



Nevada Labor Market Briefing: July 2018

Summary of Labor Market Economic Indicators

Department of Employment, Training, & Rehabilitation

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Prepared by the Research and Analysis Bureau

State Unemployment Rate

- ❑ 4.6% Unemployment Rate (SA¹)
 - ❑ Down 0.1 percentage point; down from 5.0% a year ago
 - ❑ Off more than nine full percentage points from recessionary peak
 - ❑ In absolute terms, unemployment totaled 68,400; down 1,660 over the month and off from a recession high of 186,900
 - ❑ Third decline seen so far this year
 - ❑ Compares to a 3.9% rate for the U.S.— 0.7 percentage point higher
 - ❑ U.S. rate was more than four points higher at height of recession
 - ❑ From 1997 to 2018, the gap has averaged 0.8 point
 - ❑ Both Nevada and the nation have seen a half percentage point drop in their unemployment rates year to date

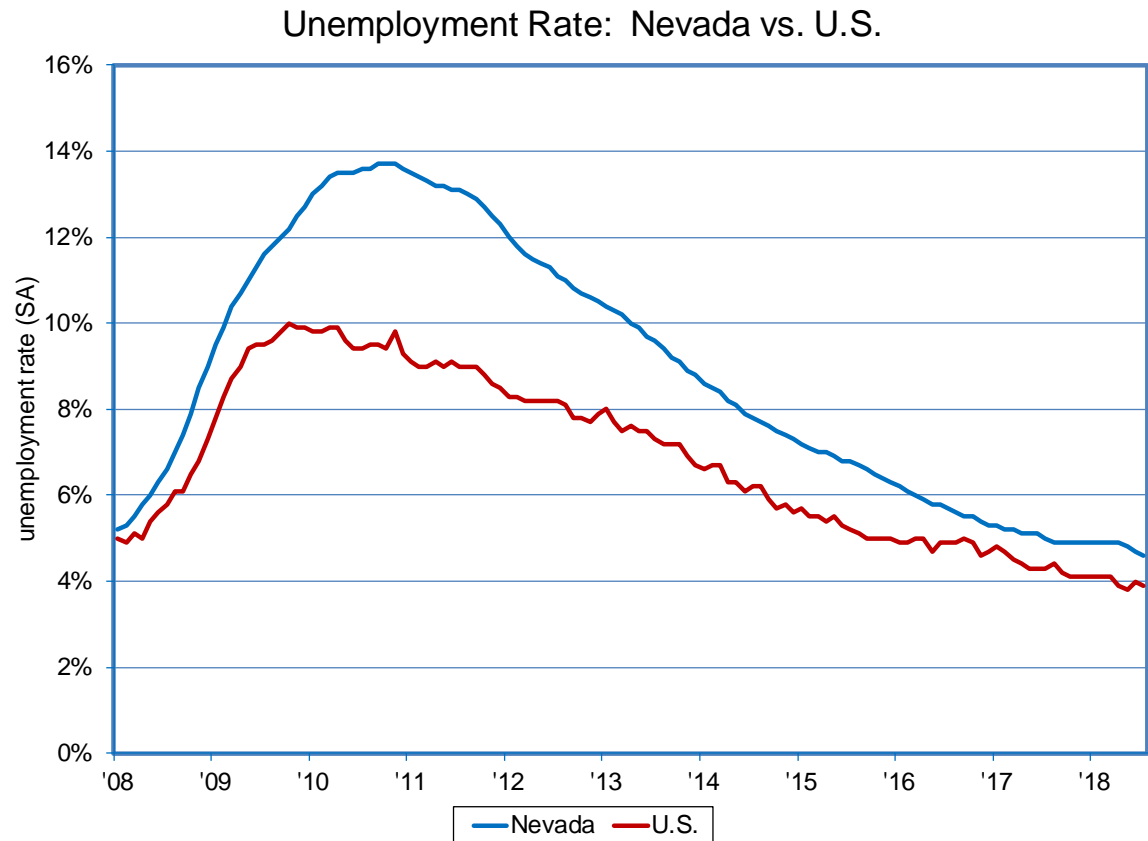
¹ seasonally adjusted

July 2018 Unemployment Rate: 4.6%

