



# Nevada's Employment Outlook and UI Trust Fund Forecast

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Small Business Workshop

November 2022

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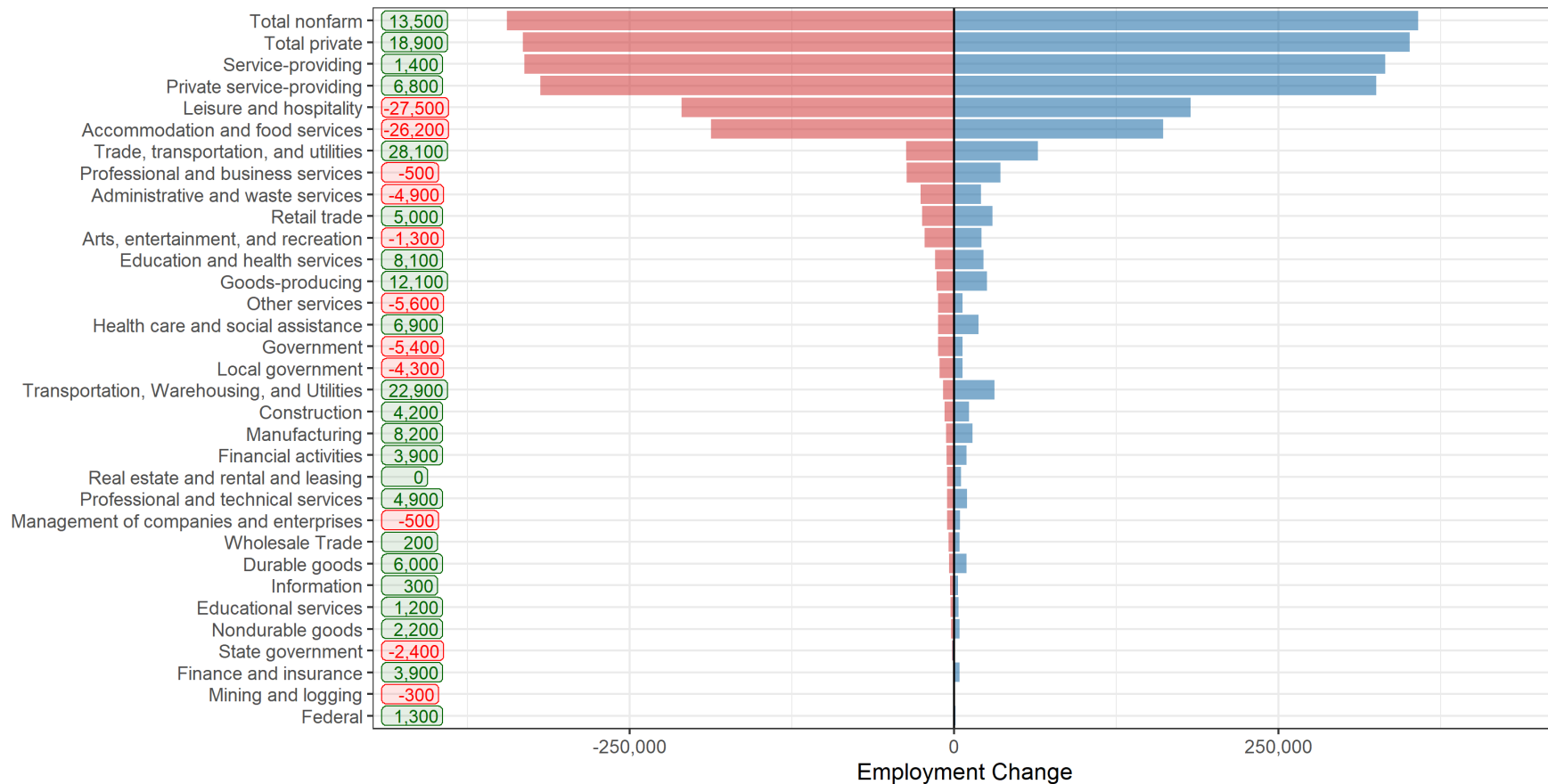
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*Prepared by the Research & Analysis Bureau*

