12 months. Excluding the construction sector job gains, the economy added **22,300** private establishment-based jobs.

State-wide average weekly hours worked in November were **33.6**. Average weekly hours at the start of the Great Recession (December 2007) were 37.0. The average hours worked has remained relatively flat over the last 36 months.

Average weekly earnings for November were **\$698.65**, on a 12-month moving average basis. At the start of the recession, earnings were at \$732.00. They bottomed out in March 2011 at \$659.12 and have been steadily rising for the last 12 months.

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

- ✓ *Professional & Business Services (11,200 jobs),*
- ✓ *Education & Health Services (5,600 jobs) and*
- ✓ *Construction (3,900 jobs).*

Natural Resources & Mining (-500 jobs) and Leisure and Hospitality (-600 jobs) 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 are:

- ✓ *Trade, Transportation & Utilities (4 months),*
- ✓ *Government (4 months), and*
- ✓ *Professional & Business Services (2 months).*

Las Vegas MSA

The Las Vegas MSA economy gained **6,300** establishment-based jobs between October and November, rising to **888,500**. The job numbers have looked better since the end of summer. Las Vegas has recovered **62%** of the 132,900 jobs lost since the pre-recession in peak in December 2007.

On a YOY basis, there was an increase of 22,000 (2.5%) jobs compared to November 2013. The YTD job growth for 2014 is 2.8%, compared to 3.4% at the same time last year.

The month with the highest 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 month with the highest job losses in the last year was January 2014 with 9,200 lost jobs, followed by July 2014 at -2,900 jobs.

The Las Vegas MSA's private sector added **20,200** establishment-based jobs from November 2013 to November 2014. Excluding gains in the Construction sector, the private sector added **17,900** jobs during the same period.

Average weekly hours worked in Las Vegas in November were **33.1**. Average weekly hours at the start of the Great Recession were 37.1. Average hours worked has remained relatively flat during the last 51 months.

Average weekly earnings, on a moving average basis, in Las Vegas for November were **\$699.00**. At the start of the recession, earnings were at \$736.34. They bottomed out in July 2011 at \$659.97. Average weekly earnings in Las Vegas have risen 11 of the last 12 months.

The Las Vegas MSA's November 2014 headline unemployment rate rose to **7.1%**. The unemployment rate ticked up primarily due to seasonal issues, as the improving adjusted statewide figure illustrates. The rate has fallen by 1.9 percentage points since November 2013, down from 9.0%.

Also, compared to November 2013, the employment-to-population ratio increased by 0.4 percentage points, from 39.2% to **39.6%**. The peak month for the ratio during the last 12 months is now November, 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 moving monthly average for November was 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 (8,400 jobs),*
- ✓ *Education & Health Services (4,200 jobs) and*
- ✓ *Trade, Transportation & Utilities (3,100 jobs).*

All other job sectors posted job gains besides Natural Resources & Mining and Financial Activities, which were flat over the year.

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

- ✓ *Trade, Transportation & Utilities (7 months),*
- ✓ *Government (4 months) and*
- ✓ *Professional & Business Services (2 months).*

Reno-Sparks MSA

The Reno-Sparks MSA's economy gained **900** establishment-based jobs between October and November, resulting in a total of **206,200** jobs. Reno has recovered **41%** of the 35,000 jobs lost since the pre-recession in peak in November 2007. The YOY increase was **3,300 (1.6%)** jobs compared to November 2013. The YTD job growth for 2014 is **1.5%**, compared to 4.4% for the same period in 2013.

In spite of the job gains this month, the unemployment rate rose to **6.4%** in November, but was still 1.9 percentage points better than at the same time last year. This is due to the same seasonality issue that hobbled the Las Vegas rate.

The employment-to-population ratio remained **34.4%**, but is still 0.2 percentage points higher than it was in November 2013. The 12-month moving average was 34.1%. The peak month for the ratio during the last 12 months in Reno was September 2014 at 34.6%; 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 **3,200** establishment-based jobs from November 2013 to November 2014. When excluding Construction sector job losses, the private sector added **3,300** jobs.

Average weekly hours worked in Reno in November were **34.1**. Average weekly hours at the start of the Great Recession (December 2007) were 37.5. Average hours worked has been increasing for the last eight months since hitting bottom in March at 31.9 hours.

Average weekly earnings in Reno for November were **\$722.50**, on a moving average basis. At the start of the recession, earnings were \$692.69. They bottomed out in March 2011 at \$648.94. Weekly earnings have been steadily rising for the last 13 months.

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

- ✓ *Professional & Business Services (3,200 jobs),*
- ✓ *Education & Health Services (500 jobs) and*
- ✓ *Financial Activities, Government and Leisure & Hospitality (tied with 100 jobs).*

Natural Resources & Mining and Information held steady, while the downside, the following sectors lost jobs YOY:

- ✓ *Other Services (-100 jobs),*
- ✓ *Construction (-100 jobs),*
- ✓ *Manufacturing (-100 jobs) and*
- ✓ *Trade, Transportation & Utilities (-400 jobs).*

The top and only sector in the MSA with consecutive months of job gains was Government (4 months).

Conclusion

Nevada's major job markets continue to moderately improve, but not as quickly as in 2013. As we've noted, Nevada's YTD job growth in 2014 is 2.3%, compared to 3.7% for the same period in 2013. Las Vegas' YTD job growth thus far is 2.8%, compared to 3.4% a year ago. And, finally, YTD growth for Reno in 2014 is 1.5% versus 4.4% in 2013. The percentage of job recovery ranges from 41% to 62% since the start of the Great Recession. Average weekly hours worked in the state range from 33.1 to 34.1 hours, while average weekly earnings range from \$698.65 to \$722.50. ■