

RCG NEVADA JOBS FLASH REPORT JANUARY, 2015 (DECEMBER DATA)



Nevada

Nevada's economy lost **900** establishment-based jobs between November and December, dropping to **1,230,800**. Still, this is a year-over-year ("YOY") increase of **27,700 (2.3%)** compared to December 2013. Nevada has recovered **60%** 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 lower than the 3.7% recorded in 2013. However, the state is showing consistent job growth.

Adjusting for seasonality, the "headline" unemployment rate improved to **6.8%** in December. The U-6 rate, which also includes forced part-time and discouraged workers, remains stubbornly high at **15.3%** (Q4, 2014-latest available data). This means that Nevada had the highest U-6 rate in the country at the end of 2014.

From December 2013 to December 2014, the employment-to-population ratio rose to **44.4%**, or by 0.3 percentage-points. The highest ratio attained in the last 12 months was in October 2014. The lowest point was in January 2014, when the rate stood at 43.6%. Since 2000, the pre-recession peak was 51.2% in December 2000. On a 12-month moving average basis, the ratio for December was 44.3%.

Nevada added **26,300** private-sector jobs during the last 12 months. Excluding the construction sector job gains, the economy added **21,700** private establishment-based jobs.

State-wide average weekly hours worked in December were **33.4**, on a 12-month moving average. Average weekly hours at the start of the Great Recession (December 2007) were 37.3. The average hours worked have remained relatively flat over the last 12 months.

Average weekly earnings for December were **\$700.62** (not inflation-adjusted), 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 (7,500 jobs),*
- ✓ *Education & Health Services (6,400 jobs) and*
- ✓ *Construction (4,600 jobs).*

Natural Resources & Mining (-600 jobs) was the only sector that experienced job losses during the 12-month period.

The top sectors in the state with the most recent consecutive months of job gains are:

- ✓ *Trade, Transportation & Utilities (5 months) and*
- ✓ *Education & Health Services (2 months), and*

Las Vegas MSA

The Las Vegas MSA economy lost **1,100** establishment-based jobs between November and December, settling at **887,300**. 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 23,000 (**2.7%**) jobs compared to December 2013. The

YTD job growth for 2014 is **2.7%**, compared to 3.1% for 2013.

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 **21,500** establishment-based jobs from December 2013 to December 2014. Excluding gains in the Construction sector, the private sector added **17,200** jobs during the same period.

Average weekly hours worked, on a moving average basis, in Las Vegas in December were **33.3**. Average weekly hours at the start of the Great Recession were 37.3. Average hours worked have been slowly declining over the past 21 months, as unemployment improves, suggesting that new jobs are cutting into existing jobs' hours.

Average weekly earnings, on a moving average basis, in Las Vegas for December were **\$700.26**. 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 in nominal terms in 11 of the last 12 months.

The Las Vegas MSA's December 2014 headline unemployment rate declined to **6.9%**. The unemployment rate has fallen by 2.0 percentage-points since December 2013, down from 8.9%.. The federal government does not produce a U-6 rate for metro areas.

Also, compared to December 2013, the employment-to-population ratio increased by 0.3 percentage-points, from 39.0% to **39.3%**. The peak month for the ratio during the last 12 months was November, while the lowest point was in January 2013 at 38.7%. The pre-recession peak (since 2000) was 44.8% in December 2000.

The 12-month moving monthly average for December 2014 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:

- ✓ *Trade, Transportation & Utilities (4,900 jobs),*
- ✓ *Construction (4,300 jobs) and*
- ✓ *Professional & Business Services (4,300 jobs).*

All other job sectors posted job gains besides Financial Activities, which lost 100 jobs over the year.

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

- ✓ *Trade, Transportation & Utilities (8 months),*
- ✓ *Government (5 months) and*
- ✓ *Education & Health Services (2 months).*

Reno-Sparks MSA

The Reno-Sparks MSA economy lost **900** establishment-based jobs between November and December, resulting in a total of **204,800** jobs. Reno has recovered **37%** of the 35,000 jobs lost since its pre-recession in peak in November 2007. The YOY increase for December was **1,600 (0.8%)**. The YTD job growth for 2014 was **0.8%**, compared to 4.6% in 2013.

In spite of the job losses in December, the headline unemployment rate declined to **6.2%** and was 2.0 percentage-points better than at the same time one year prior. As noted above, the federal government does not produce a U-6 rate for metro areas.

The employment-to-population ratio declined to **34.0%**, 0.2 percentage-points lower than it was in December 2013. The 12-month moving average was 34.0%. 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 private sector added **1,900** establishment-based jobs from December 2013 to December 2014. When excluding Construction sector job losses, the private sector added **2,500** jobs.

Average weekly hours worked in Reno, on a moving average basis, in December were **32.7**. Average weekly hours at the start of the Great Recession (December 2007) were 37.3. Average hours worked have been relatively flat for the last ten months.

Average weekly earnings in Reno for December were **\$726.41**, on a moving average basis. At the start of the recession, earnings were \$692.69. They bottomed out in March 2011 at \$648.94. Nominal weekly earnings have been steadily rising for the last 13 months.

Four sectors posted job gains year-over-year. The top 3 sectors for job growth were:

- ✓ *Professional & Business Services (2,500 jobs),*
- ✓ *Education & Health Services (600 jobs) and*
- ✓ *Financial Activities and Leisure & Hospitality (tied with 100 jobs).*

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

- ✓ *Other Services (-100 jobs),*
- ✓ *Government (-300 jobs),*
- ✓ *Construction (-600 jobs), and*
- ✓ *Trade, Transportation & Utilities (-700 jobs).*

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

- ✓ *Trade, Transportation & Utilities (2 months),*

- ✓ *Professional & Business Services (2 months) and*

- ✓ *Education & Health Services (2 months).*

Conclusion

Nevada's major job markets moderately improved in 2014, but not as quickly as they did in 2013. As we've noted, Nevada's YTD job growth in 2014 was 2.3%, compared to 3.7% for 2013. Las Vegas' YTD job growth was 2.7%, compared to 3.1% a year earlier. And, finally, YTD growth for Reno in 2014 was 0.8% versus 4.6% in 2013. The percentage of job recovery ranges from 37% to 62% since the start of the Great Recession. Average weekly hours worked in the state range from 32.7 to 33.4 hours, while average weekly earnings range from \$700.26 to \$726.41. The good news: 2014 ended with a moderate but solidly improving job picture for Nevada's two metro areas and the state. ■