



Nevada Economy In Brief

January 2019

A Monthly Review of Workforce and Economic Information

Economic Summary

Nevada added 3,800 new jobs in January, seasonally-adjusted, bringing total employment to 1,416,500. This net increase in jobs was the result of experiencing a smaller seasonal decline in jobs than was expected. Although Nevada experienced a non-seasonally adjusted decline of 19,600 jobs, historical seasonal patterns would have predicted a loss of 23,400 jobs, resulting in the net job gain of 3,800. The private sector saw the largest share of gains, adding 4,600 jobs, while the public sector lost 800. This over-the-month gain was 2,300 jobs higher than the Statewide increase seen in January of 2018. The December estimate was revised up by 500, bringing the total two-month gain to 8,900 jobs.

The Silver State has added 53,300 jobs since the same month last year, a gain of 3.9 percent. National employment grew by 1.9 percent over the period, meaning the Silver State is growing more than twice as fast as the national average.

In January, the construction industry experienced the fastest over-the-year growth rate of any industry sector, up 14.7 percent, after adding 12,200 jobs. The manufacturing industry is growing by 14.6 percent and has added 7,500 jobs when compared to the same period last year. The professional and business services industry has added the most jobs, with a gain of 12,400

or 6.7 percent. Education and health services grew by 4.7 percent. All sectors in the Silver State have experienced job increases over the year.

Utilizing the most recent Current Employment Statistics (CES) data, we examine job growth in the years following the recession through the current economic expansion (2010-2018) in each of the eleven CES supersectors in Nevada using a shift-share analysis to determine whether an industry is growing above or below expectations in the State. The eleven CES supersectors are as follows: mining and logging, construction, manufacturing, trade/ transportation/utilities, information, financial activities, professional/business services, education/health services, leisure/hospitality, other services, and government.

Shift share analysis takes a closer look at a region's economic growth by examining three contributing factors: the industrial mix effect, the national growth effect, and the regional competitive effect. The first two factors explain how much of an industry's growth in a given area is attributable to national trends as a whole and in the specific industry. The final factor, called the competitive effect, is job growth that cannot be explained by national trends and therefore is likely due to particulars in the local economy and labor market that influence the in-

Economic Indicators

UNEMPLOYMENT RATES January 2019

Nevada*	4.4%
Las Vegas MSA	4.7%
Reno-Sparks MSA	4.0%
Carson City MSA	5.0%
United States*	4.0%

JOB GROWTH (YOY) January 2019

Nevada*	3.9%
Las Vegas MSA*	3.6%
Reno-Sparks MSA*	8.5%
Carson City MSA*	2.3%
United States*	1.9%

GAMING WIN (YOY) December 2018

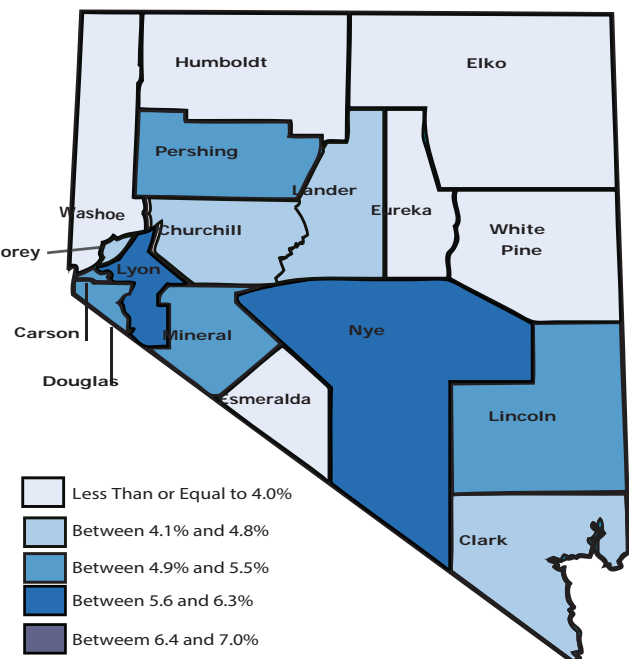
Nevada	4.1%
Clark County	5.0%
Washoe County	0.0%

TAXABLE SALES (YOY) November 2018

Nevada	8.5%
Clark County	12.2%
Washoe County	3.5%

*Seasonally Adjusted

Unemployment Rate by County



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dustries in a region resulting in growth above or below expectations.

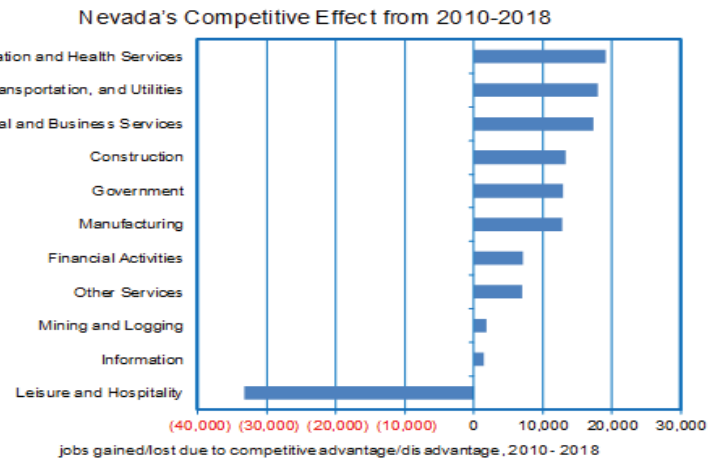
All but one of the supersectors, leisure and hospitality, saw job growth above expectations. Leisure and hospitality added 46,500 jobs between 2010 and 2018, but would have added 78,400 jobs if following national growth trends for this period. The unique structure of this industry in Nevada can in part explain why the industry performed below expectations when compared against the nation. Two sub-sectors within the leisure and hospitality industry are accommodation and food services. Accommodation accounts for nearly 54 percent of the employment in leisure and hospitality in Nevada but nationally this rate is just 12 percent. On the other hand, food services accounts for only 37 percent of employment in Nevada's leisure and hospitality industry compared to 73 percent in the nation as a whole. Nevada's mature gaming industry and significantly larger share of employment in accommodation overall, achieving the same rate of growth as the nation is more difficult. Additionally, although gambling industries have been declining nationwide over this period, Nevada has experienced a larger reduction in the industry than the U.S. as a whole. However, Nevada has seen stronger growth than the nation in the food services portion of this supersector, growing by nearly 40 percent over this period compared to 27 percent in the nation as a whole and reflecting growing diversification in Nevada's leisure industry.

Education and Health services saw the strongest growth, followed by trade/ transportation/utilities, and professional/business services. Although the growth in information appears to be small, due to the small size of the overall industry it's growth is still 12 percent greater than it would be if national trends were applied. Manufacturing in the State realized the greatest local competitive advantage on a percentage basis, increasing jobs by 34 percent more than expected if it were to follow trends of its national counterparts.

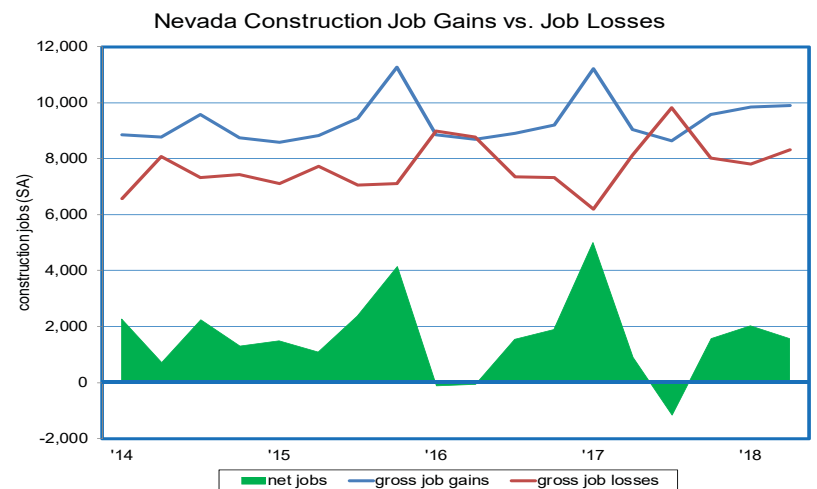
These trends suggest that from the recession to the economic expansion, State employment growth in almost all of Nevada's industries has exceeded the growth expectations based on national trends in those same industries.

The Bureau of Labor Statistics' (BLS's) Business Employment Dynamics (BED) program is a set

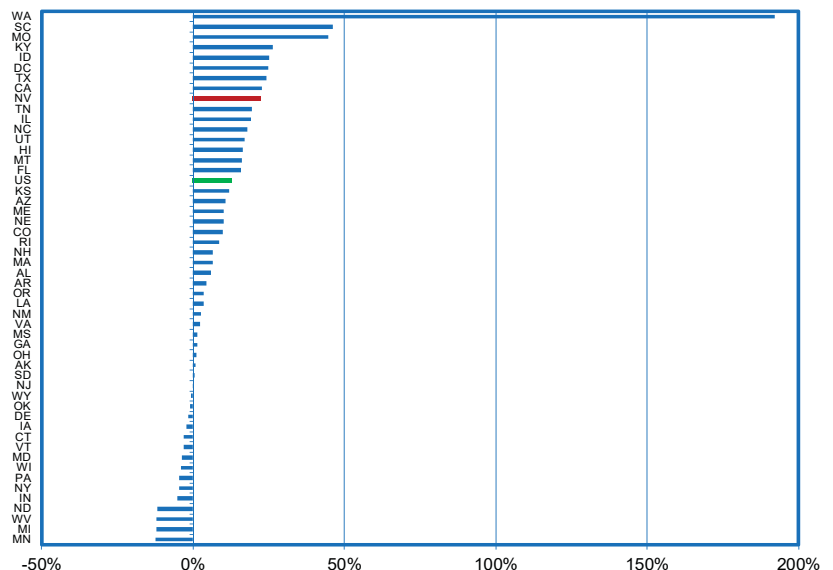
Shift Share Analysis Reveals the State has a Competitive Advantage in Nearly all Industries



Nevada Gross Job Gains in Construction > Gross Job Losses 2018:IIQ Net Gain = 1,578 Jobs



Number of Establishments at 80,000 Continuing Current Upward Trend; Pre-Recessionary Peak Exceeded in Fourteen Consecutive Quarters



of statistics generated from the Quarterly Census of Employment and Wages program. These quarterly data series consist of gross job gains and gross job losses statistics. This data helps to provide a picture of the dynamic state of the labor market. This month we analyze gross job flows in the construction industry.

Gross job gains in construction at expanding or opening private sector establishments totaled 9,890 in the second quarter of 2018, 13 percent of the total private sector gains in Nevada. In the second quarter of 2018, gross job losses at contracting or closing private sector establishments totaled 8,315.

Taking the difference between the number of gross job gains and the number of gross job losses leaves a net employment gain of 1,578 jobs in the private sector for this period. In the second quarter of 2018, Nevada's net job gains in the construction industry exceeded its losses by 16 percent, outperforming the Nation (7.4 percent) by 8.5 percentage points. Gross job gains in construction over the second quarter of 2014 through the second quarter of 2018 period had gains in 15 of 18 quarters. Gross job gains have averaged 9,398 per quarter from the second quarter of 2017 through the second quarter of 2018.

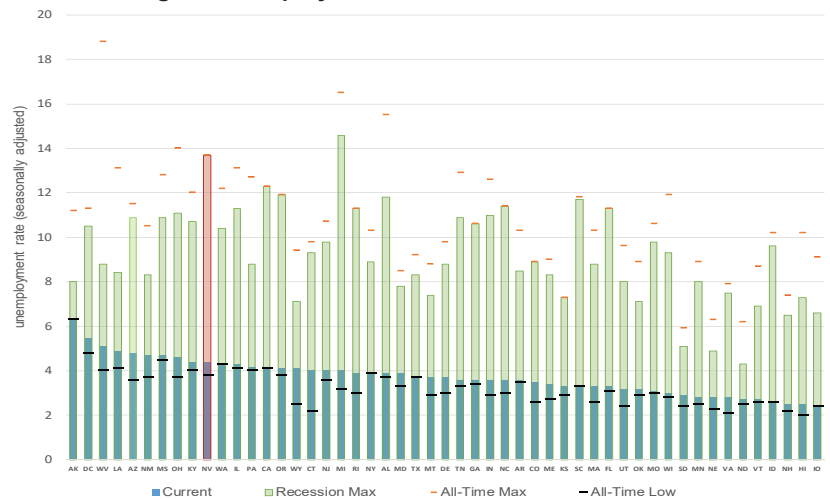
BED data also allows us to look at the relative performance as it pertains to business establishment openings.