# Most Industries Have Recovered

## Jobs Lost and Gained, Nevada

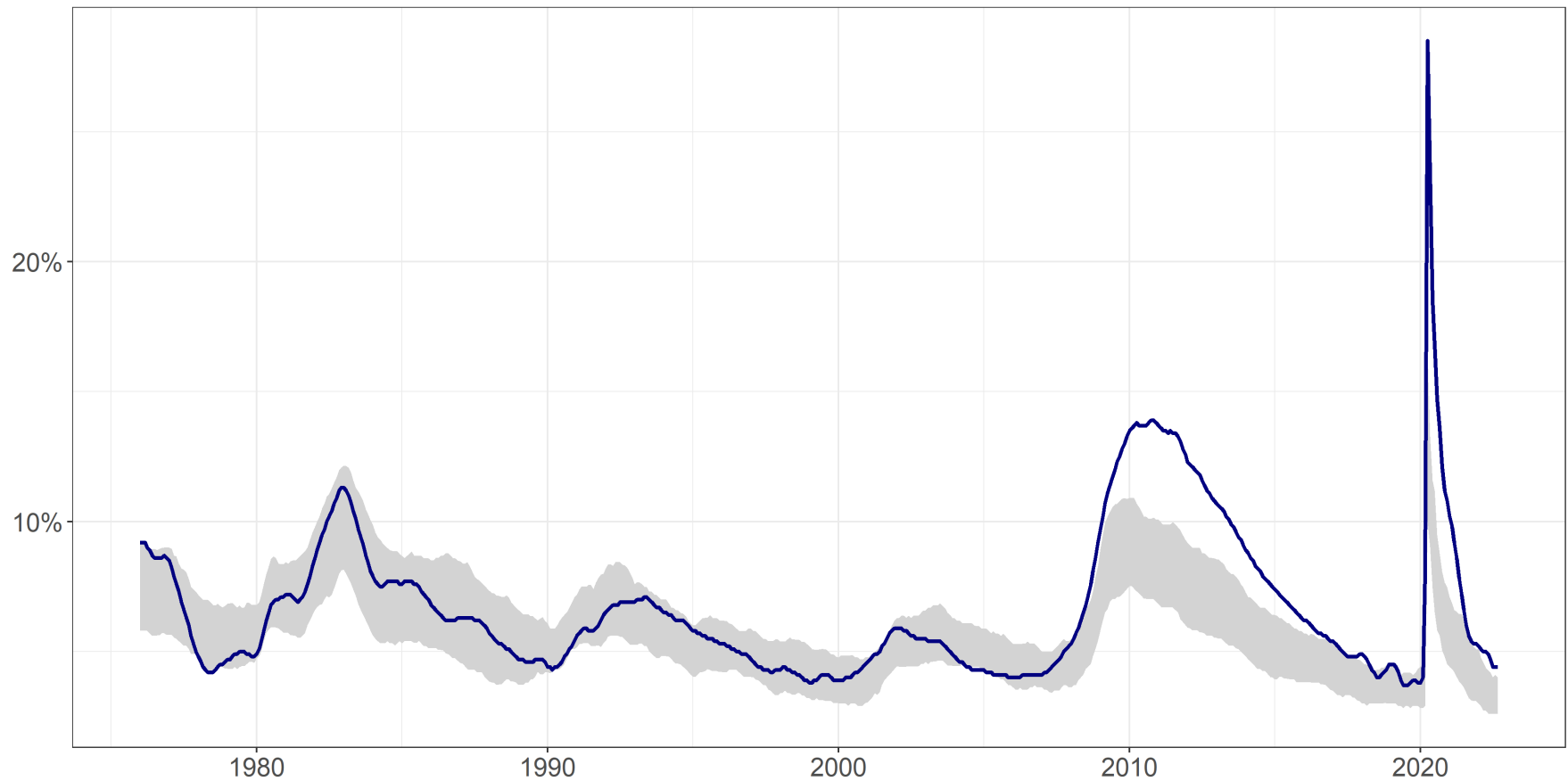
Jobs Lost Feb 2020 to May 2020, Gained May 2020 to September 2022