Down from 5.0%
a year ago¹

Peaked at 13.7%
during the
recession, more
than nine points
higher

Lowest rate since
August 2007

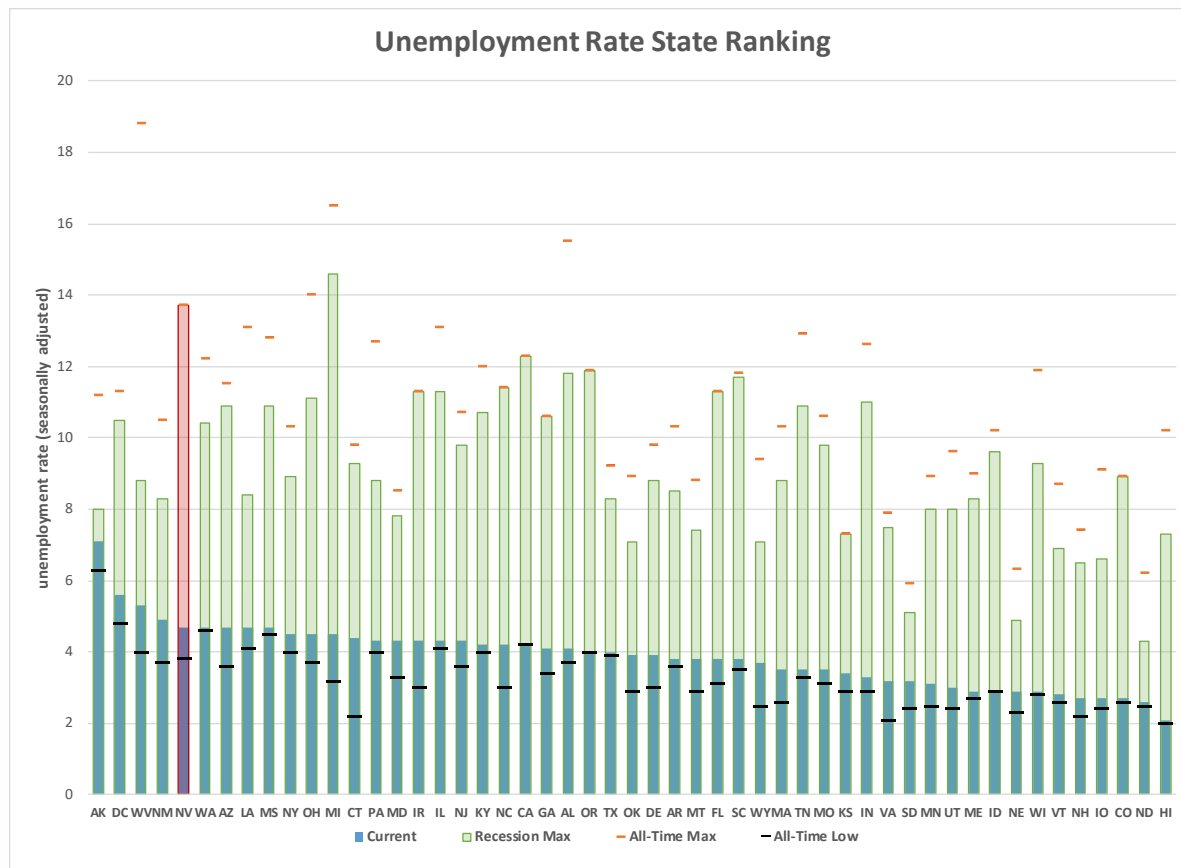


¹ seasonally adjusted

As of June 2018, Four States Have a Higher Unemployment Rate than the Silver State

From 2010 to 2013, the Silver State's jobless rate was the highest in the nation

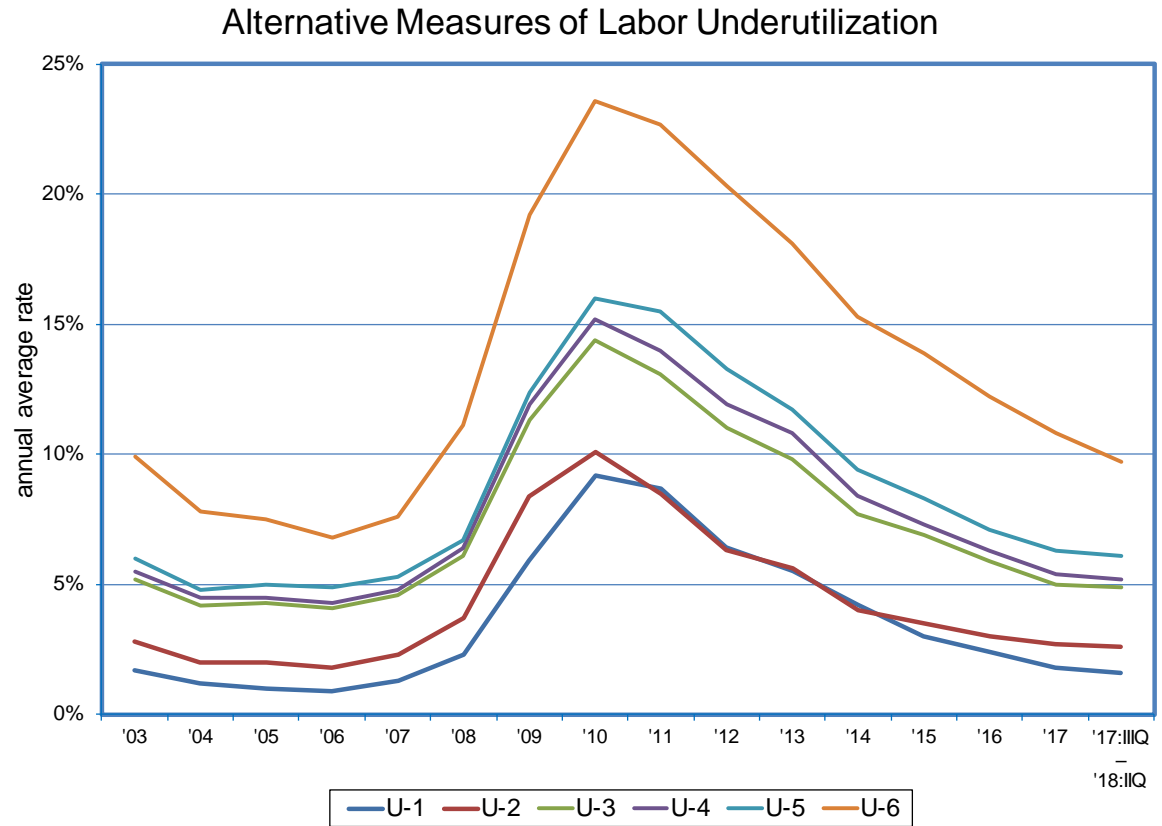
As of June, 2018 Nevada has the 5th-highest unemployment rate in the nation behind Alaska, Washington D.C., West Virginia, and New Mexico



Alternative Measures of Labor Underutilization Continue Trending Down

The U-6 measure stands at 9.7%—5th-highest in the U.S. compared to 3rd-highest a year ago

U-6 includes discouraged workers, marginally attached workers, and involuntary part-time workers



Alternative Measures of Labor Underutilization Continue Trending Down

The U-4 rate, which includes discouraged workers, has declined by 0.3 percentage points from the previous quarter

