Economic Projections and Overview

Summary of Labor Market Economic Indicators

Department of Employment, Training, & Rehabilitation

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Prepared by the Research and Analysis Bureau
State Employment: 1,389,400

- Non-Farm Job Levels Up 44,800 (SA\(^1\)) Relative to a Year Ago in August
  - 92 consecutive months of year-over-year gains
  - 3.3% gain compares to 1.6% in the nation

- Up 1,200 Over the Month
  - 2,200 (NSA\(^2\)) jobs were expected to be added based upon historical trends, but 3,400 were actually added, resulting in the seasonally-adjusted gain
  - Matches month-over-month increase in August 2017
  - July’s employment level was revised down by 1,200 (SA), bringing the two-month gain to 9,500 jobs

\(^1\) seasonally adjusted
\(^2\) not seasonally adjusted
Annual Job Growth on Slight Upward Trend

The State added 44,800 jobs (3.3%) over the year in August. This is near the high end of the trend over the past year, with annual growth remaining near 40,000 jobs.

All numbers seasonally adjusted
Year-to-Date Job Growth Across Nearly All Sectors

Construction added 7,300 jobs year-to-date through August, a gain of 8.9%

Manufacturing has grown by 13.9% after adding 6,500 jobs

Education/health services grew by 4.8% and added 6,300 jobs

Trade/trans/utilities is up 5,800 jobs

Information sector is down by 300 jobs

Numbers not seasonally adjusted
August Employment Remains Strong

Total Employment of 1,389,400 in August

Large gains in manufacturing, professional & business services, education/health services, & Gov.

92,100 jobs above previous peak

All numbers seasonally adjusted
August Unemployment Rate: 4.5%

- Down 0.1 percentage point; down from 4.9% a year ago
  - Lowest rate since before the recession (August 2007), and within one percentage point of the lowest rate on record (3.8%)
  - In absolute terms, unemployment totaled 67,960; down 480 over the month and off from a recession high of 186,900
  - Fourth decline seen so far this year
- Compares to a 3.9% rate for the U.S.—0.6 percentage point higher
  - From 1997 to 2018, the gap has averaged 0.8 point
  - More than four points above U.S. rate at height of recession
  - Both Nevada and the nation have seen at least a 0.4 percentage point drop in their unemployment rates year to date

All numbers seasonally adjusted
August 2018 Unemployment Rate: 4.5%

Down from 4.9% a year ago¹

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

Lowest rate since August 2007

All numbers seasonally adjusted
Weekly wages averaged $977 during 2018:IQ

Increase of $46, or 4.9 percent, year-over-year

Wages in 2018:IQ mark a new record high exceeding the previous, $955, set in 2017:IVQ

 Likely affected by wages shifting from 2017:IVQ due to tax law change
5 of 7 fastest growing jobs fall in the top 10% of highest paid jobs in the State (avg. wages greater than $39.12/hr).

The job with the largest projected nominal growth over the ten-year period is retail sales workers (+11,174)

Roughly 4,000, or 67 percent of new jobs expected in Nevada's fastest growing occupations will earn an average wage greater than $41/hr.

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**Long-term Top Growing Occupations**

- **Electrical/Electronic Assemblers** (+1658 jobs, $14.93)
- **Electrical/Electronics Repairers** (+379 jobs, $34.81)
- **Mechanical Engineers** (+736 jobs, $42.72)
- **Software Developer-Apps** (+1620 jobs, $48.56)
- **Food Prep Workers** (+10931 jobs, $9.83)
- **Laborers** (+7401 jobs, $14.02)
- **Waiters/Waitresses** (+7366 jobs, $12.09)
- **Janitors** (+6457 jobs, $14.02)
- **CSR** (+5354 jobs, $15.74)
- **Industrial Engineers** (+358 jobs, $41.29)
- **Software Developer-Systems** (+643 jobs, $44.95)
- **RN's** (+5652 jobs, $40.86)
- **Electrical Engineers** (+643 jobs, $46.77)
- **Software Developer-Systems** (+643 jobs, $44.95)
- **Electrical/Electronics Repairers** (+379 jobs, $34.81)
- **Janitors** (+6457 jobs, $14.02)
- **Industrial Engineers** (+358 jobs, $41.29)
- **Food Prep Workers** (+10931 jobs, $9.83)
- **Retail Sales** (+11174 jobs, $13.04)

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 mẹ NevadaWorkforce.com  @NVLaborMarket
Nevada Starts 2018 with 4\textsuperscript{th} Highest Private Sector Job Growth

Since 2014, Nevada has had one of the fastest-growing private sectors in the nation.

Nevada’s employment growth was the lowest in the nation in 2009 (-10.1%) and 2010 (-2.8%).

2018:Q1: Right ahead of the Silver State, in terms of growth, are Idaho, Oregon, and Utah.