Utilizing this data, we analyze the average quarterly growth rate in business openings (seasonally adjusted) for Nevada, the U.S., and all states from the second quarters of 2014 and 2018.

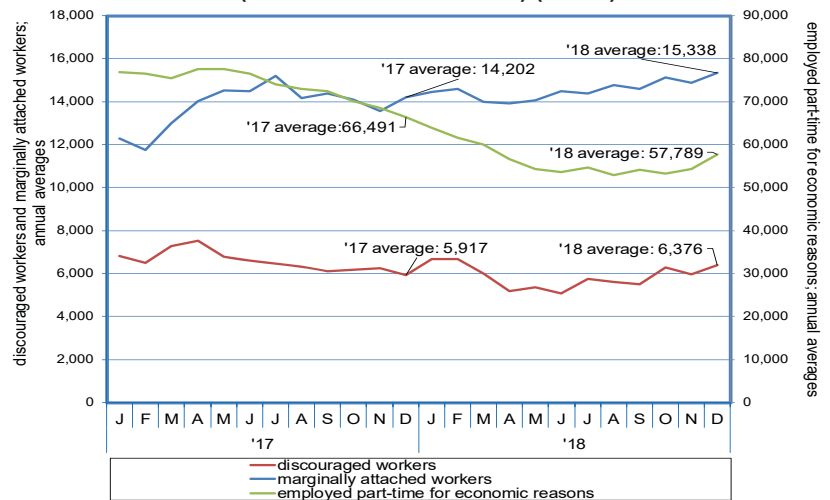
The number of establishment openings in Nevada increased to 4,394 in the second quarter of 2018 up from 3,586 in 2014. Establishment openings for the second quarter of 2018 for Nevada grew by 23 percent compared to 13 percent for the U.S.

Since the second quarter of 2014, growth trends in business establishment openings are stronger in Nevada than most other states. Nevada ranked 9th best in the U.S. for growth of establishment openings, compared to the nation as a whole which ranked 17th.

As of December 2018, Nine States Have a Higher Unemployment Rate than the Silver State



Nevadans Working Part-time for Economic Reasons Declined over the Year (Alternative Measure U-6) (Part 1)



Alternative Measures of Labor Underutilization				
Measure	Underutilization Concept	2017 Annual Average	2018 Annual Average	Over the year percentage points change
Official Rate	jobless persons available to take a job who have actively sought work in the past four weeks	5.0%	4.6%	-0.4
U-1	jobless 15 weeks or longer	1.8%	1.3%	-0.5
U-2	job losers and persons losing a temporary job	2.7%	1.9%	-0.8
U-3	similar to official rate	5.0%	4.5%	-0.5
U-4	U-3 plus discouraged workers	5.4%	4.9%	-0.5
U-5	U-4 plus others marginally attached to the labor force	6.3%	5.8%	-0.5
U-6	U-5 plus those employed part-time for economic reasons	10.8%	9.5%	-1.3

The states with the most establishment openings in the second quarter of 2018 were Washington and South Carolina, up 192 percent and 46 percent, respectively. The states with the largest realized declines in establishment openings in the second quarter of 2018 were Minnesota and Missouri, both down 12 percent.

The unemployment rate in Nevada held steady at 4.4 percent from December to January. This is down from 4.8 percent a year ago, and remains at the lowest rate since June 2007, nearly eleven years ago. Nationally, the unemployment rate increased from 3.9 percent in December to four percent in January. The gap between Nevada's rate and the nation's narrowed from half a percentage point last month to 0.4 percentage point this month. The U.S. federal government shutdown started on December 22nd, 2018 and ended on January 25th, 2019. The uptick in the number of unemployed both at the national and State level this month is partially attributable to the layoff of federal workers during this time.

Information from the Local Area Unemployment Statistics (LAUS) Program, produced by state agencies in cooperation with the BLS allows us to evaluate Nevada's unemployment rate relative to that of other states. The unemployment rate is the ratio of the number of unemployed individuals to the total number of people in the labor force. The labor force includes those who are employed and those who are unemployed but searching for work.

With an unemployment rate of 4.4 percent¹ in December 2018, Nevada has the tenth-highest unemployment rate in the nation. Eight states (plus Washington, D.C.) have higher unemployment rates. The current unemployment rate in the Silver State is 9.3 percentage points below the all-time high rate and 0.6 percentage point above the all-time low rate.

Unemployment rate estimates are available from 1976 forward. Nevada's all-time low unemployment rate was 3.8 percent in late 1998. This rate ranked 38th highest among the all-time lows for all states and the District of Columbia.

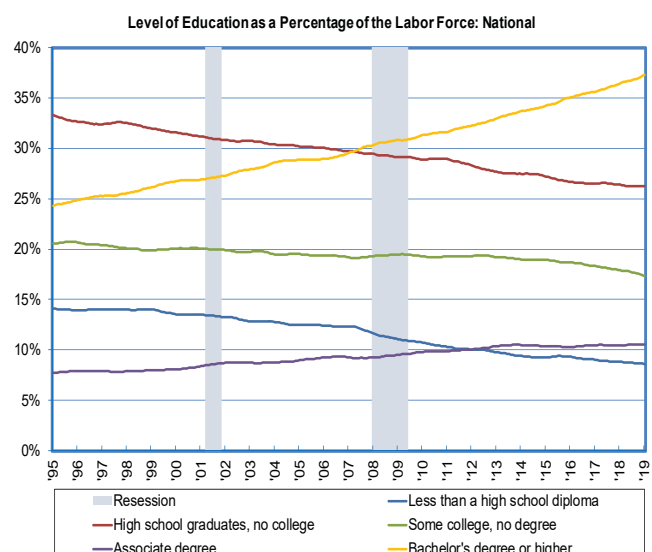
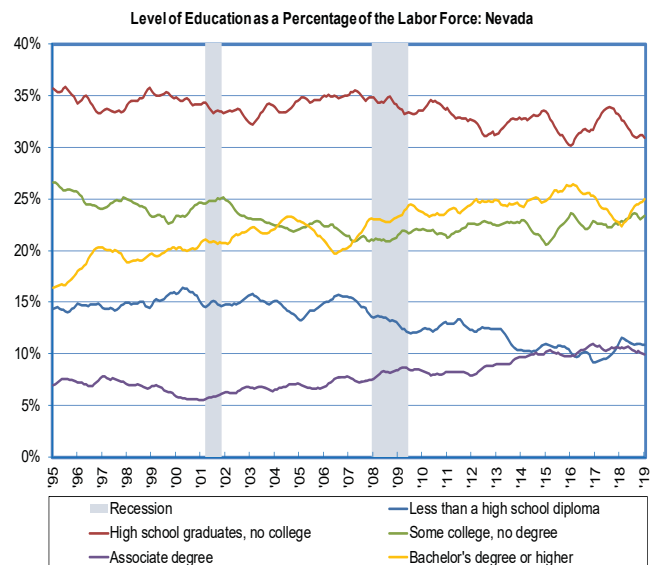
As the 2007 recession unfolded, Nevada's unemployment rate started at 4.3 percent in May 2007 and increased each month up until April 2010

¹ Preliminary estimate from the Bureau of Labor Statistics

Share of Unemployment for Reasons Other Than Job Loss Hits New Full-Year High, Reflecting Strong Labor Market



Higher Education is Becoming More Prevalent in the Labor Force



when it reached 13.5 percent. In late 2010, Nevada's unemployment rate reached its all-time high of 13.7 percent. Over the course of the 2010-2013 period, the Silver State's jobless rate was the highest in the nation. As the labor market strengthened, the unemployment rate levels in the Silver State started to improve.

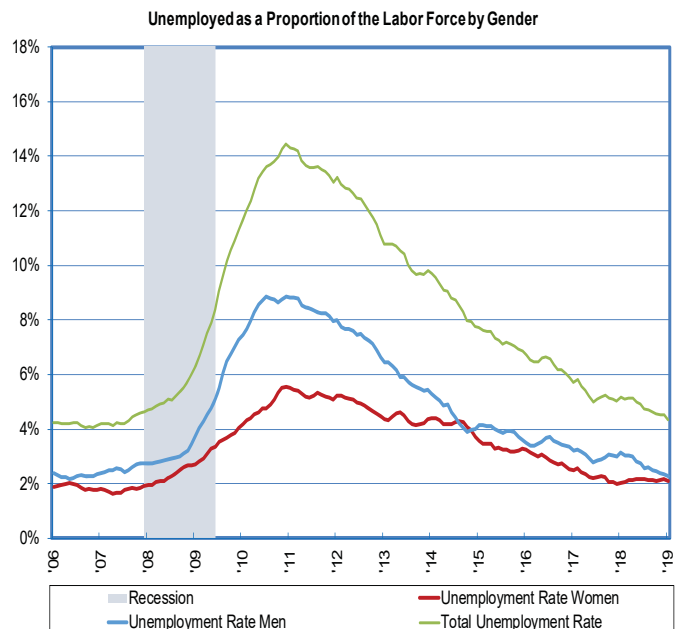
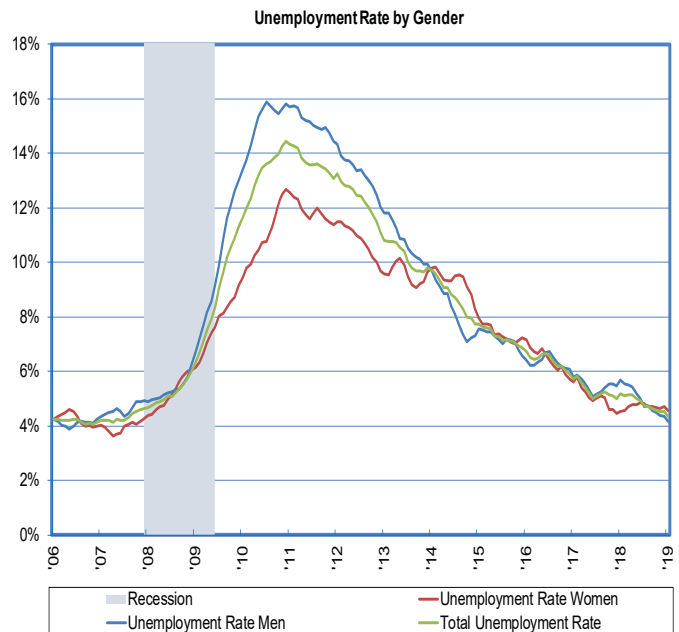
The BLS produces six alternative measures of labor underutilization which are available on a quarterly basis from the Current Population Survey (CPS) at the state level. The official concept of unemployment (as measured in the CPS by U-3 in the U-1 to U-6 range of alternatives) includes all jobless persons who are available to take a job and have actively sought work in the past four weeks. The other measures are provided to data users and analysts who want more narrowly (U-1 and U-2) or broadly (U-4 through U-6) defined measures. Using four-quarter averages for states increases the reliability of the CPS estimates, which are based on relatively small sample sizes at the sub-national level, and eliminates seasonality. Because lagged quarters are included, the state alternative measures may not fully reflect the current status of the labor market.

The U-3 unemployment rate averaged 4.5 percent in Nevada in 2018, down from five percent in 2017. U-3 measures the total of unemployed workers as a percentage of the civilian labor force. This measure is most similar to the official unemployment rate, which stood at 4.6 percent² in this period. U-3 peaked at 14.4 percent in 2010. The number of unemployed workers averaged 68,750 in 2018 down from 72,865 in previous year.

U-4 adds discouraged workers to U-3, bringing the underutilization level to 4.9 percent. U4 is down from 5.4 percent in 2017 and from its peak of 15.2 percent in 2010. Discouraged workers are those people who would like to work, but have stopped looking for work because they believe there are no jobs to be filled. Discouraged workers averaged 6,380 in 2018, up from 5,920 in 2017.

²Note that, in the table and in the comparisons below, the unemployment rate (U-3) that is shown is derived directly from the Current Population Survey, because this is the only source of data for the various components of the other five measures. As a result, the U-3 measure can differ from the official State unemployment rate. The official rate is developed from statistical models that greatly improve the reliability of the labor force and unemployment estimates.