Seasonally Adjusted Data

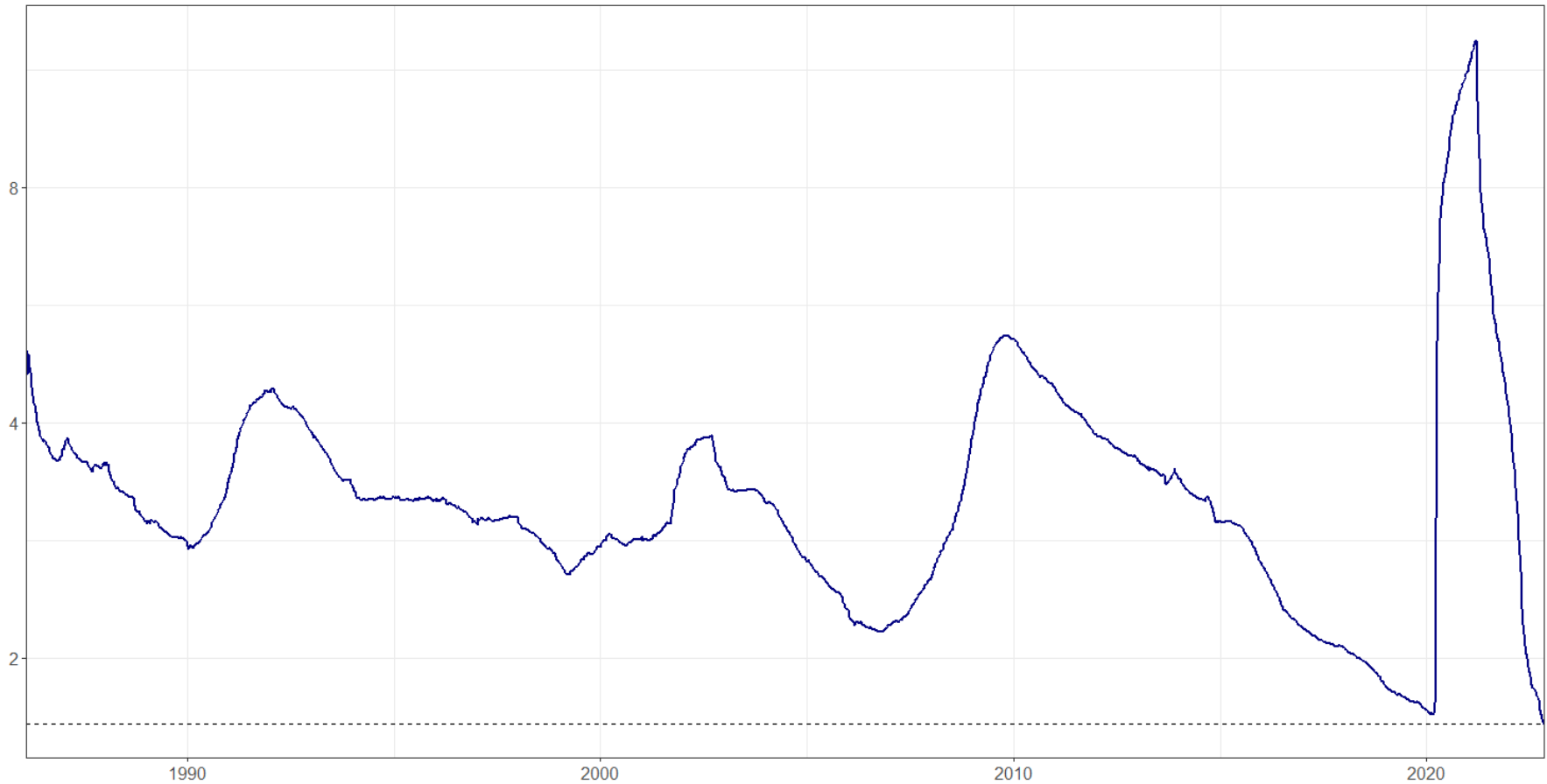
# Unemployment is Generally Low

Unemployment Rate for Nevada and Other States  
Grey area represents 20th to 80th percentile for all states



