



Economic Overview: National, Nevada, and Churchill County

Summary of Labor Market Conditions and Outlook

Department of Employment, Training, & Rehabilitation

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Prepared by the Research and Analysis Bureau

State Employment

Total Employment of 1,433,600 in August (SA¹)

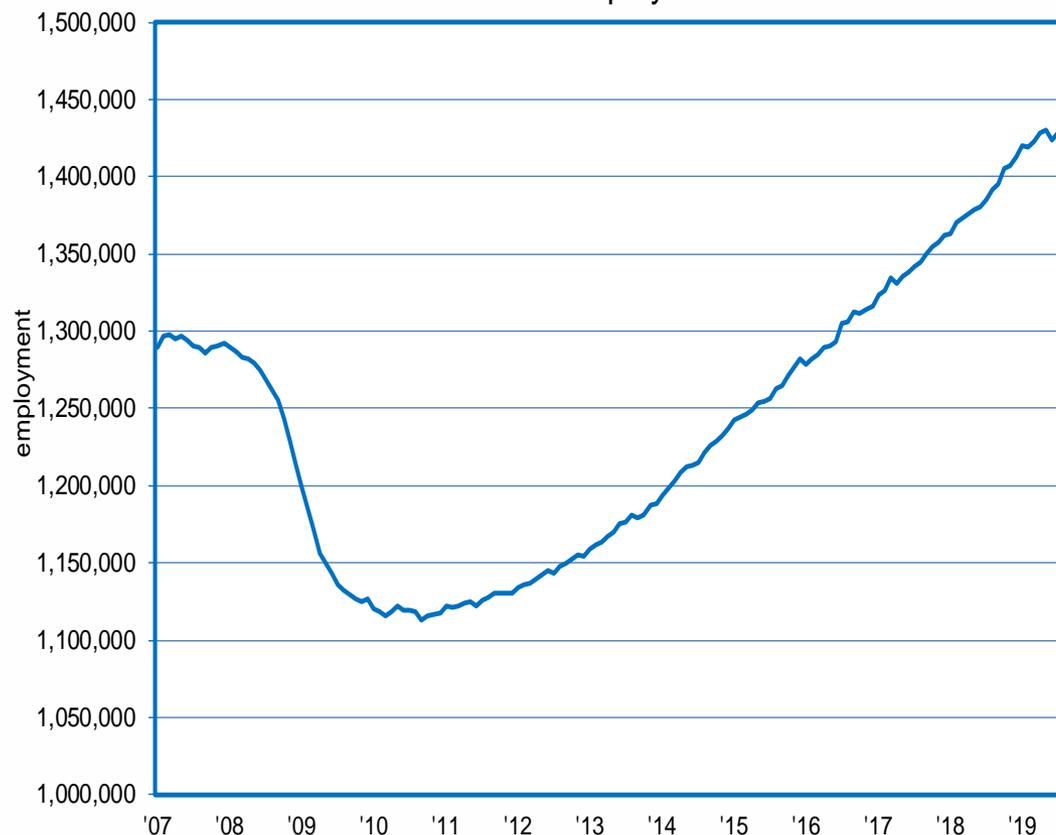
Non-farm Job Levels Up 42,100¹ or 3.0% Over the Year

Up 5,400 Jobs Over the Month

2,100 (NSA²) jobs were expected to be realized based upon historical trends, but 7,500 were actually added, resulting in the seasonally-adjusted increase

July's employment level was revised down by 700 jobs¹ bringing the two-month change to a gain of 9,900 jobs

Total Nonfarm Employment



¹ seasonally adjusted

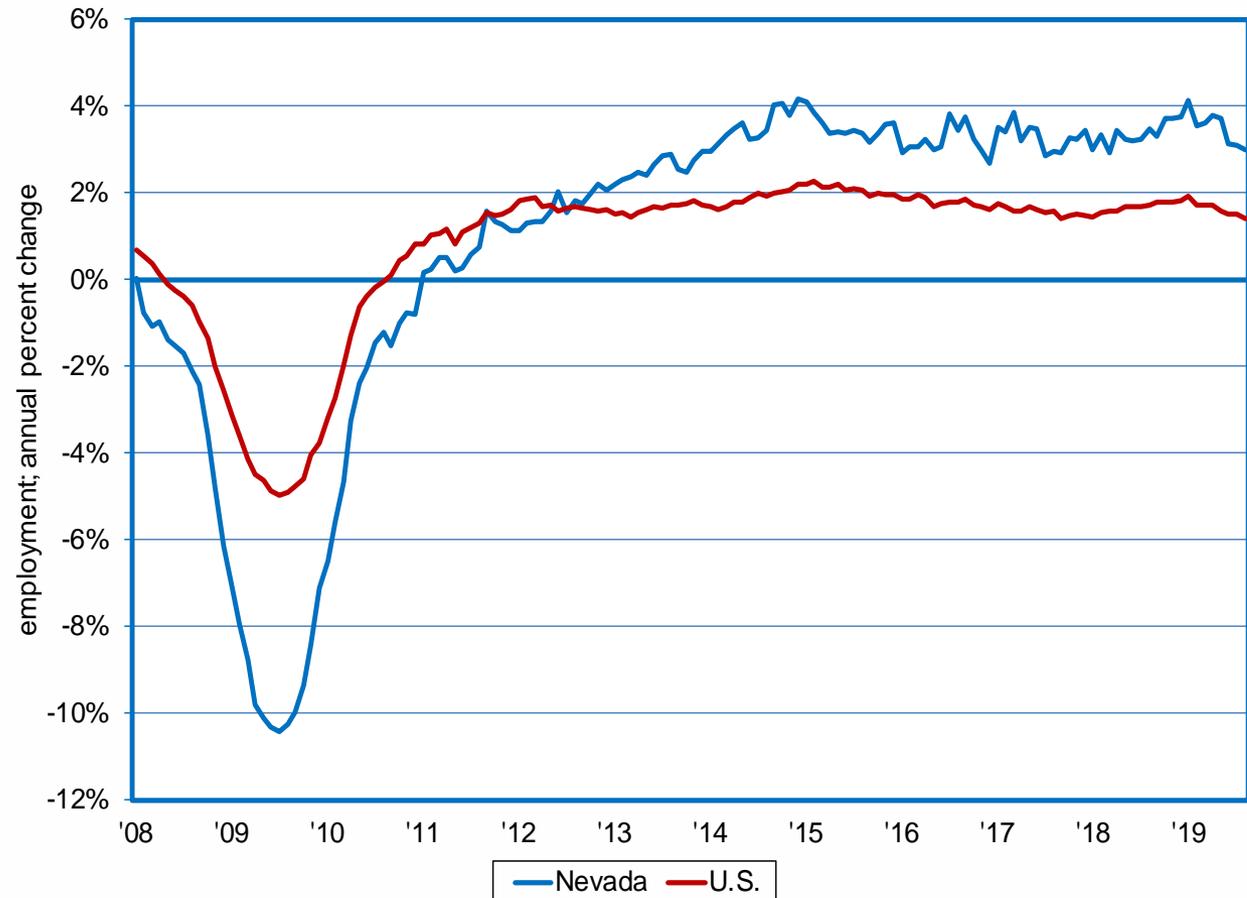
² not seasonally adjusted

Nevada Growing Twice as Fast as Nation

Nevada's employment grew at an annual rate of 3.0% in August, compared to 1.4% in the nation as a whole¹