Unemployment Rates in Nevada are Returning to Historical Levels for Both Women and Men



Economic Summary

Marginally attached workers, the group added to U4 in order to create U-5, have not searched for work for reasons other than belief that there are no jobs to fill. Examples of these reasons include school attendance, transportation problems, poor health, family responsibilities, etc. U-5 totaled 5.8 percent during this period, down from 6.3 percent over 2017. U-5 peaked at 16 percent in 2010. Marginally attached workers stood at 15,340 in 2018, up from 14,200 in previous year.

Finally, U-6 adds part-time workers (working less than 35 hours per week) who would rather be working full-time, but cannot due to economic reasons including having their hours cut or being unable to find full-time work. This leads to a U-6 underutilization rate of 9.5 percent, down from 10.8 percent in 2017. Those employed part-time for economic reasons averaged 57,790 over 2018, down from 66,490 in previous year. Nevada's U-6 measure in 2018 is the third-highest in the U.S.

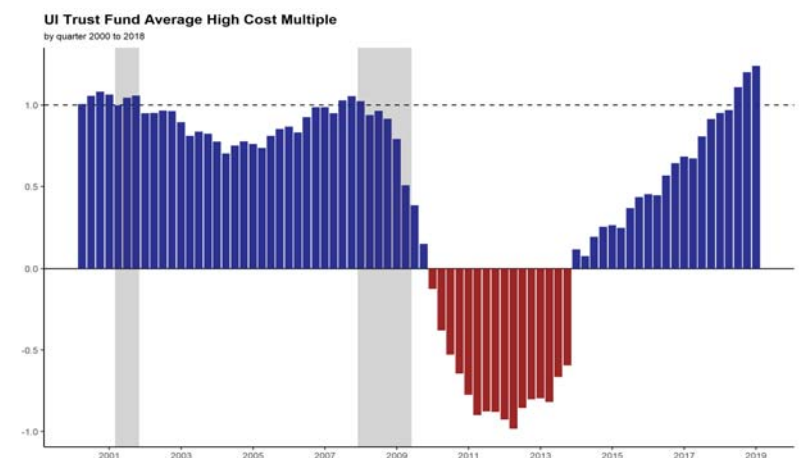
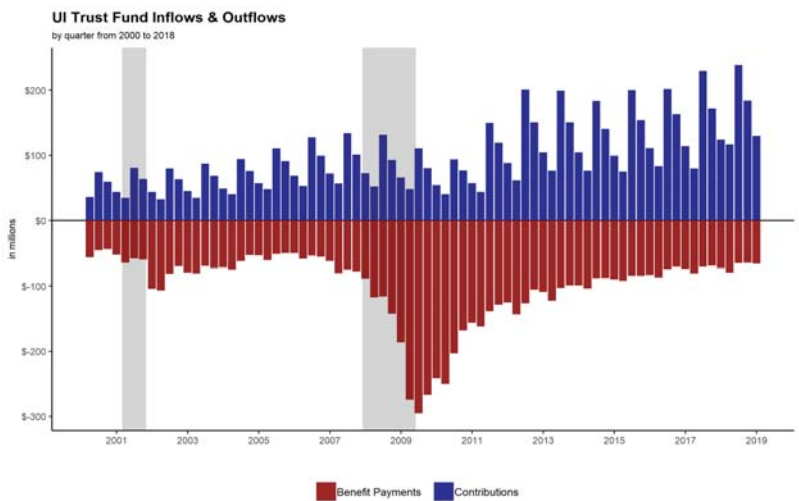
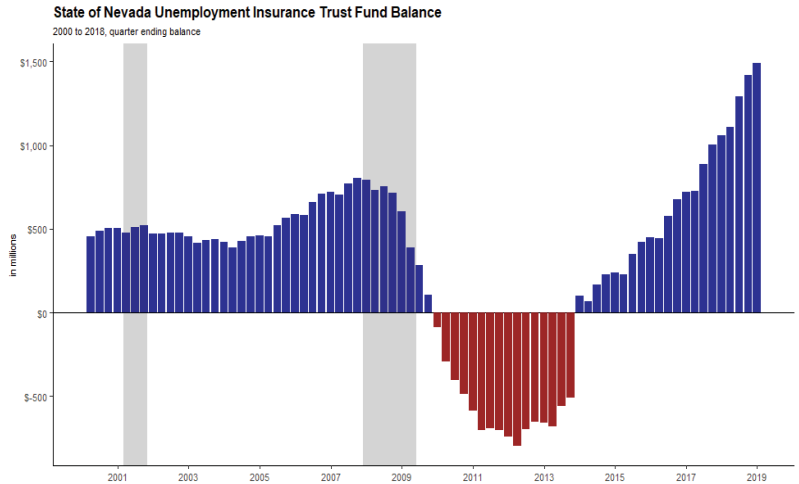
In 2018, the average share of people in Nevada who were unemployed for some reason other than having lost a job increased significantly toward the end of the year, reaching 57 percent on average for 2018. The most recent level was a new high looking at full calendar years, and was just shy of the series high of 59 percent, reached during the twelve months from the third quarter of 2015 to the second quarter of 2016. (Refer to Figure: 11)

Reasons for unemployment other than job loss include new entrants into the labor market as well as those who left a job voluntarily.

As the overall unemployment rate falls and the labor market gets tighter, workers may be more willing to leave an existing job in search of new opportunities, while businesses make additional efforts to retain existing employees. This has the effect of pushing the number of people who are unemployed due to job loss down, while pushing the number of people who are unemployed for some other reason up.

This measure rose during the strong labor market in the mid-2000's and fell dramatically during the recession. Further, this measure started falling consistently before the state's unemployment rate began to rise significantly and began to improve before the state unem-

Nevada's Unemployment Insurance Trust Fund Ends 2018 with a Balance Over \$1.4 Billion (Part 1)



ployment rate began to fall. While the series history is short, these trends suggest this series may have value as a potential leading indicator for the state unemployment rate in identifying shifts in the overall trend.

Using data from the monthly CPS we also conduct an analysis of the level of education in the Nevada labor force in comparison to the education level of the national labor force. CPS estimates are available since 1994 and are examined through January 2019 using a twelve-month moving average.

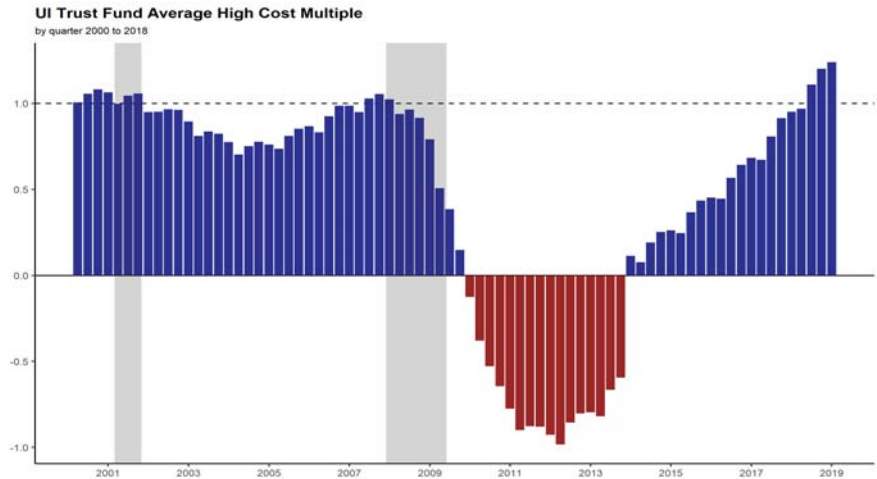
When compared to the whole labor force, the share of individuals who do not have a high school diploma has been decreasing. This decrease began for Nevada in September 2006 and has fallen from approximately 15.7 percent to 10.9 percent in January 2019, but was relatively flat prior to 2006. Nationally, this share has been trending downward from 14.1 percent in January 1995 to 8.6 percent in January 2019 with the rate of decrease accelerating in 2007.

High school graduates with no college have been decreasing as a share of the labor force in both Nevada and the nation. Nationally the share has decreased from approximately 33.3 percent in January 1995 to approximately 26.2 percent in January 2019. In Nevada the percentage of the labor force has gone from 35.7 percent to 30.9 percent over the same time.

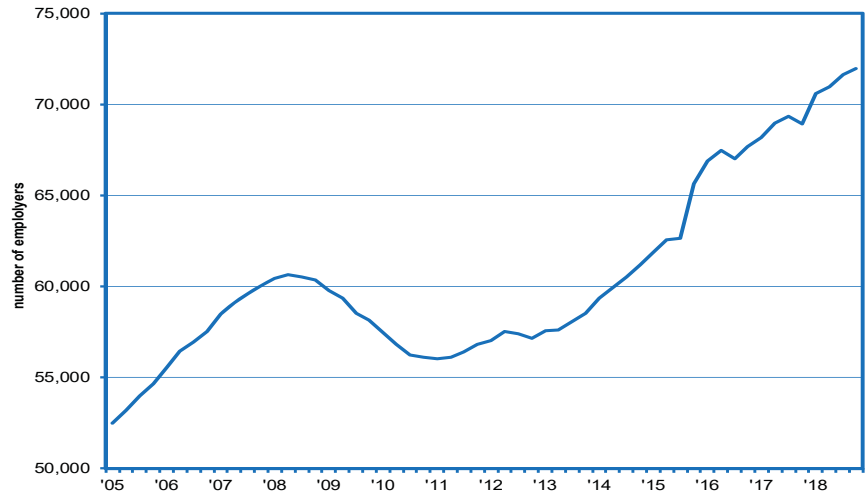
Individuals with some college and no degree trended downward as a percentage of the labor force in Nevada from 1995 to early 2007. Since then the percentage has been trending slowly upward through January 2019. Nationally, this group has been trending downward over the total time examined.

Individuals with associates degrees have been increasing as a percentage of the labor force both nationally and in Nevada. In Nevada this population increased from seven percent in January 1995 to ten percent in January 2019. Nationally, those with Associates degrees followed a

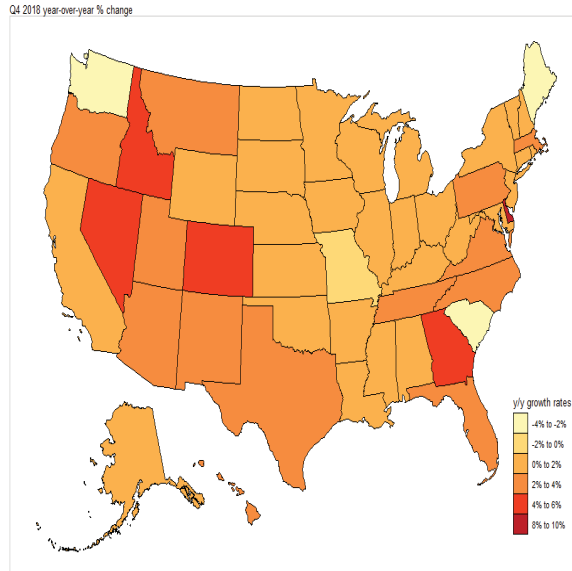
Nevada's Unemployment Insurance Trust Fund Ends 2018 with a Balance Over \$1.4 Billion (Part 4)



Number of Employers in Nevada Sets New Record-High in 2018:IVQ; 28 Consecutive Quarters of Year-over-Year Growth (Part 2)



Employer Growth By State



Source: ETA 501
Produced by: @NVlabormarket

January 2019

similar trend going from 7.8 percent to 10.5 percent of the labor force over the same time.

The percentage of bachelor's degrees or higher has been growing as a share of the labor force in both Nevada and the nation. Nevada has seen an increase from an estimated 16.4 percent in January 1995 to approximately 25 percent in January 2019. Nationally, this has become the largest cohort increasing from 24.3 percent to 37.3 percent of the labor force over the same time.

Overall, people in the labor force in both Nevada and in the nation are attaining more higher education.

This month, we also use the CPS to analyze the unemployment rate by gender in Nevada.

This analysis shows the trends for the unemployment rates for women, men, and the combined total for the State from January 2006 to January 2019. The three unemployment rates trend very closely except for 2009 to the middle of 2013 when the rate for men went higher.

During this time the unemployment rate for men peaked at 15.9 percent in July of 2010, and the unemployment rate for women reached its peak at 12.7 percent in December of 2010. The State also peaked in December 2010 at 14.4 percent.

In January 2019, the unemployment rate for women was 4.6 percent, 4.2 percent for men, and 4.4 percent for the State. From January 1995 through December 2007 the three unemployment rates averaged 4.4 percent meaning we are now returning to historical rates again.