# Unemployment Claims are Low

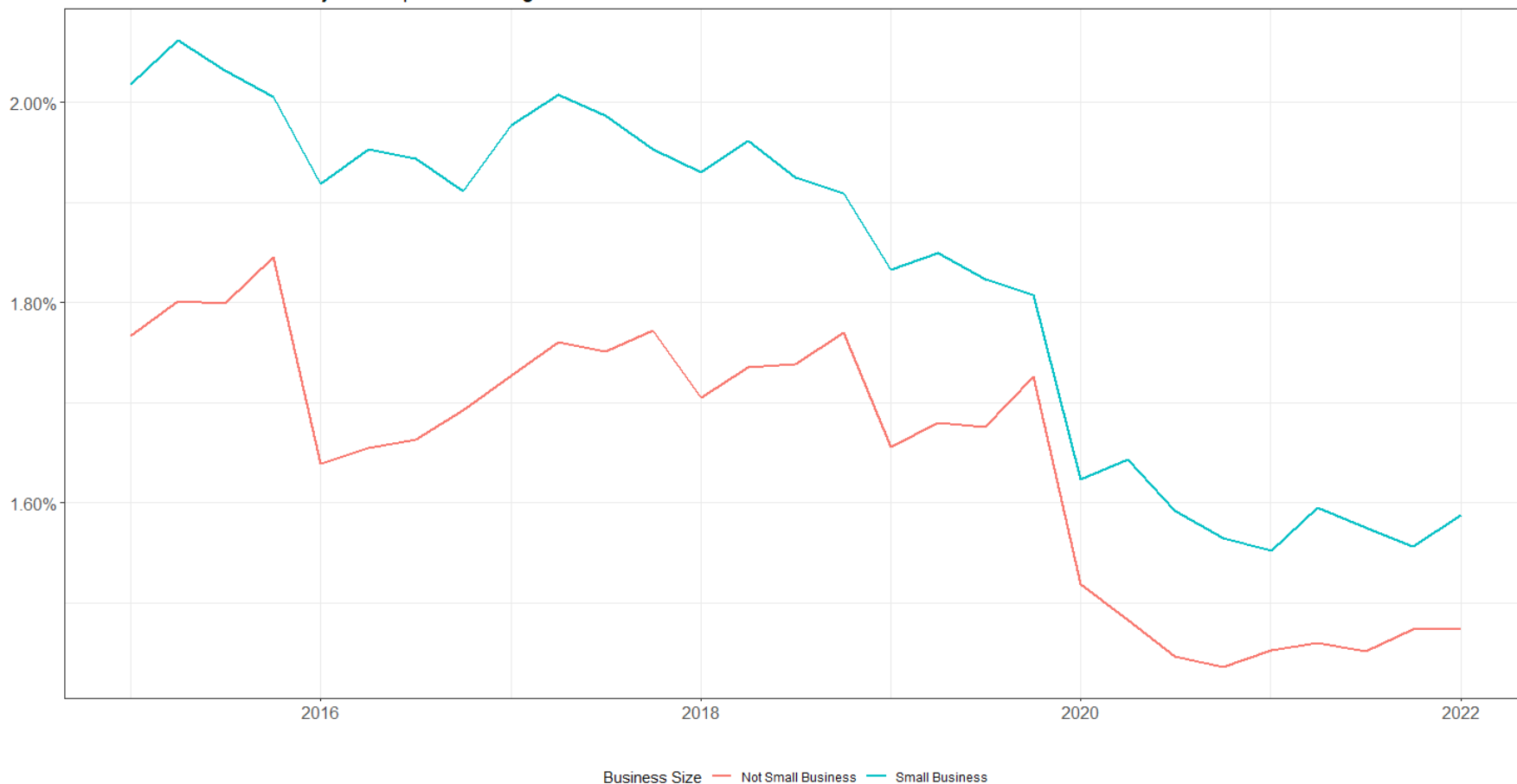
Weekly Initial Claims Per Thousand Workers  
