



Nevada Labor Market Briefing: December 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

- ❑ 4.4% Unemployment Rate (SA¹)
 - ❑ Unchanged from November; down from 4.9% a year ago
 - ❑ Off more than nine full percentage points from recessionary peak
 - ❑ In absolute terms, unemployment totaled 67,457; up 359 over the month and off from a recession high of 186,900
 - ❑ Compares to a 3.9% rate for the U.S.— half a 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 percentage point
 - ❑ Nevada's rate is down half a percentage point over the year while the Nation's is down 0.2 percentage point.

¹ seasonally adjusted

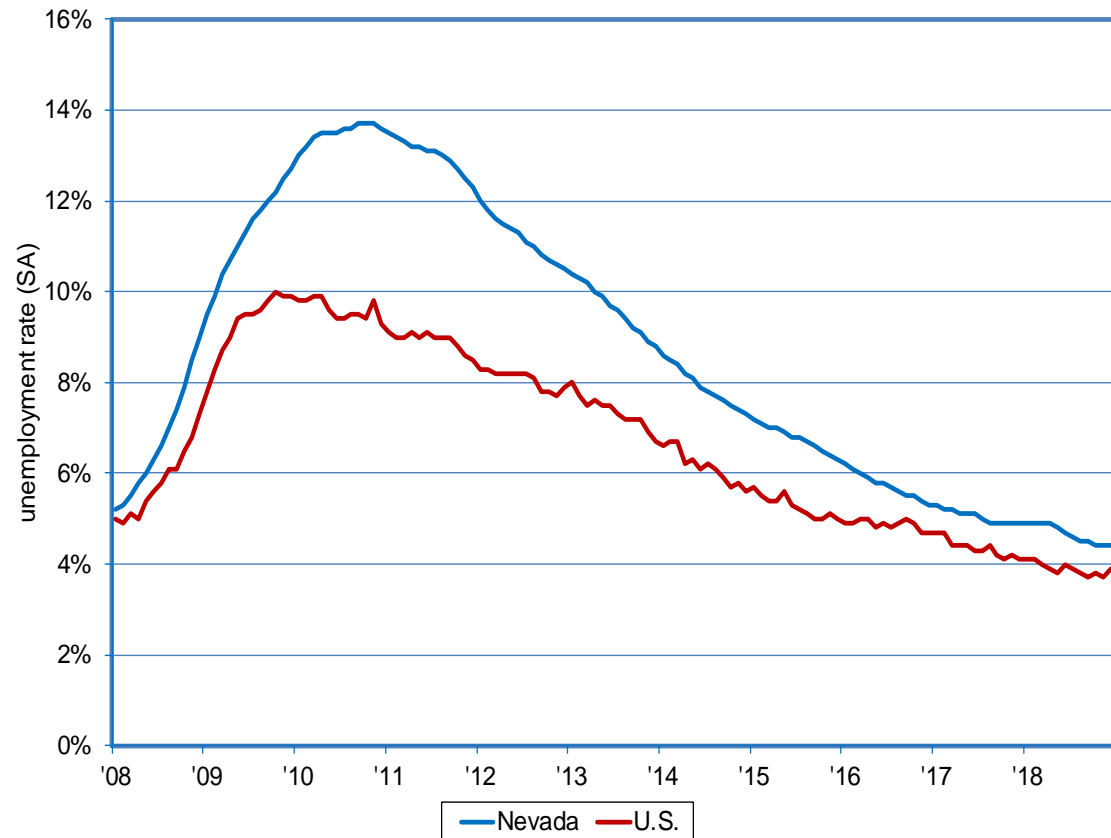
December 2018 Unemployment Rate: 4.4%

Down from 4.9%
a year ago¹

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

Lowest rate since
June 2007

Unemployment Rate: Nevada vs. U.S.



¹ seasonally adjusted

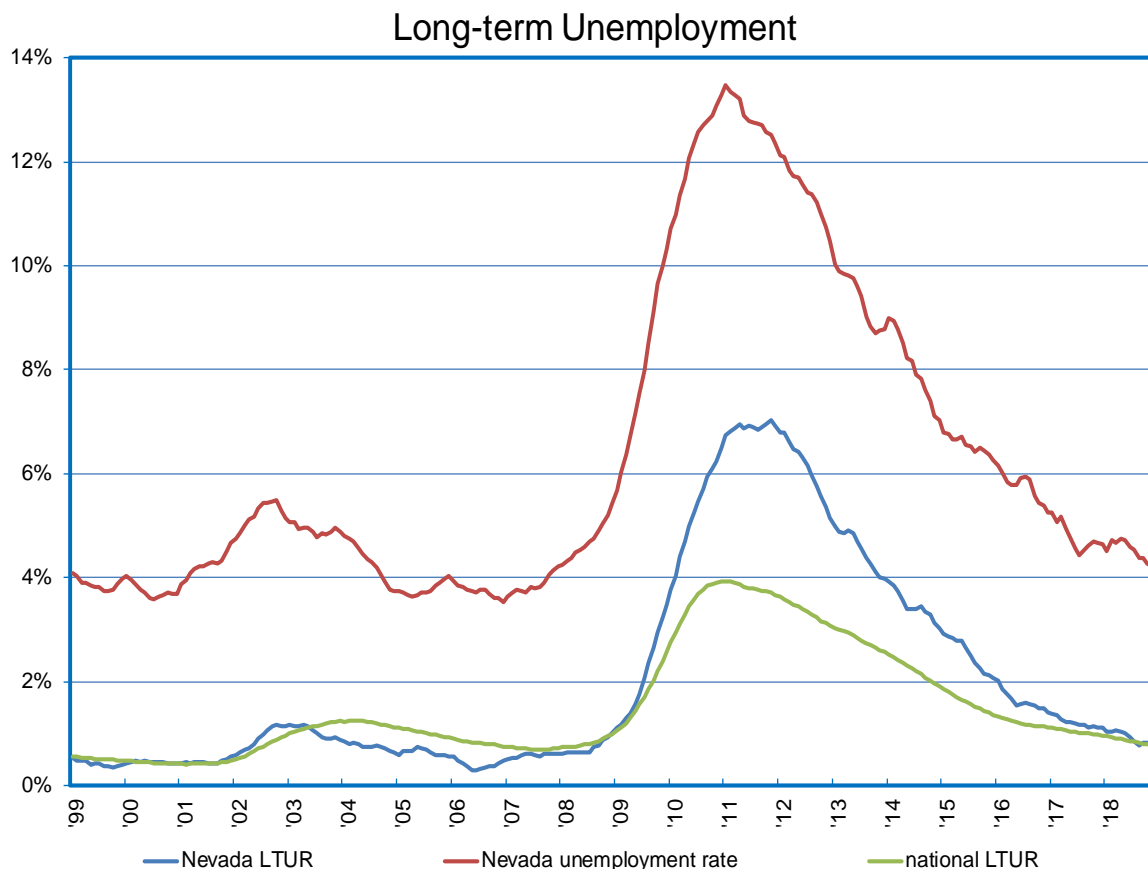
Long-Term Unemployment Rates in Nevada are Returning to Historical Rates

1999-2008 the LTUR in Nevada averaged 0.7%.

In March 2011 the Nevada LTUR reached a peak of 7%. That was higher than the national rate of nearly 4%.

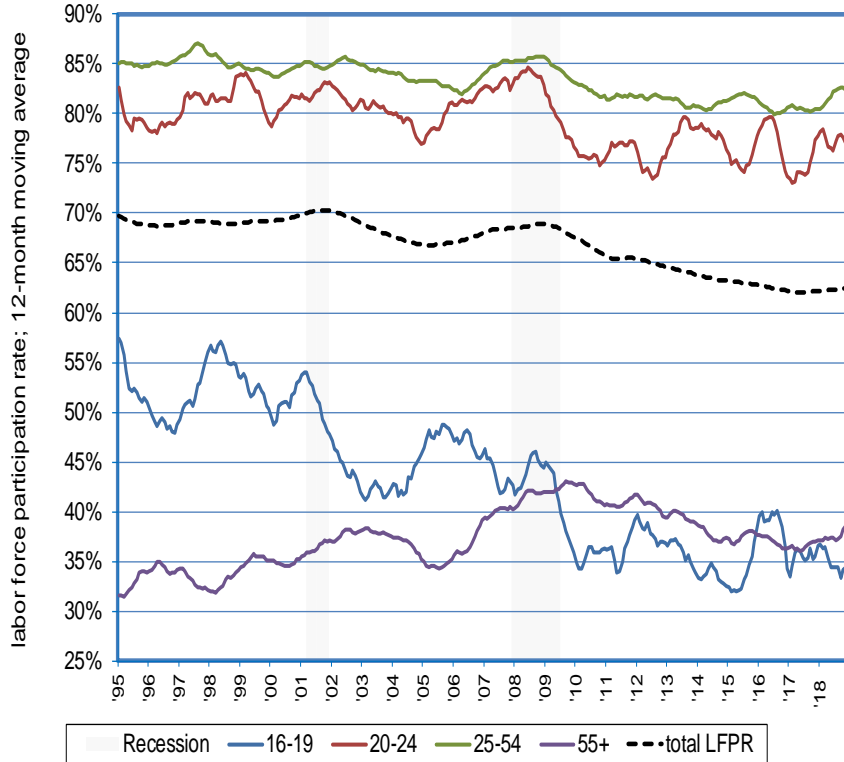
Since early 2017 the Nevada LTUR has returned to a rate similar to the national LTUR.