Nevada's job growth has outpaced the nation for 85 straight months

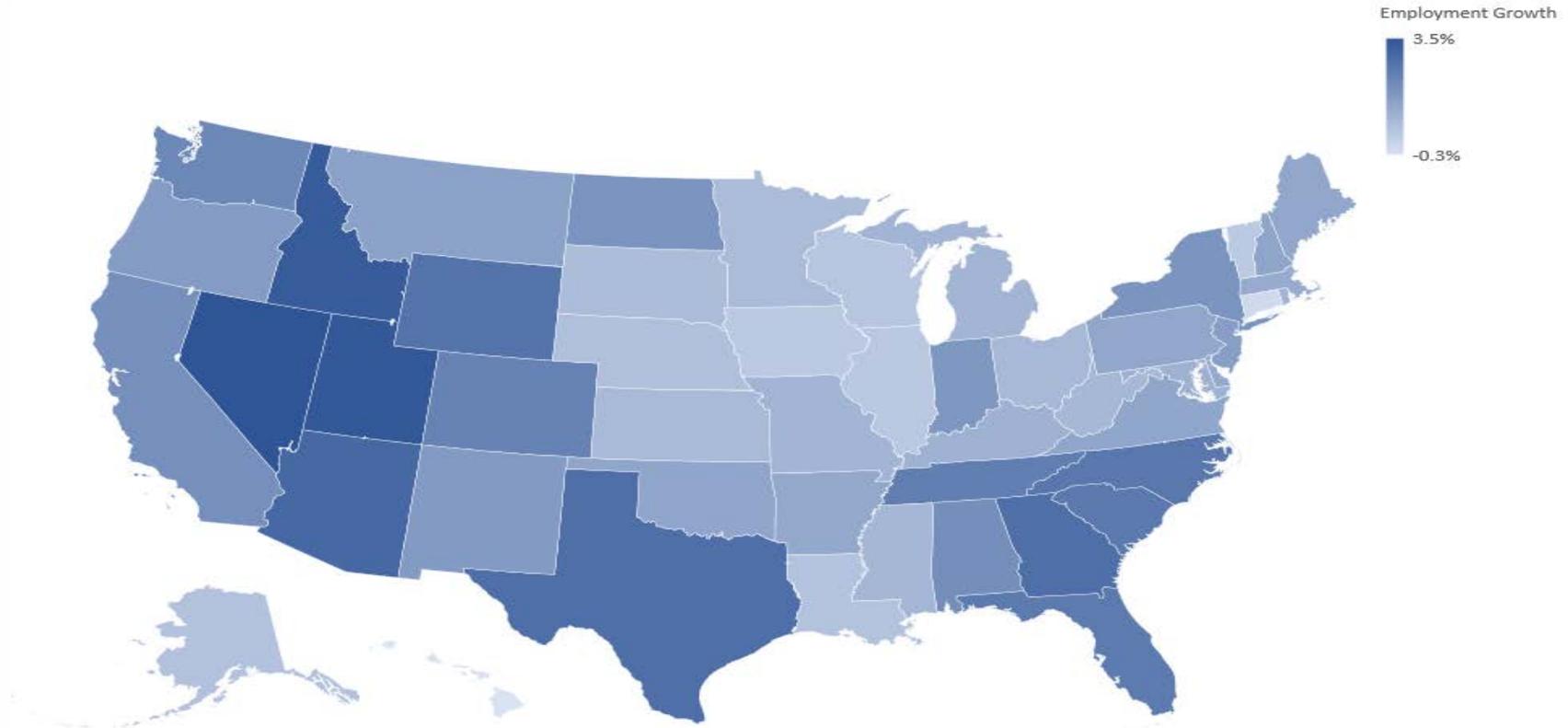
Job Growth: NV vs. U.S.



¹ seasonally adjusted

Nevada Ranks 1st in Private Sector Job Growth Over the Year; Employment up 40,950 vs. First Quarter of 2018 (Part 1)

Average Employment Growth by State, 2019 First Quarter (Year over Year - Total Private Employment, All Industries)



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12-Month Average Job Growth Over The Same Time Last Year Across All Sectors

Professional and business services is up 12,900 jobs, using a 12-month average through August over the same time last year, a gain of 6.9%¹

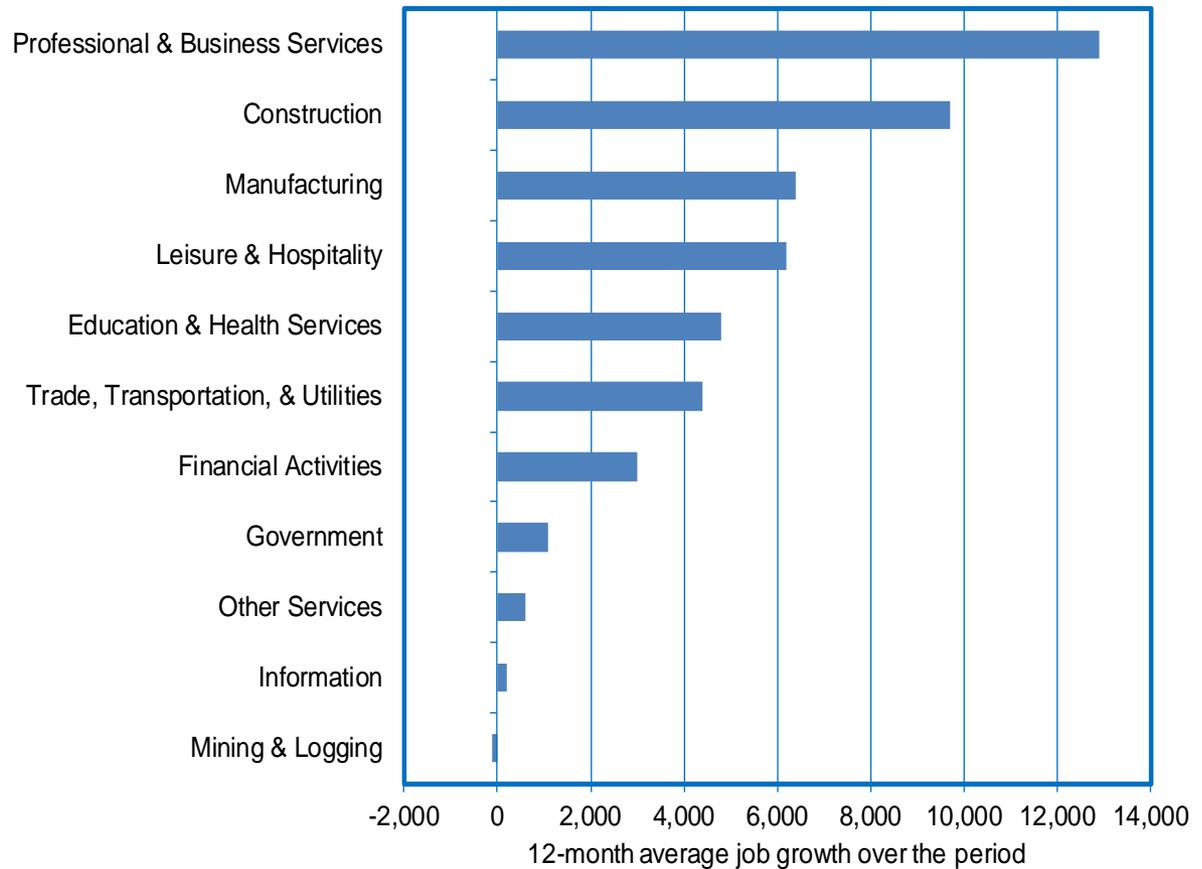
Manufacturing has grown by 12.2% after adding 6,400 jobs

