

RCG NEVADA JOBS FLASH REPORT October 22, 2014



Nevada

Nevada's economy gained **6,800** establishment-based jobs between August and September reaching a total of **1,222,400**. This is a year-over-year ("YOY") increase of **37,700** (3.2%) jobs compared to September 2013. Nevada has recovered **60%** of the 181,600 jobs lost since pre-recession in peak in December 2007.

Year-to-date ("YTD") growth in 2014 is **3.1%**, nearly double the **1.8%** rate for same period in 2013. After experiencing negative job growth in June and July, the state has turned things around and recovered all the jobs lost during the summer employment slump.

Adjusting, for seasonality, the "headline" unemployment rate improved to **7.3%** in September. 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.

From September 2013 to September 2014, the employment-to-population ratio rose to **44.6%**, or by 0.5 percentage points. This is the highest ratio attained in the last year. The lowest point was this past January/February when it was 43.6%. In December 2000, at the pre-recession peak (since 2000), the ratio was 51.2%. The 12-month moving average for September was 44.2%.

Nevada added **38,300** private-sector jobs during the last 12 months. Excluding Construction sector job gains, the economy added **31,800** private establishment-based jobs.

The **Top 3 sectors** in Nevada with the highest YOY job gains were Professional & Business Services (**10,700 jobs**), Trade, Transportation & Utilities (**8,100 jobs**) and Construction (**6,500 jobs**). The Natural Resources & Mining (-300 jobs) and Government (-600 jobs) sectors 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 Manufacturing (**10 months**), Construction (**6 months**) and Financial Activities (**3 months**).

Las Vegas MSA

The Las Vegas MSA economy gained **5,900** establishment-based jobs between August and September, rising to **879,100**. The job numbers have totally recovered from the annual summer decrease. Las Vegas has recovered **61%** of the 132,900 jobs lost since pre-recession in peak in December 2007.

On a YOY basis, there was an increase of **23,900** (2.8%) jobs compared to September 2013. The YTD job growth for 2014 is **2.8%**, compared to 3.0% at the same time 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 October 2013 with -4,900, followed by this July with -2,900 jobs.

The Las Vegas MSA private sector added **23,300** establishment-based jobs from September 2013 to September 2014. Excluding the job gains in the Construction sector, the private sector added **22,100** jobs during the same period.

The Las Vegas MSA's September 2014 headline unemployment rate fell to **7.1%**. It has fallen by 2.5 percentage points since September 2013, down from 9.6%.

Also, compared to September 2013, the employment-to-population ratio increased by 0.4 percentage points, from 39.0% to **39.4%**. The peak month for the ratio during the last 12 months is now in September, 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 September is 39.1%.

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 (**7,600 jobs**), Professional & Business Services (**6,500 jobs**) and Education & Health Services (**5,500 jobs**). All other job sectors posted job gains besides Natural Resources & Mining, which was flat over the year, and the Leisure & Hospitality sector, which shed 500 jobs.

The top 3 sectors in Las Vegas with the most consecutive months of job gains are Education & Health Services (**7 months**), Trade, Transportation & Utilities (**5 months**) and Manufacturing (**3 months each**).

Reno-Sparks MSA

The Reno-Sparks MSA's economy gained **2,500** establishment-based jobs between August and September, resulting in a total of **205,400** jobs. Reno has recovered **43%** of the 35,000 jobs lost since pre-recession in peak in November 2007.

The YOY increase was **6,100** (3.1%) jobs compared to September 2013. The year-to-date job growth for 2014 is **4.3%**, compared to **2.6%** for the same period in 2013.

Since July, the region's first month of net job losses since September 2013, Reno has rebounded and the headline unemployment rate has responded with a 0.5 percentage point improvement, hitting **6.4%** in September. This is year-over-year progress of 2.4 percentage points.

The employment-to-population ratio rose to **34.5%** or by 0.6 percentage points compared to September 2013. The 12-month rolling average was 34.0%. The peak month for the population ratio during the last 12 months in Reno is also

September; 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 **7,000** establishment-based jobs from September 2013 to September 2014. When excluding Construction sector job gains, the private sector added **6,000** jobs.

For Reno-Sparks, 6 sectors posted job gains over the year. The **Top 3 sectors** for job growth were Professional & Business Services (**3,300 jobs**), Trade, Transportation & Utilities (**2,200 jobs**) and Construction (**1,000 jobs**). The Other Services (-100 jobs), Manufacturing (-400 jobs) and Government (-900 jobs) sectors all lost jobs over the past year.

The **Top 3 sectors** in the Reno-Sparks MSA with the most recent consecutive months of job gains are Construction (**3 months**), Trade, Transportation & Utilities (**2 months**) and Government (**2 months**).

Conclusion

Nevada's major job markets continue to improve compared to 2013. As we've noted, Nevada's YTD job growth in 2014 is 3.1% compared to 1.8% during the same period in 2013. Las Vegas' YTD job growth thus far is 2.8%, compared to 3.0% a year ago. And, finally, YTD growth for Reno in 2014 is 4.3% versus 2.6% in 2013. And the rate of job loss recovery ranges from 43% to 61%.