Growth is concentrated in the Western United States.
Private Sector Job Growth Analysis, Top 15 States

**Last Year:**
West and South both well-represented (all Top 12).

<table>
<thead>
<tr>
<th>State</th>
<th>2016Q1 AVG</th>
<th>2017Q1 AVG</th>
<th>2017Q1 %Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada</td>
<td>1,105,156</td>
<td>1,145,405</td>
<td>3.64%</td>
</tr>
<tr>
<td>Idaho</td>
<td>548,251</td>
<td>566,346</td>
<td>3.30%</td>
</tr>
<tr>
<td>Florida</td>
<td>7,178,777</td>
<td>7,403,831</td>
<td>3.14%</td>
</tr>
<tr>
<td>Utah</td>
<td>1,137,217</td>
<td>1,172,650</td>
<td>3.12%</td>
</tr>
<tr>
<td>Georgia</td>
<td>3,542,394</td>
<td>3,643,747</td>
<td>2.86%</td>
</tr>
<tr>
<td>Arizona</td>
<td>2,270,505</td>
<td>2,333,564</td>
<td>2.78%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>1,609,183</td>
<td>1,653,939</td>
<td>2.76%</td>
</tr>
<tr>
<td>Washington</td>
<td>2,574,933</td>
<td>2,641,193</td>
<td>2.57%</td>
</tr>
<tr>
<td>Oregon</td>
<td>1,506,937</td>
<td>1,543,672</td>
<td>2.44%</td>
</tr>
<tr>
<td>Colorado</td>
<td>2,103,221</td>
<td>2,149,554</td>
<td>2.20%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>2,422,719</td>
<td>2,476,073</td>
<td>2.20%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>3,482,415</td>
<td>3,555,359</td>
<td>2.09%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>2,360,278</td>
<td>2,409,647</td>
<td>2.09%</td>
</tr>
<tr>
<td>California</td>
<td>13,971,490</td>
<td>14,255,678</td>
<td>2.03%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>3,274,461</td>
<td>3,340,941</td>
<td>2.03%</td>
</tr>
</tbody>
</table>

**This Year:**
Oregon, Arizona replace Florida, Georgia in Top 5.
South Carolina strongest non-western state (#8).
Nevada, Idaho, Utah remain in Top 5.

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<thead>
<tr>
<th>State</th>
<th>2017 Q1 Avg</th>
<th>2018 Q1 Avg</th>
<th>2018 Q1 %Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idaho</td>
<td>564,856</td>
<td>587,881</td>
<td>4.076%</td>
</tr>
<tr>
<td>Oregon</td>
<td>1,545,141</td>
<td>1,605,604</td>
<td>3.913%</td>
</tr>
<tr>
<td>Utah</td>
<td>1,172,911</td>
<td>1,218,644</td>
<td>3.899%</td>
</tr>
<tr>
<td>Nevada</td>
<td>1,145,342</td>
<td>1,186,186</td>
<td>3.566%</td>
</tr>
<tr>
<td>Arizona</td>
<td>2,335,200</td>
<td>2,411,786</td>
<td>3.280%</td>
</tr>
<tr>
<td>Washington</td>
<td>2,642,141</td>
<td>2,726,743</td>
<td>3.202%</td>
</tr>
<tr>
<td>Colorado</td>
<td>2,150,466</td>
<td>2,210,597</td>
<td>2.796%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>1,657,559</td>
<td>1,702,991</td>
<td>2.741%</td>
</tr>
<tr>
<td>California</td>
<td>14,214,042</td>
<td>14,597,973</td>
<td>2.701%</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>515,311</td>
<td>528,832</td>
<td>2.624%</td>
</tr>
<tr>
<td>Georgia</td>
<td>3,637,575</td>
<td>3,727,442</td>
<td>2.471%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>1,233,902</td>
<td>1,264,292</td>
<td>2.463%</td>
</tr>
<tr>
<td>Texas</td>
<td>9,989,110</td>
<td>10,218,299</td>
<td>2.294%</td>
</tr>
<tr>
<td>Florida</td>
<td>7,402,701</td>
<td>7,572,499</td>
<td>2.294%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>3,560,542</td>
<td>3,633,062</td>
<td>2.037%</td>
</tr>
</tbody>
</table>
Predicting the Next Recession

Economists Think the Next U.S. Recession Could Begin in 2020
Majority of forecasters surveyed by WSJ predict the current expansion will end only after setting a record for longevity

By Ben Leubsdorf
May 10, 2018 10:05 a.m. ET

Market Watchers Say US Recession Is Coming

Is The U.S. Headed For Recession?
June 29, 2018 · 3:35 PM ET

What A Potential 2020 Recession Could Mean For Millennial Parents

Christine Michel Carter
Under 10 
Jun 24, 2018, 07:30pm · 32,236 views · #Economy

Morgan Stanley expects the inverted yield curve — harbinger of recession — in 2019
Published: July 12, 2018 4:33 p.m. ET
Economic Indices

An economic index tries to compare several different economic factors to provide a snapshot view of the economy.

A leading index typically targets changes in a corresponding coincident index 6 to 12 months in advance.
Timing the Next Recession

Single Measures

Other economic measures, such as the yield curve, oil prices, housing starts, or unemployment claims also sometimes turn down in advance of the official start of a recession.
Preparation for the Next Recession

- Few measures are well-suited to try to predict a recession 18-30 months in advance.
- Most leading measures are considered successful if they can accurately predict changes 6 months in advance.
- No clear indications of recession in current data, though yield curve is heading toward inversion.
- Tradeoff between sensitivity and selectivity
  - Very sensitive measures will lead to false positives
  - Very selective measures will lead to false negatives.
- Predictions of future recessions are difficult, at best.
- Preparation for future recessions, however, is a more reliable course of action.
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