



# Nevada Labor Market Briefing: May 2018

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## Summary of Labor Market Economic Indicators

Department of Employment, Training, & Rehabilitation

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*Prepared by the Research and Analysis Bureau*

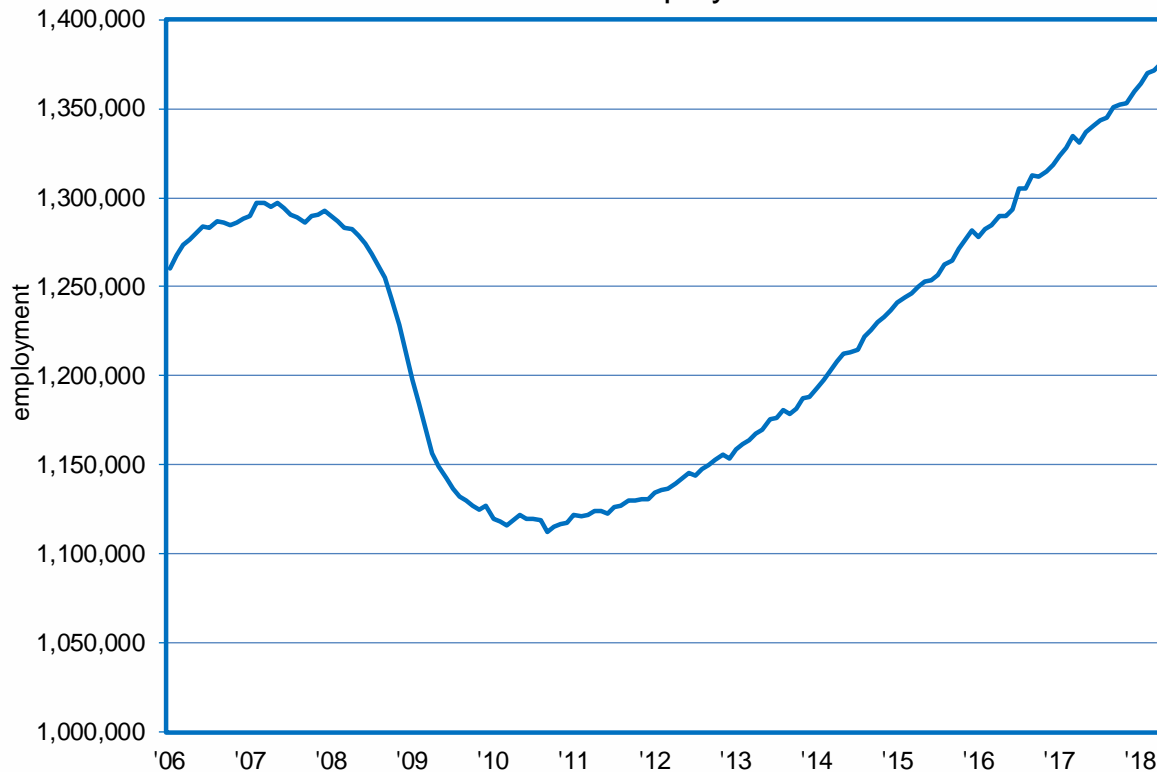
# May Employment: Slight Decline Over the Month

Total Employment of 1,374,200 in May<sup>1</sup>

Down 700 jobs over the month, 2-month gain still positive at 2,500

76,900 jobs above previous peak

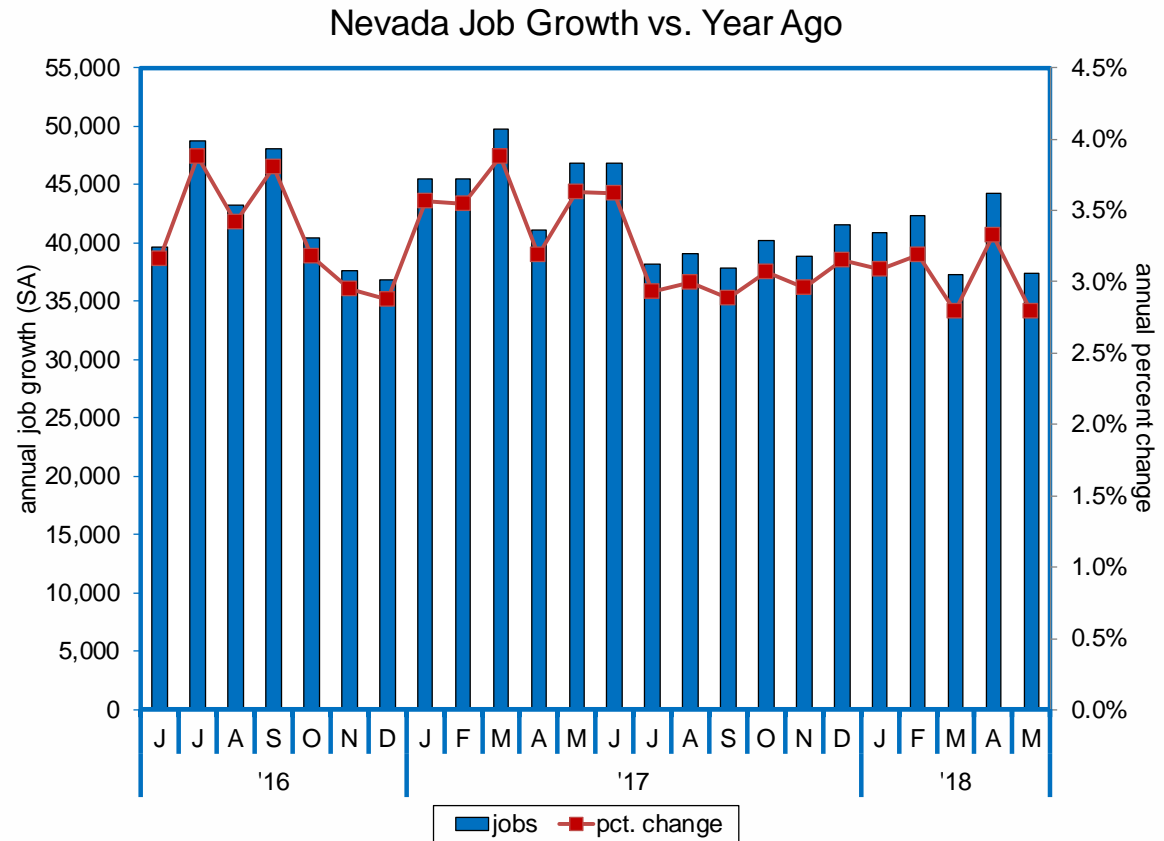
Total Nonfarm Employment



<sup>1</sup> seasonally adjusted

# Annual Job Growth Dips Below Three Percent

The State added 37,400 jobs over the year in May, a gain of 2.8%<sup>1</sup>



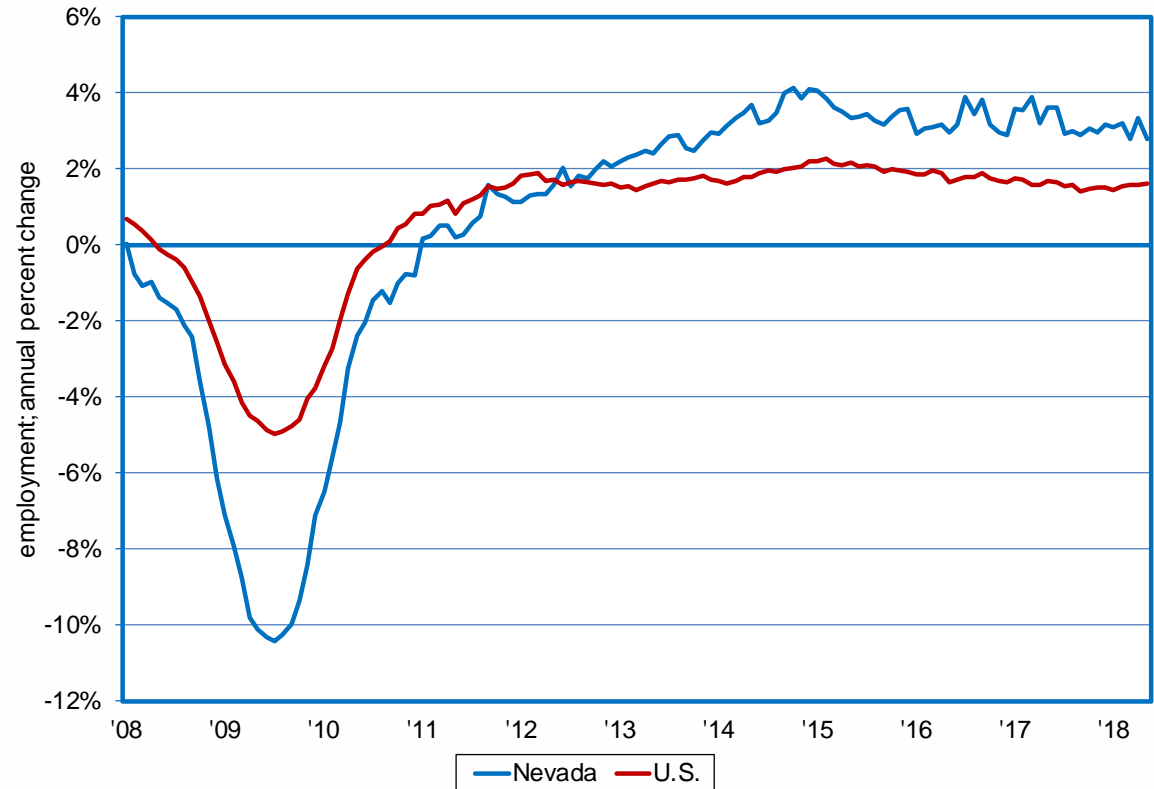
<sup>1</sup> seasonally adjusted

# Nevada's Growth Continues to Outpace Nation

Nevada's employment grew at an annual rate of 2.8% in May, compared to 1.6% in the nation as a whole<sup>1</sup>

Nevada's job growth has outpaced the nation for 70 straight months

Job Growth: NV vs. U.S.