Much of the difference in unemployment rates by gender during the early 2009 to middle 2013 period is due to

the distribution of male/female employment across different industries. For example, construction was one of the hardest hit sectors during the recession, and contributed to the higher unemployment rate for men.

The analysis of unemployed as a proportion of the labor force by gender shows what proportion of the labor force was unemployed men and women from January 2006 to January 2019. The State unemployment rate is included for comparison, and it is the total of the two proportions.

Unemployed women have generally made up a smaller portion of the labor force than unemployed men, but women also make up a smaller portion of the total labor force. In January 2019 men made up approximately 53.9 percent of the labor force and women made up 46.1 percent. At the same time unemployed women made up 1.9 percent of the labor force and unemployed men made up 2.3 percent.

From January 1995 through December 2007 the proportion of unemployed women in the labor force averaged 1.9 percent, and the proportion of unemployed men averaged 2.5 percent showing that we are returning to historical averages.

Initial claims for unemployment insurance (UI) benefits fell to 11,390 in January, down nearly twelve percent relative to last January's reading. This continues the trend of year-over-year declines which were recorded in each month of 2018. This is the lowest reading for initial claims in the Silver State since 1994. For context, the labor force in Nevada has nearly doubled since 1994. With this reading, the twelve-month moving average of the series is continuing its downward trend, nearing the 10,000-mark, with a reading of 10,210; down from 10,340 last month. This series also experienced a month-over month decline in January,

down 4.7 percent relative to December. Other metrics that measure the health of the labor market reflect these positive trends as well. For instance, the exhaustion rate has fallen to 33.1 percent, down 1.8 percentage points over the year.

Nevada's Unemployment Insurance (UI) Trust Fund ended 2018 with a balance just over \$1.48 billion, another record level. The purpose of this trust fund is to make the State's unemployment insurance system better able to weather cyclical downturns in the economy.

This is accomplished by building reserves in times of relative economic prosperity through employers' contributions; and then using those reserves in times of economic downturn, when contributions generally decrease and unemployment insurance claims are more prevalent.

The net effect on the trust fund after the 2007 recession was an outflow of funds, whereas during the current period of economic prosperity, the net effect is an inflow of funds, even overtaking the seasonal decreases generally seen in the first quarter of each year.

Since last quarter, \$131 million in UI taxes were collected, 28.8 percent less than the quarter three contributions, which is to be expected due to the seasonal nature of the series. Interest earned by the Trust Fund totaled \$8.6 million in the fourth quarter; up nearly seven percent compared to last quarter.

Benefit payments, which constitute the outflows from the fund, were \$66 million for the observed period, nearly \$6.6 million lower compared to the fourth quarter of the previous year. This, combined with trends in UI contributions, allowed the Trust Fund to grow by almost \$2.2 million over the quarter.

¹ It should be noted that utilizing information solely from the CPS results in a slightly different total unemployment rate than what is officially reported. The State's official rate incorporates information regarding job trends and unemployment insurance claims activity into the calculation, in addition to CPS results.

Turning to solvency measures of the trust fund, the most common measure, 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. With a balance of nearly \$1.5 billion, Nevada's current AHCM of 1.24 indicates that the Silver State's Trust Fund would cover nearly 15 months of benefits if a similar recession were to occur.

The number of employers in the Nevada UI system reached another all-time high in the fourth quarter of 2018, at nearly 72,000. Relative to the same quarter in 2017, the number of employers has increased by over 3,000, or 4.4 percent.

Record-high employer levels were realized in fifteen of the past seventeen quarters, since the fourth quarter of 2014; including records recorded in each quarter of 2018.

Relative to the trough of the recession, the number of employers has increased by nearly 16,000; and relative to the pre-recessionary peak, employers have increased by over 11,300.

Though there is not a one-to-one relationship between the number of employers and the number of employed persons in the State, when we consider this data in light of trends in the Quarterly Census of Employment and Wages, we see that employment continues to increase commensurate with the number of employers.

Turning to the national perspective, Nevada is one of the fastest growing states in terms of the number of employers; along with Idaho, Colorado, Georgia, and Delaware, all with growth in excess of four percent.

The employer base in Washington, Missouri, South Carolina, and Maine is contracting. The rest of the nation has employer growth between zero and four percent.

With "real-time" labor market information obtained as part of DETR's Silver State Solutions Initiative, we can provide an alternative assessment of the health of the State's economy via an analysis of current online job posting activity³. Year-to-date through January, 25,903 ads have been posted for jobs in Nevada, an increase of 10,981 (74 percent) from the same period last year. Full time jobs accounted for 78.7 percent of listings for this period, a decline of 8.7 percent from 2018⁴.

Nevada Job Connect offers employment services including help with job searches, resume preparation, interview skills, resource centers, skills assessment, proficiency testing, and training for a new job. Their website has more information at <http://www.nevadajobconnect.com/>. Additional resources and information is provided by Nevada's Employment Security Division available at www.employnv.gov.

³ Online job postings are obtained through DETR's Silver State Solutions initiative. Online job posting volume does not necessarily correlate with the level of job openings or hiring. Internal company hiring and union hiring are often not captured by online ads. High ad volume often occurs for occupations/industries that are having difficulty finding qualified candidates, high turnover positions/recurring openings, or when companies are building large candidate pools. Online job postings should only be used with caution when developing/analyzing time series trends due to the constant changes in the rate of online advertising usage and in the methods used for collecting the data.

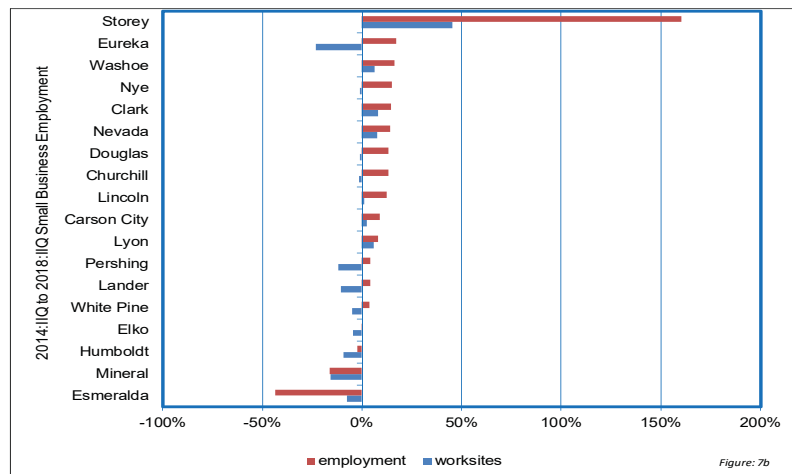
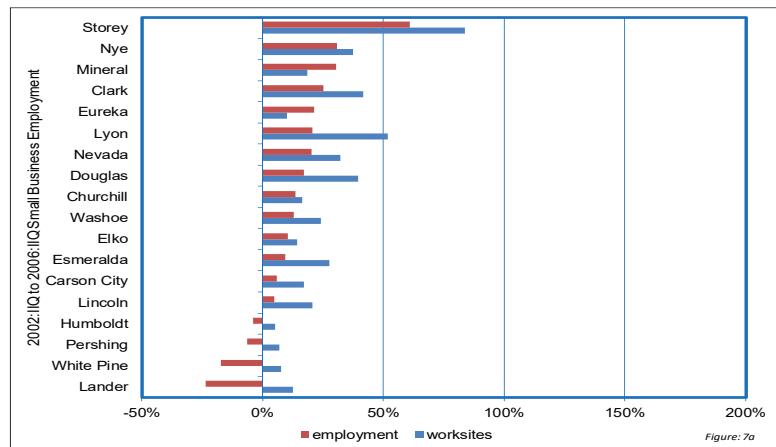
⁴Not all job ads specify whether the advertised position is full time or part time

Statewide, seasonally adjusted employment increased by 3,800 jobs in January, relative to December. As for Nevada's major population centers, gains were realized in the Las Vegas, Carson City, and Reno metropolitan statistical areas (MSAs). Las Vegas employment saw a seasonally-adjusted increase of 3,400 jobs, the result of decreasing by 9,300 jobs when a decrease of 12,700 was expected. Reno employment realized a seasonally-adjusted increase of 1,000 jobs, the result of decreasing by only 6,700 jobs when a decrease of 7,700 jobs was expected in the area. Carson City had a seasonally adjusted increase of 500 the result of decreasing by 200 jobs, when a decrease of 700 was expected.

Year-over-year employment increased in the State, and in all three MSAs in January. Reno added jobs at a faster rate than the State this month. Statewide, jobs increased by 3.9 percent, which correlates to 53,300 new jobs added since January of last year. Las Vegas accounted for much of the nominal employment gains this month where jobs increased by 32,700 year-over-year, or a growth rate of 3.3 percent. Reno saw the highest growth rate of 6.5 percent equating to 15,400 jobs added from the previous year, and higher than the state growth rate of 3.9 percent. Carson City added 700 jobs or a growth rate of 2.3 percent in January. Specifically, Nevada added 13,600 goods-producing industries jobs to payrolls while service-providing industries added 35,800¹. In Carson City, 350 jobs were added relative to last year. That area saw a decrease of 300 goods-producing jobs and an increase of 650 service-providing jobs. Reno saw a net increase of 16,400 goods producing and services providing jobs. The gain was split into 8,100 goods producing and 8,300 service providing jobs. Las Vegas saw 5,700 goods producing jobs added, and 26,800 service providing jobs added year over year for a total of 32,500 goods producing and service providing jobs.

Unemployment rates decreased in all of the State's major population centers on a year-over-year² basis. On a month-over-

Growth in Employment and Number of Worksites Slower in 2014:2018 than 2002:2006; Storey County leads the Way in Growth of Small Business Employment and Number of Worksites in both 2002:2006 and 2014:2018.



Storey County Included			
2002-2006		2014-2018	
Employment	Worksites	Employment	Worksites
60.9% to -23.5%	83.6% to 5%	160.1% to -43.4	45.2% to -23.2%
Storey County Excluded			
2002-2006		2014-2018	
Employment	Worksites	Employment	Worksites
30.9% to -23.5%	37.3% to 5%	17.4% to -43.4	7.9% to -23.2%

Figure 7c

¹ References to total MSA employment are adjusted for seasonality, whereas references to goods-producing and service-providing industries are not.

month basis unemployment rates were increasing in line with normal seasonal patterns in January. In Las Vegas, the unemployment rate is at 4.7 percent, increasing from the December rate of 4.5 percent, and down 0.7 percentage point from January last year. Reno's unemployment rate is at 4.0 percent, also increasing from December's rate of 3.4 percent, and down 0.5 percentage point from this time last year. The unemployment rate in Carson City is at 5.0 percent, increasing from 4.5 percent in December, and decreasing 0.8 percentage point from January last year.

Unemployment rates declined on an over-the-year basis in 16 of 17 counties, and remained unchanged from the previous year in the remaining county this month. Seven of Nevada's counties remain at or below the U.S. rate of 4.4 percent, unadjusted. Although most sub-state unemployment rate indicators increased on a month over the month basis they were lower or constant on a year over year basis. Sub-state rates are not seasonally adjusted rates, and should not be compared to the seasonally adjusted state rate. Rate declines ranged from 0.1 percentage point in Lincoln County to 1.1 percentage point in Lander County. The rate in Pershing county remained unchanged over the year at 5.0 percent. Lyon, at 6.3 percent, has the highest unemployment rate in the Silver State this month. All counties remain below seven percent unemployment in January with 10 counties below five percent. Eureka, at 2.8 percent, is home to the State's lowest unemployment rate in January. Humboldt at 3.7 percent also maintains a relatively low unemployment rate this month.