Construction added 9,700 jobs, a gain of 11.1%

Leisure & hospitality grew by 1.8% and added 6,200 jobs

Mining declined by 100 or -0.3%

Nevada Nonfarm Job Growth by Industry



¹ not seasonally adjusted

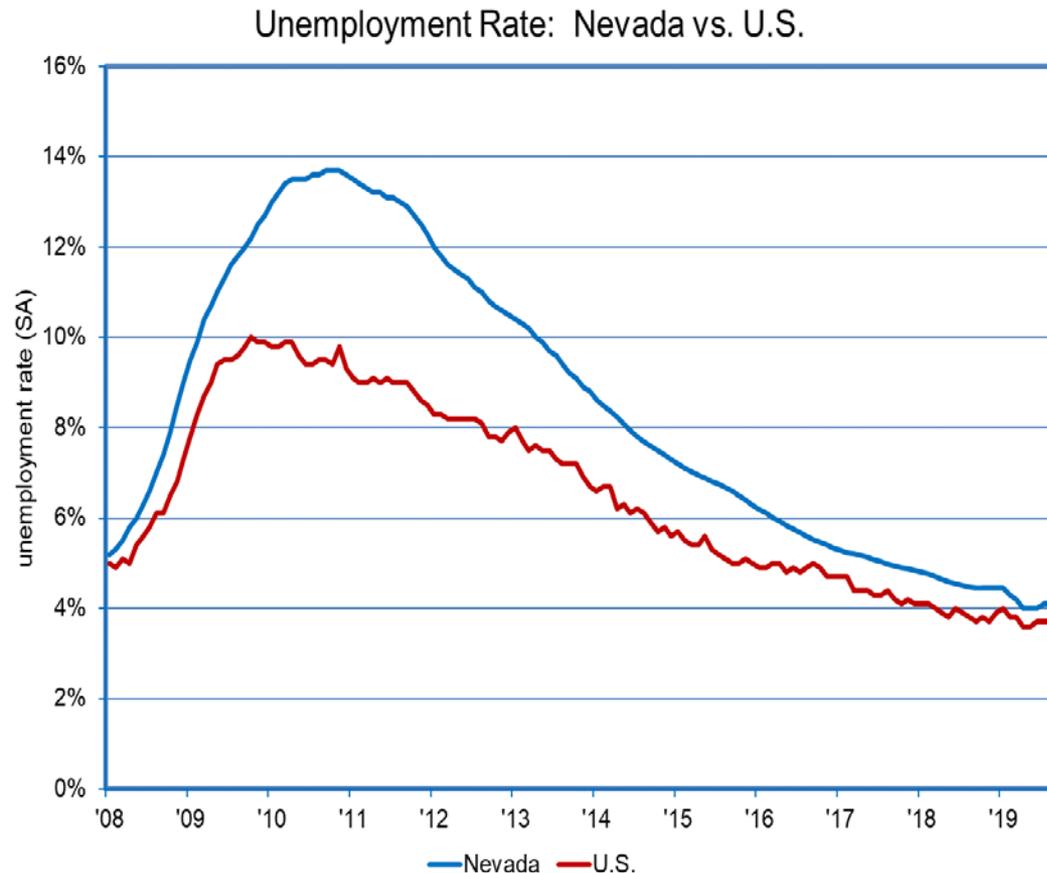
State Unemployment Rate

4.1% in August 2019

Unchanged from July;
down from 4.5% a year
ago¹.

Unemployment totaled
63,299, up 1,063 over
the month and down
4,155 over the year

Compares to a 3.7%
rate for the U.S. – 0.4
percentage point
higher

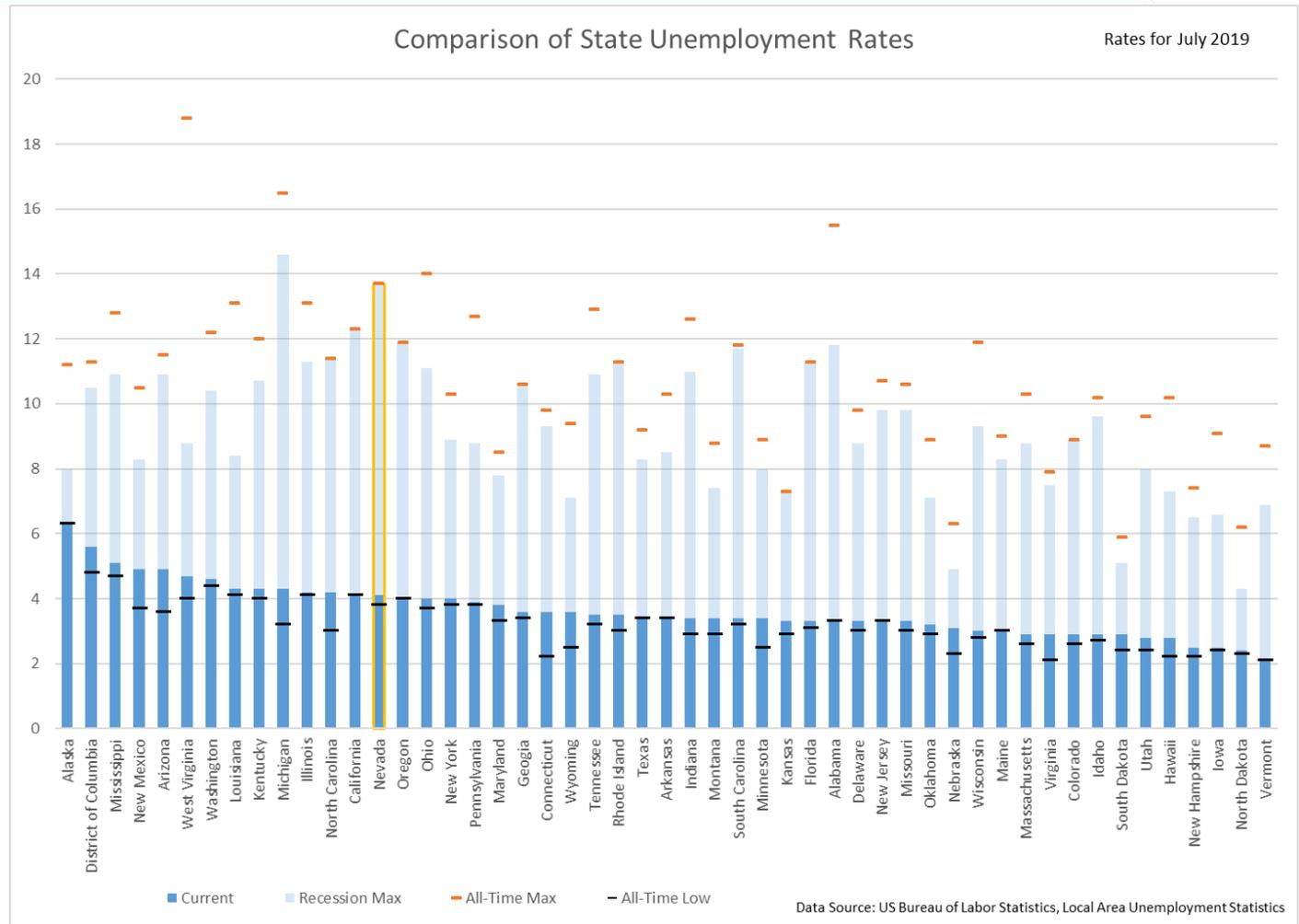


¹ seasonally adjusted

Ranking of State Unemployment Rates

Currently, most states are near their all-time low unemployment rates.