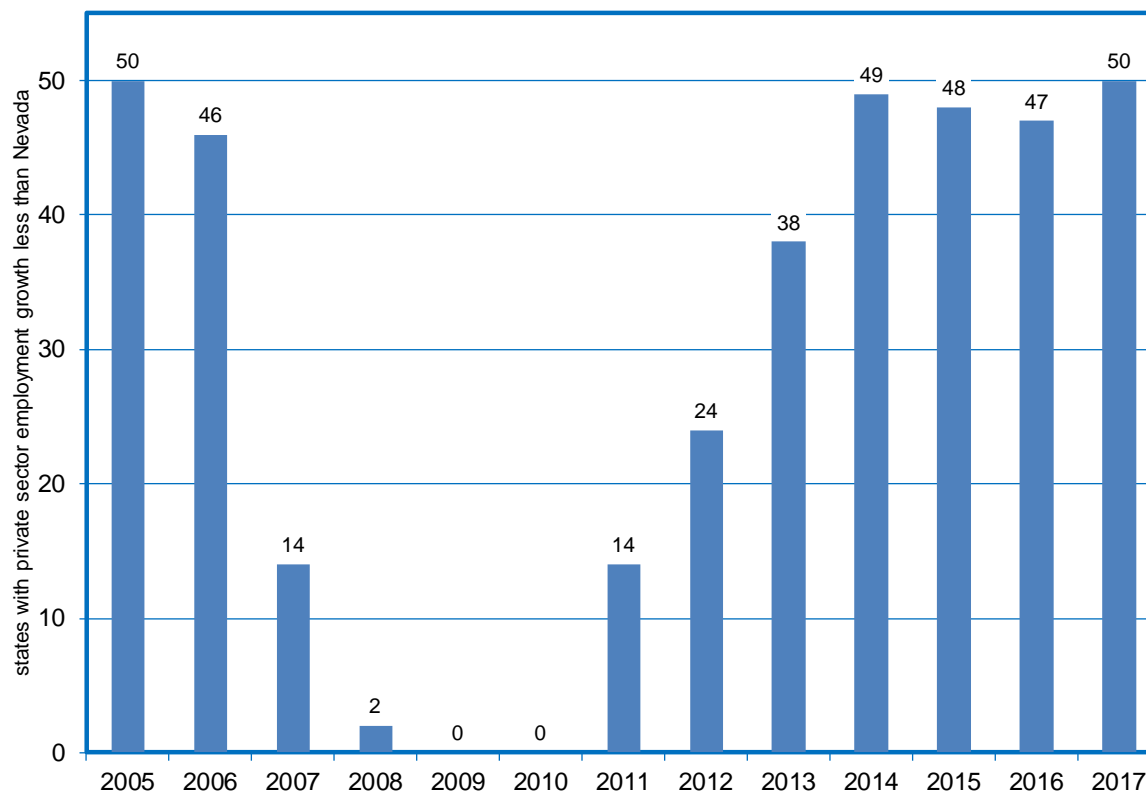
<sup>1</sup> seasonally adjusted

# Nevada Maintains Highest Private Sector Job Growth in the U.S. Through 2017

Nevada led the nation in private-sector job growth in 2017

Employment up 38,600 from 2016, a growth rate of 3.4 percent

U.S. Private Sector Growth Rankings

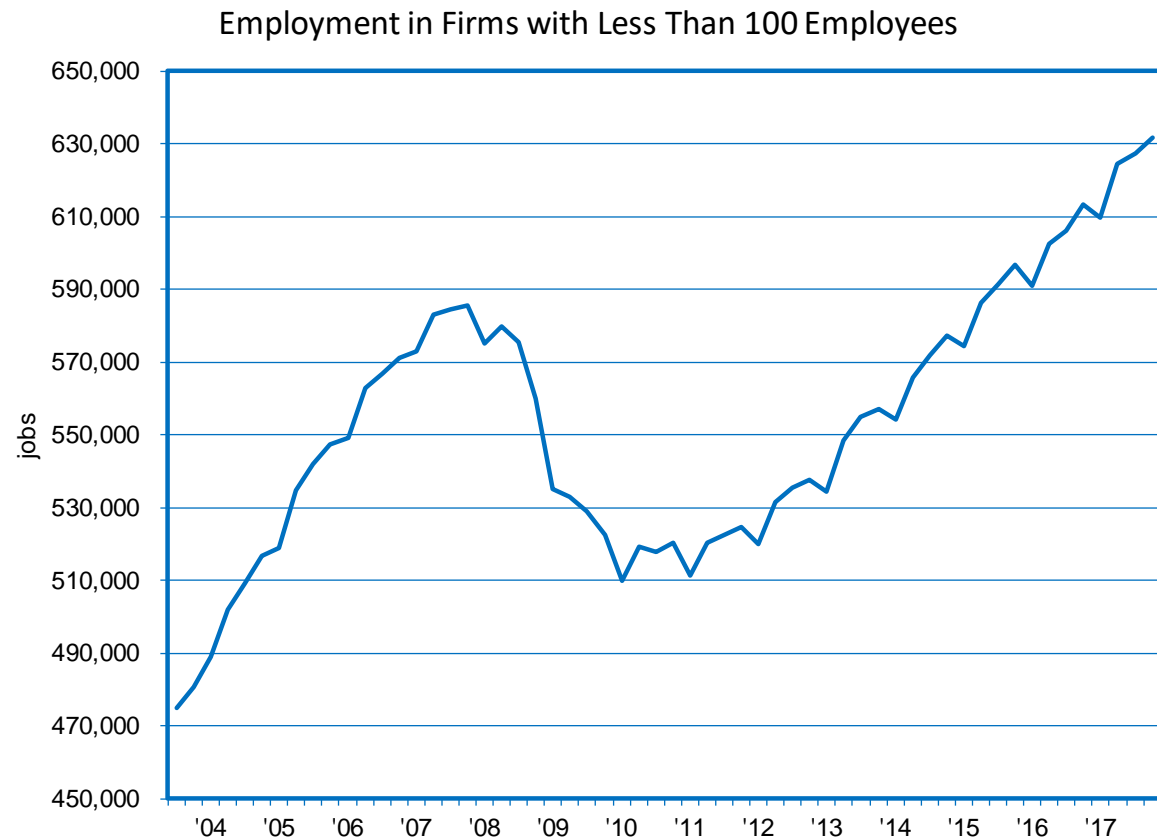


# Nevada's Small Businesses Continue Adding Jobs

As of 2017:IVQ,  
employment in  
Nevada's small  
businesses  
totaled 632,000

28 consecutive  
quarters of  
annualized  
growth

Nearly 46,000  
more jobs than  
previous peak in  
2007



# Year-to-Date Job Growth Across Nearly All Sectors

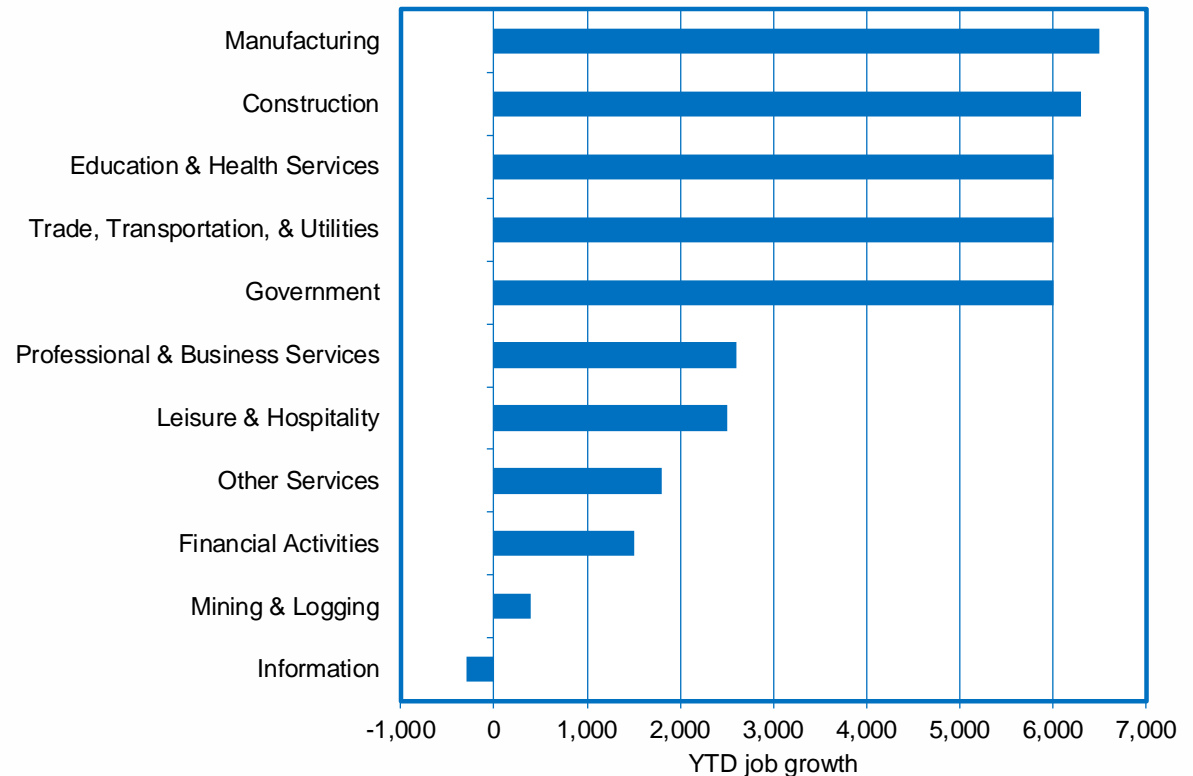
Manufacturing added 6,500 jobs through May, a gain of 14.3%<sup>1</sup>