November 2018: The Nevada and national LTUR were approximately 0.8%

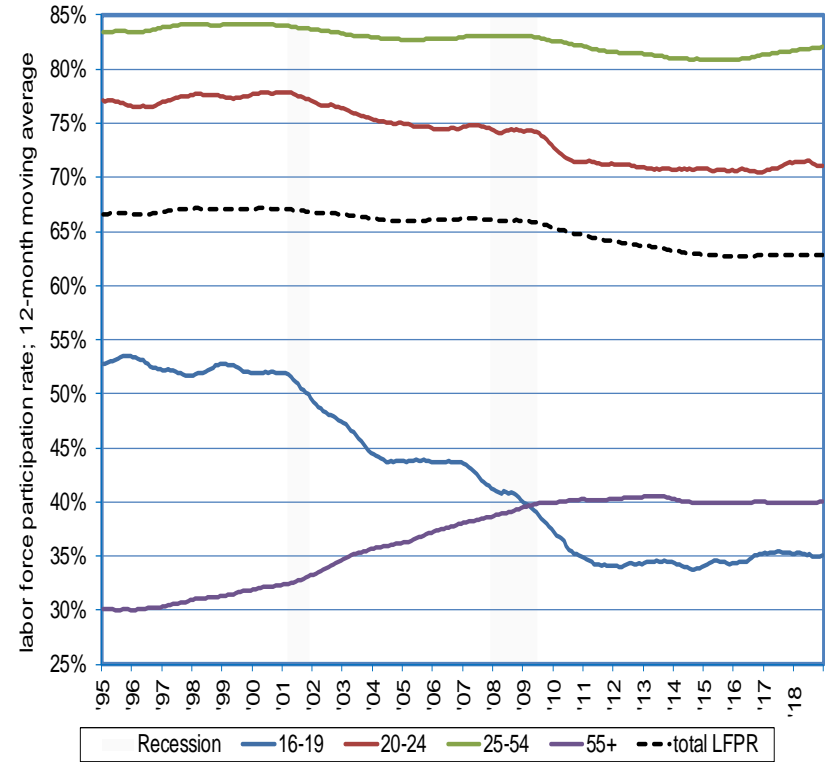


Nevada's Labor Force Participation Rate By Age Follows National Trends (Part1)

Nevada Labor Force Participation Rate by Age

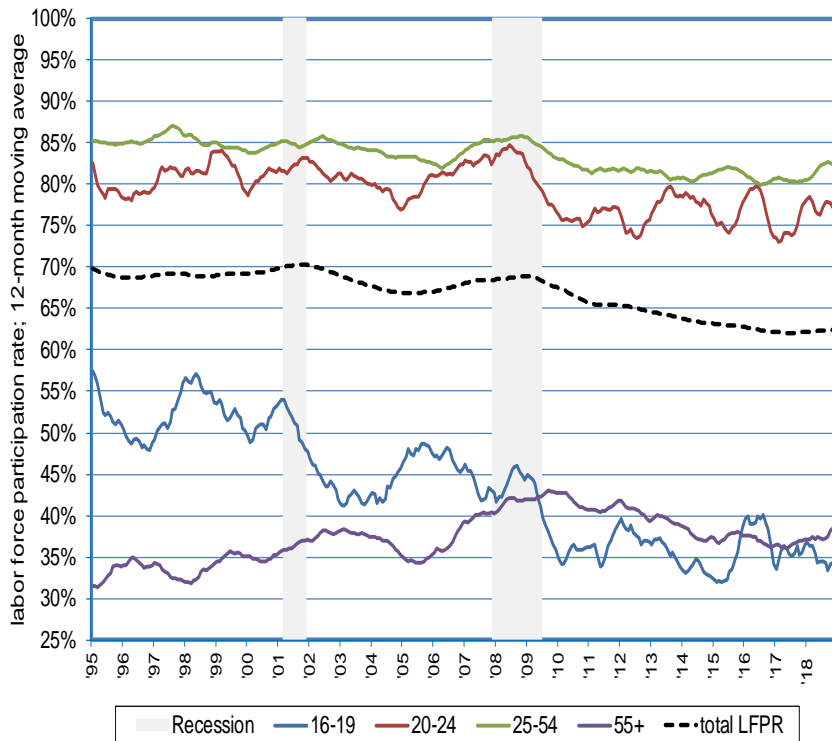


U.S. Labor Force Participation Rate by Age

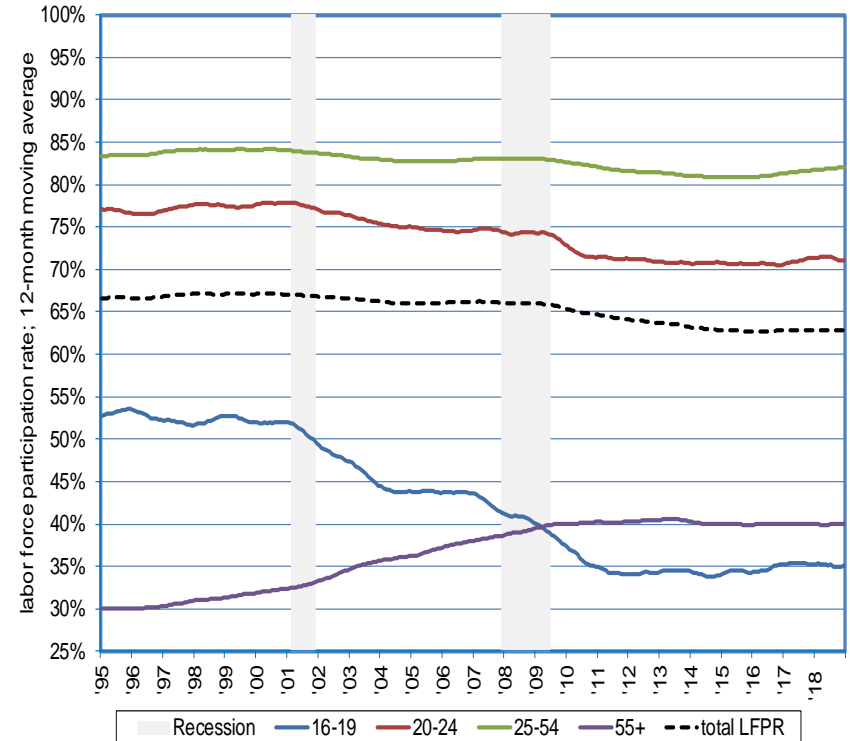


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Nevada Labor Force Participation Rate by Age

