

RESEARCH NOTES



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Nevada's Premier Source of Workforce & Economic Information and Analysis



Industry Supersector Recovery
Hayley Smith-Kirkham, Economist

Note: 2017:88
June 28, 2017

Most Service Providing Industries at Record High Employment; Goods-Producers Still Catching Up

| Sector | Employment | | | Current (May 2017) | Jobs Added Since Trough | Jobs Above/Below Previous Peak | Employment as Percent of Previous Peak |
|--------------------------------------|-----------------------|-----------------------|--|-----------------------|----------------------------|--------------------------------------|--|
| | Pre-recession Peak | Trough | | | | | |
| Professional and business services | 161,900 <i>Feb-07</i> | 132,300 <i>Aug-09</i> | | 185,100 | 52,800 | 23,200 | 114% |
| Other services | 37,500 <i>Jan-08</i> | 32,100 <i>Oct-11</i> | | 41,500 | 9,400 | 4,000 | 111% |
| Trade, transportation, and utilities | 235,300 <i>Jan-08</i> | 209,600 <i>Mar-10</i> | | 241,900 | 32,300 | 6,600 | 103% |
| Leisure and hospitality | 342,900 <i>Dec-07</i> | 304,000 <i>Nov-09</i> | | 348,500 | 44,500 | 5,600 | 102% |
| Financial activities | 65,800 <i>Dec-06</i> | 52,400 <i>Jun-11</i> | | 64,000 | 11,600 | -1,800 | 97% |
| Information | 15,900 <i>Feb-07</i> | 12,000 <i>Nov-11</i> | | 14,100 | 2,100 | -1,800 | 89% |
| Manufacturing | 50,900 <i>Sep-06</i> | 37,600 <i>Oct-10</i> | | 45,000 | 7,400 | -5,900 | 88% |
| Construction | 146,400 <i>Jun-06</i> | 50,100 <i>Mar-12</i> | | 82,400 | 32,300 | -64,000 | 56% |
| Government | <i>Non-cyclical</i> | | | 159,100 | -- | -- | -- |
| Mining and logging | <i>Non-cyclical</i> | | | 14,000 | -- | -- | -- |
| Education and health services | <i>Non-cyclical</i> | | | 131,500 | -- | -- | -- |

- Nevada was the hardest-hit state in the nation during the Great Recession, losing 185,700 jobs or 14.3% of employment. Seven years into the recovery, the State is hovering at new record highs with employment at 1.33 million in May, surpassing the pre-recession peak by 2.3%. However, growth hasn't been uniform across the State's major industries, as some sectors have expanded much faster than others.
- Professional and business services has grown the most over the recovery period, both in terms of jobs added and growth from the previous peak. This sector includes industries such as professional/scientific/technical services, management of companies, administrative support services, and employment services. Current employment, at 185,100 jobs in May, is 14% higher than the pre-recession high seen in 2007.
- Other services, which includes sub-sectors such as automotive repair and maintenance, personal care, laundry services, etc., has also grown substantially, with current employment 11% higher than the pre-recession peak.
- Trade/transportation/utilities and leisure/hospitality have also reached new record employment, surpassing their previous peaks by 6,600 and 5,600 jobs, respectively.
- Financial activities and information are the only cyclical service-providing industries that have not yet recovered fully from the effects of the recession. Financial activities employment is still 1,800 jobs below the peak of 65,800 from December, 2006. The information sector has added back 2,100 jobs since the trough but also remains 1,800 shy of the previous peak. Information includes industries such as publishing, motion picture/sound recording, broadcasting, telecommunications, and data processing/hosting.

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- Manufacturing and construction have yet to fully recover, with manufacturing employment at 88% of the pre-recession peak of 50,900 jobs. Current construction employment is far below levels seen during the housing boom, at 82,400 jobs in May, or 56% of employment at the height of the expansion.
- Manufacturing has grown steadily over the recovery period and should soon meet and surpass previous levels. We do not, however, expect in the near term to see construction reach the same heights as during the housing boom, as that level of employment was found to be unsustainable in the long-term.
- Government, mining/logging, and education/health services do not respond predictably to the business cycle. Mining, for instance, had higher employment levels throughout 2009 than in 2006, and peaked in October of 2013. Education and health services, on the other hand, have been steadily increasing for decades to match demand from a growing population.