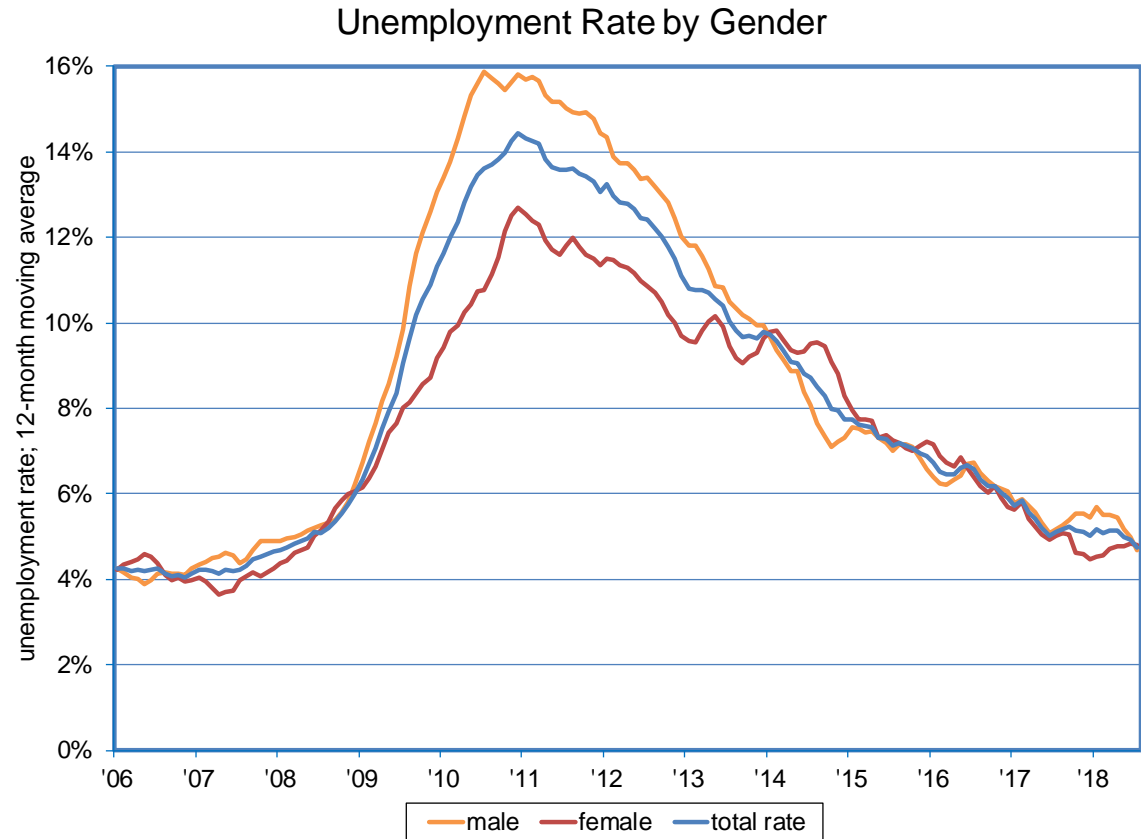
Discouraged workers have stopped looking for a job because they believe there are none available

Alternative Measures of Labor Underutilization				
Measure	Underutilization Concept	Annual Average 2017:IIQ through 2018:IQ	Annual Average 2017:IIIQ through 2018:IIQ	O-T-Q Percentage Points Change
Official Rate	jobless persons available to take a job who have actively sought work in the past four weeks	4.9%	4.8%	-0.1
U-1	jobless 15 weeks or longer	1.7%	1.6%	-0.1
U-2	job losers and persons losing a temporary job	2.7%	2.6%	-0.1
U-3	similar to official rate	5.1%	4.9%	-0.2
U-4	U-3 plus discouraged workers	5.5%	5.2%	-0.3
U-5	U-4 plus others marginally attached to the labor force	6.4%	6.1%	-0.3
U-6	U-5 plus those employed part-time for economic reasons	10.4%	9.7%	-0.7

Gap Between Male/Female Unemployment Rate Continues to Decline

During the recession, the male unemployment rate peaked at 15.9%, while the rate for women peaked at 12.7%

As of July, the rate for men stands at 4.7%, and at 4.8% for women

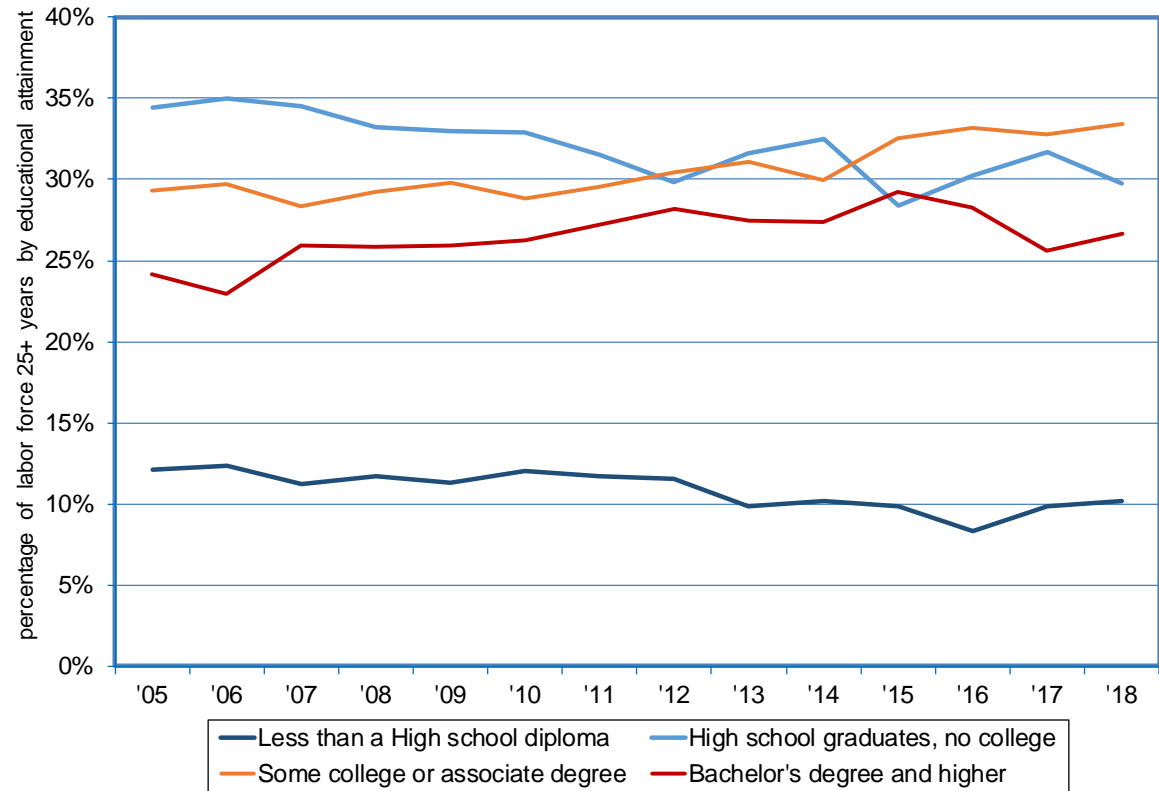


Over Half of Nevada's Labor Force Has at Least Some College Education

From 2005 to 2011, the largest share of the labor force was made up of high school graduates with no college