Construction added 6,300 jobs or 7.8%

Ed/health services, trade/trans./utilities, and government each added 6,000 jobs

Information sector is down by 300

Nevada Nonfarm Job Growth by Industry



<sup>1</sup> not seasonally adjusted

# Construction Employment by Industry

Most construction employment in Nevada is at businesses that focus on a specific building trade.

Of general construction employment, Clark County tilts toward commercial construction, while other areas tilt toward residential.

Industry	Clark County	Washoe County	All Other Counties	Carson City	Grand Total
Plumbing and HVAC Contractors	7,683	1,726	1,577	204	11,190
Electrical Contractors	7,841	1,726	447		10,014
Residential Building Construction	4,325	1,781	831	142	7,079
Commercial Building Construction	4,977	1,400	416	72	6,865
Drywall and Insulation Contractors	3,910	997	351	21	5,279
Framing Contractors	3,676	888	55	21	4,640
All Other Specialty Trade Contractors	2,531	704	390	56	3,681
Painting and Wall Covering Contractors	2,129	862	93	50	3,134
Site Preparation Contractors	1,570	809	520	76	2,975
Poured Concrete Structure Contractors	2,144	666	137	24	2,971
Highway, Street, and Bridge Construction	1,707	1,034	103		2,844
Masonry Contractors	2,229	451	73	61	2,814
Roofing Contractors	1,444	612	87	36	2,179
Tile and Terrazzo Contractors	1,551	306	74	39	1,970
Flooring Contractors	1,433	484	21		1,938
Water and Sewer System Construction	1,422	310	183		1,915
Other Building Finishing Contractors	1,690	114	6		1,810
Finish Carpentry Contractors	1,496	248	15		1,759
Power/Communication System Construction	1,006	81	179		1,266
Other Building Equipment Contractors	882	250	80		1,212
Glass and Glazing Contractors	821	135	24	74	1,054
Steel and Precast Concrete Contractors	821	118	41		980
Oil and Gas Pipeline Construction	619	42		153	814
Other Building Exterior Contractors	479	18			497
Other Heavy Construction	340	30			370
Land Subdivision	248	22			270
Industrial Building Construction	71				71
Siding Contractors	21	28			49
<b>Grand Total</b>	<b>59,066</b>	<b>15,842</b>	<b>5,703</b>	<b>1,029</b>	<b>81,640</b>



# May 2018 Unemployment Rate: 4.8%

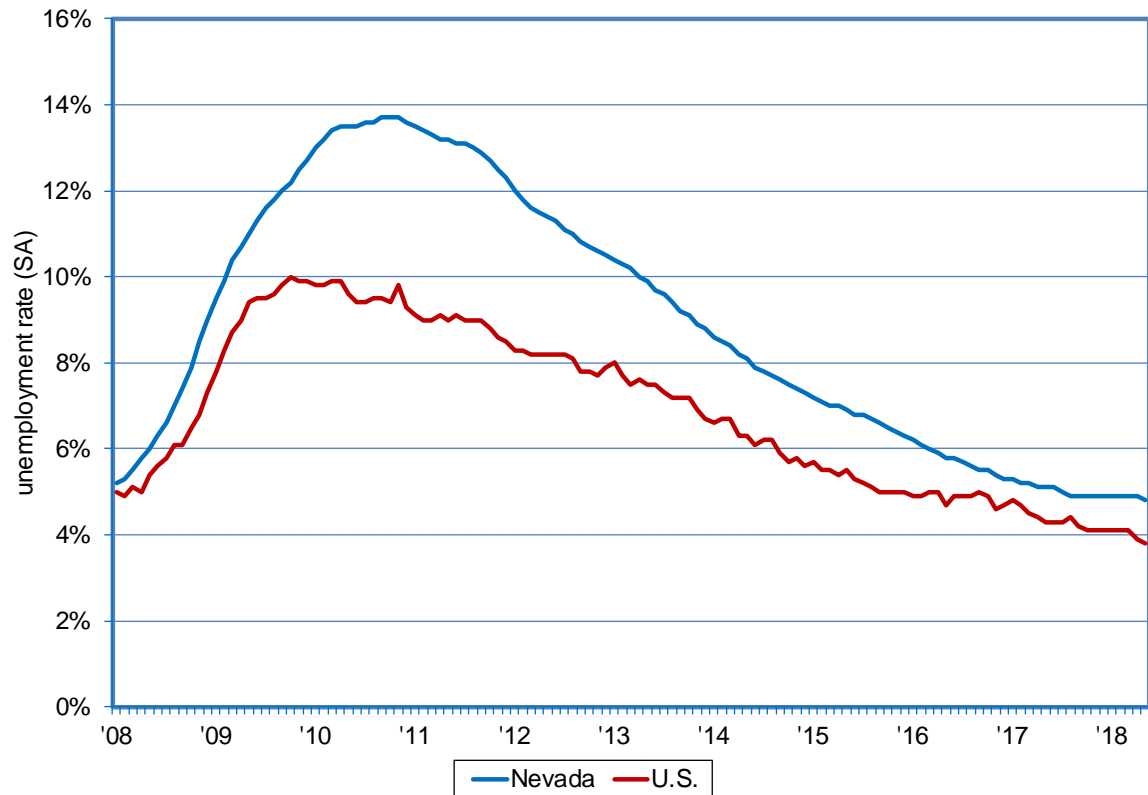
0.1 point decline  
is first in ten  
months<sup>1</sup>

Down from 5.1%  
a year ago

Peaked at 13.7%  
during the  
recession

Gap between  
Nevada and the  
nation steady at  
one percentage  
point in May

Unemployment Rate: Nevada vs. U.S.

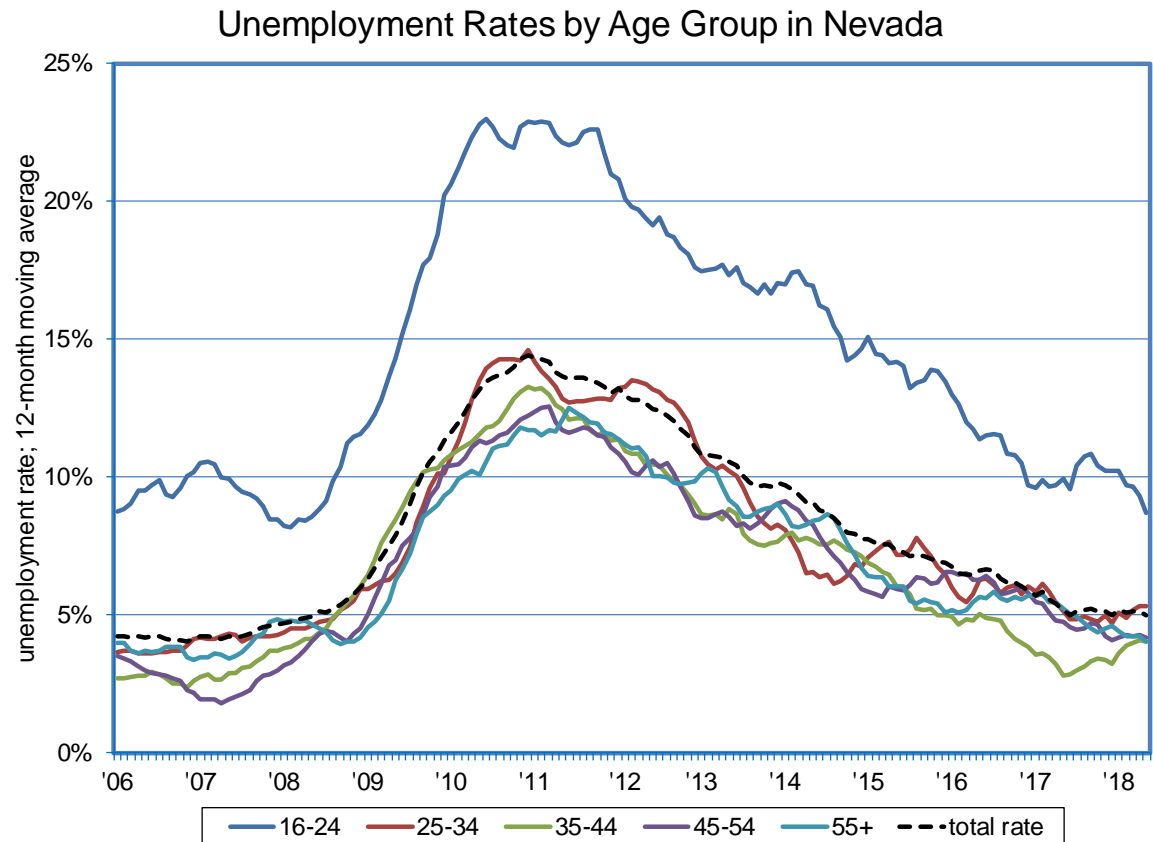


<sup>1</sup> seasonally adjusted

# Jobless Rate for Teens and Young Adults Now Below Pre-recession Level

Among unemployed teens and young adults 16-24 years old:

