

RESEARCH NOTES



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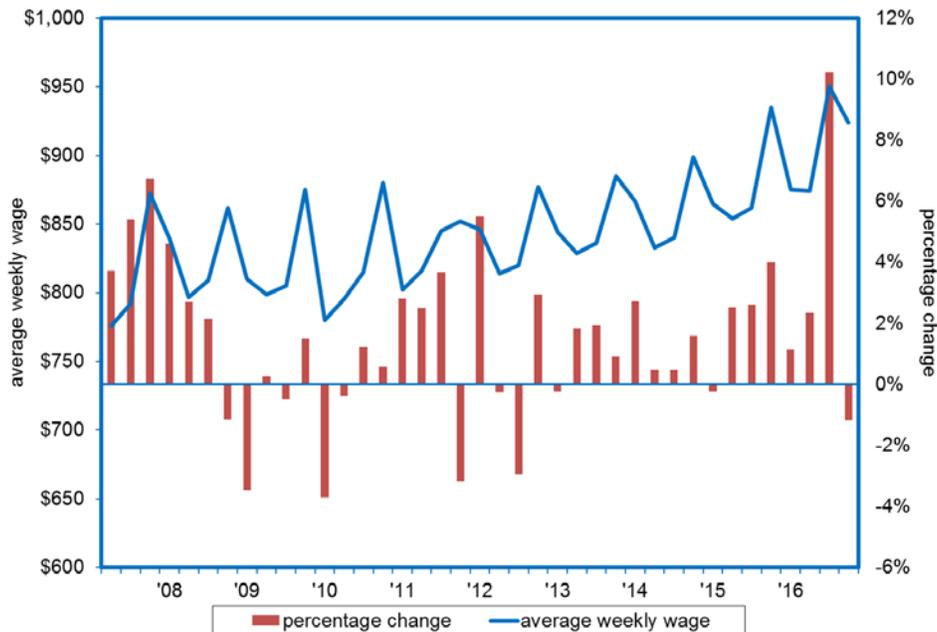
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Average Weekly Wages
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Average Weekly Wages at \$906 in 2016, An All-Time High; Growth is Strongest Since the Recovery Began



- Weekly wages in Nevada averaged \$906 during 2016. This compares to \$879 last year, a gain of three percent. This is the highest annual growth rate for average weekly wages in the Silver State during the economic recovery period, and the highest nominal annual reading on record.
- Wages have been trending up since 2011, albeit at a modest pace, with gains recorded in 13 of the past 15 quarters. At the height of the recession, wages declined in five of seven quarters.
- In the fourth quarter of the year, wages declined by \$11 from a year ago. This equates to a decrease of 1.2 percent. While a decrease is never a good thing, the anomalous increase in the third quarter is likely the cause for this contraction. It is evident that a number of bonuses that are generally paid in the fourth quarter of a given year were moved up to the third quarter this year. As such, it makes sense that a relatively weaker fourth quarter would be recorded in spite of a favorable annual growth reading.
- In fact, when we consider only the second half of the year in order to control for the effects of the third quarter reading, relative to the same period last year, we see that wage growth averaged 4.3 percent. Again, this is the strongest growth rate reading for the latter half of the year, since the beginning of the recovery.
- Underlying trends continue to improve as well, as wage growth is more than keeping up with inflation. During 2016, consumer prices rose 1.3 percent relative to a year ago according to the Consumer Price Index reported by the Bureau of Labor Statistics. This suggests that wages are also growing in “real” terms.