Statewide, initial claims for unemployment insurance benefits fell by nearly twelve percent in the thirteen weeks ending with the last week of January. Clark County experienced the largest nominal decline, trending just over 380 claims lower than last year's reading; a decline of 14.6 percent. Washoe County saw a small increase of just over ten claims over the year, 2.9 percent higher than last January. Carson City, the State's smallest MSA, saw a decline of just over 10

Accommodation and Food Services Highest in Share of Total Private Employment While Having Highest Average Weekly Wage Amongst Similar Cities

Industry	Las Vegas Employment Share	Las Vegas	Austin	Boston	Portland	Sacramento
Accommodation and Food Services	30.9%	\$660	\$430	\$490	\$390	\$390
Retail Trade	13.0	600	670	670	540	630
Health Care and Social Assistance	9.9	1050	1020	1140	800	1060
Administrative and Waste Services	8.9	620	880	950	670	850
Construction	6.8	1110	1170	1560	1020	1250
Transportation and Warehousing	4.9	890	860	1020	970	850
Professional and Technical Services	4.7	1430	1900	2610	1360	1470
Finance and Insurance	3.1	1380	1820	3220	1350	1650
Other Services (except Public Administration)	2.9	680	810	740	590	720
Manufacturing	2.7	990	1900	1910	1070	1290

Figure: 8a

Industry (Las Vegas Employment Share)	Las Vegas	Austin	Boston	Portland	Sacramento
Management of Companies (2.4%)	1 (\$2330)	8 (\$1605)	2 (\$2630)	5 (\$1290)	2 (\$1770)
Utilities (0.3%)	2 (2100)	5 (1850)	4 (2590)	1 (2040)	1 (2490)
Wholesale Trade (2.6%)	3 (1490)	4 (1860)	6 (1960)	6 (1290)	7 (1320)
Professional, Scientific, and Technical Services (4.7%)	4 (1400)	3 (1900)	3 (2600)	3 (1360)	5 (1470)
Finance and Insurance (3.1%)	5 (1380)	6 (1820)	1 (3220)	4 (1350)	3 (1650)
Information (1.3%)	6 (1250)	7 (1800)	5 (2330)	2 (1400)	6 (1370)
Mining, Quarrying, and Oil and Gas Extraction (0.1%)	7 (1230)	1 (2670)	11 (1350)	12 (900)	4 (1630)
Construction (6.8%)	8 (1110)	9 (1170)	9 (1560)	8 (1020)	9 (1250)
Health Care and Social Assistance (9.9%)	9 (1050)	11 (1020)	13 (1140)	14 (800)	10 (1060)
Manufacturing (2.7%)	10 (990)	2 (1900)	7 (1910)	7 (1070)	8 (1290)

Figure: 8b

²The State's seasonally adjusted unemployment rates is 4.4 percent in January, unchanged from December and down from 4.9 percent in January 2018. Unemployment rates for the State's metropolitan areas and counties reported here are not adjusted for seasonality. Hence, comparisons to the State's seasonally adjusted rate should be avoided. Legitimate comparisons, however, can be made to the State's unadjusted rate -- 4.6 percent in January, down from 4.3 percent in December and down from 5.2 percent in January 2018.

claims, which elicited a 16.8 percent decrease relative to last year. Of the State's smaller counties, only Lyon County saw a change in excess of five claims, down six over the year; with the rest of the counties holding relatively steady.

This month we looked at small business employment by county comparing the period of 2002-2006 to the period of 2014-2018. In the Quarterly Census of Employment and Wages (QCEW) Program, the Research and Analysis Bureau collects and compiles employment and wage data for workers covered by Nevada unemployment insurance laws, and federal civilian workers covered by Unemployment Compensation for Federal Employees. Figure 7a shows the period from 2002-2006 for employment and worksites, while figure 7b shows from 2014-2018.

As of 2018: IIQ, employment in Nevada's small business, firms with less than 100 employees, totaled nearly 646,000. The over-the-year (2018: IIQ to 2017: IIQ) gain recorded was 21,800 or about 3.5 percent. The number of worksites increased by nearly 1,200 over that same time span or roughly 1.5%.

From 2002: IIQ to 2006: IIQ, small business employment grew by 20.3% and number of worksites increased by 32.1%. During this time, 13 of 17 counties experienced growth in employment and all of them saw an increase in number of worksites. Of particular note are Storey County at 60.9%, Nye County at 30.9%, and Mineral County at 30.4% that all saw increases with respect to employment. Storey, Lyon, and Clark realized the largest gains in number of worksites at 83.6%, 51.7%, and 41.5% respectively.

From 2014: IIQ to 2018: IIQ, the Silver State experienced growth of 14.2 in small business employment and 7.7 percent with regards to number of worksites. 14 of 17 counties saw increased employment while only five saw an increased number of worksites during this time. In terms of employment, the fastest growing counties were Storey, Eureka, and Washoe counties at 160%, 17%, and 16.5% respectively. The counties that saw the greatest increases in number of worksites were Storey, Clark, and Washoe at 45%, 7.9%, and 6.4 respectively.

As of December 2018, Eight Counties Have a Lower Unemployment Rate than the State's

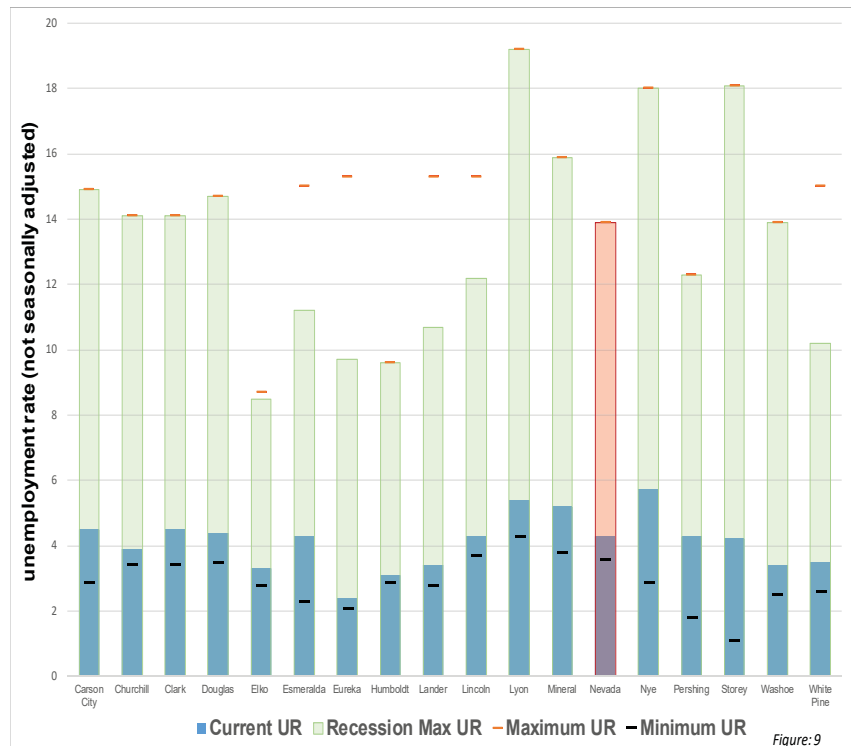


Figure:9

When both time periods are taken into account, Storey County grew by the most in terms of employment and number of worksites. This coincides with the opening of the Tahoe Reno Industrial Center in 1998 and an increase in manufacturing and transportation/warehousing for 2002 – 2006. In the second growth period (2014-2018), the growth was in manufacturing, transportation/warehousing, and admin/waste services.

Both periods (2002 to 2006 and 2014 to 2018) saw growth in terms of employment and worksites. The primary difference being that with Storey County excluded, the average growth rates for employment and worksites were 9% and 21.9% respectively for 2002:2006. This compares to an average of 13.8% and 24.2% for employment and worksites when Storey County is included for the same period.

As for 2014:2018, the averages are 4.3% and -4.2% when Storey County is excluded and 6.7% and 5.5 when Storey County is included. The growth in recent times seems to be more measured and resulting in less worksite growth.

Seven of the ten counties that experienced a decline in either employment or number of worksites have relatively high concentrations of mining. Of those seven, five saw increases in mining employment and worksites during the period 2006: IIQ to 2014: IIQ when the Silver State as a whole was seeing a general economic slowdown. Mining is an industry that tends to move counter to the fluctuations of the general economy.

Figure 7c illustrates the range of growth/decline with regards to employment and worksites when Storey County is included or excluded from the sample.

Next, we looked at an industry and wage comparison of Las Vegas compared to other cities of similar population size. Using data from the Quarterly Census of Employment and Wages (QCEW), a Fed/State cooperative program that collects and compiles employment and wage data for workers covered by unemployment insurance laws, we can compare cities across the nation. The cities chosen were on the basis of being similar in population (2017) to the Las Vegas-Henderson-Paradise Metropolitan Statistical Area (Las Vegas MSA), and are the cities of Austin, Boston, Portland, and Sacramento.

Figure 8a is a comparison of average weekly wages paid by the 10 most prominent sectors (in terms of employment share) in the Las Vegas MSA. The rankings are based on that industry's (2-Digit NAICS) share of total private employment in the respective MSA. Accommodation and food services is the number one in the Las Vegas area in terms of employment share. The average weekly wage in this industry exceeds the other metro areas by an average of \$170 or approximately 34 percent. The only two industries in which Las Vegas pays a lower weekly wage than the other metros are Manufacturing and Administrative and Waste Services.

Figure 8b lists the industries (2-digit NAICS level) who pay the highest average weekly wage in the Las Vegas MSA and then how those industries fare in the similar metro areas. The industry with the highest average weekly wage for the Las Vegas MSA is Management of Companies at an estimated \$2330 per week. In most of the other metros, this industry is of similar stature. However, Management of companies (NAICS code 55) only accounts for 2.4 percent of total private employment.

Wholesale Trade and Health Care/Social Assistance are other industries where Las Vegas' wages compare favorably. The top ten industries by average weekly wage account for 33.9 of total private employment. The only industry of these top ten in which Las Vegas pays the least is Manufacturing.

Five industries that have the highest employment share in Las Vegas also rank in the top 10 in highest average weekly wage. Health Care/Social Assistance ranks 3rd in total private employment and 8th by average weekly wage. Construction is 5th in share and 8th by wage. Professional/Technical Services is 7th in employment in share and 4th in wages, Finance/Insurance is 8th in employment and 5th in wages, and Manufacturing is 10th in both employment and wages. Health Care/Social Assistance ranks third in share of total employment and 9th in average weekly wages. The highest average weekly wages for all five metro areas are similar in ranking, within the top 10 industries, with the exception of Health Care/Social Assistance and Mining/Quarrying/Oil and Gas Extraction.

The third research note this month uses information from the Local Area Unemployment Statistics (LAUS) Program, produced by state agencies in cooperation and the Bureau of Labor Statistics, to evaluate Nevada's relative county unemployment rates. The unemployment rate is the ratio of unemployed to total labor force. Labor force includes those who are employed and those who are unemployed but searching for work. Unemployment rate estimates by county are available since 1990. The figures in this research note are not seasonally adjusted.

Nevada's all-time low unemployment rate, stands at 3.6% in late-1998. The county with the lowest all-time low rate is Storey at 1.1% in mid-1990. Most of

the jobs in Storey county were in accommodation/food services, other services (except public administration), and retail trade. Fourteen counties have an all-time low rate below the State's rate.

Nevada's unemployment rate reached an all-time high of 13.9% in early-2011. Among all counties, Lyon has the highest all-time high unemployment rate of 19.2% in 2011. Jobs in Lyon county were mainly in manufacturing, construction and retail trade, these industries were the most affected by the 2007 economic downturn. Thirteen counties have an all-time high rate above the State's peak. The counties reached their all-time high unemployment rate between 1995 and 2011.

In December 2018, the Silver State has an unemployment rate of 4.3% down from 4.4% last year. The county with the lowest unemployment rate is Eureka at 2.4% down from 2.5% a year ago, while the county with the highest rate is Nye at 5.7% down from 5.9% last year.

Most jobs in Eureka county are in mining and retail trade, while most jobs in Nye county are in accommodation/food services, professional/technical services, and mining. Eight counties have a lower unemployment rate than the State's.

Year-to-date online job posting activity decreased in 14 of 17 counties in January³. Clark (+10,249) experienced the largest increase in ad volume over last year, totaling 20,054 ads year-to-date. Washoe has also seen a notable increase in ad volume over last year (+1,306), totaling 4,182 ads year-to-date. Douglas (+53) was the only other county that saw an increase in ad volume over last year. Elko County has realized the largest decrease of ads (-204) over last year, totaling 221 ads through January of this year. Other

³ Online job postings are obtained through DETR's Silver State Solutions initiative. Online job posting volume does not necessarily correlate with the level of job openings or hiring. Internal company hiring and union hiring are often not captured by online ads. High ad volume often occurs for occupations/industries that are having difficulty finding qualified candidates, high turnover positions/recurring openings, or when companies are building large candidate pools. Online job postings should only be used with caution when developing/analyzing time series trends due to the constant changes in the rate of online advertising usage and in the methods used for collecting the data.