- 26.6% have less than a High School diploma
- 48.4% have a High School diploma
- 22.4% have some college or associate degree,
- 2.6% have a Bachelor's degree or higher



# Alternative Measures of Labor Underutilization

Most measures of unemployment are at or near 2003 levels.

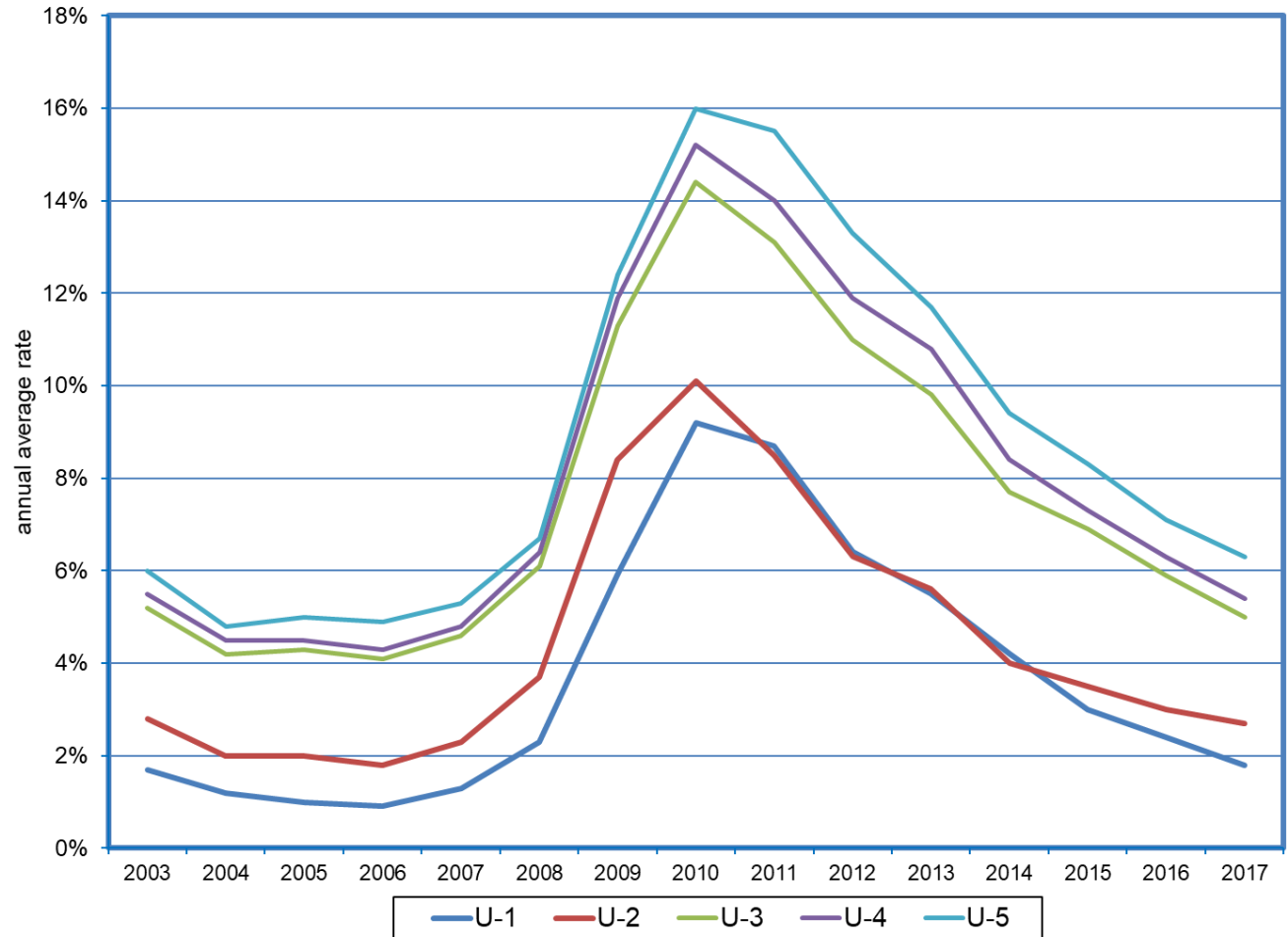
**U-1:** Unemployed 15 weeks or more

**U-2:** Job Losers

**U-3:** Similar to official rate

**U-4:** U-3 plus discouraged workers.

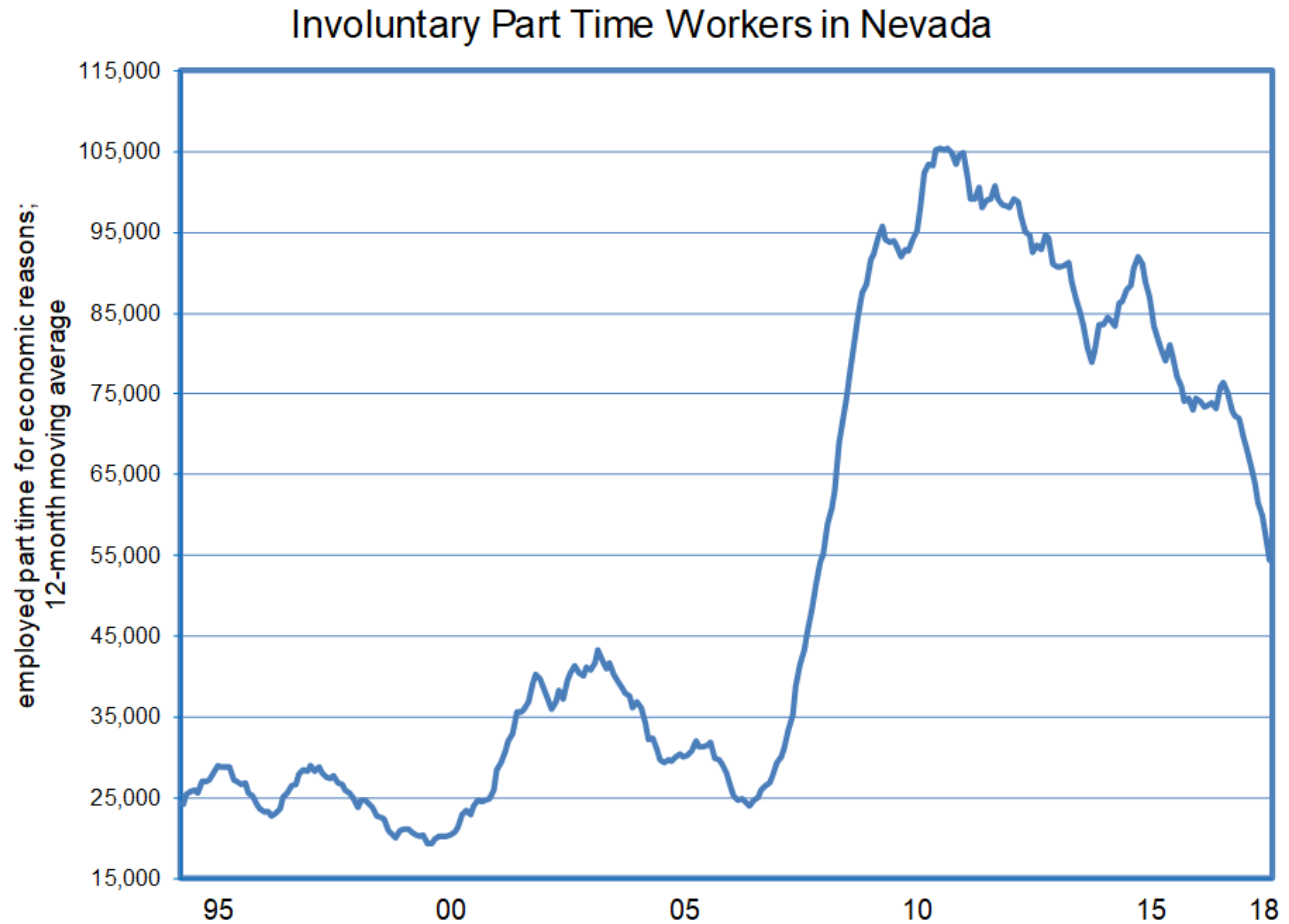
**U-5:** U-4 plus other marginally attached to labor force.