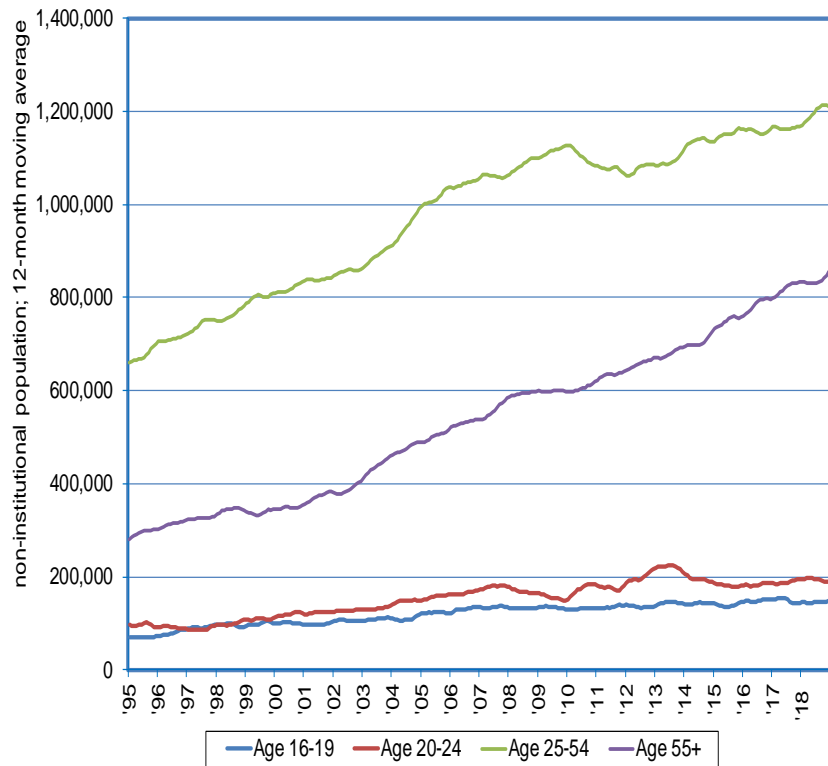


U.S. Labor Force Participation Rate by Age

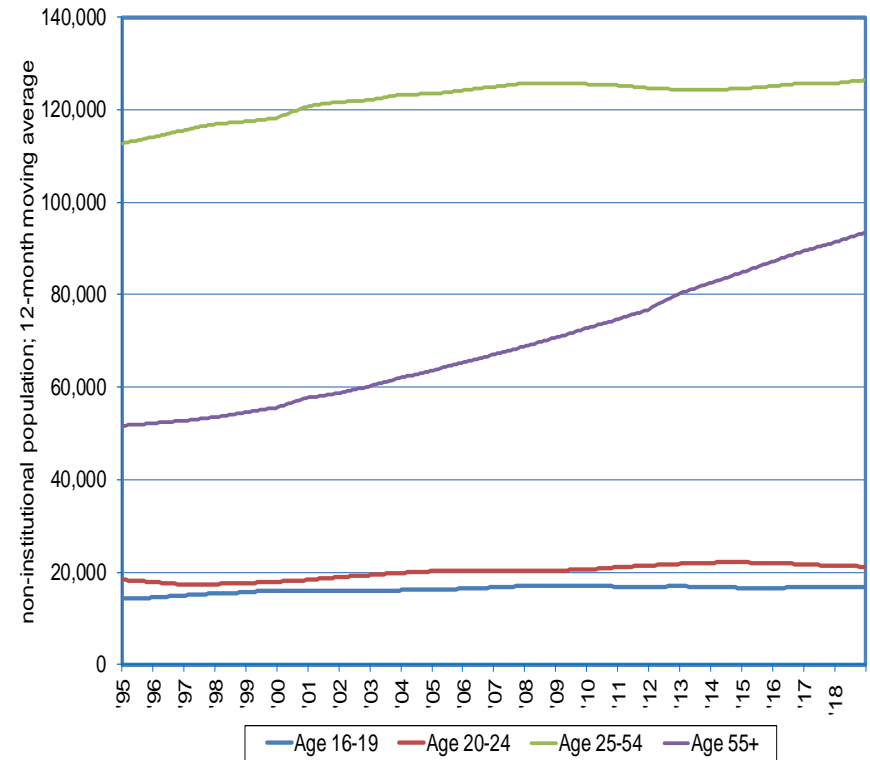


Nevada's Labor Force Participation Rate By Age Follows National Trends (Part 2)

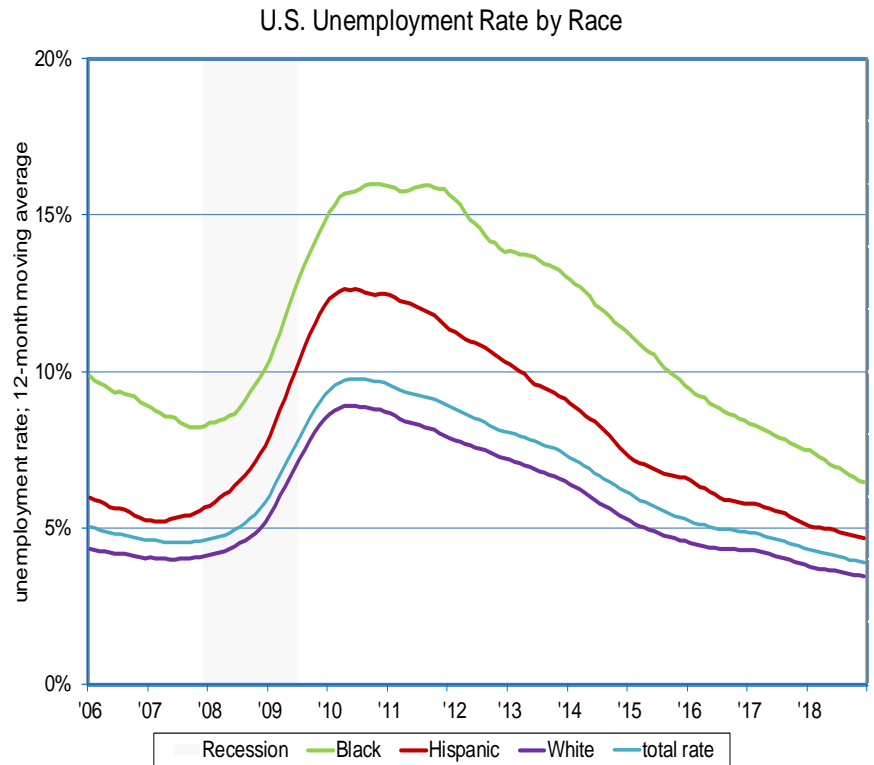
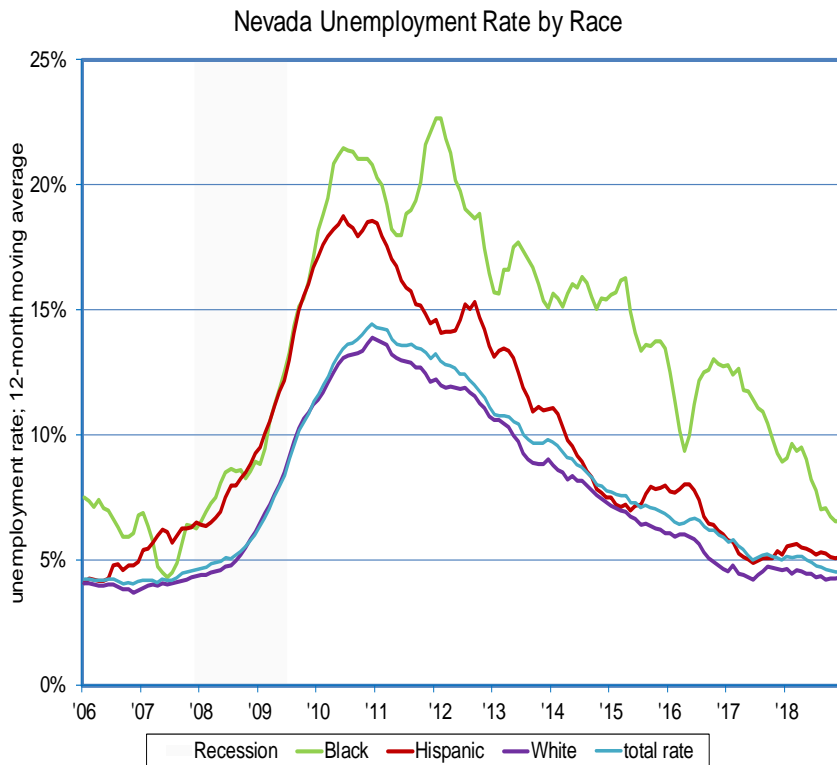
Nevada Population by Age Groups



U.S. Population by Age Groups



Nevada's Unemployment Rate by Race Follows National Trends (Part 1)



Nevada's Unemployment Rate by Race Follows National Trends (Part 2)

Black Unemployment Reasons

| Time Period | Unemployment Rate | Job Loser | Temporary Job Ended | Job leaver | Re-entrant | New-entrant |
|---------------------------|-------------------|-----------|---------------------|------------|------------|-------------|
| Year Ending November 2007 | 6.3% | 29.2% | 12.3% | 14.8% | 30.8% | 12.9% |
| Year Ending January 2012 | 22.6% | 49.2% | 5.9% | 8.3% | 25.6% | 11.1% |
| Year Ending December 2018 | 6.6% | 33.3% | 14.9% | 17.0% | 20.1% | 14.8% |

Hispanic Unemployment Reasons

| Time Period | Unemployment Rate | Job Loser | Temporary Job Ended | Job leaver | Re-entrant | New-entrant |
|---------------------------|-------------------|-----------|---------------------|------------|------------|-------------|
| Year Ending November 2007 | 6.3% | 39.4% | 14.4% | 7.8% | 24.4% | 13.9% |
| Year Ending June 2010 | 18.7% | 68.9% | 8.8% | 3.9% | 12.0% | 6.3% |
| Year Ending December 2018 | 5.1% | 29.5% | 12.3% | 11.4% | 32.0% | 14.9% |