Sub-State Economic Summary

Economy in Brief

January 2019

notable declines in job ads were realized in White Pine (-73), Humboldt (-67), Carson City (-43), and Lincoln (-43) counties. Despite job posting volume being down in many of Nevada's smaller counties, Statewide job posting activity continues to show improvement. The State as a whole has posted 25,959 ads in January, up 11,009 ads over this same time last year.

Industry Employment in January

Over-the-Month Change

- Total seasonally adjusted jobs = 3,800
- Las Vegas seasonally adjusted jobs = 3,400
- Reno seasonally adjusted jobs = 1,000
- Carson City seasonally adjusted jobs = 500

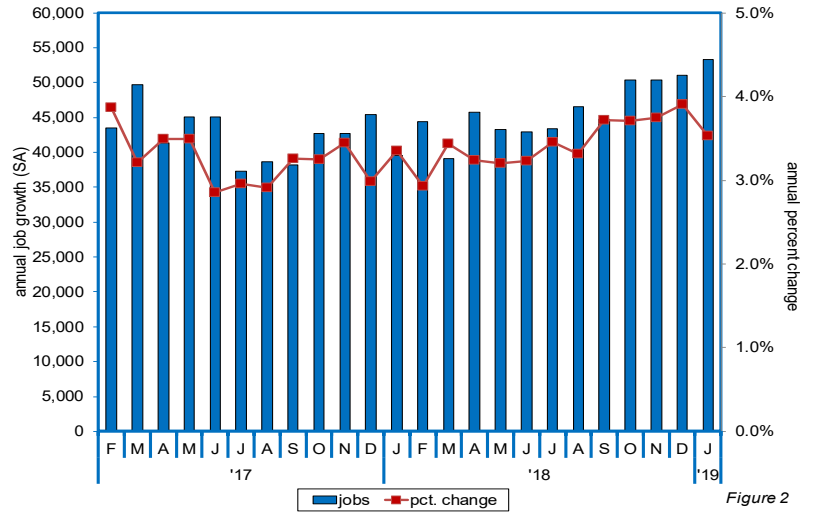
Nevada Nonfarm Jobs
Seasonally Adjusted Change

	Unadjusted Change	Expected Seasonal Movement	Seasonally Adjusted Change
Total Nonfarm Jobs	-19,600	-23,400	3,800
Private Sector	-12,800	-17,400	4,600
Public Sector	-6,800	-6,000	-800
Las Vegas	-9,300	-12,700	3,400
Reno	-6,700	-7,700	1,000
Carson City	-200	-700	500

Annual Change

- 1,416,500 non-farm jobs in January
- 53,500 jobs added over-the-year
- January marks 98 straight months of growth in Nevada.

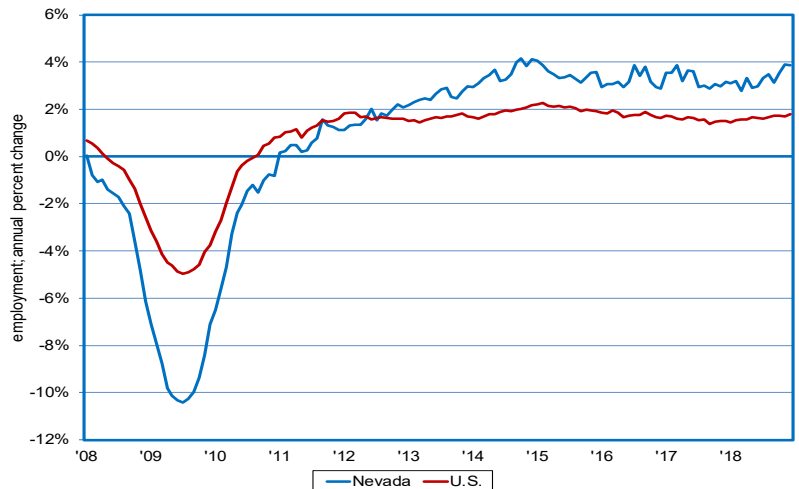
Nevada Job Growth
(Seasonally Adjusted)



Annual Growth

- Nevada = 3.9 percent
- U.S. = 1.9 percent
- Growth in Nevada has exceeded that in the U.S. for 78 straight months.

Job Growth: Nevada vs. U.S.
(Year-Over-Year Percent Change; Seasonally Adjusted)

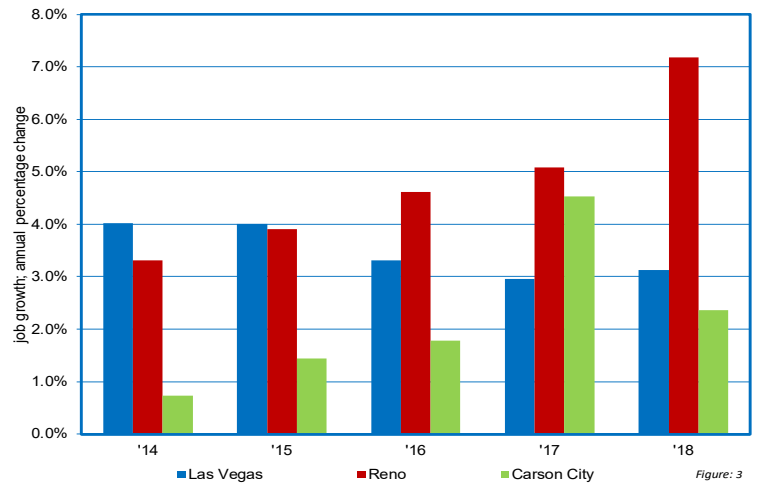


Industry Employment in January

Year-to-Date Growth

- Las Vegas MSA = 3.2 percent year-to-date
- Reno-Sparks MSA = 4.4 percent year-to-date
- Carson City = 2.7 percent year-to-date

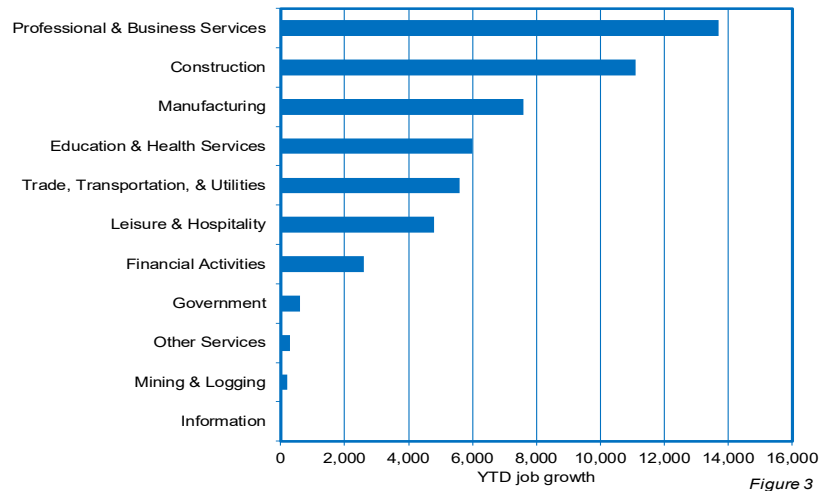
**Job Growth by Region
(Percent Change)**



Year-to-Date Change

- Professional and Business Services added 13,700 jobs, more than any other sector.
- Ten sectors added jobs through January
- Total job growth = 53,300 jobs

**Job Growth by Industry
(Year-to-Date)**

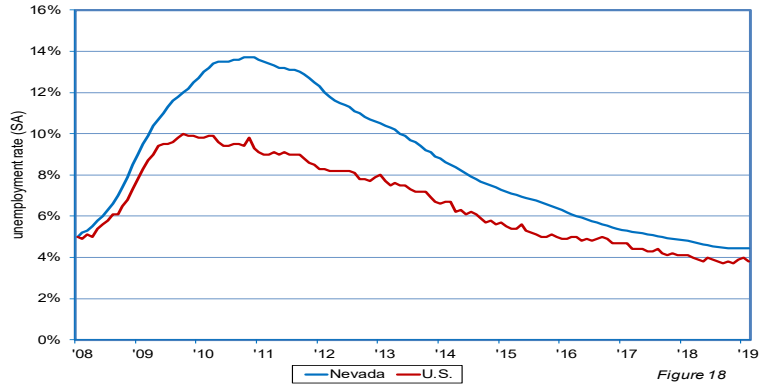


Unemployment

January

- Nevada = 4.4 percent; up 0.1 percentage point from December; down from 5.6 percent a year ago.
- U.S. = Four percent; up 0.1 percentage point from December; down from 4.1 percent a year ago.
- 0.4 point gap between Nevada and the Nation compares to 4.4 points at the height of the recession.

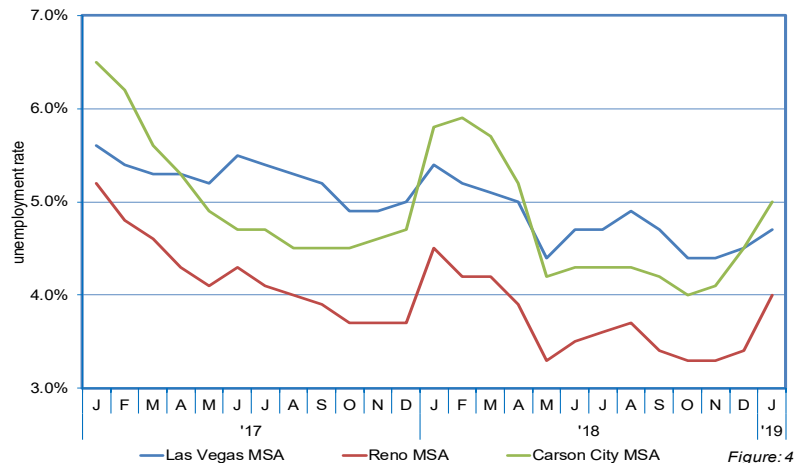
Unemployment Rate: Nevada vs. U.S.
(Seasonally Adjusted)



January (Not Seasonally Adjusted)

- Nevada = 4.6 percent; down 0.5 percentage point from January 2018.
- Las Vegas-Paradise MSA = 4.7 percent; down 0.7 percentage points from January 2018.
- Reno-Sparks MSA = Four percent; down 0.5 percentage points from January 2018.
- Carson City = Five percent; down 0.8 percentage point from January 2018.

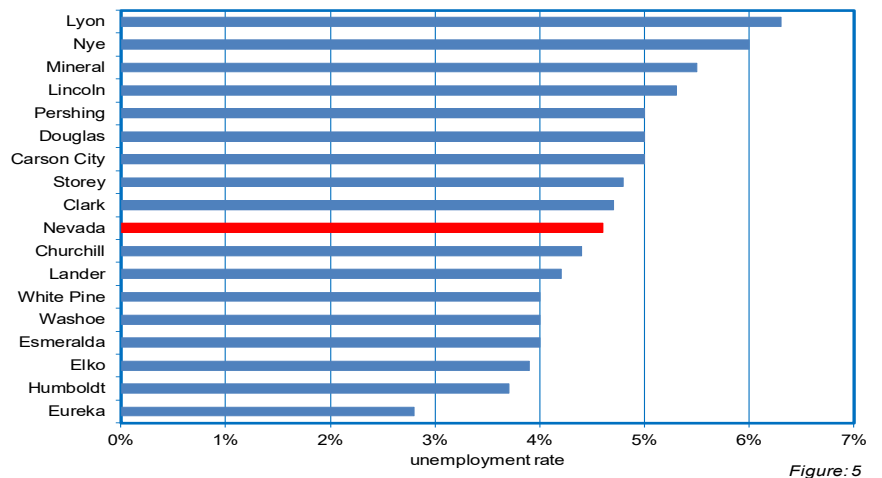
Unemployment Rate by Metro Area



January (Not Seasonally Adjusted)

- Unemployment rates ranged from 6.3 percent (Lyon) to 2.8 percent (Eureka).
- Clark = 4.7 percent; Washoe = four percent; Carson City = five percent.