# Involuntary Part-Time Employment

Levels of involuntary part-time employment remain high, but have been falling since late 2010.

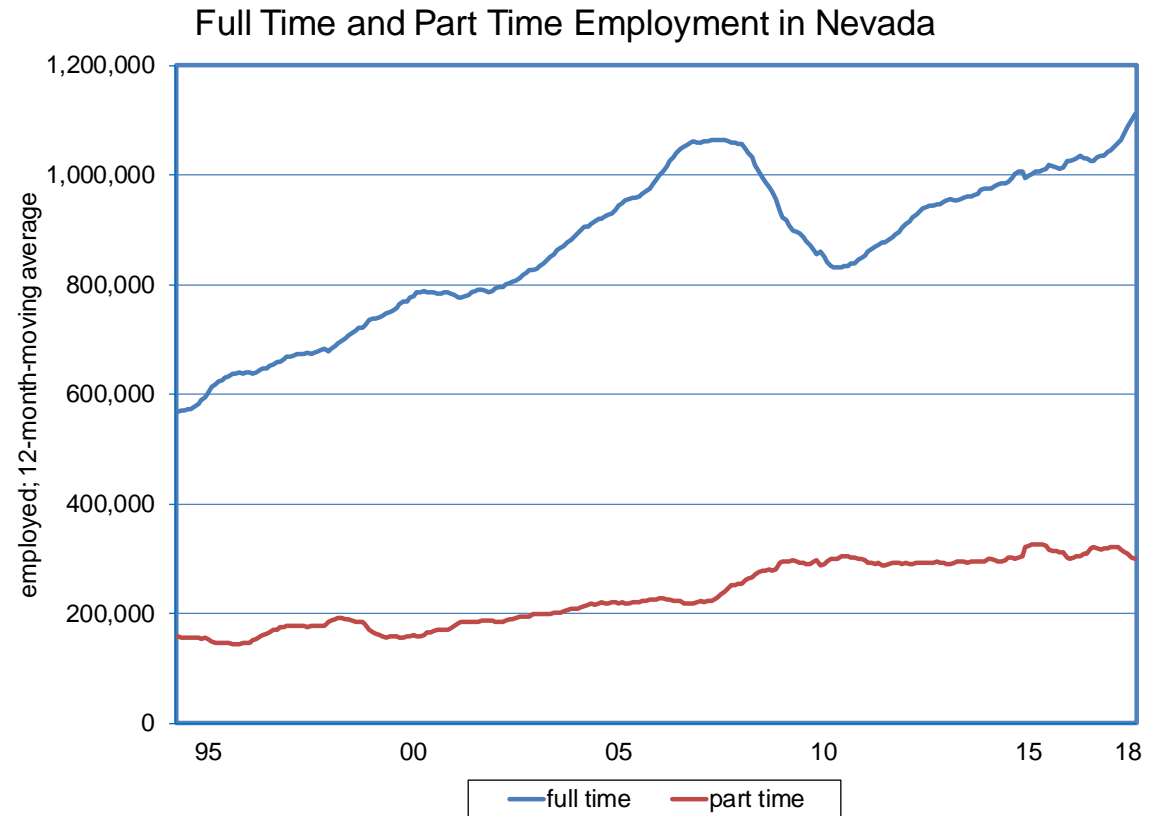
People who are employed part-time, but would prefer full-time employment if it were available.



# Full Time Employment in Nevada Reaches a New All Time High

1,112,190  
Nevadans are employed full time (working 35 hours or more per week), a record high

299,210  
Nevadans are employed part time

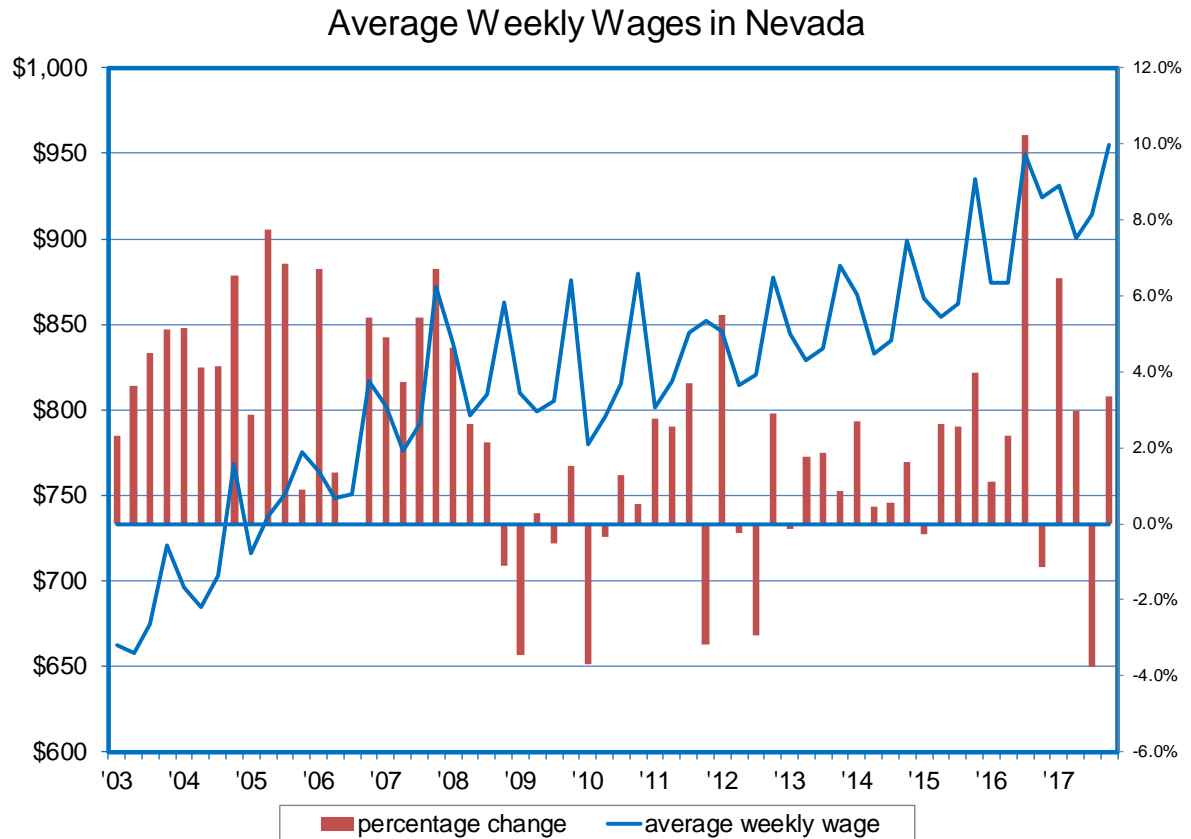


# Average Weekly Wages Reach New High

As of 2017:IVQ, average weekly wages reached a record-high of \$955

An increase of \$31 or 3.3% over the year

Wages have increased 6.2% since 2014, while consumer prices grew by just 4.3% over the same period



# National Data on Full-Time / Part-Time Wages

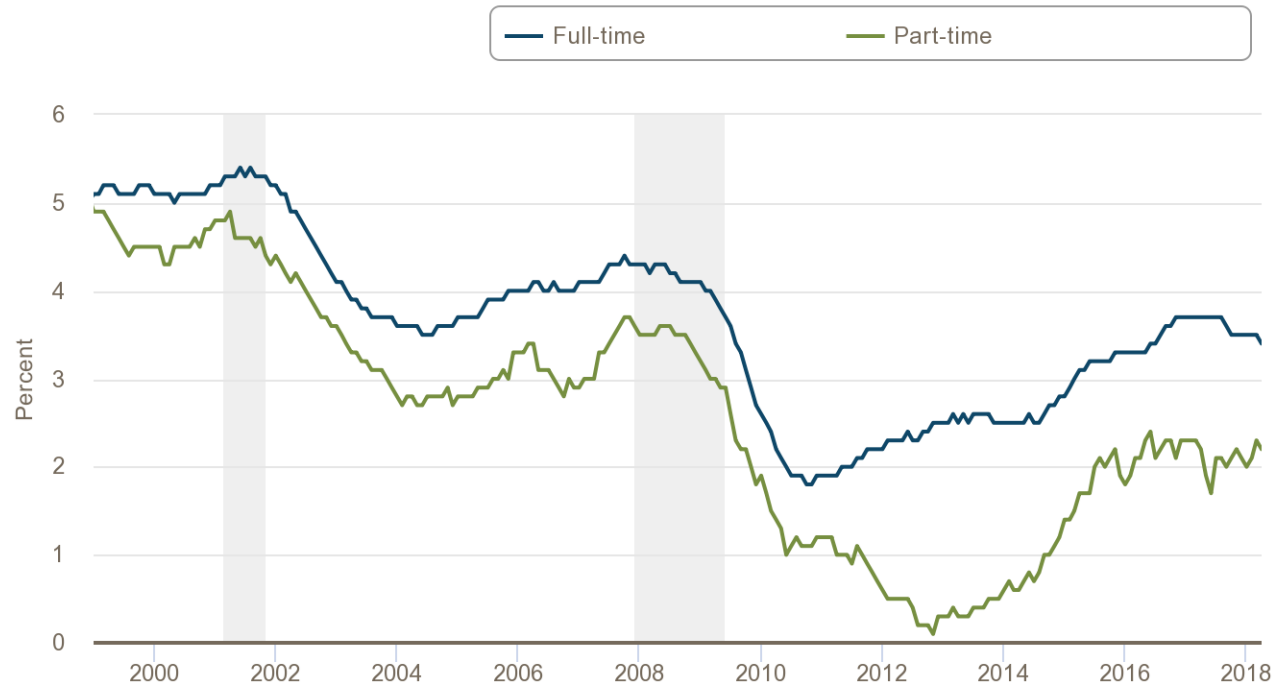
Source: Federal Reserve Bank of Atlanta, Macroblog

This larger gap (between full-time wage changes and part-time wage changes) appears to be attributable to a rise in the share of part-time employment in low-skilled jobs since the recession.