Currently, two-thirds of Nevada's labor force have at least some college or an associate's degree

Education Levels of Nevada's Labor Force



Initial Claims for Unemployment Continue Year-over-Year Declines

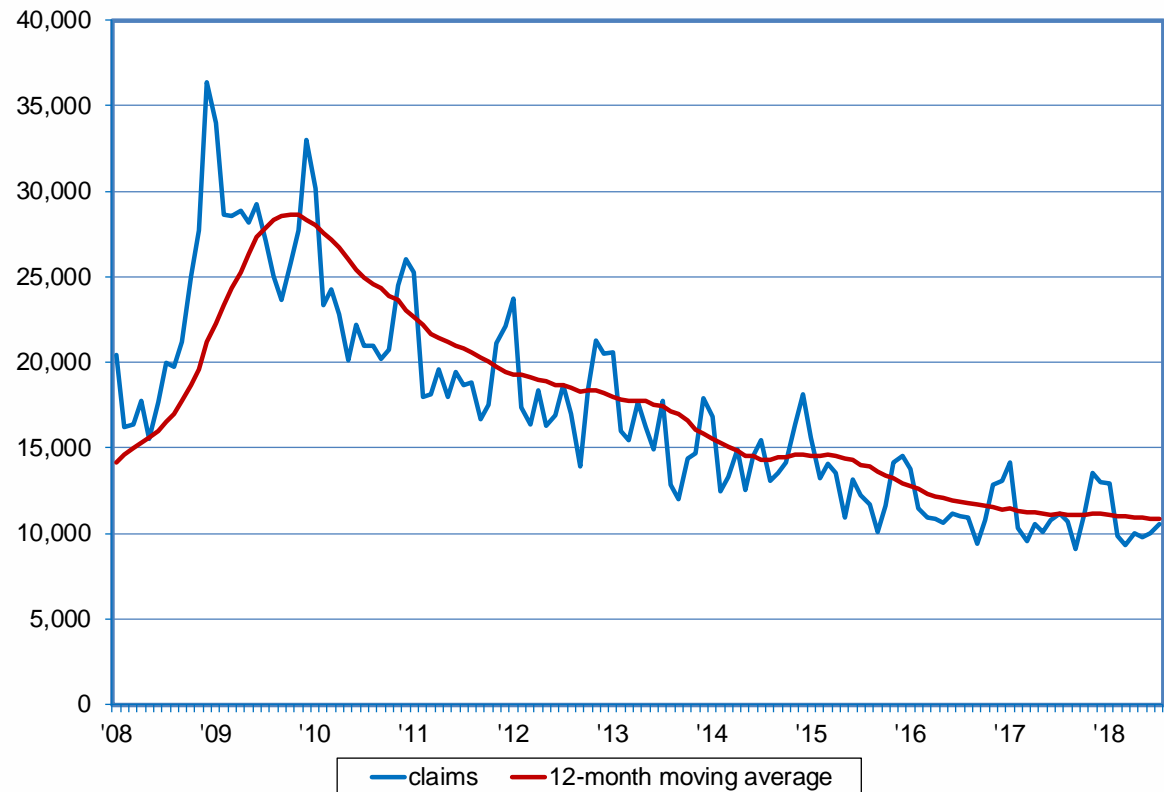
10,554 initial claims in July, up slightly from June

Decline of five percent from the previous year

Exhaustion rate edged down to 33.5 percent

Average High Cost Multiple stands at 1.14

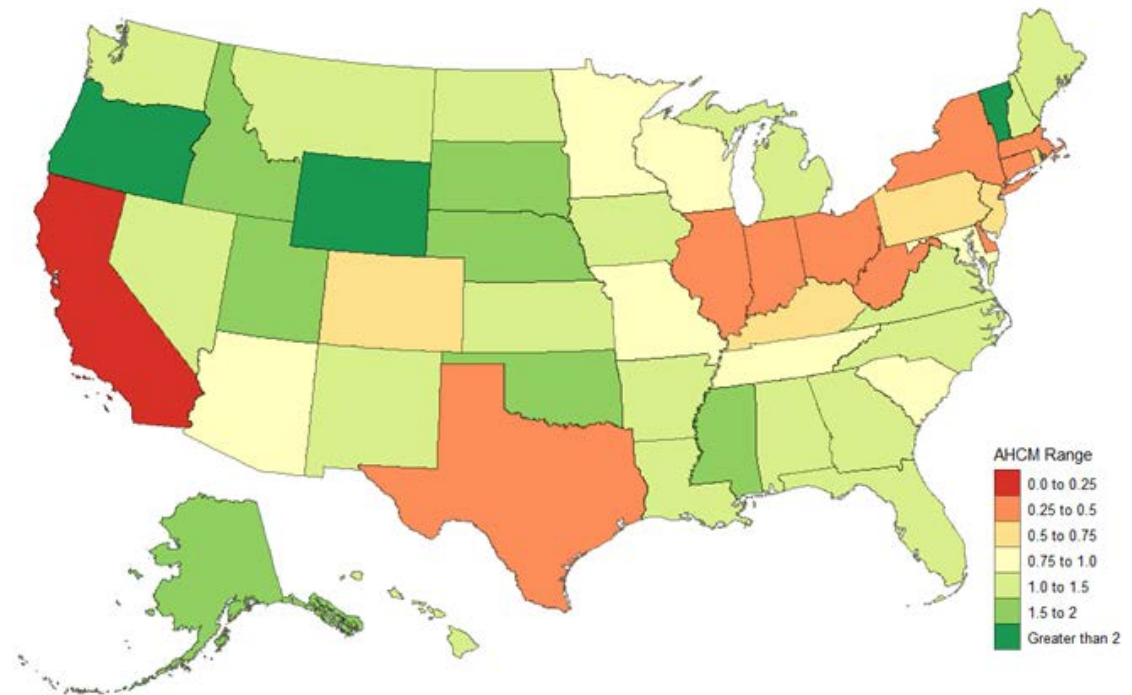
Initial Claims for Unemployment Insurance



Nevada's Average High Cost Multiple at All-Time High

The Average High Cost Multiple (AHCM) provides an estimate of the amount of time the current Trust Fund balance could pay benefits at the average of a state's three highest cost years in the last two decades.