52-week average, y axis on exponential scale



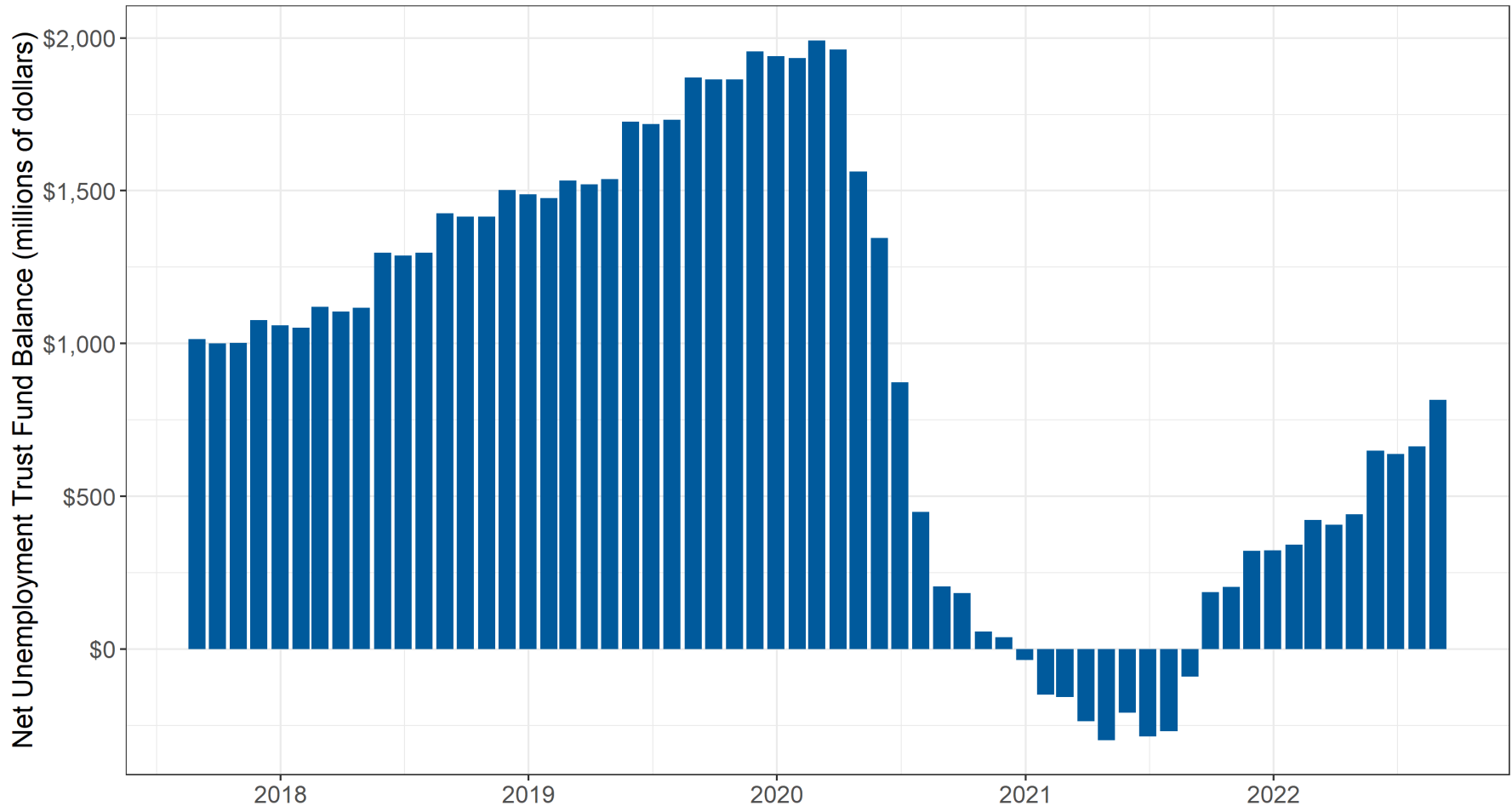
# Employer Rates Trend Together Over Time