White Unemployment Reasons

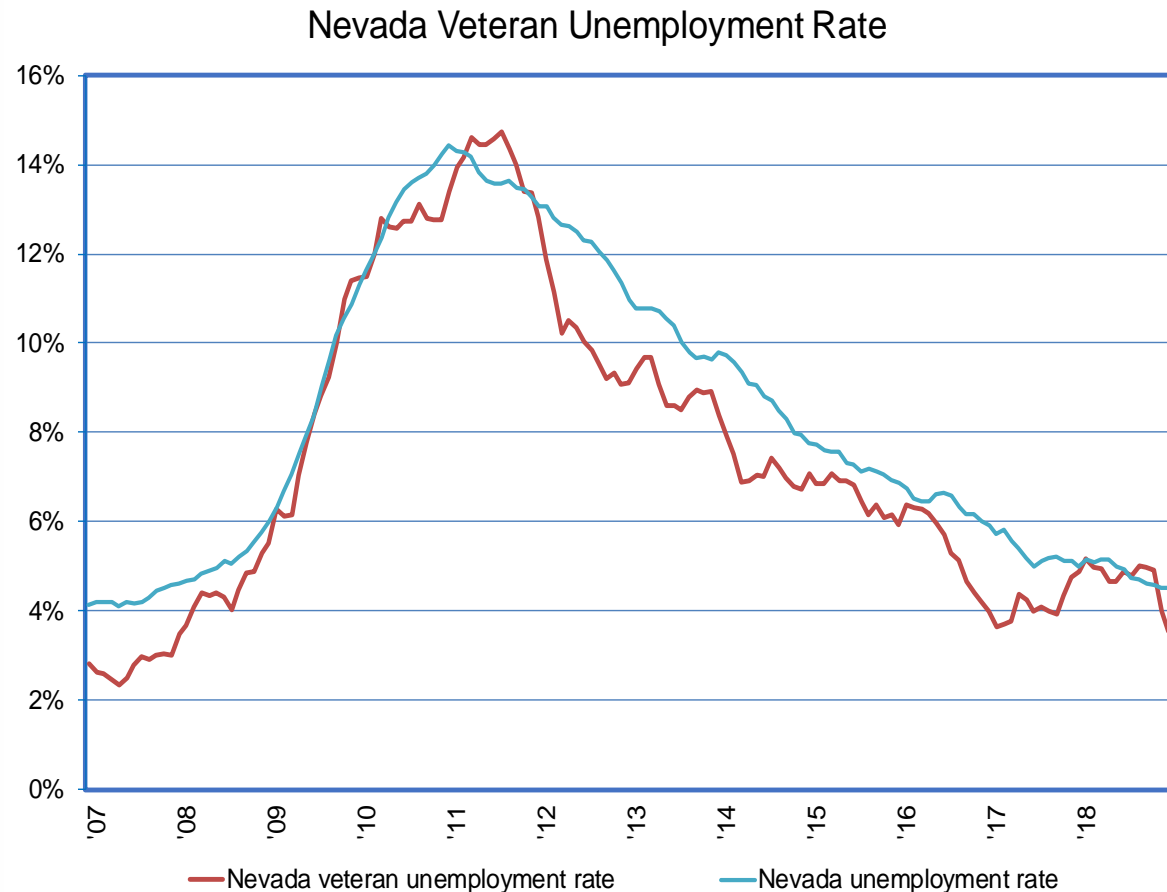
| Period | Unemployment Rate | Job Loser | Temporary Job Ended | Job leaver | Re-entrant | New-entrant |
|---------------------------|-------------------|-----------|---------------------|------------|------------|-------------|
| Year Ending November 2007 | 4.3% | 41.6% | 10.5% | 11.8% | 30.5% | 5.6% |
| Year Ending December 2010 | 13.9% | 60.9% | 11.3% | 5.2% | 16.3% | 6.3% |
| Year Ending December 2018 | 4.3% | 32.5% | 13.4% | 14.4% | 31.0% | 8.7% |

Veteran Unemployment Trending with State Unemployment

The veteran unemployment rate has tended to be lower than the State rate over time.

The veteran unemployment rate in Nevada reached a peak of 14.7% in July of 2011, higher than the State rate that same month of 13.6%.

December 2018: Nevada veteran unemployment rate is 3.6%, down from 4.9% a year ago.

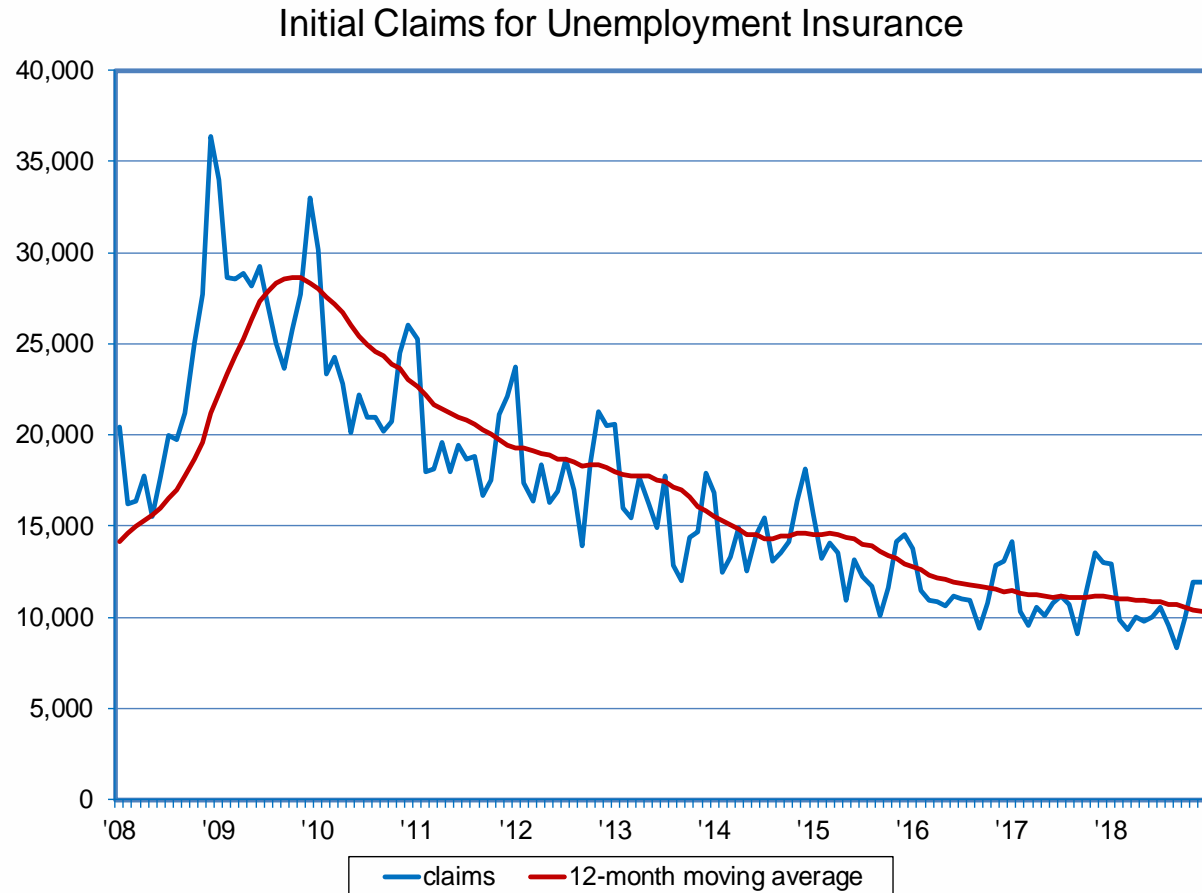


Initial Claims for Unemployment Continue Year-over-Year Declines

11,948 initial claims in December.

Down 8.1% or 1,058 claims over the year.

Exhaustion rate slightly up over the month to 33.74%.



Initial Claims Activity Relative to the Employment Base at Record Low

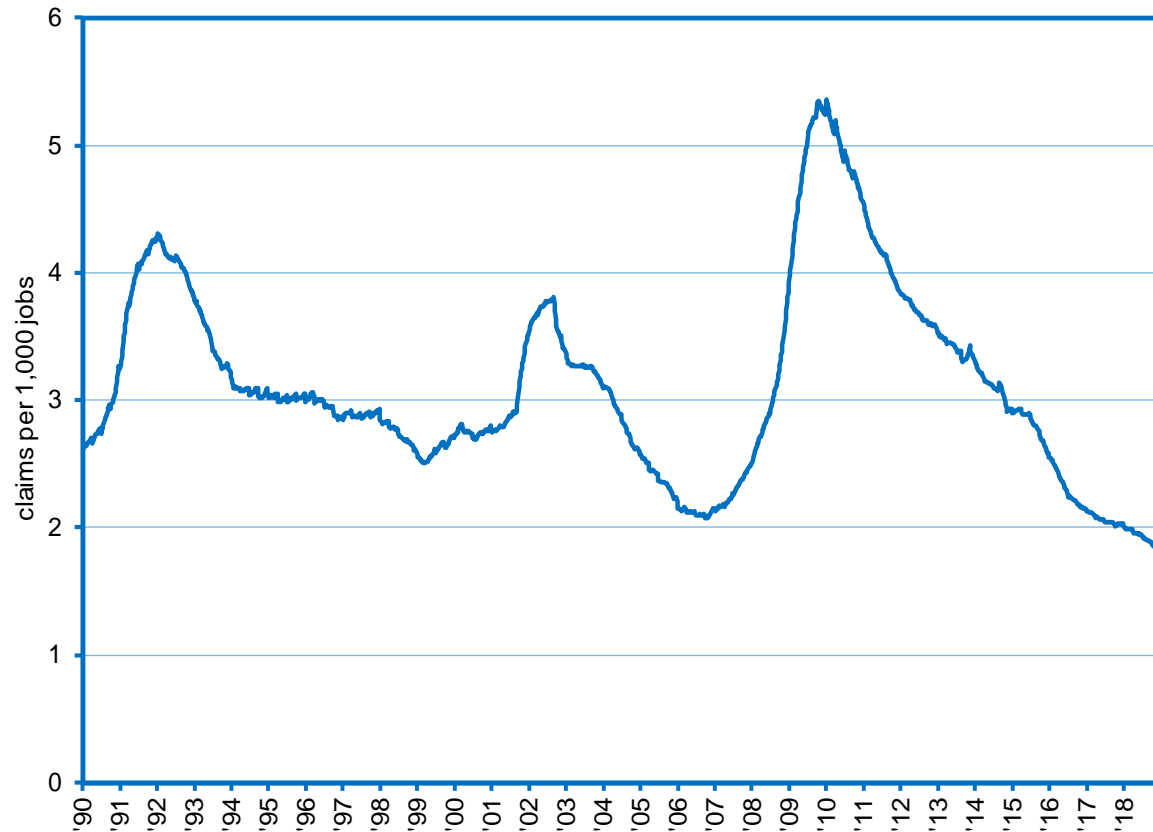
Since 1990, there has been an average of just over 3 initial claims per 1,000 jobs in Nevada.