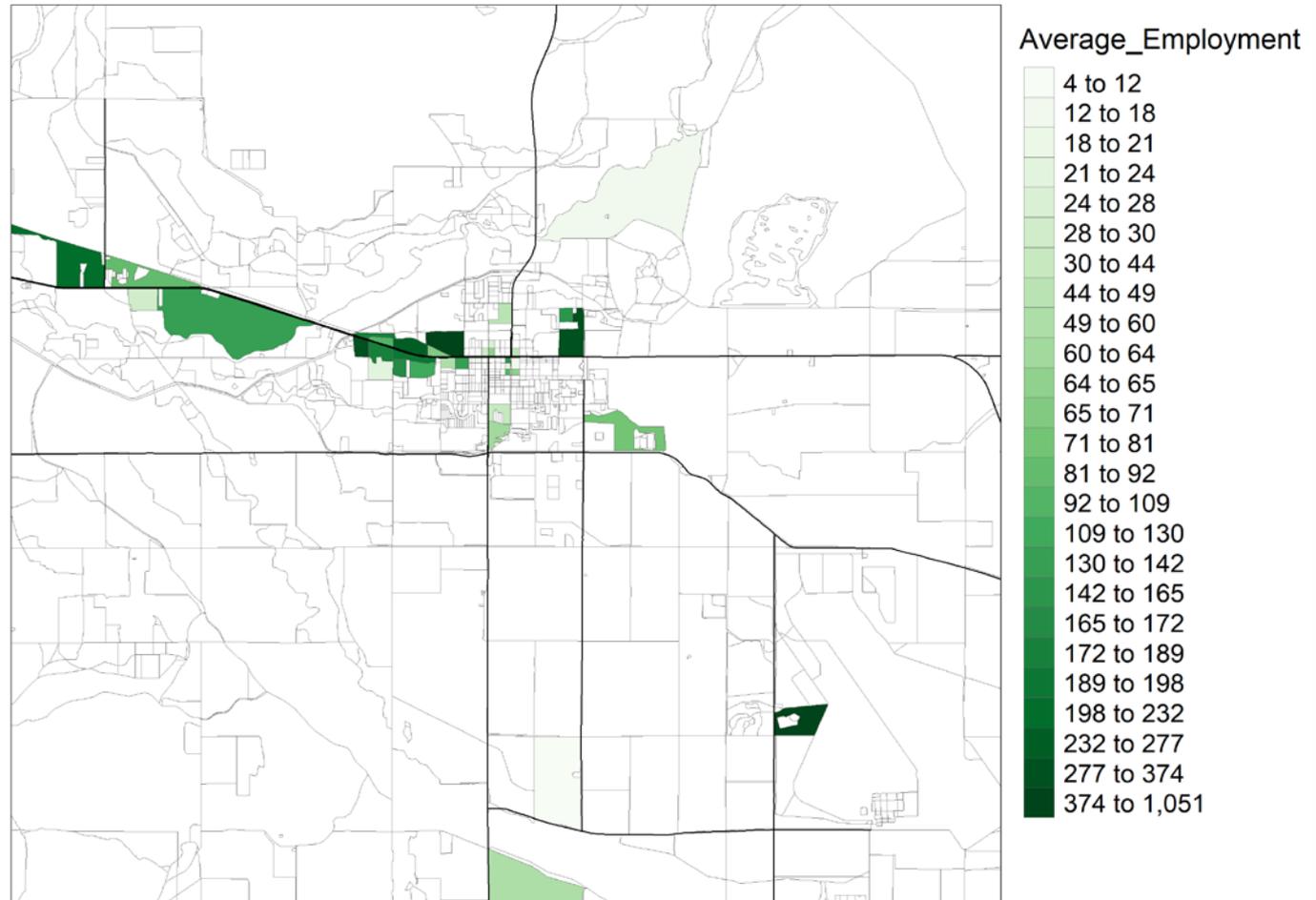
39 states, including Nevada, are within 0.5 percentage points of their all-time low unemployment rate.



Distribution of UI Covered Employment Near Fallon

Total employment in census blocks with 4 or more employers, 2018 average, by worksite.

This data does include federal civilian employees as well as private employees, but does not include military personnel.





Estimating Employment Impact of NAS Fallon

Precise data on military employment is not covered by traditional labor market information sources: Excluded from QCEW federal government employment are elected officials in the executive or legislative branch, **members of the armed forces** or the Commissioned Corps of the National Oceanic and Atmospheric Administration, individuals serving on a temporary basis in case of fire, storm, earthquake, or other similar emergency, and individuals employed under a Federal relief program to relieve them from unemployment.

However, some statistics are available. The Defense Manpower Data Center (DMDC) provides statistics on military employment by state, and reports 949 active duty naval personnel in Nevada. The American Community Survey estimates that there are approximately 700 military personnel in Churchill County, and EMSI estimates 635 military jobs in Churchill County so the likely number is 650-950 personnel.

According to EMSI, the jobs multiplier for military employment is 1.87, so each military position in NAS Fallon supports 0.87 additional jobs in the area, so each 100 military jobs bring in 87 other jobs. In terms of total earnings, this means NAS Fallon brings in:

- **\$46 - \$70** million in earnings to military personnel
- **\$8 - \$12** million in earnings to industries directly supported by the presence of NAS Fallon
- **\$0.7 - \$1.1** million in earnings further down the supply
- **\$14 - \$21** million in earnings to the broader economy due to ripple effects

Demographic Groups With High Unemployment

Churchill County, 2013-2017 Average		Unemployment Rate	Number Unemployed
Population	County Total: Ages 16+	7.8%	837
	County Total: Ages 20-64	7.3%	714
	County Total: Ages 25-64	6.8%	583
Age	16-19	18.7%	83
	20-64	11.7%	141
	25-29	8.7%	110
	30-34	4.9%	61
	35-44	3.6%	66
	45-54	9.2%	220
	55-59	7.2%	86
	60-64	5.5%	36
	65-74	8.1%	38
	75+	28.6%	8

Churchill County, 2013-2017 Average		Unemployment Rate	Number Unemployed
Population	County Total: Ages 16+	7.8%	837
	County Total: Ages 20-64	7.3%	714
	County Total: Ages 25-64	6.8%	583
Race / Ethnicity (Age 16 or Older)	White, Not Hispanic or Latino	7.6%	601
	Black	4.3%	13
	Hispanic	2.9%	40
	American Indian & Alaska Native	21.1%	113
	Asian	12.8%	37
	Pacific Islander or Native Hawaiian	0.0%	0
	Some Other Race	0.0%	0
	Two or More Races	8.2%	29