Average UI Contribution Rate For Small Businesses and Large Businesses

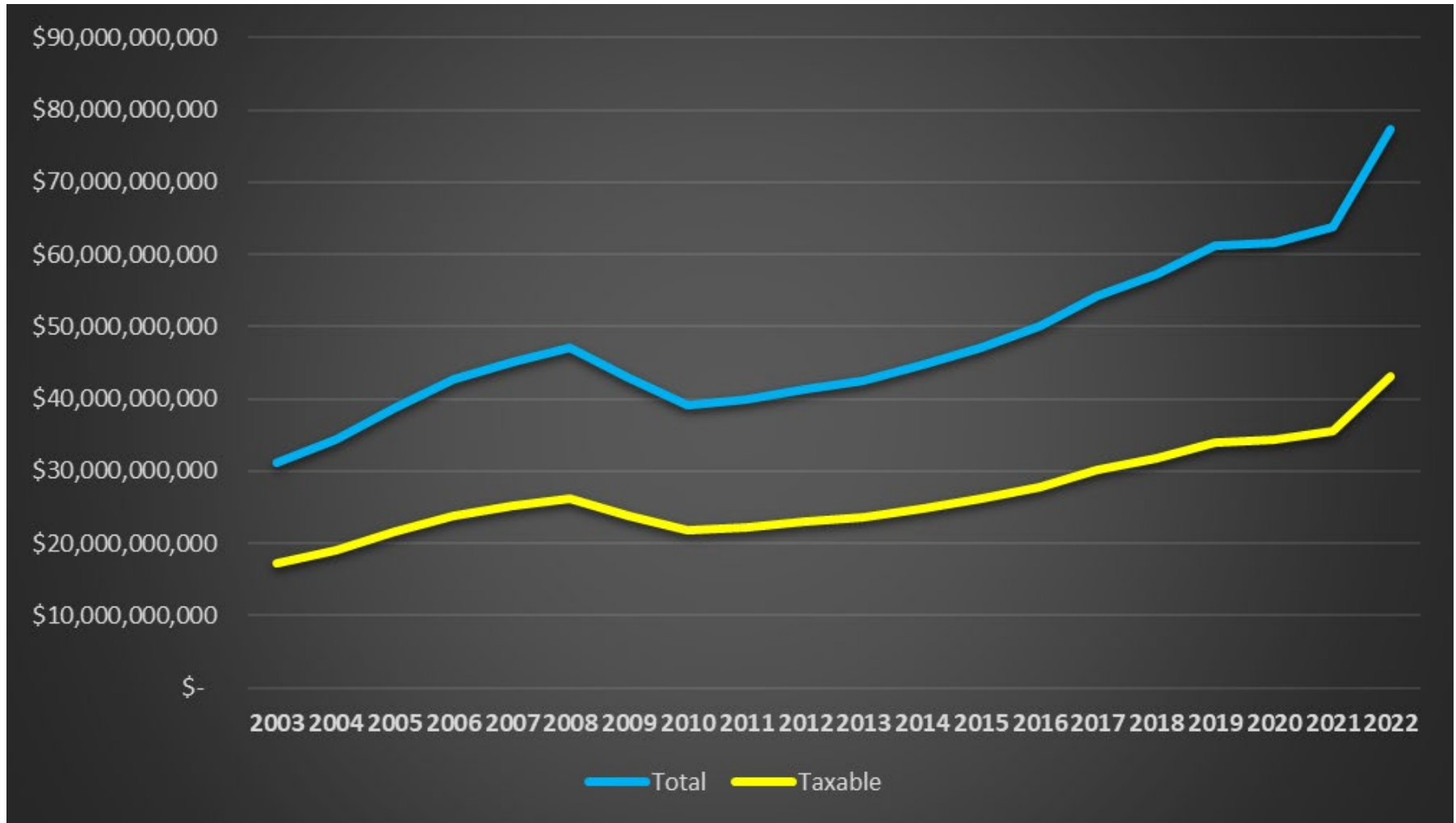
Excludes businesses not subject to experience rating