Recessionary peak: 5 initial claims per 1,000 jobs in late-2009.

Current value: 1.82 initial claims per 1,000 jobs, a record low since the beginning of the observed period.

Considering this is the relative minimum, continued declines in initial claims per 1000 jobs are not expected to continue.

Nevada Initial Claims Per Job



State Employment

- ❑ Non-Farm Job Levels Up 52,400 (SA¹) Relative to a Year Ago in December
- ❑ 96 consecutive months of year-over-year gains
 - ❑ 3.9% gain compares to 1.8% in the nation
- ❑ Up 6,300 Over the Month
 - ❑ 2,900 (NSA²) jobs were expected to be lost based upon historical trends, but 3,400 were actually added, resulting in the seasonally-adjusted gain
 - ❑ 200 (SA) fewer jobs were added over the month than in December 2017 (6,500)
 - ❑ November's employment level was revised up by 700 jobs (SA), bringing the two-month gain to 12,200 jobs

¹ seasonally adjusted

² not seasonally adjusted

Improvement in the Labor Force, Resulting in a Decline in Unemployment Rate

Nevada Labor Market Dynamics (Annual Average)

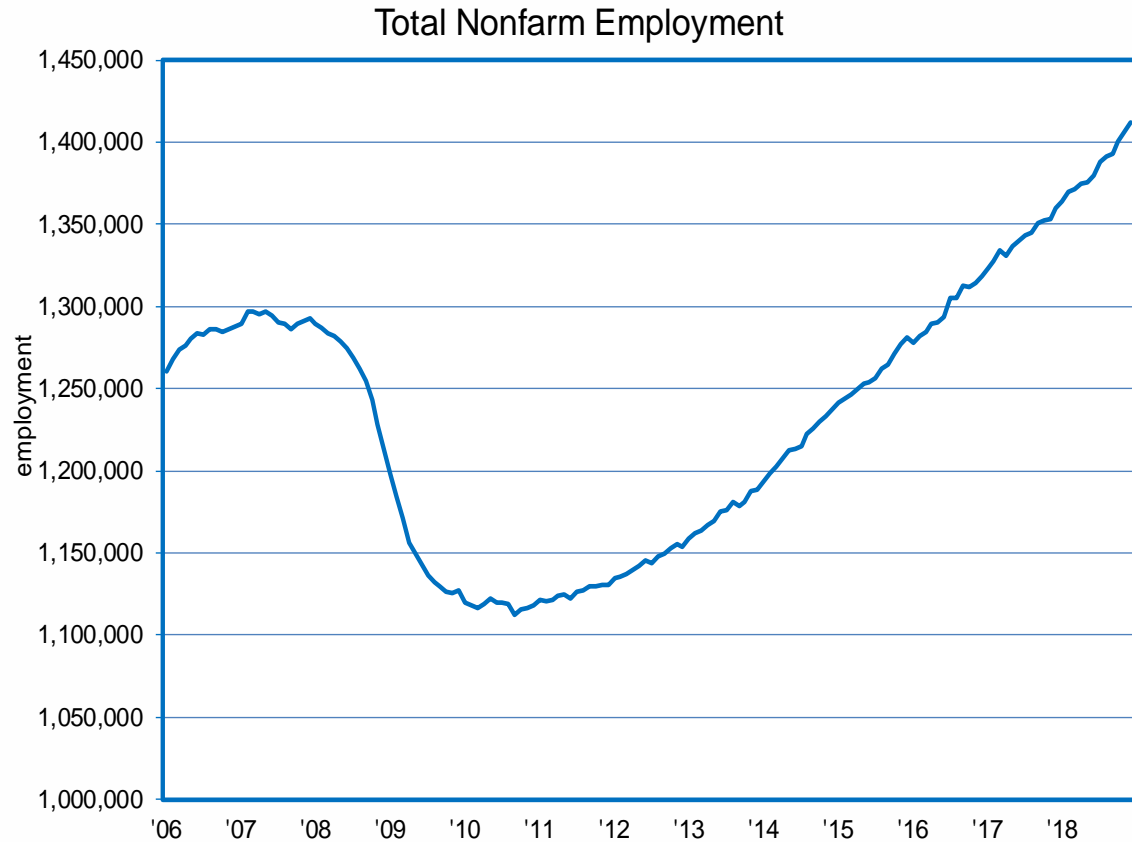
| | labor force | employment | unemployment | unemployment rate |
|--------|-------------|------------|--------------|-------------------|
| 2017 | 1,462,955 | 1,389,372 | 73,583 | 5.0% |
| 2018 | 1,507,300 | 1,438,402 | 68,898 | 4.6% |
| Change | 44,345 | 49,030 | -4,686 | -0.5% |