The federally recommended minimum AHCM is 1.0, which represents one year of benefits.



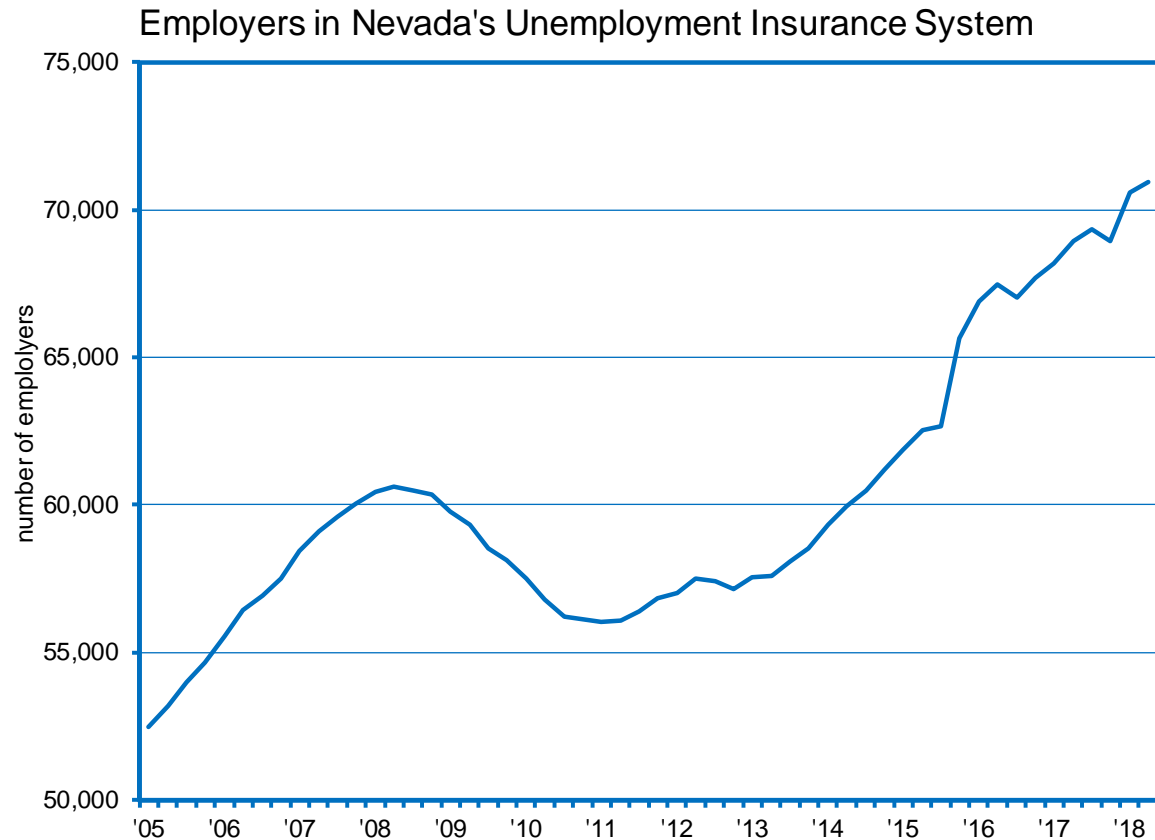
*AHCM is calculated by dividing the Reserve Ratio (UITF balance divided by the previous year of Total Wages) by the Average High Cost Rate
This data is derived from lagged wage data

Number of Employers in Nevada Sets New Record-High in 2018:IIQ; 28 Consecutive Quarters of Year-over-Year Growth

Number of employers in UI system at an all-time high of 70,960

An increase of 2,000 or 2.9% year to date

Increase of 10,300 from the pre-recessionary peak



Halfway Through 2018, Nevada's Unemployment Insurance Trust Fund Balance Nearly \$1.3 Billion

Nevada's Trust Fund Balance



Trust Fund Overview	Millions of \$
Q1 2018 Ending Balance	\$1,105.06
Plus:	
Contributions	\$238.63
Interest Earned	\$7.00
Less:	
Benefit Payments	\$64.96
Q2 2018 Ending Balance	\$1,287.31

State Employment

- ❑ Non-Farm Job Levels Up 46,000 (SA¹) Relative to a Year Ago in July
 - ❑ 91 consecutive months of year-over-year gains
 - ❑ 3.4% gain compares to 1.6% in the nation

- ❑ Up 9,500 Over the Month
 - ❑ 4,400 (NSA²) jobs were expected to be lost based upon historical trends, but 5,100 were actually added, resulting in the seasonally-adjusted gain
 - ❑ Largest month-over-month increase since July, 2016
 - ❑ June's employment level was revised upward by 2,100 (SA), bringing the two-month gain to 13,600 jobs