# Trust Fund Cash Flow is Strong

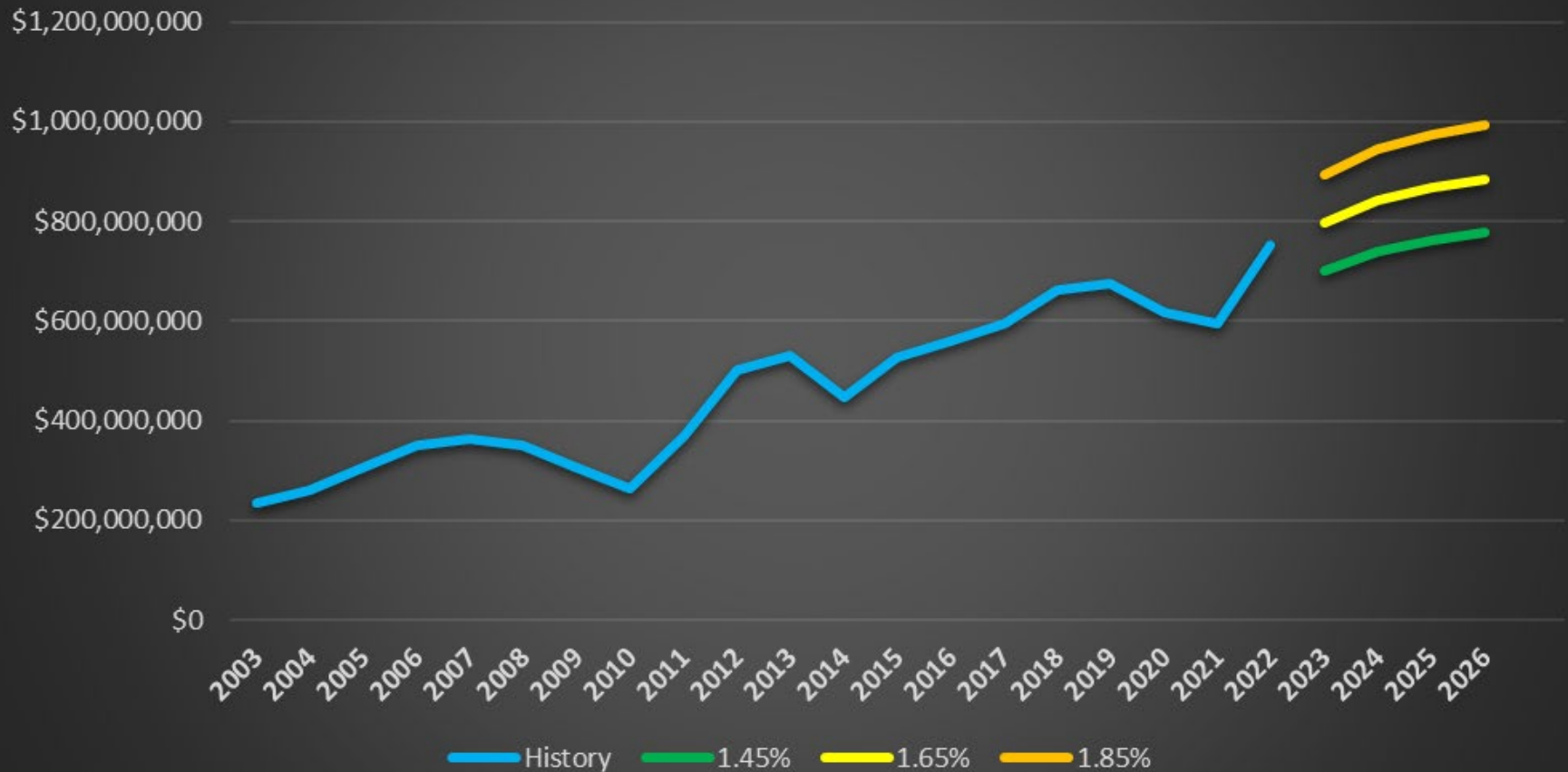


# Rising Wages Drive Trust Fund Growth



# Projected Contributions at 1.65%

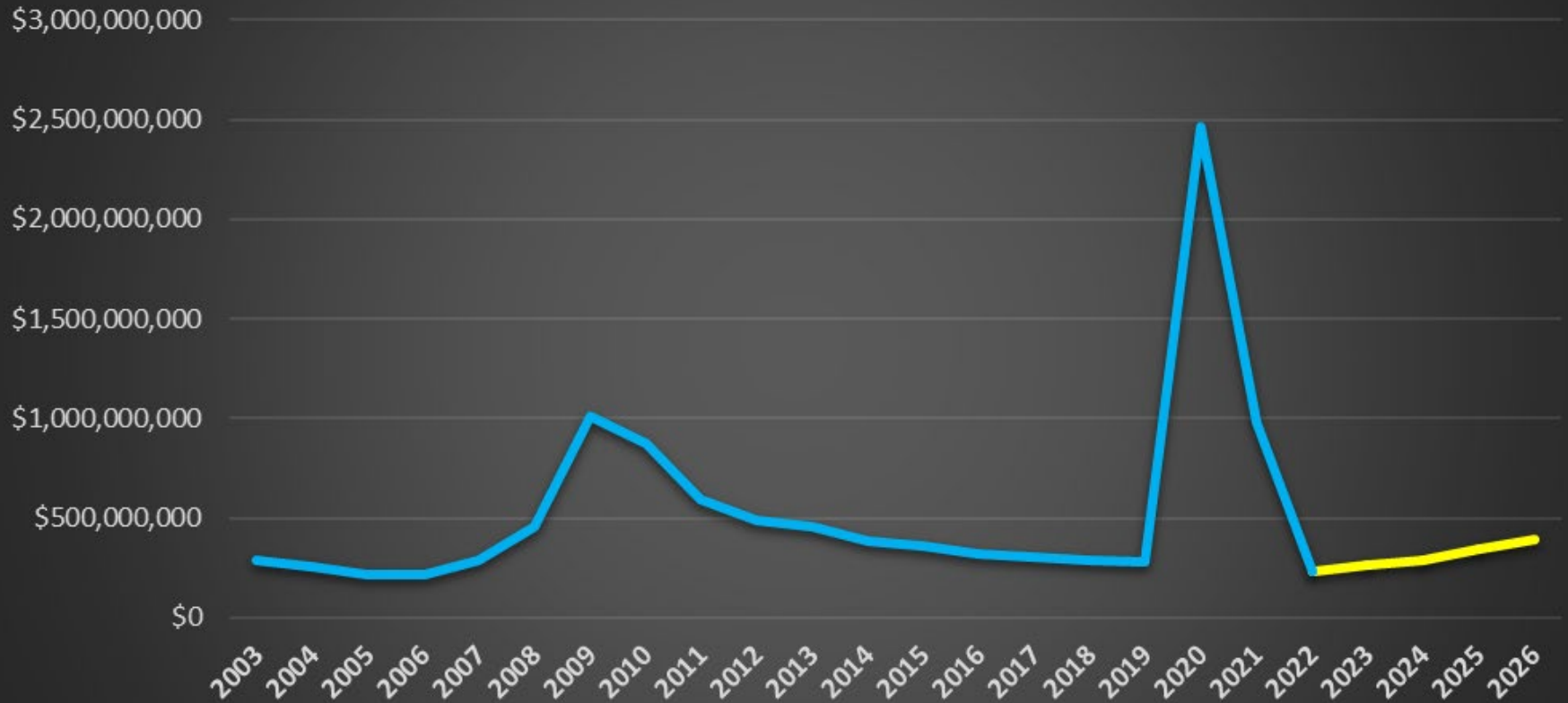
## Historic and Projected Contributions





# Rising Wages Also Drive Benefits Higher

## Historic and Projected Benefits



# Historic Cash Flows

<b>Nevada Solvency Calculation</b> NRS 612.550	<b>Actual</b> <b>2017</b>	<b>Actual</b> <b>2018</b>	<b>Actual</b> <b>2019</b>	<b>Actual</b> <b>2020</b>	<b>Actual</b> <b>2021</b>	<b>Preliminary</b> <b>2022</b>
Covered Employment	1,161,391	1,204,250	1,242,021	1,147,075	1,168,229	1,241,497
Highest Risk Ratio	18.85%	18.85%	14.48%	38.63%	43.55%	43.55%
Highest Weeks Duration	19.12	19.12	18.45	16.23	25.02	25.02
Average Weekly Payment	\$335.96	\$347.18	\$360.52	\$364.15	\$377.93	\$373.93
<b>Solvency Target (Millions)</b>	<b>\$1,406.6</b>	<b>\$1,507.2</b>	<b>\$1,196.6</b>	<b>\$2,618.9</b>	<b>\$4,810.6</b>	<b>\$5,058.3</b>
<b>UI Trust Fund Level: October -</b>						
<b>Beginning Fund Balance</b> <b>(Millions)</b>	<b>675.9</b>	<b>1,001.5</b>	<b>1,416.3</b>	<b>1,864.6</b>	<b>291.0</b>	<b>-76.0</b>
Contributions	595.4	663.5	674.0	617.9	595.6	752.7
Benefit Payments	294.2	281.8	268.7	2,232.2	862.3	228.0
Other Items	24.4	33.0	43.1	40.7	-100.3	346.7
Net Change in Fund	325.6	414.7	448.3	-1,573.6	-367.0	871.4
<b>Ending Fund Balance (Millions)</b>	<b>1,001.5</b>	<b>1,416.3</b>	<b>1,864.6</b>	<b>291.0</b>	<b>-76.0</b>	<b>795.5</b>
<b>Solvency Level (Millions)</b>	<b>-405.1</b>	<b>-91.0</b>	<b>668.0</b>	<b>-2,327.9</b>	<b>-4,886.6</b>	<b>-4,262.8</b>