Unemployment Rate by County

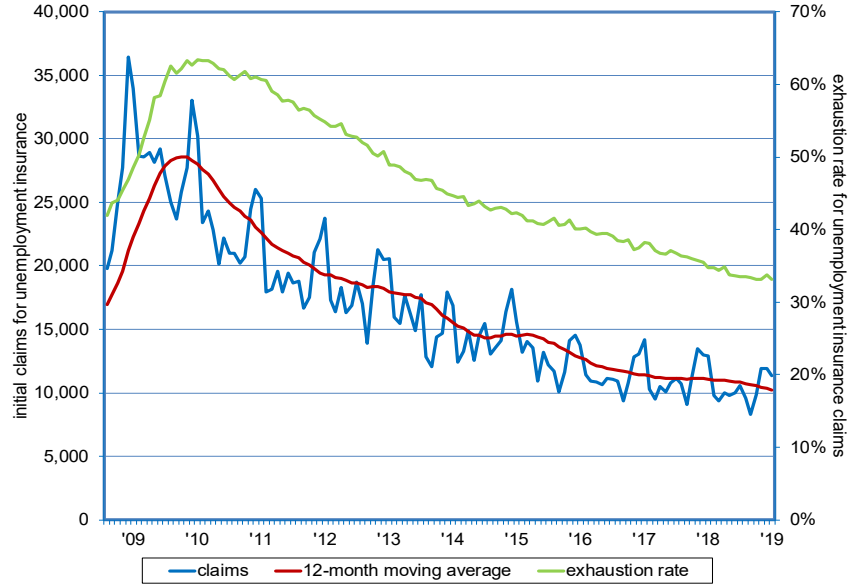


Unemployment

January

- Initial claims = 11,400
- Exhaustion rate (the percentage of unemployment insurance claimants who exhausted UI benefits prior to finding a job) = 33.10 percent.

Nevada Unemployment Insurance: Initial Claims and Exhaustion Rate

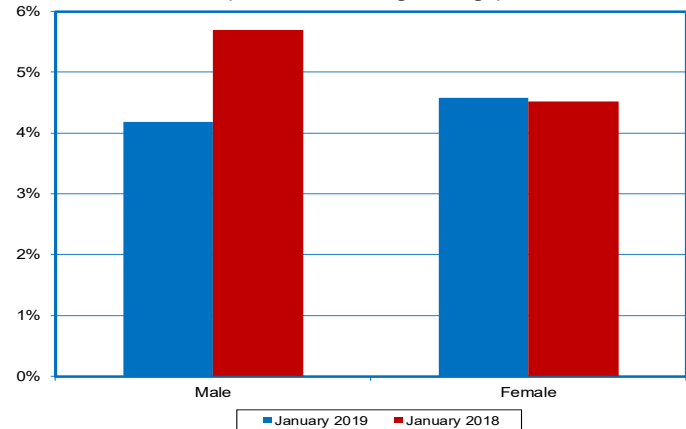


Demographics of the Unemployed

January

- Male unemployment rate = 4.2 percent; down 0.1 percentage point from December; down 1.5 percentage point from a year ago.
- Female unemployment rate = 4.6 percent; down 0.1 percentage point from December; up 0.1 percentage point from a year ago.

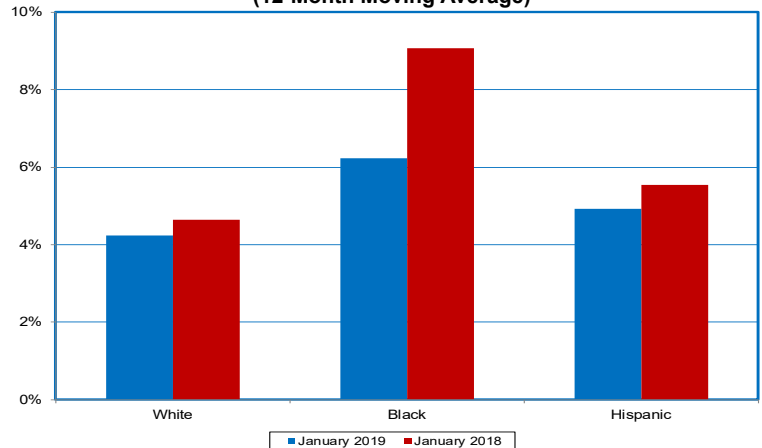
Unemployment Rate by Gender
(12-Month Moving Average)



January

- White unemployment rate = 4.2 percent; down 0.1 percentage point from December; down 0.4 percentage point from a year ago.
- Black unemployment rate = 6.2 percent; down 0.4 percentage points from December; down 2.9 percentage points from a year ago.
- Hispanic unemployment rate = 4.9 percent; down 0.2 percentage point from December; down 0.6 percentage point from a year ago.

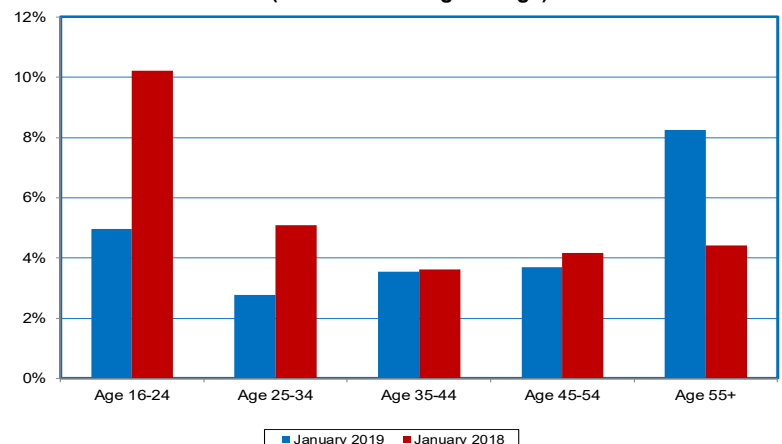
Unemployment Rate by Ethnicity
(12-Month Moving Average)



January

- Age 16-24 unemployment rate = 8.8 percent; down 0.2 percentage point from December; down 1.4 percentage points from a year ago.
- Age 25-34 unemployment rate = 4.7 percent; down 0.5 percentage point from December; down 0.4 percentage point from a year ago.
- Age 35-44 unemployment rate = 2.9 percent; down 1.2 percentage point from December; down 0.7 percentage point from a year ago.
- Age 45-54 unemployment rate = 3.4 percent; down 0.2 percentage point from December; down 0.8 percentage point from a year ago.
- Age 55+ unemployment rate = 3.8 percent; down 0.1 percentage point from December; down 0.6 percentage point from a year ago.

Unemployment Rate by Age Group
(12-Month Moving Average)

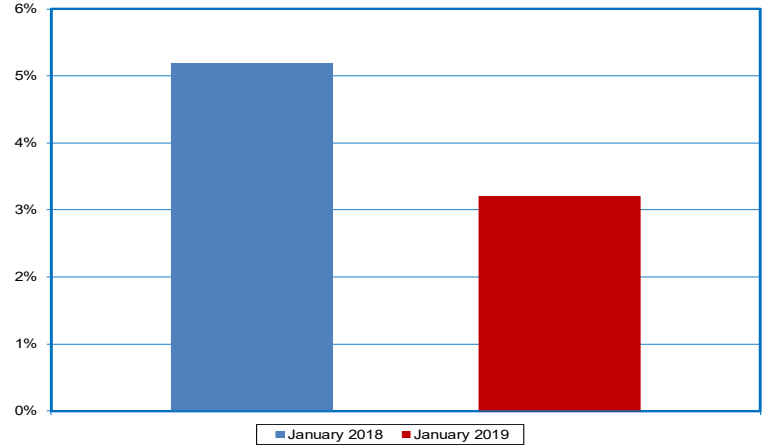


Demographics of the Unemployed

January

- Veteran unemployment rate = 2.9 percent; down 0.7 percentage point from December; down 2.3 percentage points from a year ago.

Unemployment Rate by Veterans' Status
(12-Month Moving Average)

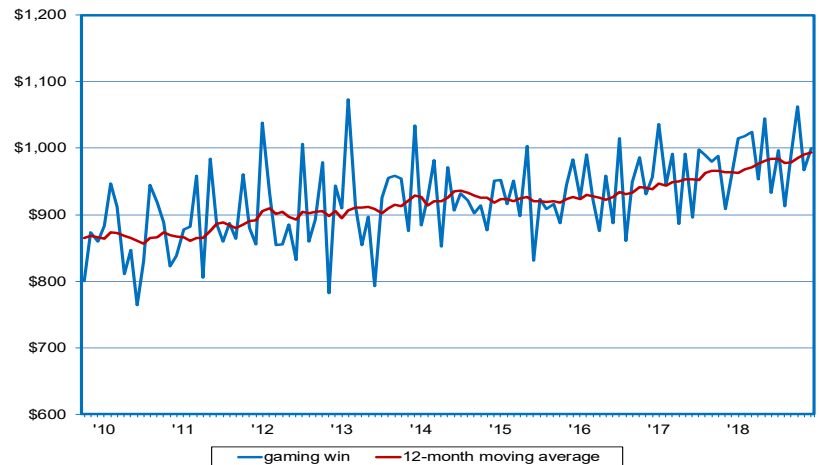


Economic Indicators

December

- Gross gaming win = \$1 billion
- Up 4.1 percent year-over-year; up three percent year-to-date over 2017.

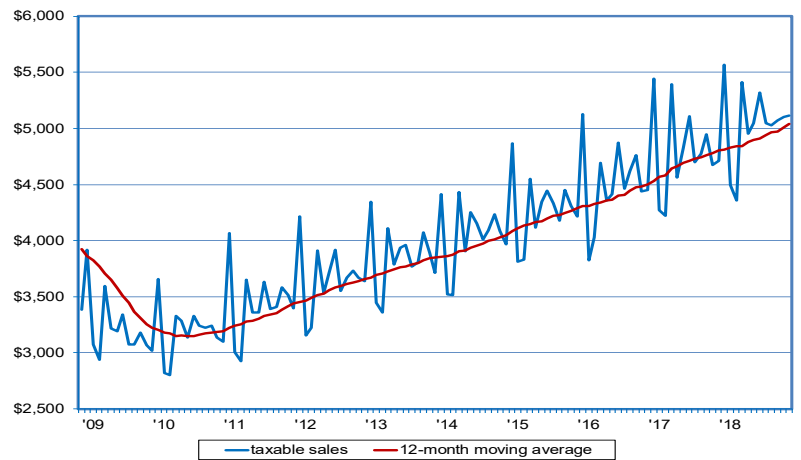
Nevada Gross Gaming Win
(Millions of Dollars)



November

- Taxable sales = \$5.1 billion
- Up 8.5 percent year-over-year

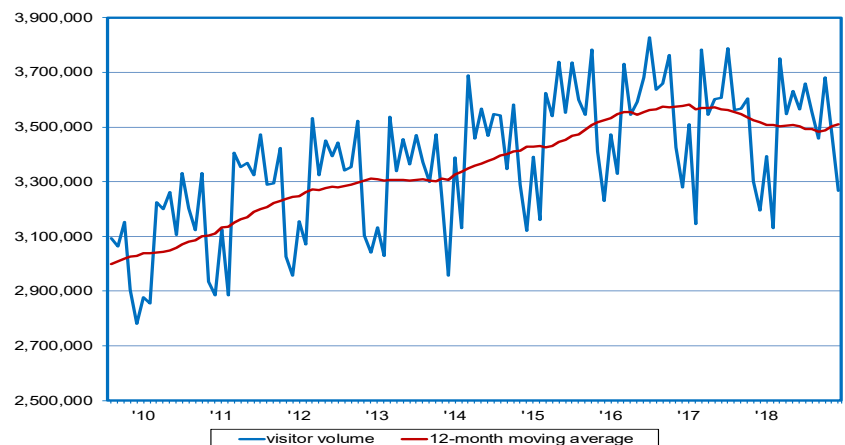
Statewide Taxable Sales
(Millions of Dollars)



December

- 3,268,000 visitors
- 72,800 visitor increase from prior year (2.3 percent); down 0.2 percent year-to-date over 2017.

Las Vegas Visitor Volume

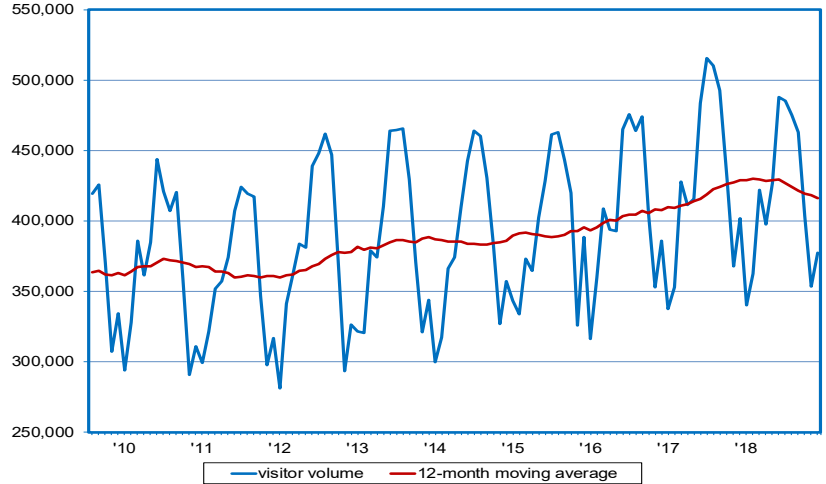


Economic Indicators

December

- 377,000 visitors
- 24,700 visitor decrease from prior year (6.2 percent); down 2.9 percent year-to-date over 2017.