December Employment Beats Seasonal Expectations

Total Employment of 1,412,200 in December¹

Large gains in construction, trade/trans/utilities, financial activities

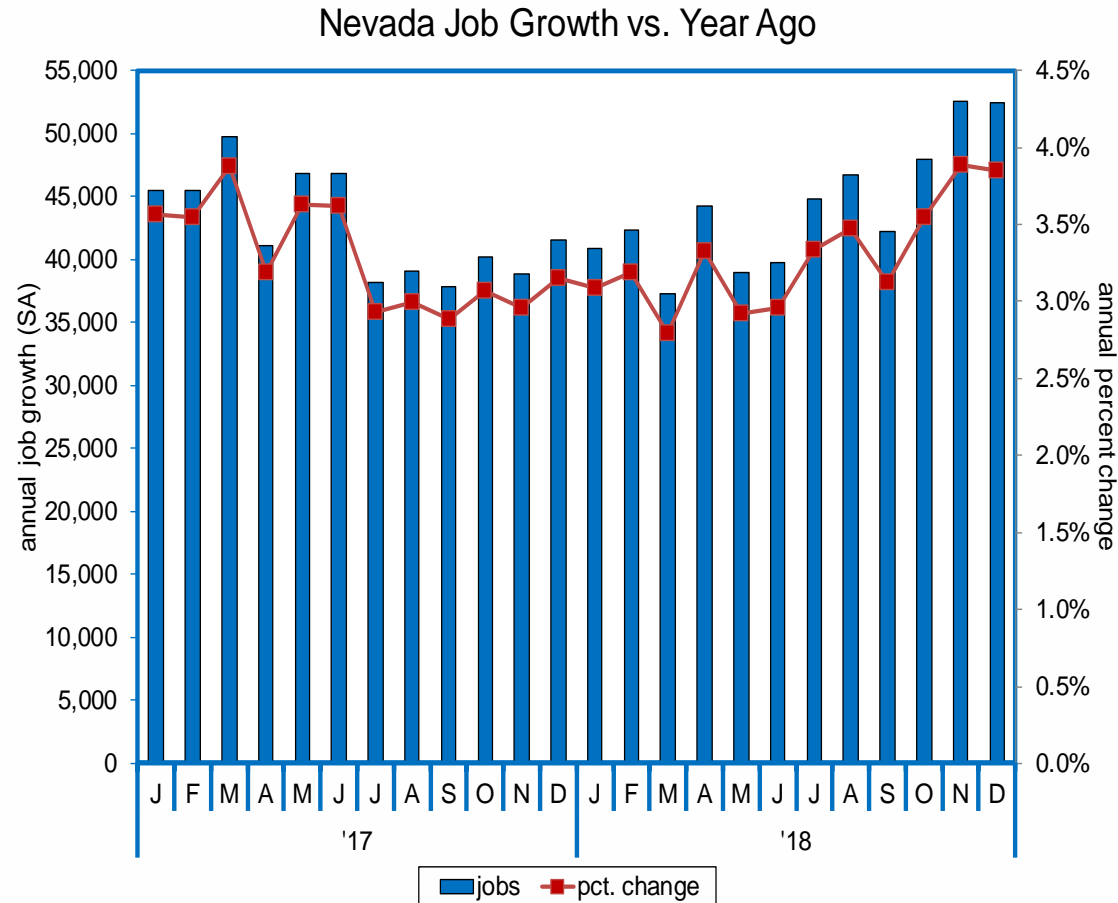
114,900 jobs above previous peak



¹ seasonally adjusted

Annual Job Growth Still Above Three Percent

The State added 52,400 jobs (3.9%) over the year in December¹

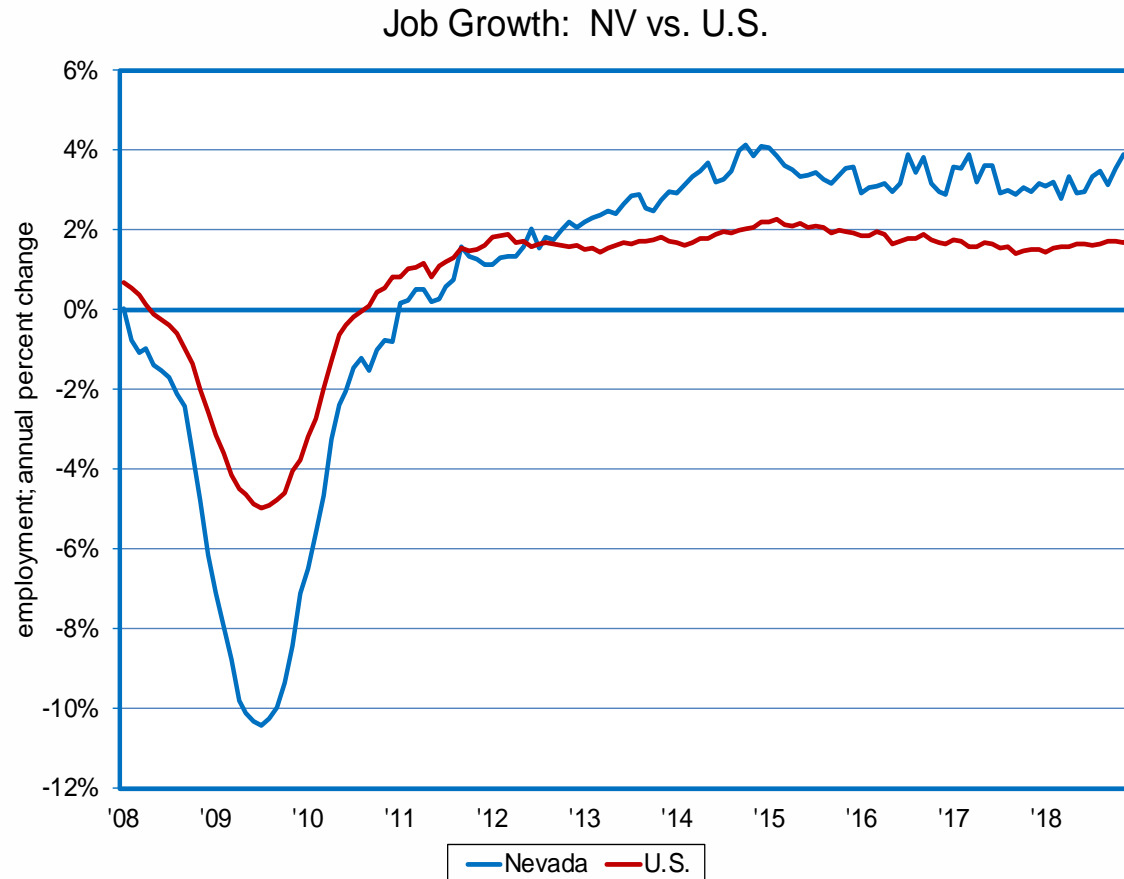


¹ seasonally adjusted

Nevada Growing Twice as Fast as Nation

Nevada's employment grew at an annual rate of 3.9% in December, compared to 1.8% in the nation as a whole¹

Nevada's job growth has outpaced the nation for 77 straight months



¹ seasonally adjusted

Year-to-Date Job Growth Across Nearly All Sectors

Construction added 8,300 jobs year-to-date through December, a gain of 10%¹

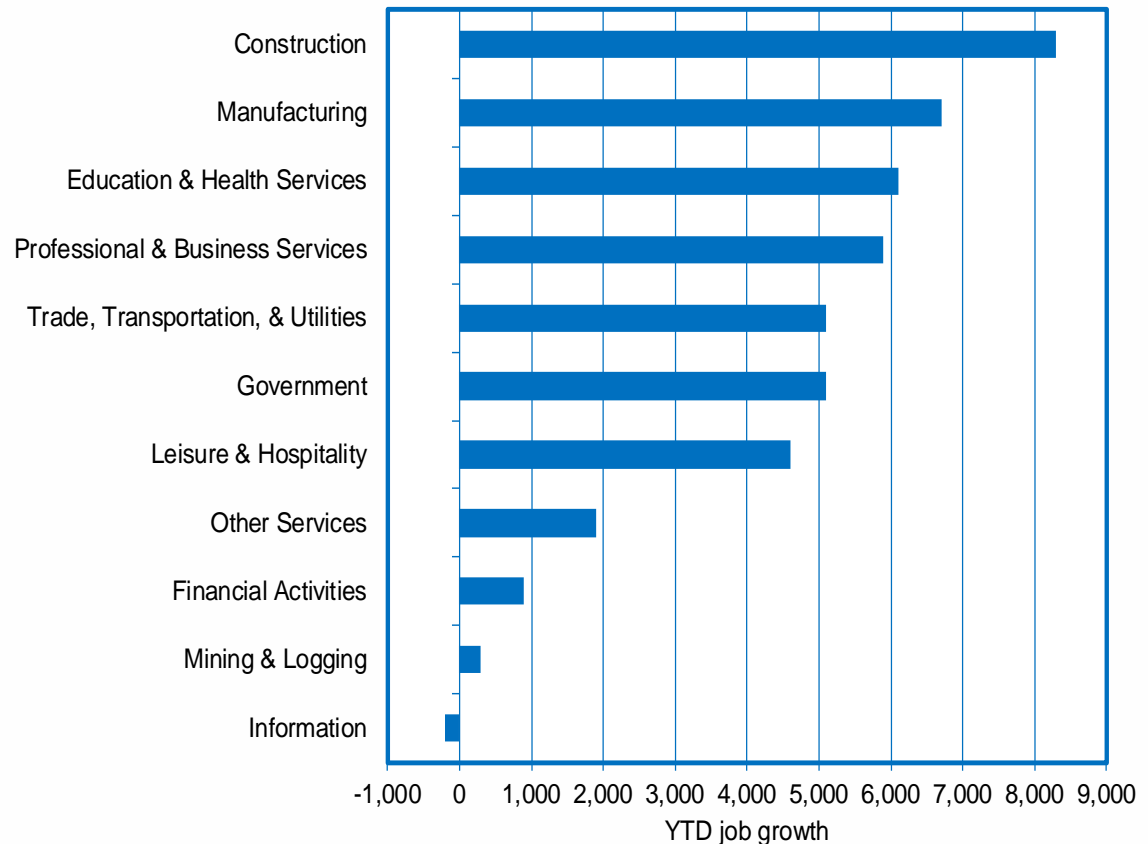
Manufacturing has grown by 14% after adding 6,700 jobs