Multiple	0.71	0.94	1.56	0.11	-0.02	0.16
Average High Cost Multiple	0.95	1.27	1.54	0.23	-0.04	0.38
<b>Average Tax Rate</b>	<b>1.95%</b>	<b>1.95%</b>	<b>1.85%</b>	<b>1.65%</b>	<b>1.65%</b>	<b>1.65%</b>
<b>CEP Assessment</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>
<b>Total Cost to Employers</b>	<b>2.00%</b>	<b>2.00%</b>	<b>1.90%</b>	<b>1.70%</b>	<b>1.70%</b>	<b>1.70%</b>
<b>Average Cost per Employee at</b> <b>Max Taxable Wage</b>	<b>\$590.00</b>	<b>\$610.00</b>	<b>\$592.80</b>	<b>\$552.50</b>	<b>\$567.80</b>	<b>\$622.20</b>
AHCM Target (\$Millions) \$	1,056	\$ 1,116	\$ 1,207	\$ 1,278	\$ 1,786	\$ 2,073
Maximum Taxable Wages \$	29,500	\$ 30,500	\$ 31,200	\$ 32,500	\$ 33,400	\$ 36,600

# Projected Cash Flows

## UI Trust Fund Level: October

<b>Beginning Fund Balance (Millions)</b>	<b>795.5</b>	<b>795.5</b>	<b>795.5</b>
Contributions	700.5	797.1	893.8
Benefit Payments	261.6	261.6	261.6
Other Items	14.8	16.0	17.1
Net Change in Fund	453.7	551.5	649.3
<b>Ending Fund Balance (Millions)</b>	<b>1,249.2</b>	<b>1,346.9</b>	<b>1,444.8</b>
<b>Average High Cost Multiple</b>	<b>0.51</b>	<b>0.55</b>	<b>0.59</b>
<b>Average Tax Rate</b>	<b>1.45%</b>	<b>1.65%</b>	<b>1.85%</b>
<b>CEP Assessment</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>
<b>Total Cost to Employers</b>	<b>1.50%</b>	<b>1.70%</b>	<b>1.90%</b>
<b>Average Cost per Employee at Max Taxable Wage</b>	<b>\$601.50</b>	<b>\$681.70</b>	<b>\$761.90</b>
AHCM Target (\$Millions)	\$ 2,442	\$ 2,442	\$ 2,442
Maximum Taxable Wages	\$ 40,100	\$ 40,100	\$ 40,100