Reno Visitor Volume

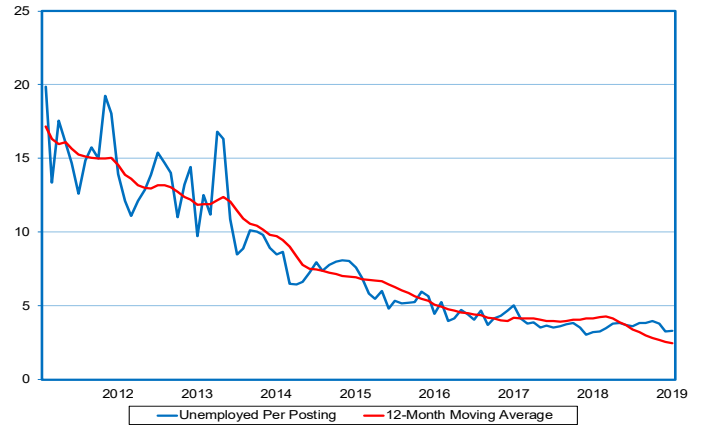


Real-Time Labor Market Information

January

- For every job posting there are 3.31 unemployed persons, up 0.1 percentage point from January 2018.

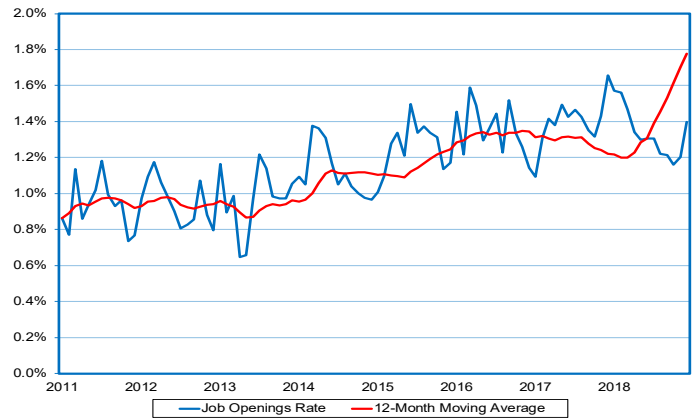
Unemployed per Online Job Posting



January

- Jobs became available at a rate of 1.4 percent, indicating employment prospects are trending up.
- The job openings rate is the ratio of the number of online job postings to the sum of job postings and employment.

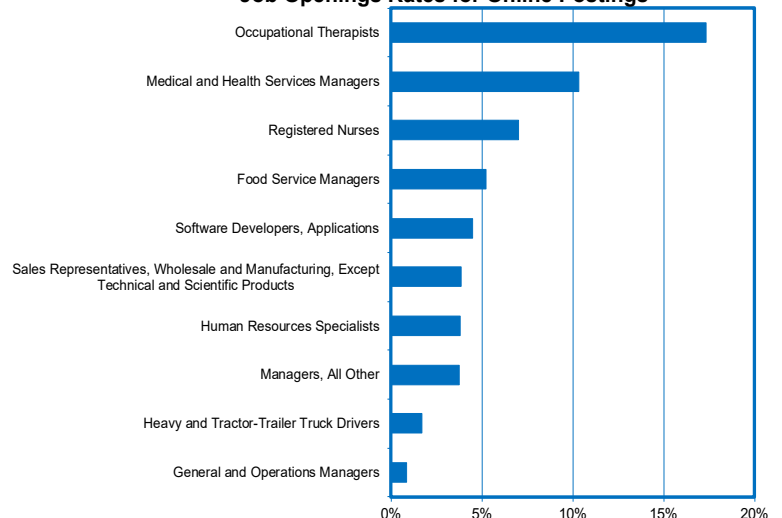
Job Openings Rate



January

- For occupations earning above-average wages, Occupational Therapists have the highest job openings rate.

Occupations with Above Average Wages
Job Openings Rates for Online Postings

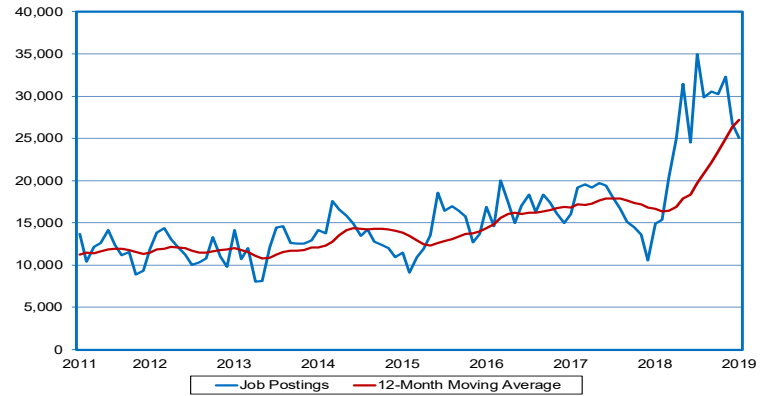


Real-Time Labor Market Information: Spotlight on Nevada

January

- Nevada online job postings total 25,000; up from 14,900 a year ago.

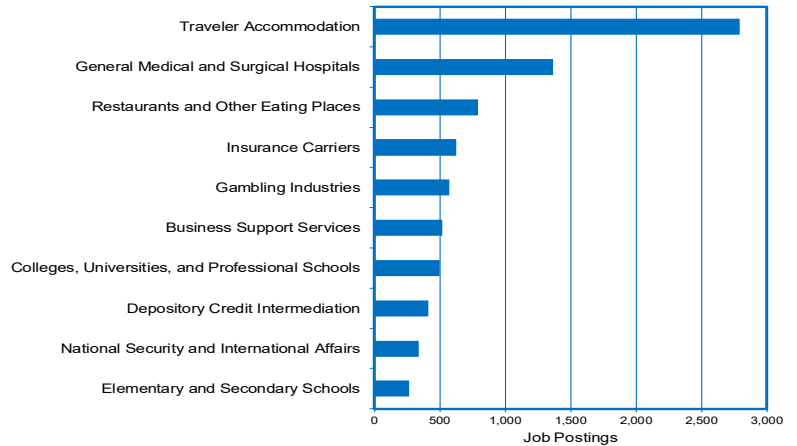
Nevada Job Postings



January

- The industries with the most postings are traveler accommodation followed by general medical and surgical hospitals.

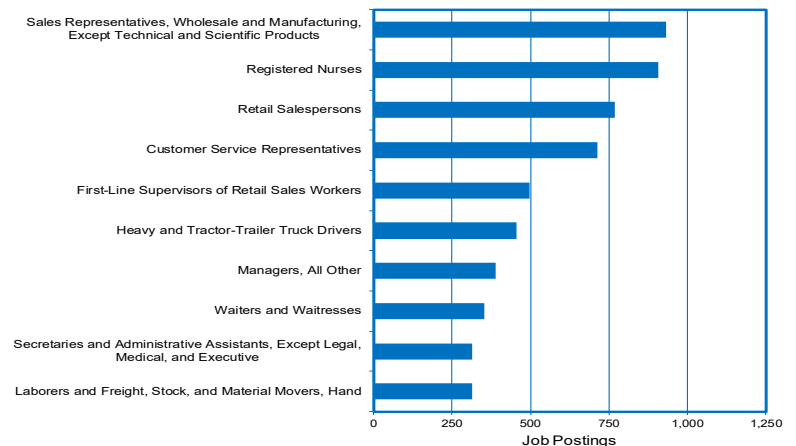
Top Industries



January

- The top occupations in demand are sales representatives, followed by registered nurses.

Top Occupations

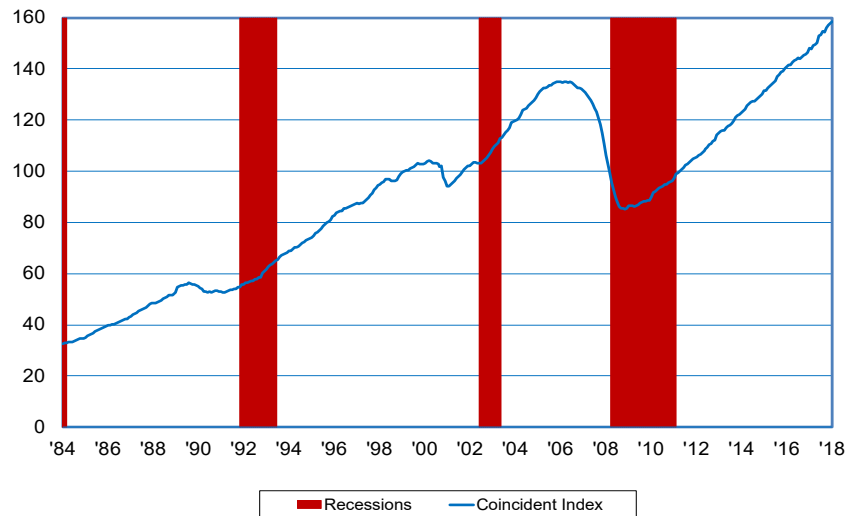


CBER-DETR Nevada Coincident and Leading Employment Indexes

December

- The Nevada Coincident Employment Index measures the ups and downs of the Nevada economy using an index of employment variables. The peak of the last employment cycle in Nevada occurred in March 2007. The coincident index then regressed steadily through October 2009, where it bottomed out.
- The December release tells a consistent, positive story for the coincident index and a mixed story for the leading index on a year-over-year basis. For the coincident index, the unemployment rate (inverted), household employment, nonfarm employment, and the insured unemployment rate (inverted) all moved in a positive direction.
- For the coincident index, household employment, nonfarm employment, and the insured unemployment rate (inverted) all moved in a positive direction, while the unemployment rate (inverted) moved in a negative direction.

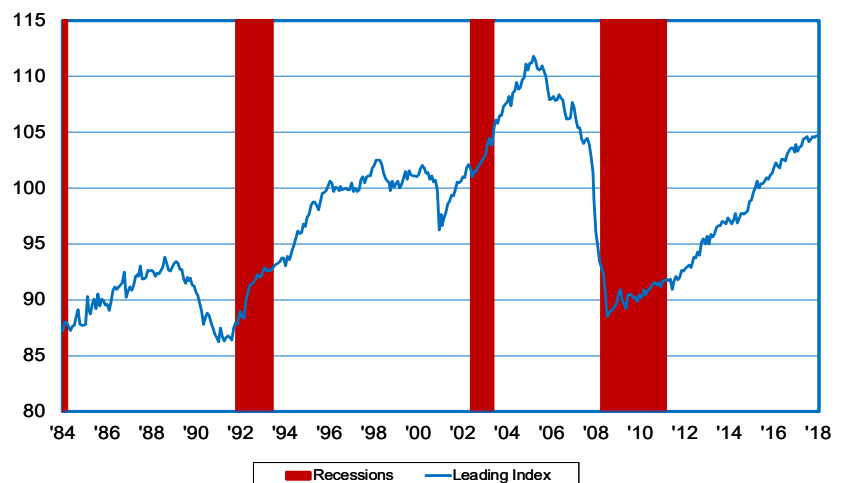
CBER-DETR Nevada Coincident Employment Index



December

- The Nevada Leading Employment Index measures the ups and downs of the Nevada economy, providing a signal about the future direction of the coincident index. For the current employment recession, the leading index provided a clear signal by peaking in January 2006, fourteen months before the coincident index reached its peak, and reached a bottom in May 2009, five months before the coincident index reached its bottom.
- For the leading index, initial claims for unemployment insurance (inverted), the short-duration unemployment rate (inverted), and construction employment all moved in a positive direction, while the real 10-year Treasury interest rate (inverted), commercial permits, and housing permits all moved in a negative direction.
- For the leading index, initial claims for unemployment insurance (inverted), the real 10-year Treasury interest rate (inverted), commercial permits, housing permits, and construction employment all moved in a positive direction, while the short-duration unemployment rate (inverted) moved in a negative direction.

CBER-DETR Nevada Leading Employment Index



Economy in Brief

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