Education/health services grew by 4.6% and added 6,100 jobs

Professional and business services is up 5,900 jobs

Information sector is down by 200 jobs

Nevada Nonfarm Job Growth by Industry



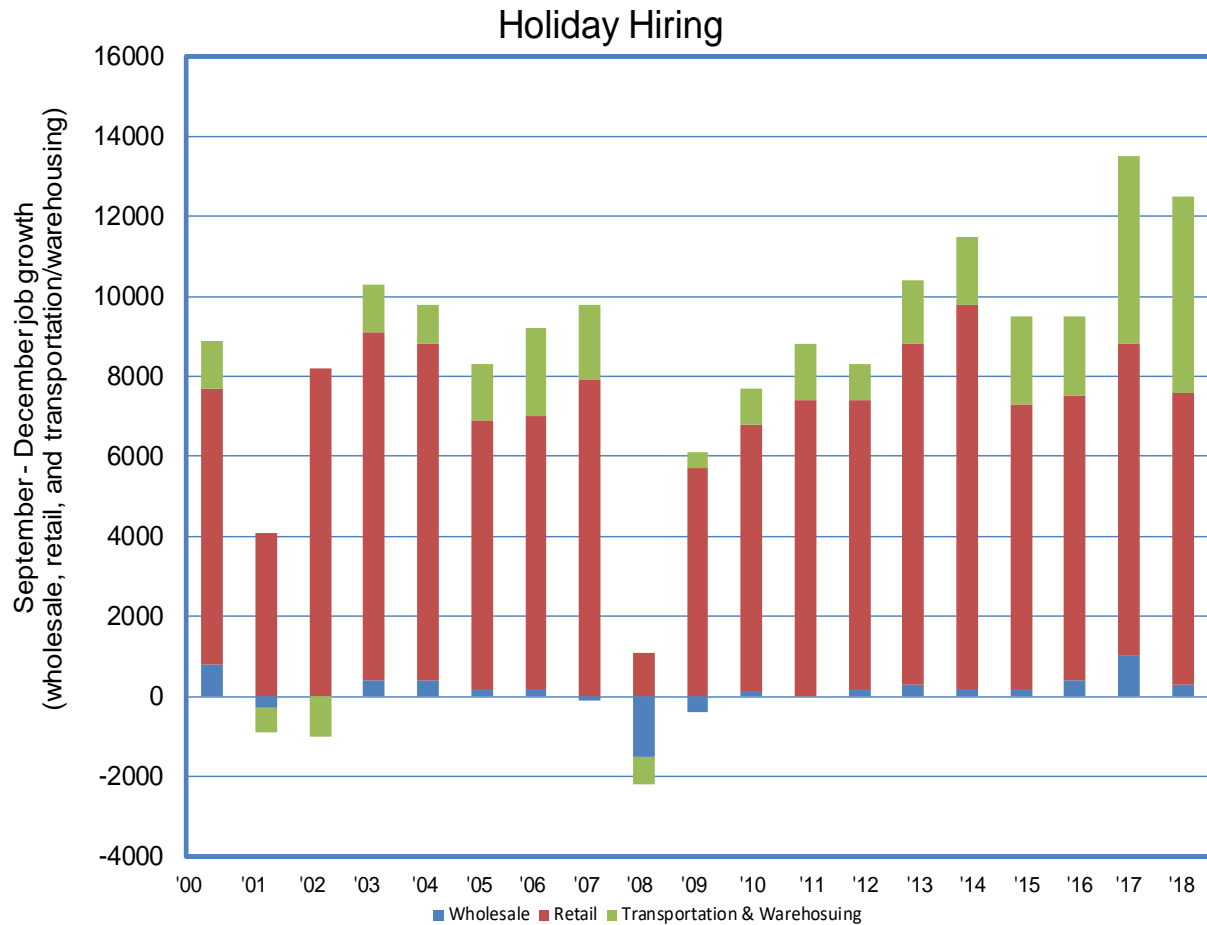
¹ not seasonally adjusted

Holiday-Related Hiring Marks Another Strong Year in 2018

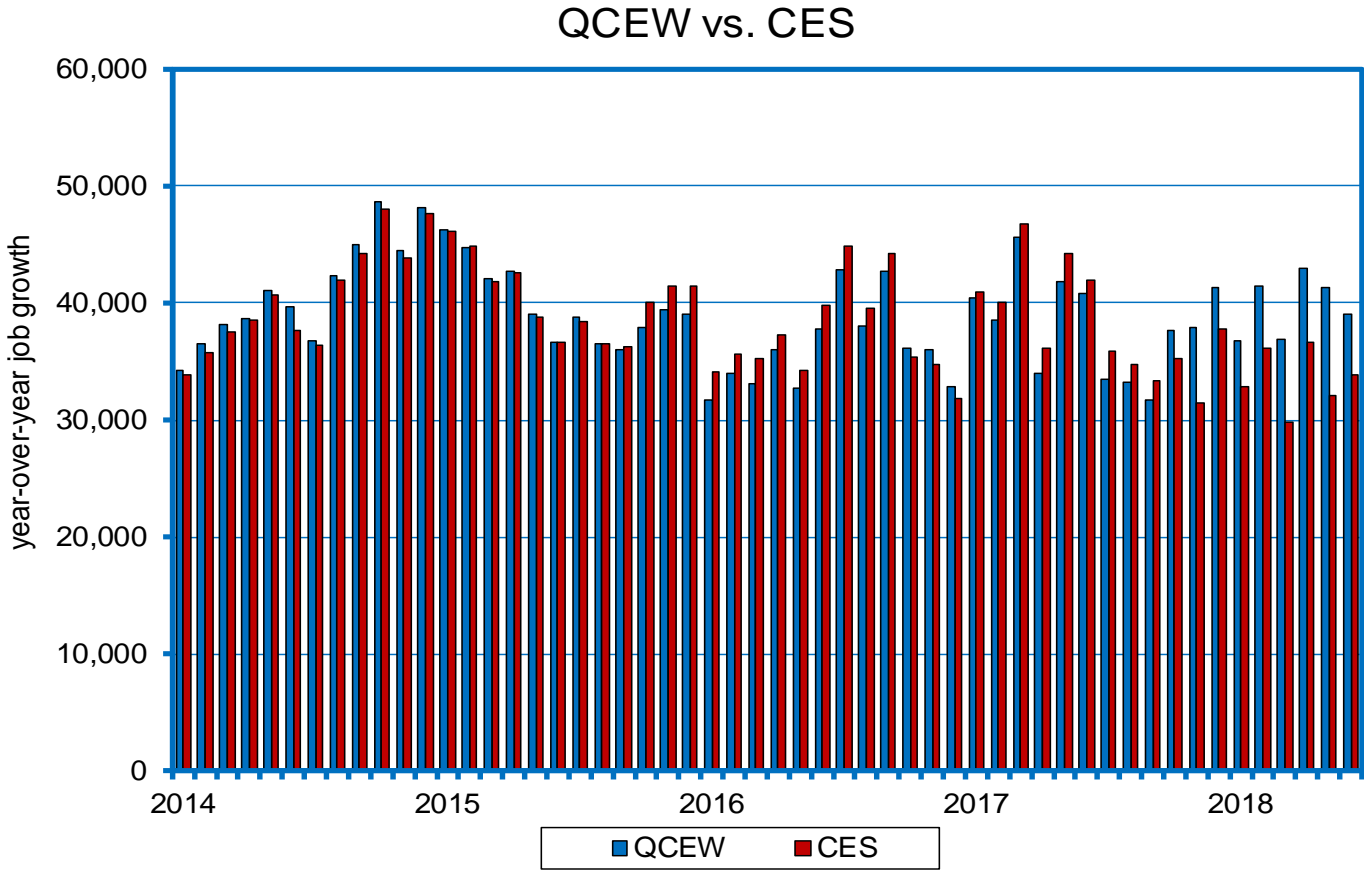
Holiday hiring 2018: 12,500 jobs, 2nd largest increase on record.

Trans/warehousing industry (+4,900) saw record highs in holiday related job gains in 2018.

Retail (+1,900) & wholesale's (+900) December holiday hires were strongest since 2007.



CES Job Estimates Lower Than QCEW Trends



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

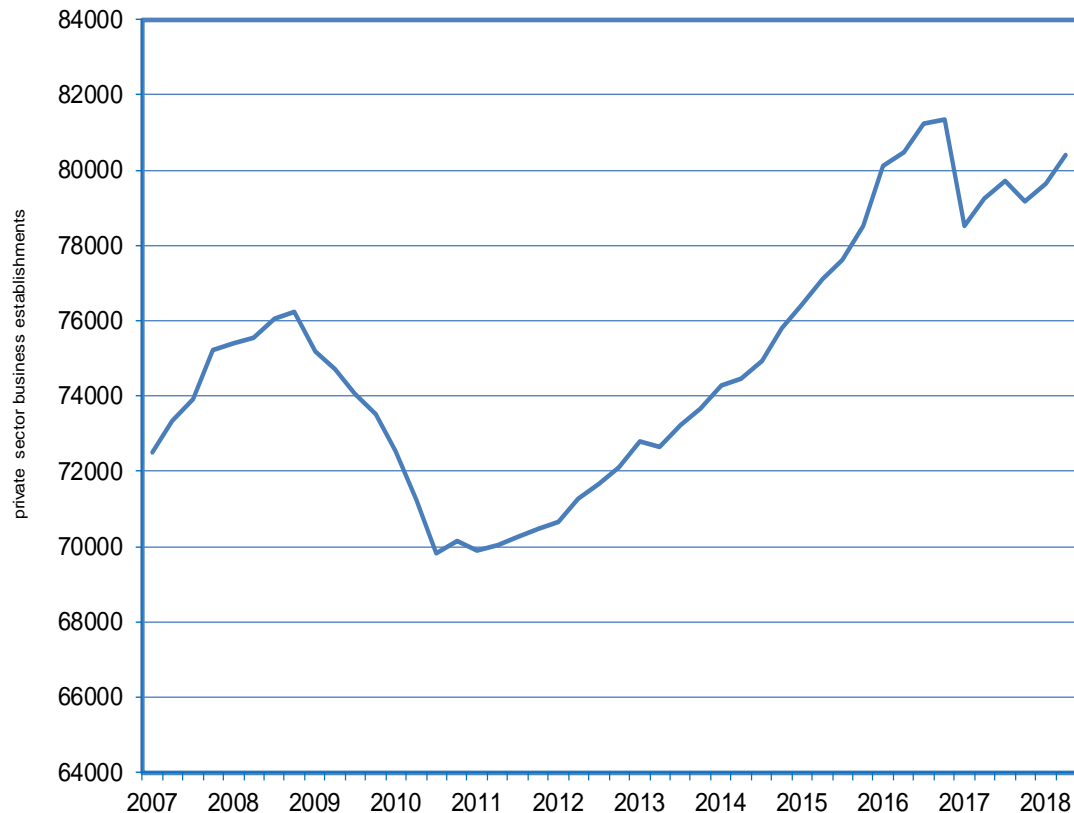
From 2017:IQ to present, there has been an increase of nearly 1,900 (2.4%)

The fastest growing industries, in terms of employment, on an absolute basis were construction and health care/social assistance.