In particular, relative to 2007, the share of part-time workers in the Wage Growth Tracker data in low-skilled jobs has increased by about 3 percentage points, whereas the share of full-time workers in low-skilled jobs has remained essentially unchanged.

## Wage Growth Tracker by Full-Time or Part-Time

12-month moving averages of median wage growth



Sources: Current Population Survey, Bureau of Labor Statistics and author's calculations

FEDERAL RESERVE BANK of ATLANTA

Exported on: Friday, June 1, 2018

<http://macroblog.typepad.com/macroblog/2018/06/part-time-workers-are-less-likely-to-get-a-pay-raise.html>

# National Data on Drivers of Wage Growth

Source: Federal Reserve Bank of Atlanta, Macroblog

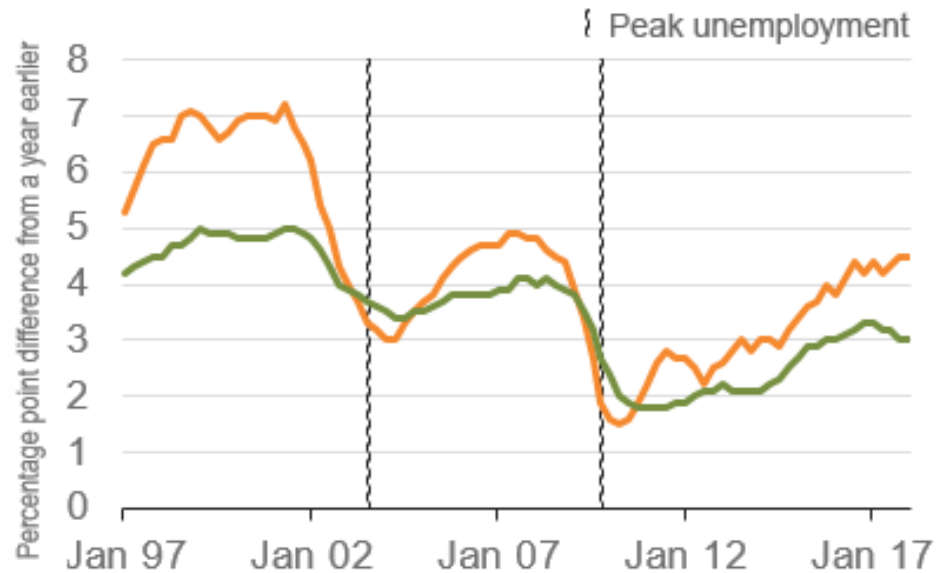
Although wages haven't been rising faster for the median individual, they have been for those who switch jobs. This distinction is important because the wage growth of job-switchers tends to be a better cyclical indicator than overall wage growth. In particular, the median wage growth of people who change industry or occupation tends to rise more rapidly as the labor market tightens.

Changing industry when unemployment is high tends to result in a wage growth penalty relative to those who remain employed in the same industry. But when the unemployment rate is low, voluntary quits rise and workers who change industries tend to experience higher wage growth than those who stay.

The wage growth performance for those changing jobs suggests... the labor market is continuing to gradually tighten.

## Median Wage Growth for Those Who ...

— Move to a different industry — Stay in the same industry



Note: Data are through the first quarter of 2018 and depict a four-quarter average.

Source: Current Population Survey, FRBA staff calculations

<http://macroblog.typepad.com/macroblog/2018/04/hitting-a-cyclical-high-the-wage-growth-premium-from-changing-jobs.html>