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Gender & Children (Age 20-64)	Male	7.5%	413
	Female	7.0%	299
	Female, With Children 0-17	6.7%	100
	Female, With Children 0-5	15.7%	53
	Female, With Children 0-5 & 6-17	0.7%	2
	Female, With Children 6-17	5.2%	46

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	County Total: Ages 25-64	6.8%	583
Education (Age 25-64)	Less than HS	11.8%	103
	HS or equiv	9.7%	246
	Some college or Associate deg	5.0%	171
	Bachelor's degree or higher	3.2%	56

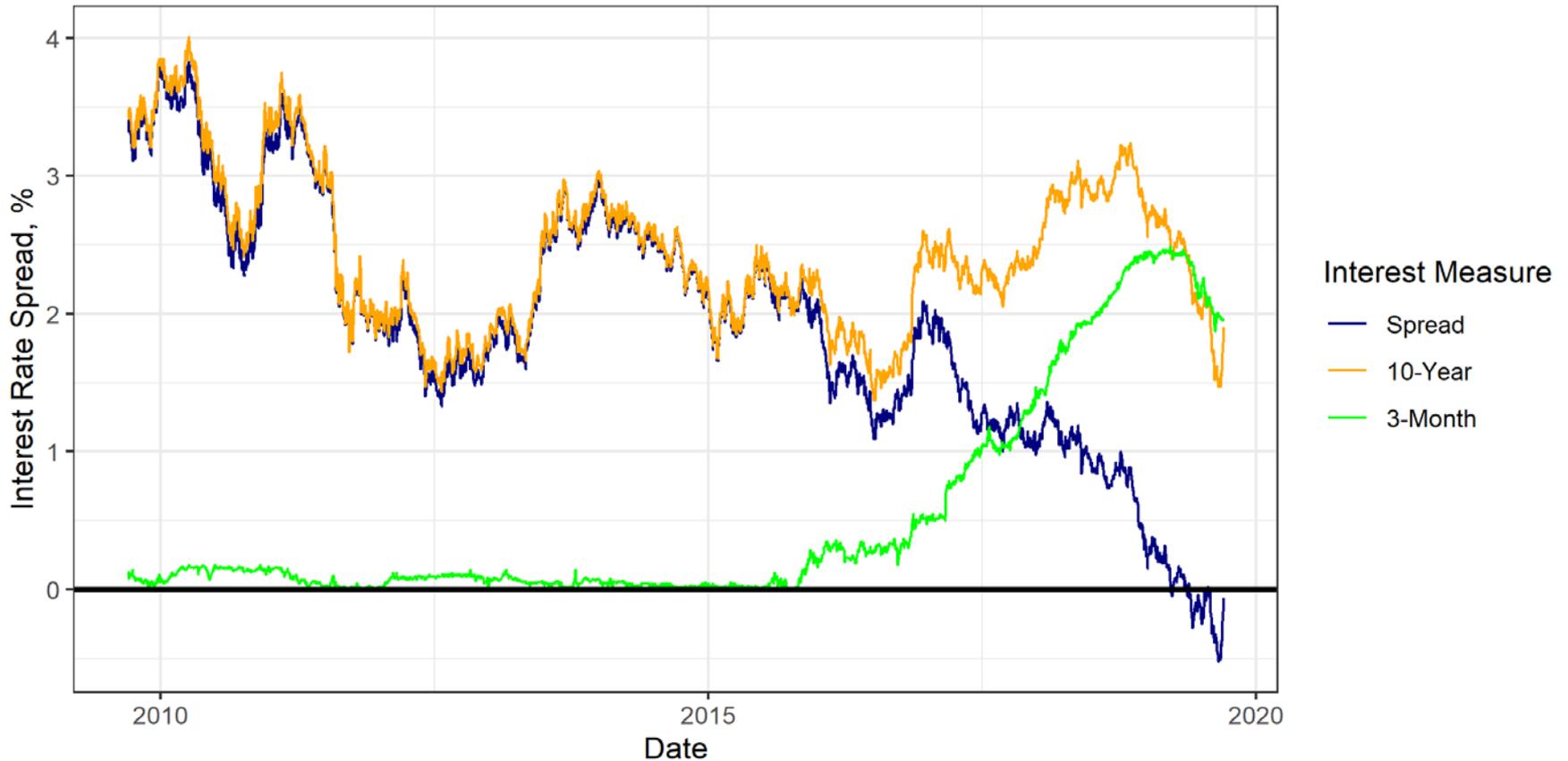
Of those unemployed:
3 of 5 have HS or less education
1 in 3 is below poverty level
1 in 4 is 24 or less
1 in 4 is 45-54
1 in 8 is American Indian
1 in 8 has a disability

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Poverty Status (Age 20-64)	Below poverty level	28.5%	252
	At or above poverty level	5.0%	433
Other (20-64)	People with any disability	14.3%	91

Yield Curve Update

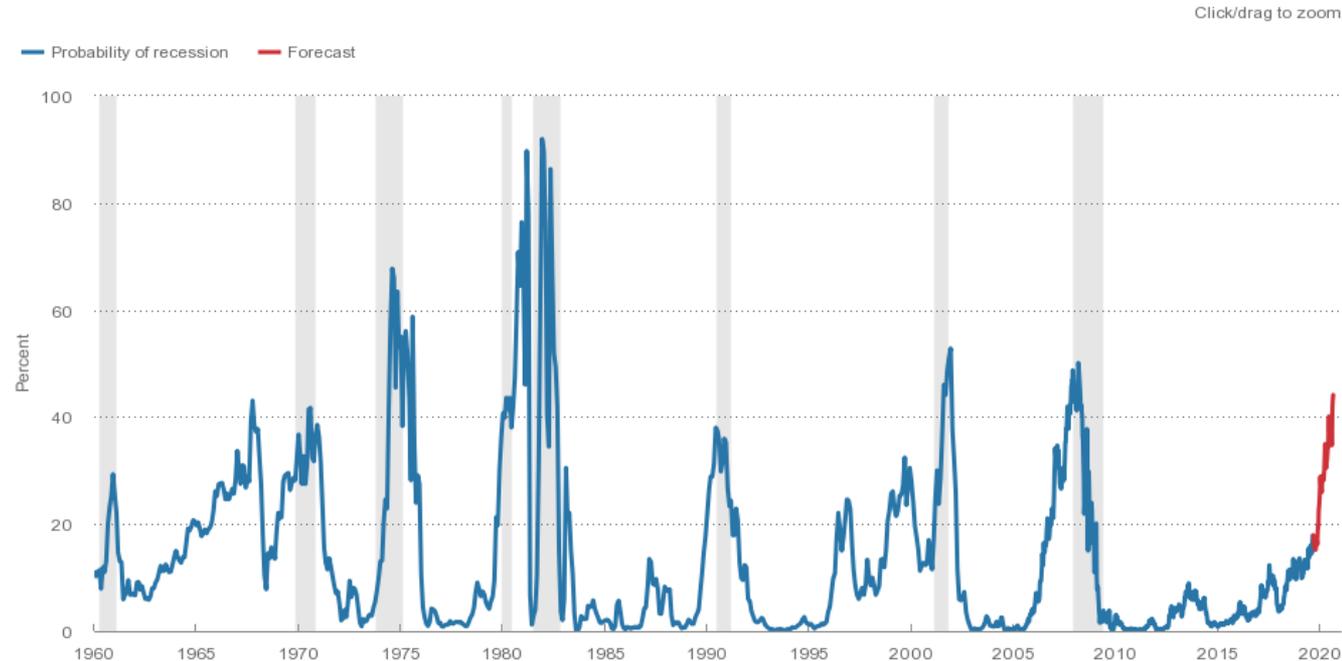
Recent History of 10 Year/3 Month Yield Curve