Fastest growing industries on a percentage basis were agriculture (48%) and manufacturing (38%).

The data was “cleaned up,” with the removal of employers that are not reporting any employment and wages. Specifically, from 2016:IVQ to 2017:IQ.

Private Sector Establishment Growth

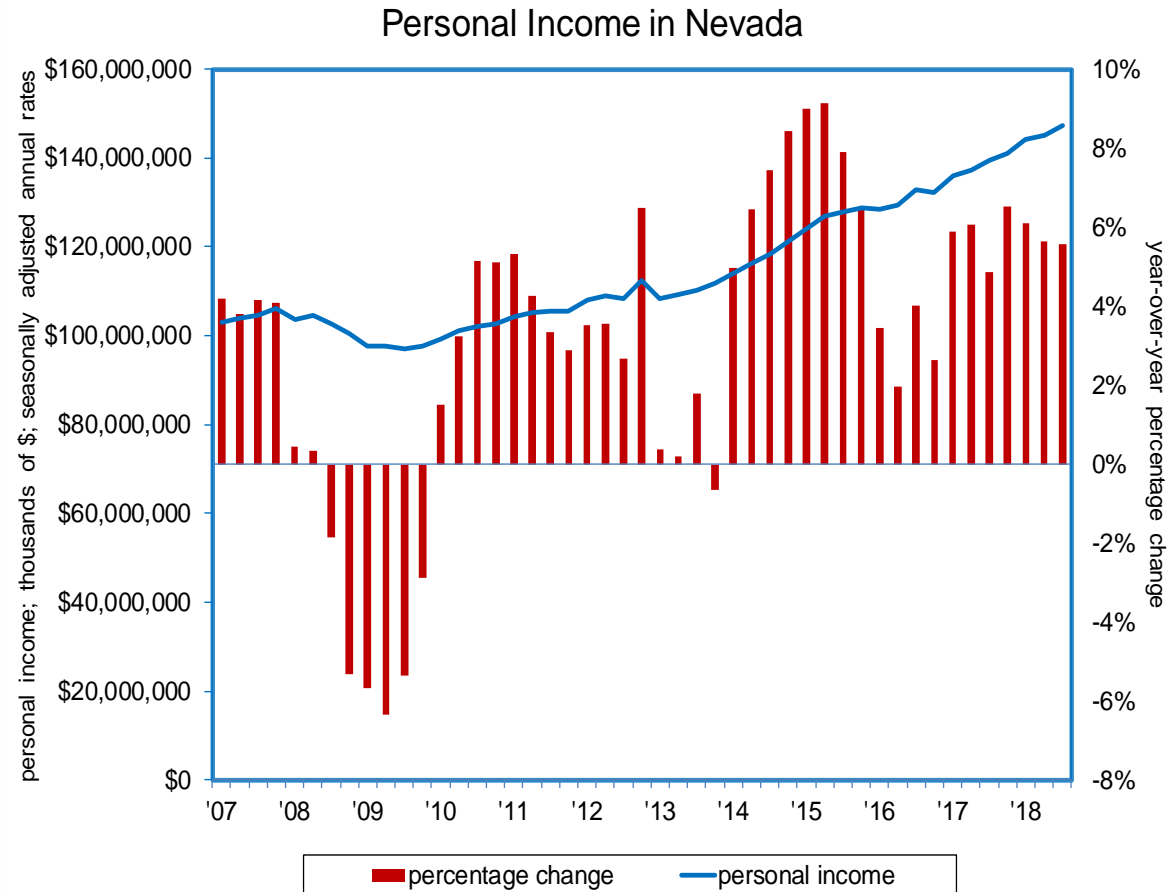


Personal Income on the Rise in 34 of the Past 35 Quarters; Growth Trending Higher than the U.S., 3rd Strongest Gain in the Nation in 2018:IIIQ

2018IIIQ: Nevada personal income reached \$147 billion, up 5.6% from a year ago.

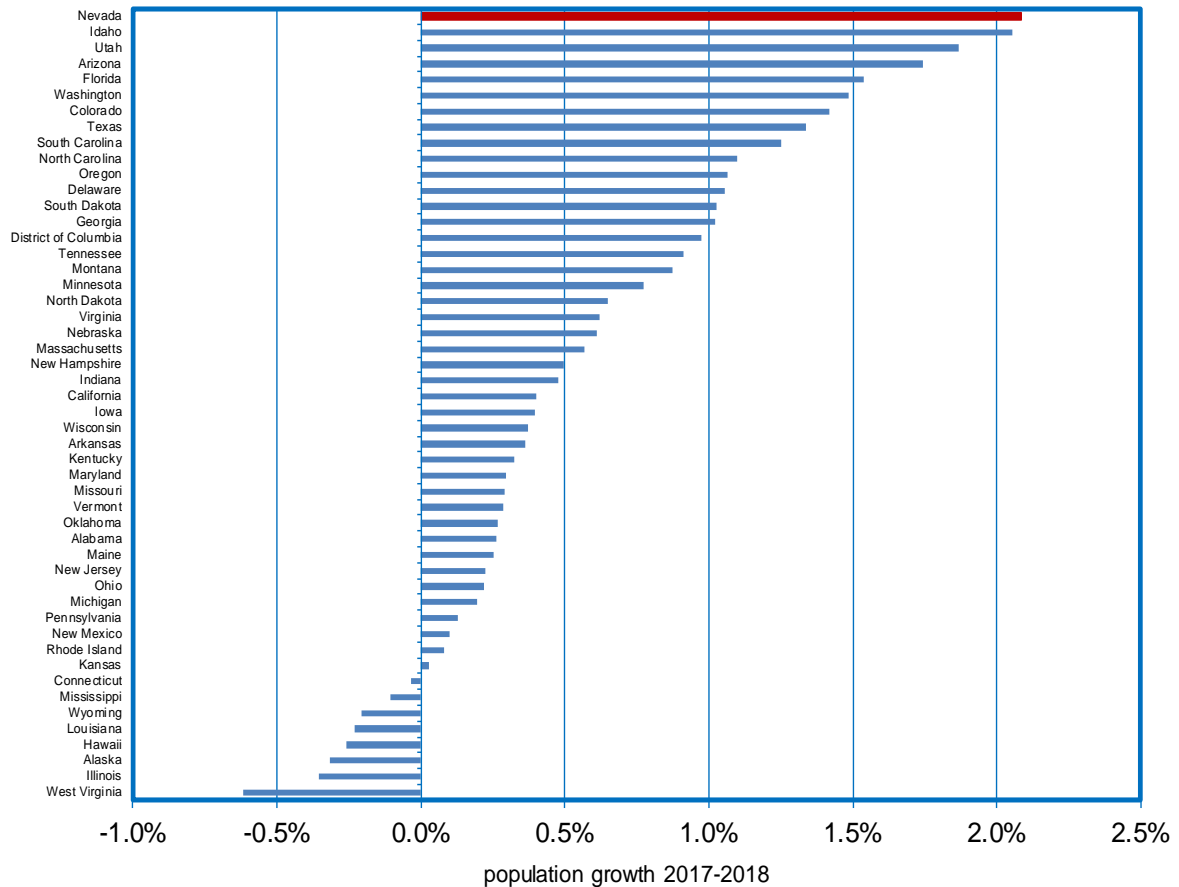
Nevada personal income has increased in 34 of the past 35 quarters starting in 2010.

Nevada's average personal income growth has exceeded that for the U.S. over 17 of the past 19 quarters.



Nevada has Fastest Population Growth in the U.S.

State Population Change 2018



Estimates show Nevada's population at 3.03 million in 2018, up from 2.97 million in 2017, an increase of 61,990.

Nevada's 2.08% gain, is the strongest in the nation.

Following the Silver State for the largest percentage increases in population were Idaho (2.05%), and Utah (1.86%).

For Additional Information, Please Contact:

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