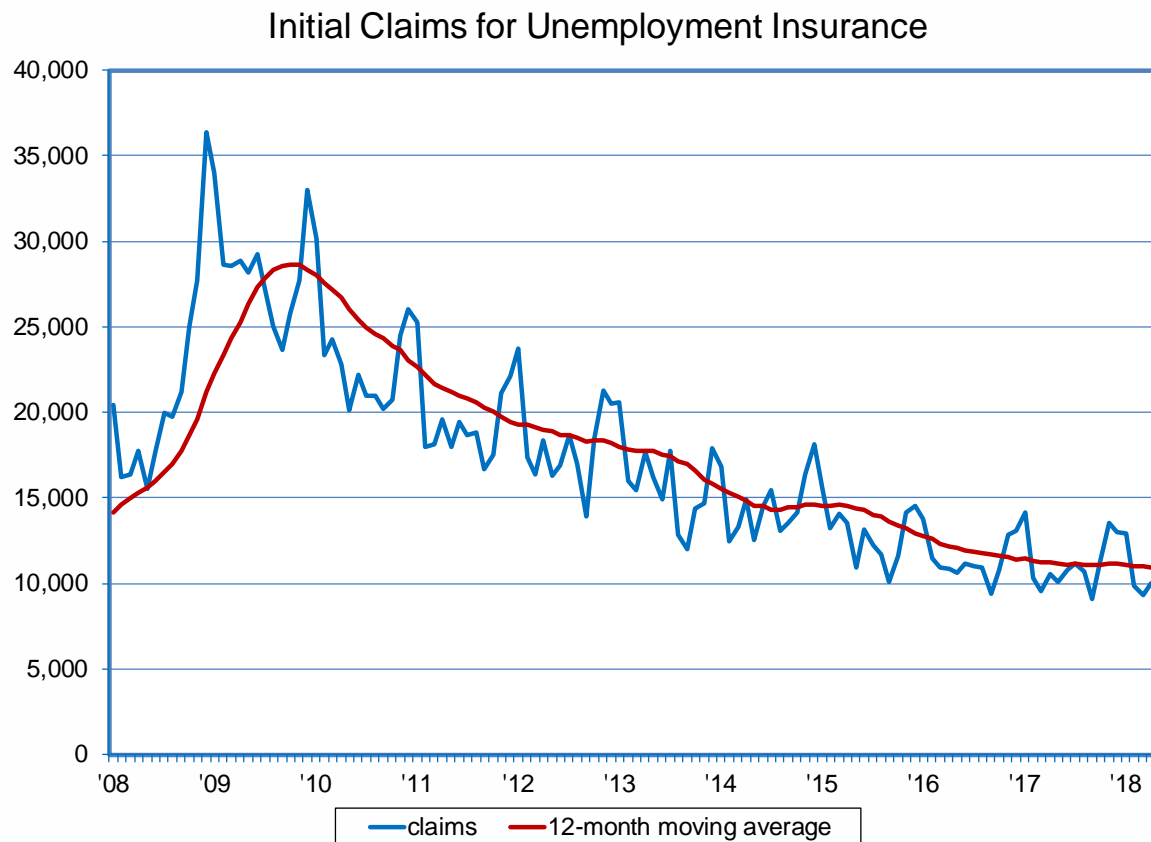


# Initial Claims for Unemployment Insurance

9,800 initial claims in May, down two percent over the month

Decline of three percent from the previous year

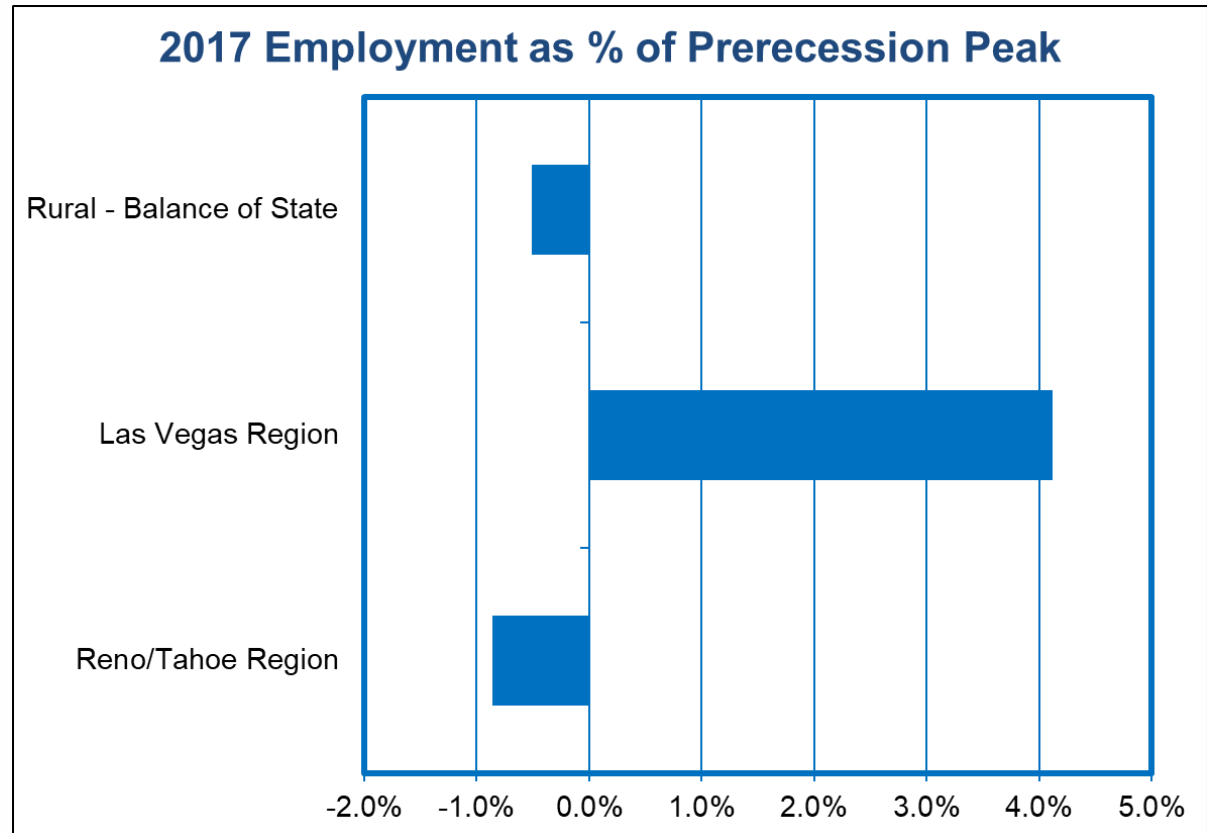
Maximum weekly benefit amount for FY 2019 set at \$450



# Employment Changes Since Recession by Area

Las Vegas is the only area to have passed its prerecession employment peak.

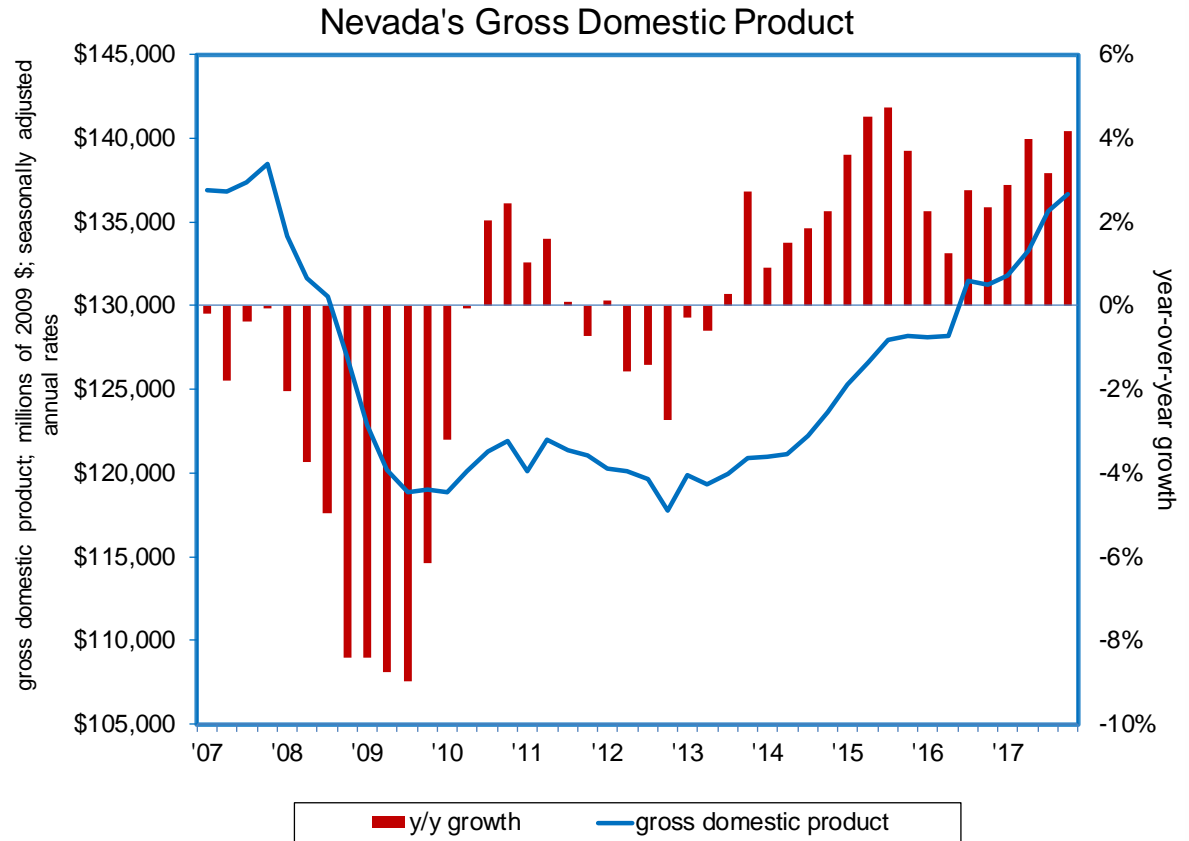
The Reno and Carson City MSAs are growing at a faster pace than Las Vegas, and are both within 1% of prerecession levels.



# Nevada's Economy: GDP Growth

Nevada's gross domestic product (GDP) totaled over \$131 billion (in 2009 \$) in 2017:IVQ

Nevada's GDP growth, at 4.2% in 2017:IVQ, has exceeded the nation's for six consecutive quarters

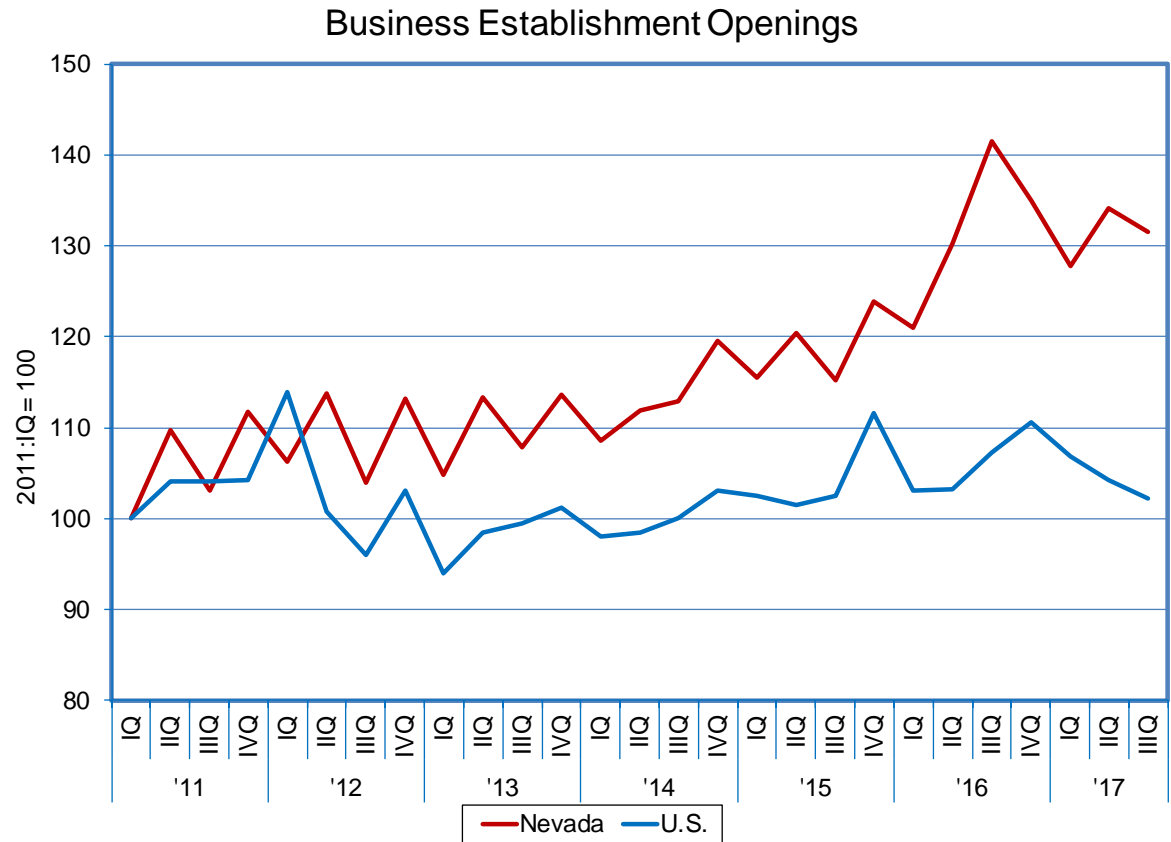


# Nevada Private Sector Business Establishment Openings

Nevada added 4,200 new business establishments during 2017:IIIQ

Openings have exceeded 4,000 in each of the past six quarters

Openings are exceeding the pace of the US as a whole.