¹ seasonally adjusted

² not seasonally adjusted

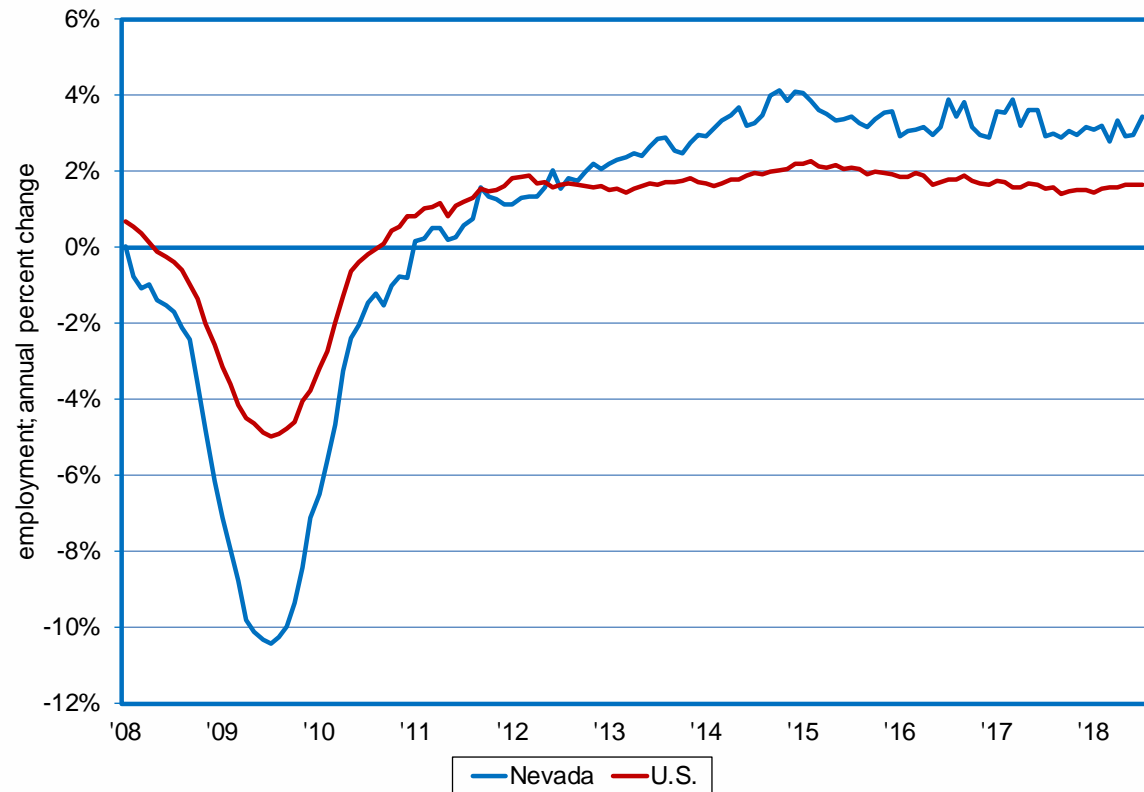
July Employment Beats Seasonal Expectations

Total Employment of 1,389,400 in July¹

Large gains in construction, manufacturing, & leisure/hospitality

92,100 jobs above previous peak

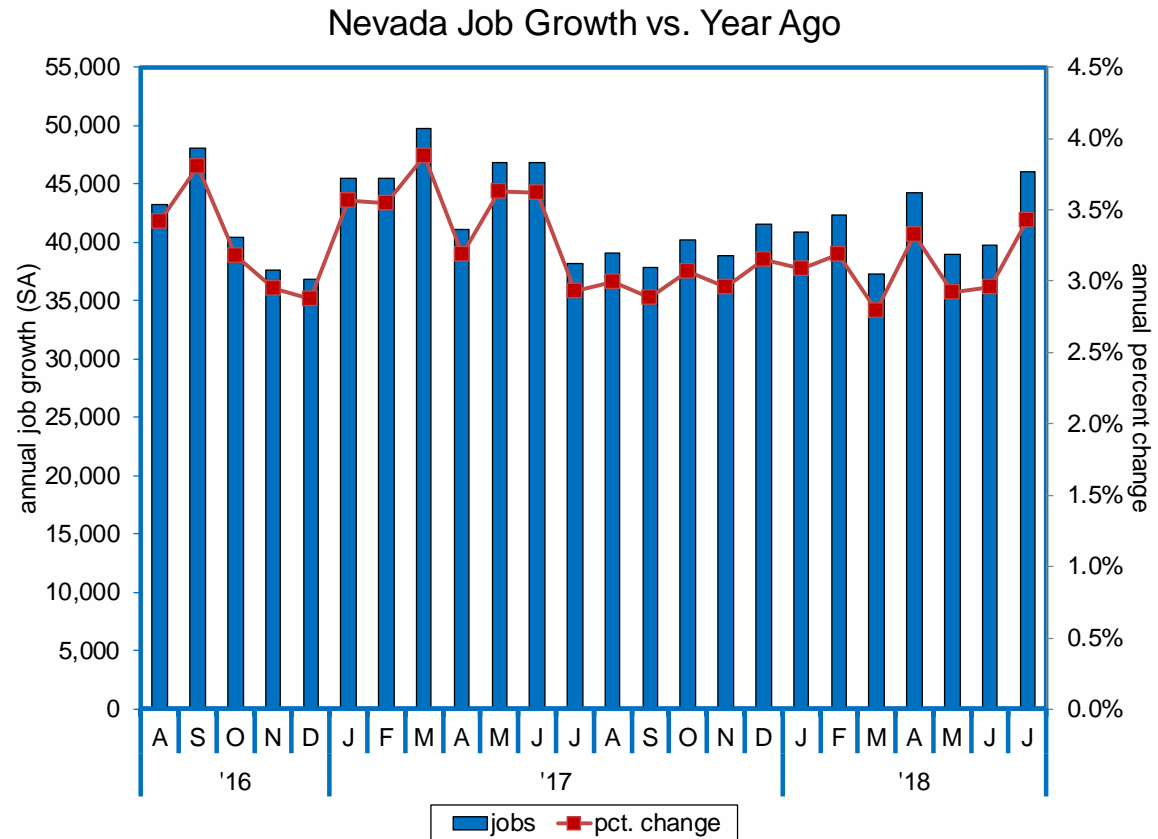
Job Growth: NV vs. U.S.



¹ seasonally adjusted

Annual Job Growth Surpasses Three Percent

The State added 46,000 jobs (3.4%) over the year in July, largest gain in 13 months¹

