A Long-Term Perspective on Nevada’s Job Growth

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As is well known, the Nevada economy has not yet fully recovered from the Great Recession. Employment in the Silver State remains 7.3 percent below its prerecession peak. Yet, recovery is underway, and Nevada has been among the fastest-growing states over the past two years.

Prior to the Great Recession, Nevadans had grown accustomed to strong economic growth. From January 1990 to December 2007, the latter date being when the U.S. economy peaked prior to the Great Recession, Nevada employment grew at a 4.28 percent annual rate (Figure 1). In contrast, U.S. employment grew at a 1.33 percent annual rate.

Figure 1: U.S. and Nevada Employment

In fact, Nevada was the fastest-growing state during the 18 years prior to the Great Recession (Figure 2). Arizona was second with an annual growth rate of 3.39 percent, and Utah was third with an annual growth rate of 3.30 percent. In general, U.S. growth was strongest in the Intermountain West, Texas and the Southeast.
During 2008 (the first year of the Great Recession), the United States lost 2.58 percent of its jobs. The states in the West and the Southeast shifted from being among the fastest-growing areas of the country to those with the greatest percentage job losses (Figure 3). Nevada was first with a 6.16 percent job loss. Florida was second with a 5.61 percent job loss, and Arizona was third with a 5.20 percent job loss.

Only seven states and the District of Columbia saw job growth. Most of those states—North Dakota, Alaska, Wyoming, Oklahoma, Texas and Louisiana—are prominent in oil and gas production.
The U.S. recession officially ended in June 2009. In that year, the United States lost 3.77 percent of its jobs. Nevada remained first with a 7.16 percent job loss (Figure 4). Arizona moved into second with a 6.23 percent job loss, and Wyoming took third with a 5.99 percent job loss. Only North Dakota (with its rapidly expanding Bakken Shale Oil Play) and the District of Columbia saw job gains in 2009.

**Figure 4: 2009 Employment Growth**

In 2010, the United States saw an employment gain of 0.82 percent. Only three states, Nevada, New Jersey and New Mexico, saw job losses (Figure 5). Again, Nevada saw the highest percentage job loss at 0.65 percent. New Jersey’s job loss was 0.57 percent, and New Mexico’s was 0.06 percent.

**Figure 5: 2010 Employment Growth**
In 2011, the United States saw an employment gain of 1.59 percent. Oil-producing North Dakota and Texas and states in the Intermountain West were among the fastest-growing states (Figure 6). Nevada ranked 33rd in growth with a 1.07 percent job gain.

**Figure 6: 2011 Employment Growth**

In 2012, some of the prerecession patterns of U.S. regional economic growth reemerged (Figure 7). Growth was concentrated in oil- and gas-producing regions, the West and the Southeast. The United States saw employment growth of 1.68 percent, and Nevada was 13th with a job gain of 1.98 percent. Only Wyoming and West Virginia saw job losses.

**Figure 7: 2012 Employment Growth**
In 2013, we saw a continuation of the patterns established in 2012 (Figure 8). Growth was the fastest in North Dakota, Texas, the West and the Southeast. The United States saw employment growth of 1.72 percent, and Nevada was 2nd with a job gain of 3.42 percent. Only New Mexico saw job losses.

**Figure 8: 2013 Employment Growth**

Over the more than 25-year period from January 1990 through February 2014, including the Great Recession, the United States saw job gains at a 1.0 percent average annual rate. Nevada employment grew nearly three times faster with an average annual rate of 2.86 percent, the highest average rate of any state in the nation during that time period.

Recessions often bring about new patterns of economic growth. Yet, for Nevada, other parts of the West and the Southeast the current pictures are substantially similar to those before the recession. The Great Recession brought about a substantial departure from Nevada’s normal high growth rate, but the Silver State has reemerged as one of the fastest-growing states in the nation.

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