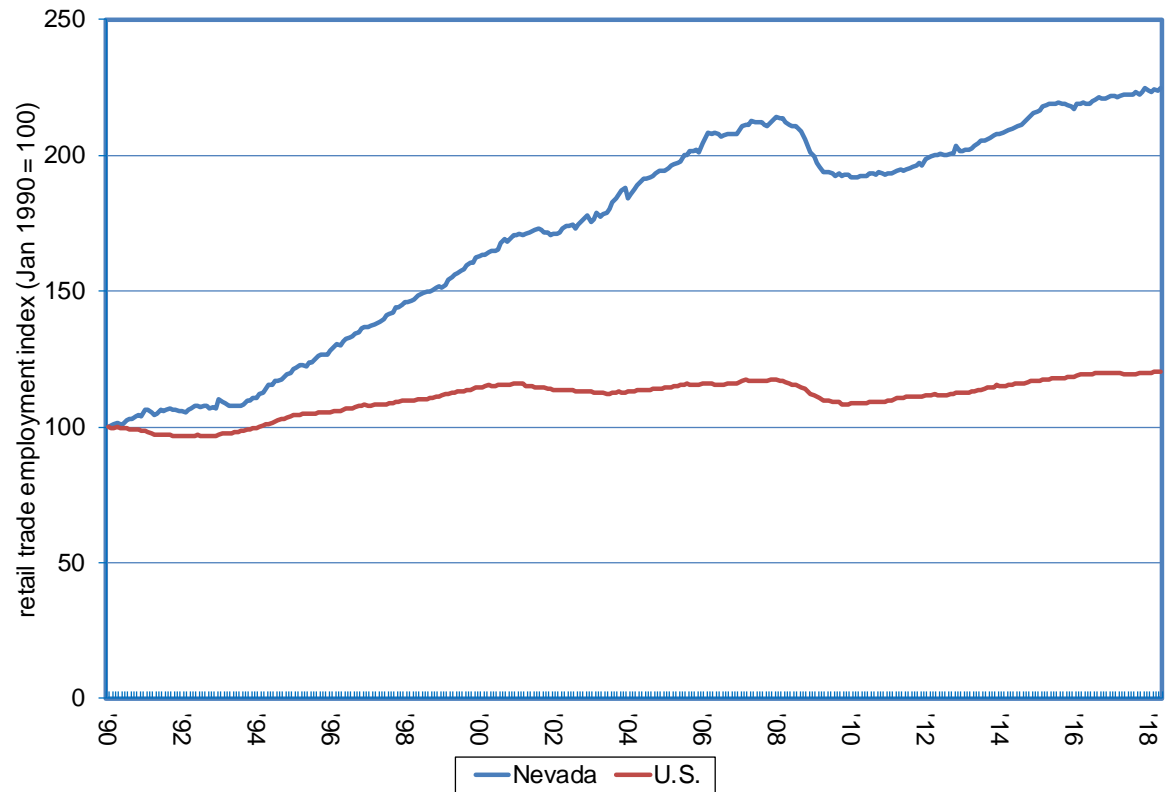
# Nevada's Retail Employment

Nevada's retail trade employment more than doubled from 1990 to 2018

Strongest gain in the nation

Clothing and accessories stores saw the largest gain, followed by general merchandise stores

Retail Trade Growth: Nevada vs. U.S.

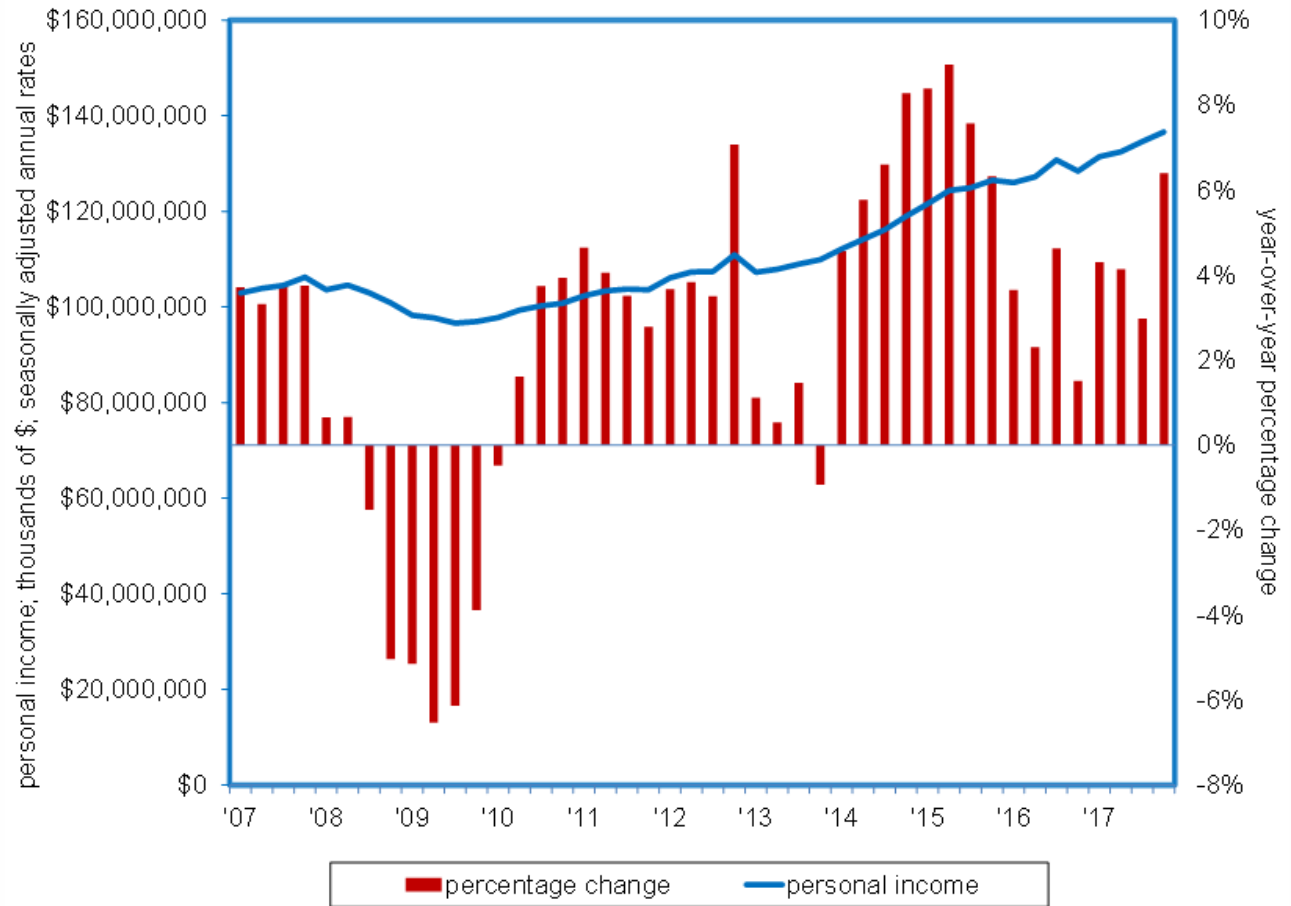


# Measures of Nevada's Economy: Personal Income

Personal Income in Nevada has risen in 30 of the past 31 quarters.

In the fourth quarter of 2017, Nevada's growth rate of 6.4% was the strongest in the nation.

Personal income is the income received by all persons from all sources: net earnings, property income, and personal current transfer receipts.



# Measures of Nevada's Economy: Personal Income

Per Capita Personal Income, calculated using 2016 data, shows that there is significant variation in personal income between Nevada's counties.

Douglas County, with the highest per capita personal income of over \$65,000 is more than double that in Pershing and Lincoln counties.

County	2016 Personal Income	2016 Population	Per Capita Personal Income, 2016
Douglas, NV	\$ 3,145,049.00	48,020	\$ 65,494.56
White Pine, NV	\$ 400,216.00	6,982	\$ 57,321.11
Lander, NV	\$ 303,714.00	5,702	\$ 53,264.47
Washoe, NV	\$ 22,549,907.00	453,616	\$ 49,711.45
Elko, NV	\$ 2,392,716.00	52,168	\$ 45,865.59
Humboldt, NV	\$ 739,086.00	16,842	\$ 43,883.51
Storey, NV	\$ 174,474.00	4,051	\$ 43,069.37
Carson City, NV	\$ 2,351,420.00	54,742	\$ 42,954.59
Clark, NV	\$ 91,150,359.00	2,155,664	\$ 42,284.12
Esmeralda, NV	\$ 33,296.00	790	\$ 42,146.84
Mineral, NV	\$ 180,158.00	4,449	\$ 40,494.04
Churchill, NV	\$ 913,968.00	24,198	\$ 37,770.39
Nye, NV	\$ 1,549,949.00	43,423	\$ 35,694.19
Eureka, NV	\$ 65,482.00	1,917	\$ 34,158.58
Lyon, NV	\$ 1,787,910.00	53,179	\$ 33,620.60
Pershing, NV	\$ 201,808.00	6,560	\$ 30,763.41
Lincoln, NV	\$ 150,121.00	5,055	\$ 29,697.53

# For Additional Information, Please Contact:

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