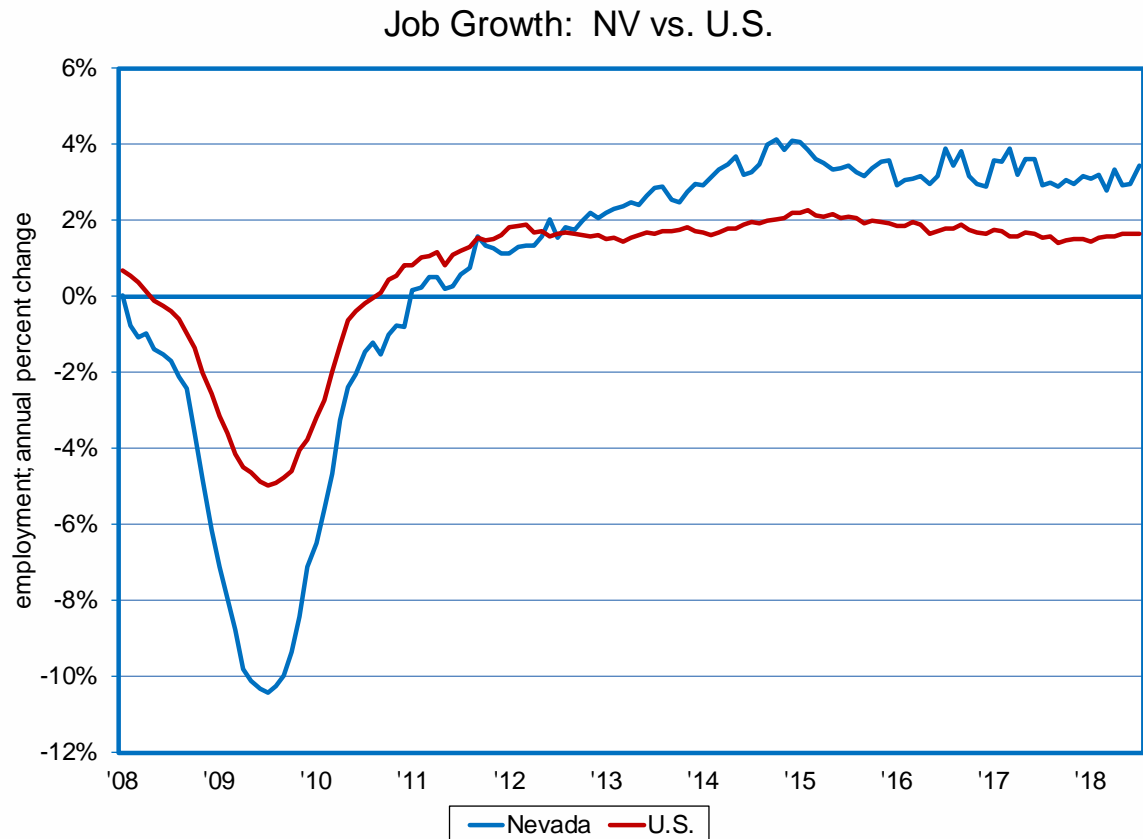


¹ seasonally adjusted

Nevada Growing Twice as Fast as Nation

Nevada's employment grew at an annual rate of 3.4% in July, compared to 1.6% in the nation as a whole¹

Nevada's job growth has outpaced the nation for 72 straight months



¹ seasonally adjusted

Year-to-Date Job Growth Across Nearly All Sectors

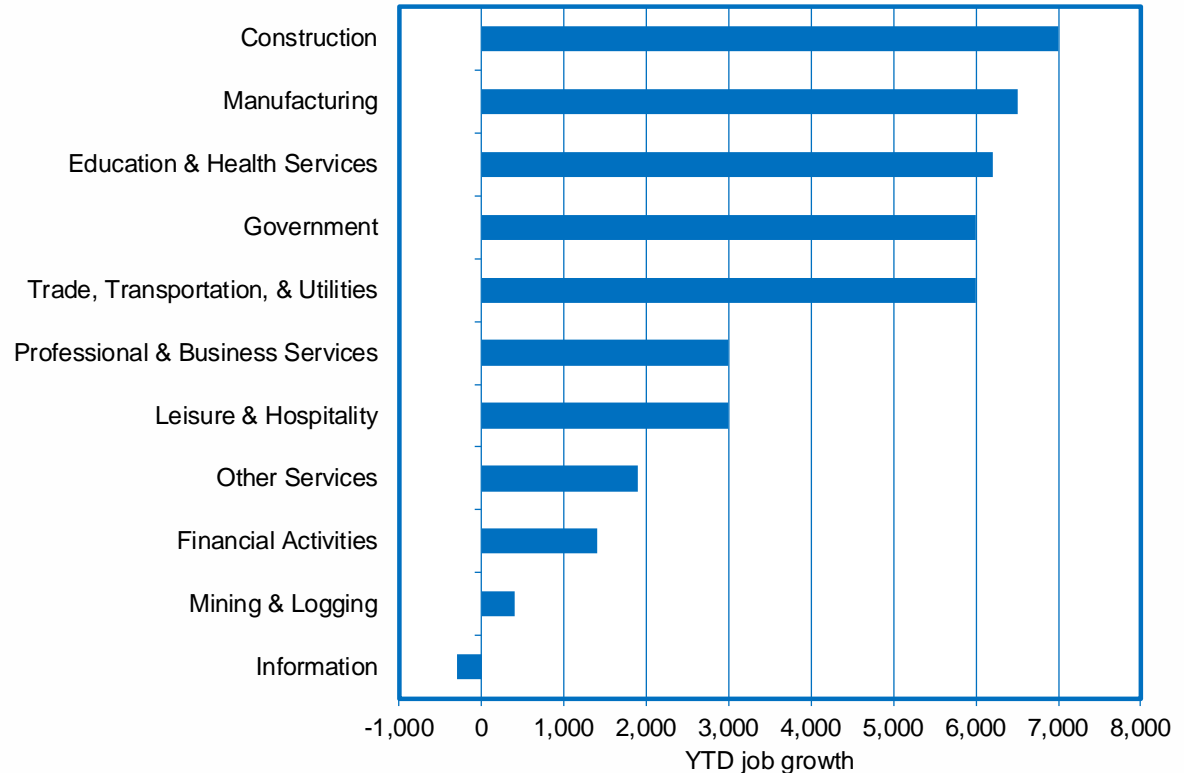
Construction added 7,000 jobs year-to-date through July, a gain of 8.5%¹