Shaded areas indicate recessions



Cleveland Federal Reserve Calculated Odds of Recession

Probability of Recession Calculated from the Yield Curve

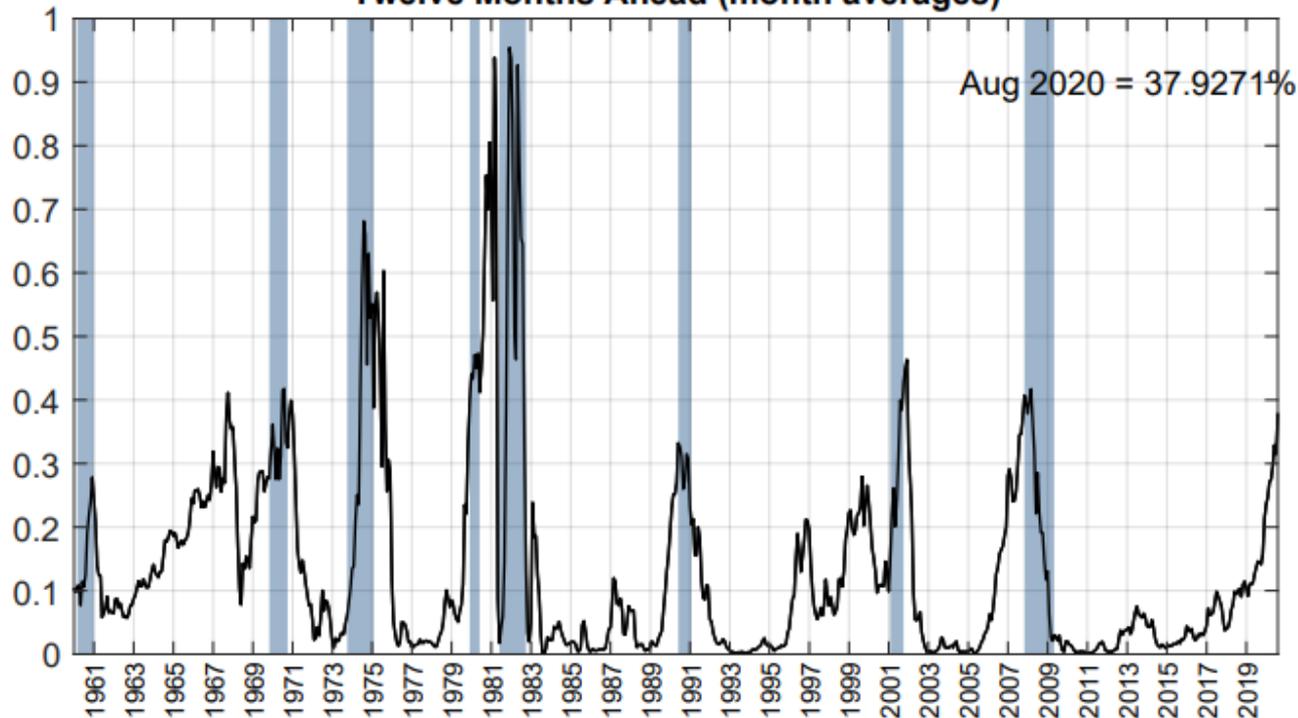


Note: Shaded bars indicate recessions.
Source: Federal Reserve Board, Federal Reserve Bank of Cleveland, Haver Analytics

	August
3-month Treasury bill rate (percent)	1.96
10-year Treasury bond rate (percent)	1.58
Yield curve slope (basis points)	-38
Prediction for GDP growth (percent)	2.2
Probability of recession in 1 year (percent)	44.1

New York Federal Reserve Calculated Odds of Recession

**Probability of US Recession Predicted by Treasury Spread*
Twelve Months Ahead (month averages)**

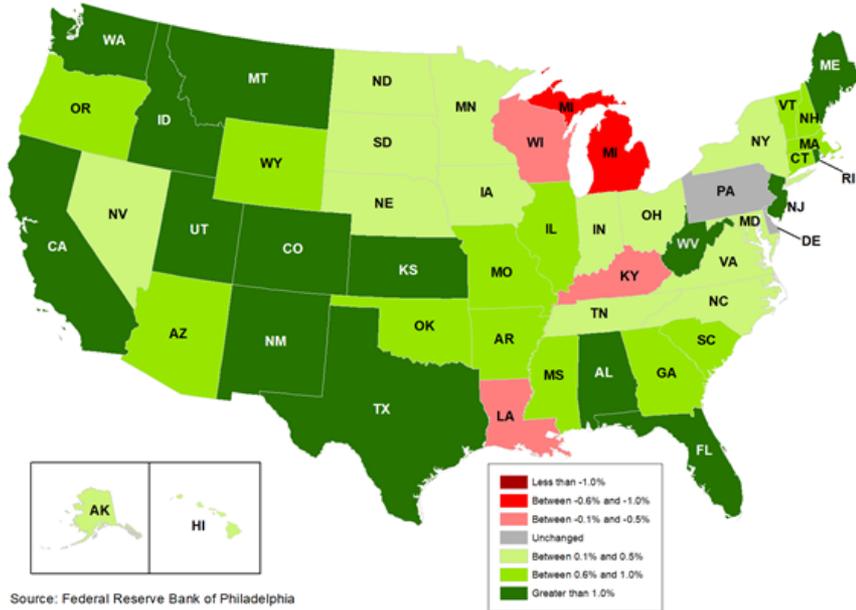


*Parameters estimated using data from January 1959 to December 2009, recession probabilities predicted using data through Aug 2019. The parameter estimates are $\alpha=-0.5333$, $\beta=-0.6330$.