Manufacturing has grown by 14% after adding 6,500 jobs

Education/health services and other services have each grown by 4.7%

Information sector is down by 300 jobs

Nevada Nonfarm Job Growth by Industry

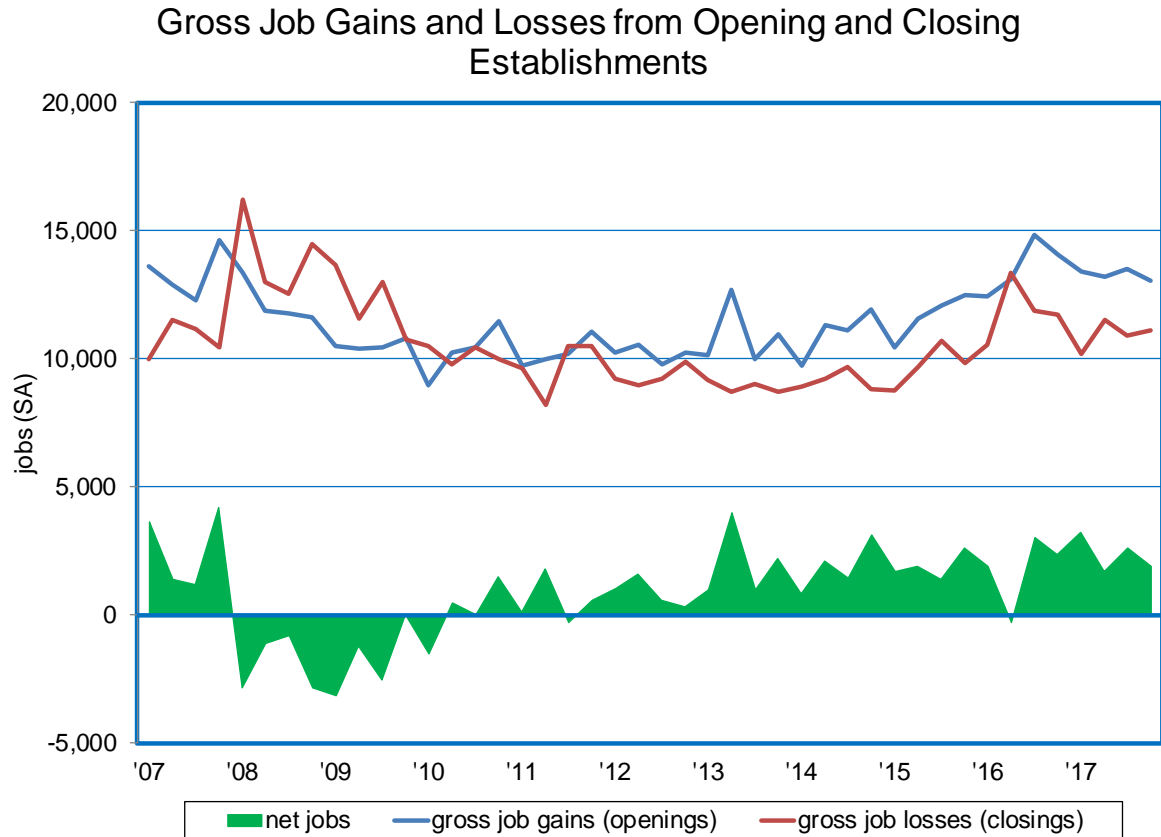


¹ not seasonally adjusted

Gross Job Gains in Opening Establishments > Losses in Closing Establishments in 24 of the Past 25 Quarters; 2017:IVQ Net Gain = 1,900

Opening establishments accounted for 13,000 new jobs in 2017:IVQ, 460 fewer than the previous quarter

Closing establishments accounted for 11,100 lost jobs, 200 more than the previous quarter

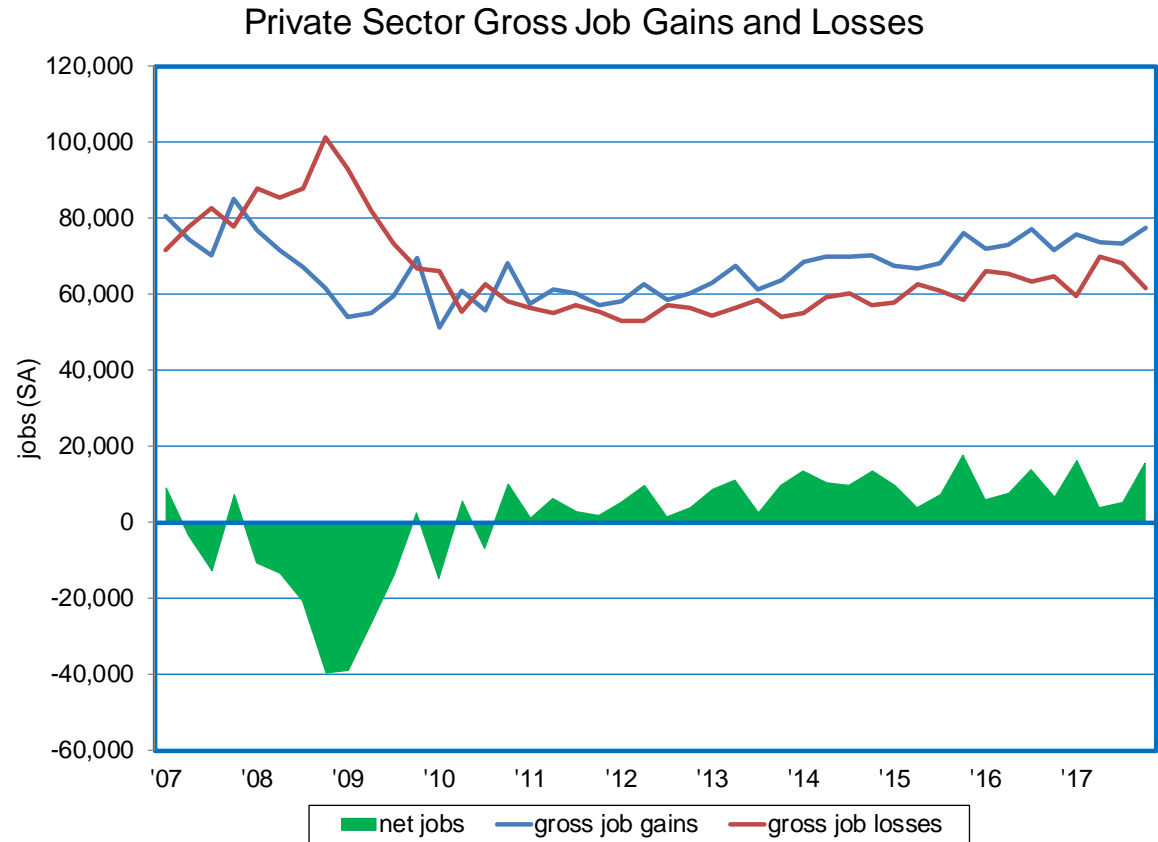


Nevada Private Sector Gross Job Gains > Gross Job Losses in 29 Straight Quarters; 2017:IVQ Net Gain = 15,690 Jobs

Gross job gains totaled 77,450 in 2017:IVQ, gross job losses totaled 61,760

Resulting net employment gain of 15,690 private sector jobs

29th consecutive quarter of net job growth



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