Updated 04-Sep-2019

Philadelphia Federal Reserve Coincident and Leading Indices

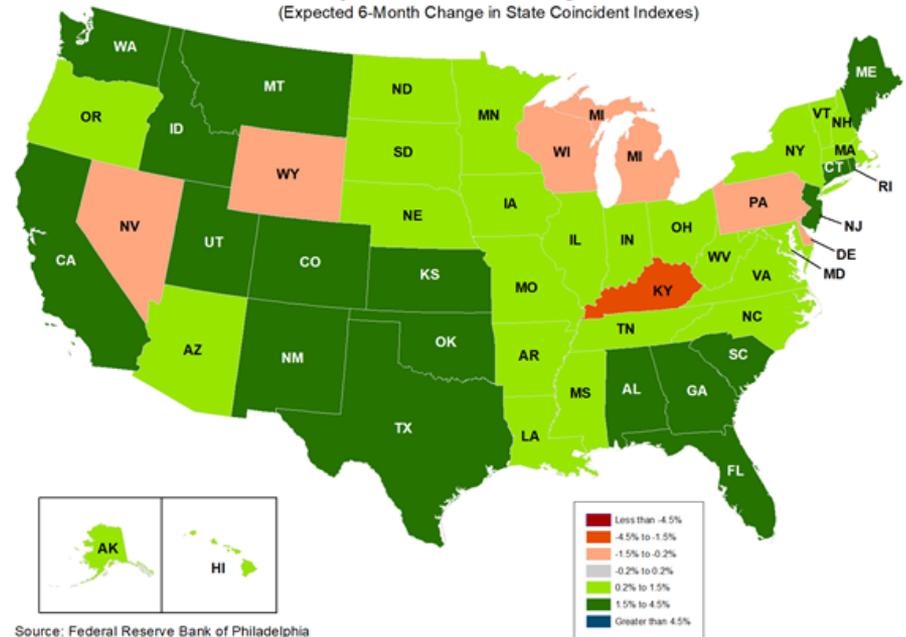
July 2019 State Coincident Indexes: Three-Month Change



Source: Federal Reserve Bank of Philadelphia

The leading index for each state predicts the six-month growth rate of the state's coincident index. In addition to the coincident index, the models include other variables that lead the economy: state-level housing permits (1 to 4 units), state initial unemployment insurance claims, delivery times from the Institute for Supply Management (ISM) manufacturing survey, and the interest rate spread between the 10-year Treasury bond and the 3-month Treasury bill.

July 2019 State Leading Indexes
(Expected 6-Month Change in State Coincident Indexes)

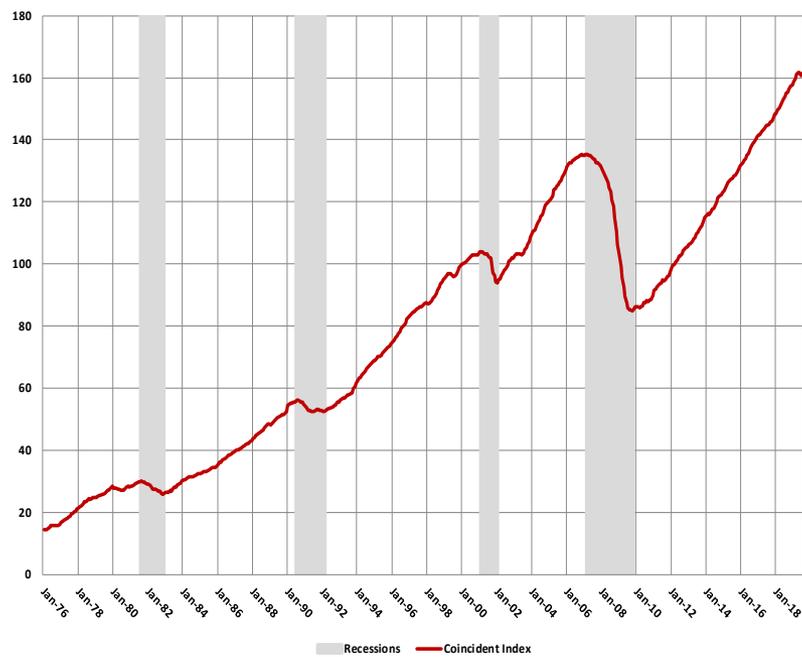


Source: Federal Reserve Bank of Philadelphia

CBER-DETR Coincident and Leading Indices

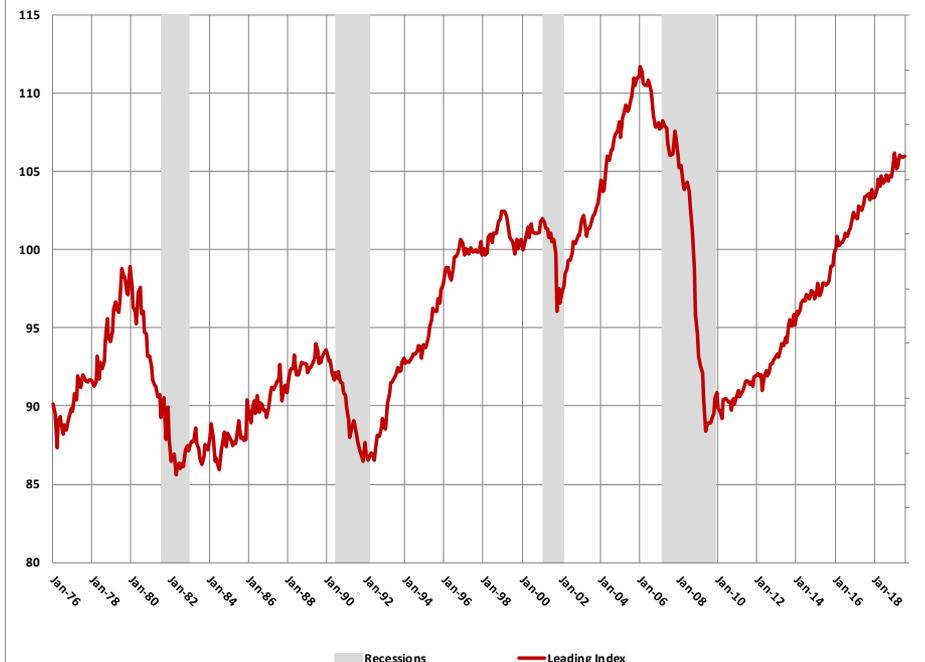
CBER-DETR Coincident Index

Nevada Coincident Employment Index includes four employment measures – household employment, nonfarm employment, the unemployment rate (inverted, since an upward movement in the jobless rate is a “negative”), and the insured unemployment rate (inverted).



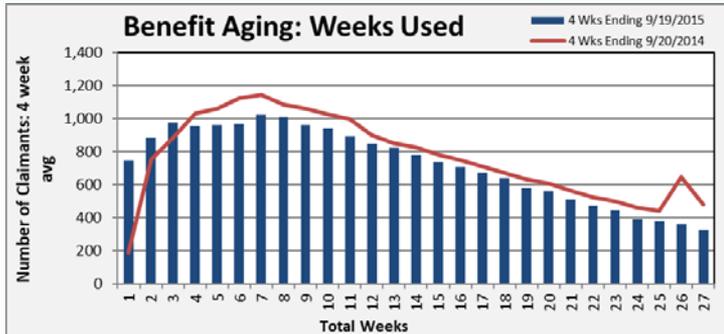
CBER-DETR Leading Index

The Nevada Leading Employment Index includes six employment related measures – initial claims for unemployment insurance (inverted), the real 10-year Treasury rate (inverted), housing permits, commercial permits, construction employment, and the short-duration unemployment rate (inverted).

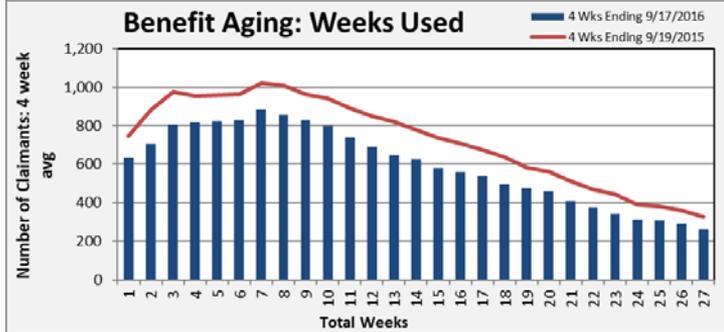


Unemployment Insurance Benefit Aging

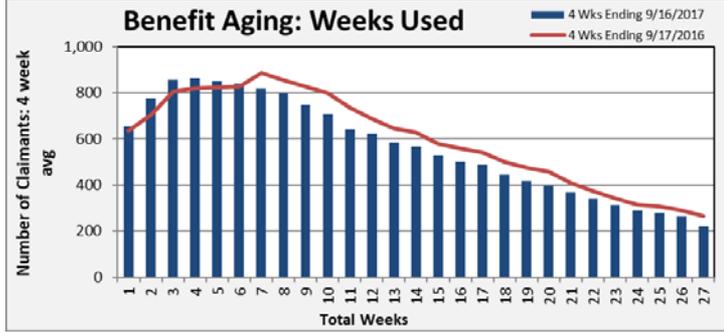
2015



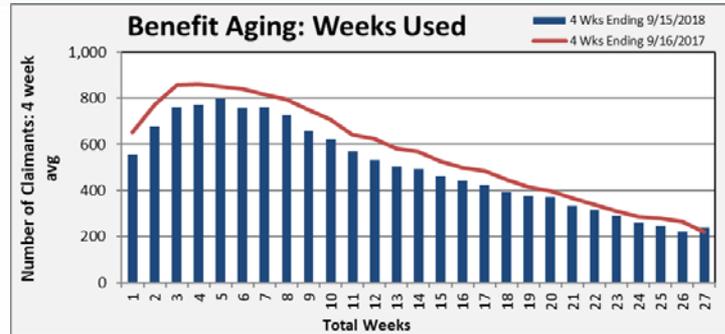
2016



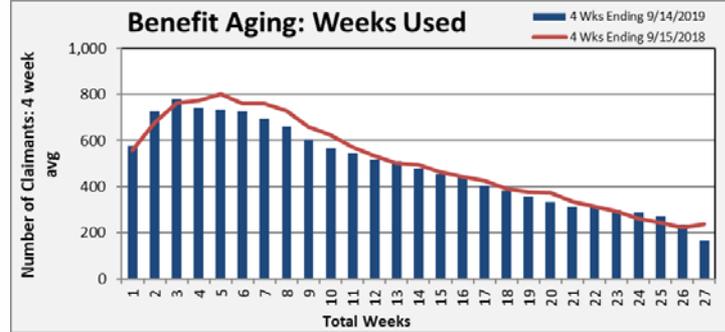
2017



2018

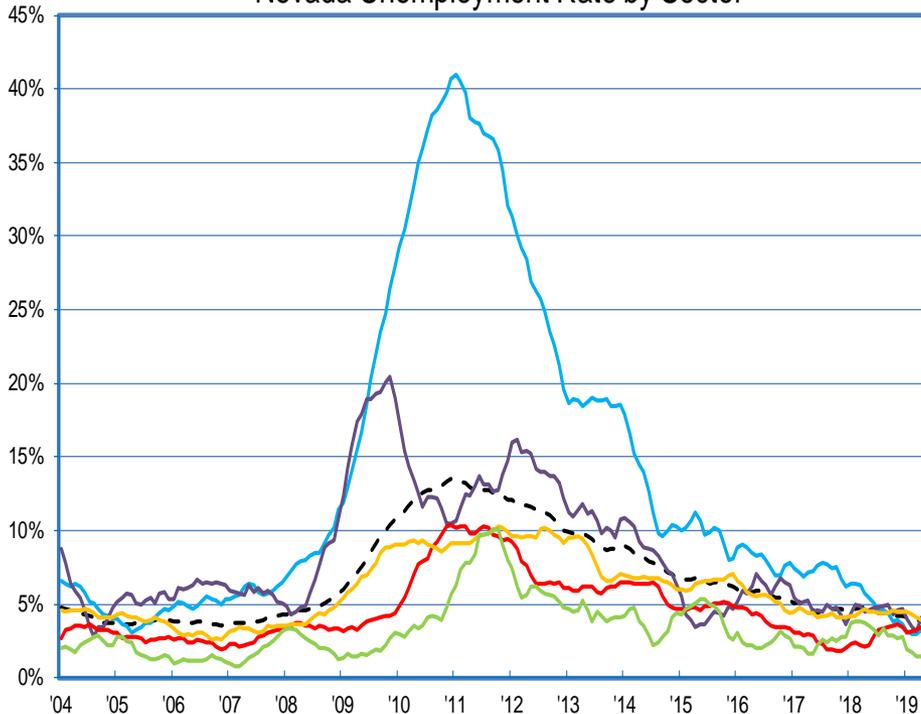


2019



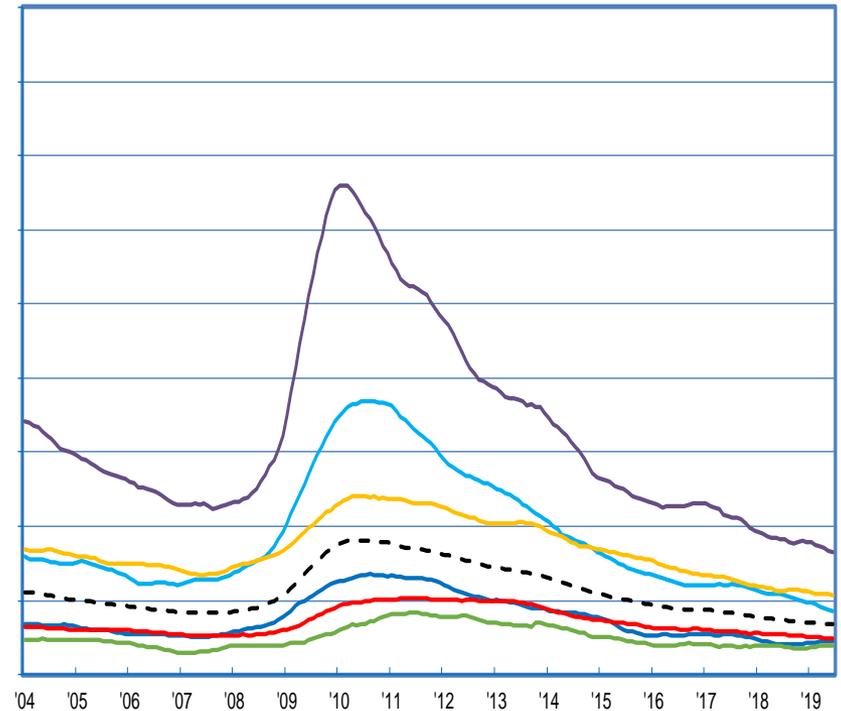
Recession Impacts Vary by Region

Nevada Unemployment Rate by Sector



- - Nevada
- Manufacturing
- Leisure and Hospitality
- Construction
- Education and Health Services
- Public Administration

National Unemployment Rate by Sector



- - National
- Manufacturing
- Education and Health Services
- Public Administration
- Construction
- Financial Activities
- Leisure and Hospitality

For Additional Information, Please Contact:

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