

April 10, 2014

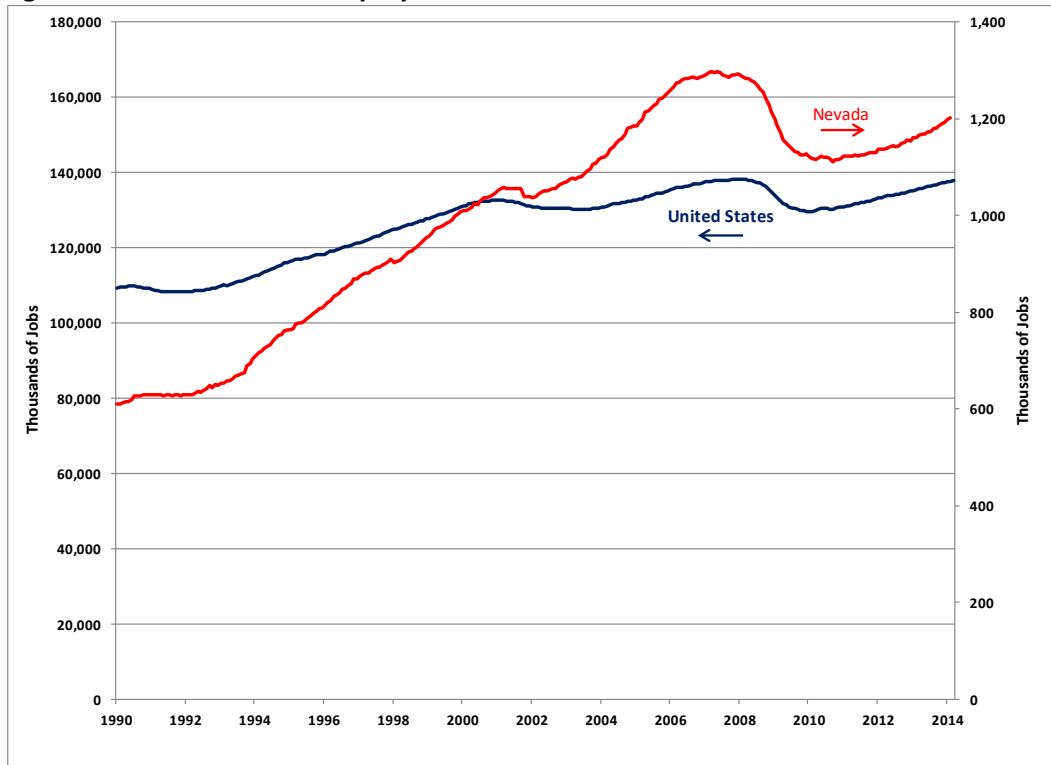
A Long-Term Perspective on Nevada’s Job Growth

Stephen P. A. Brown

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.

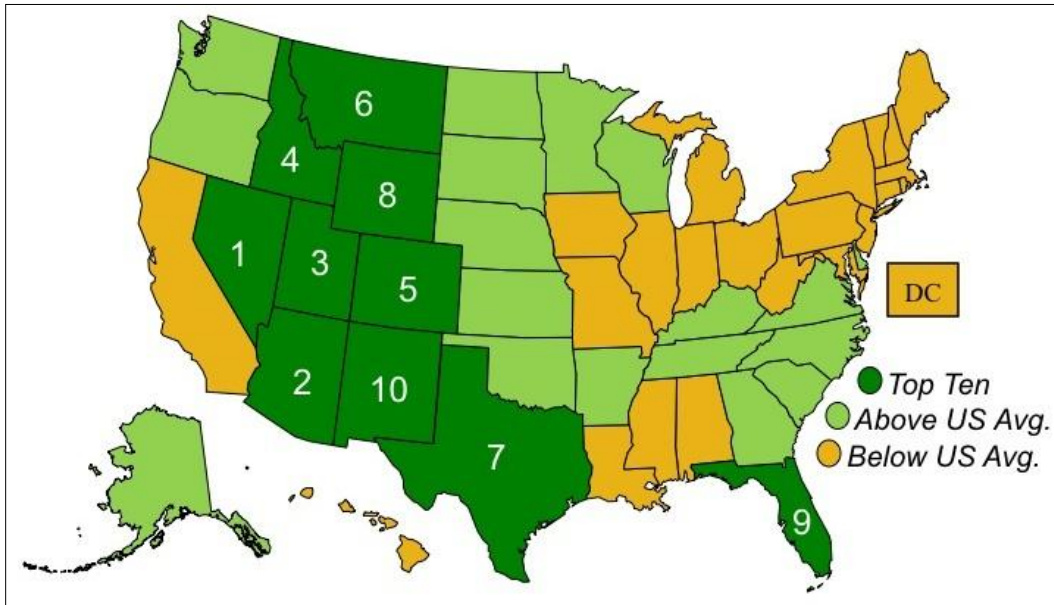
Figure 1: U.S. and Nevada Employment



Source: U.S. Bureau of Labor Statistics

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.

Figure 2: Employment Growth, January 1990 through December 2007

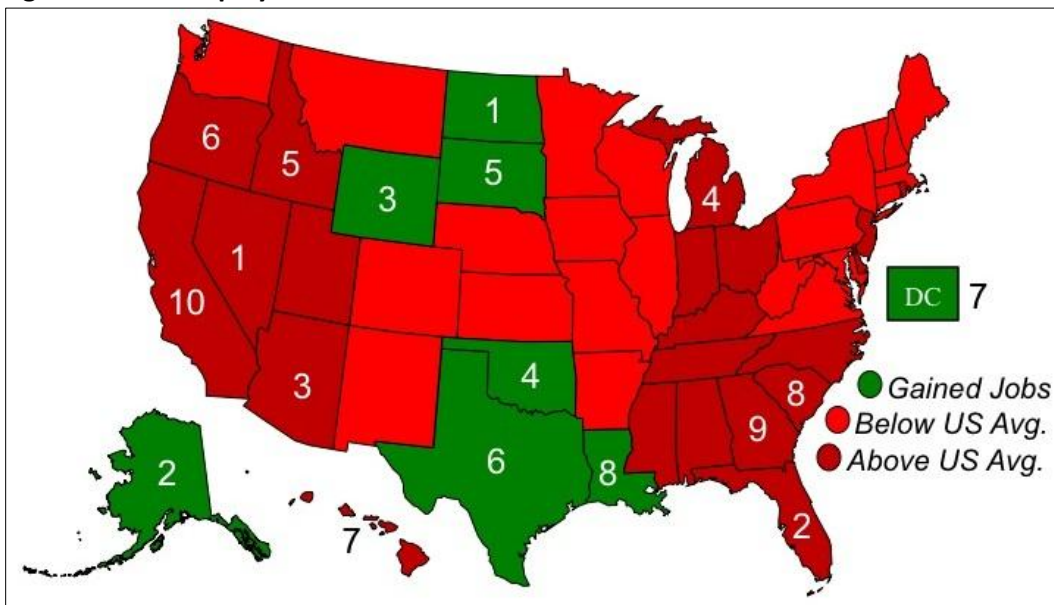


Sources: U.S. Bureau of Labor Statistics; Center for Business and Economic Research, UNLV

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.

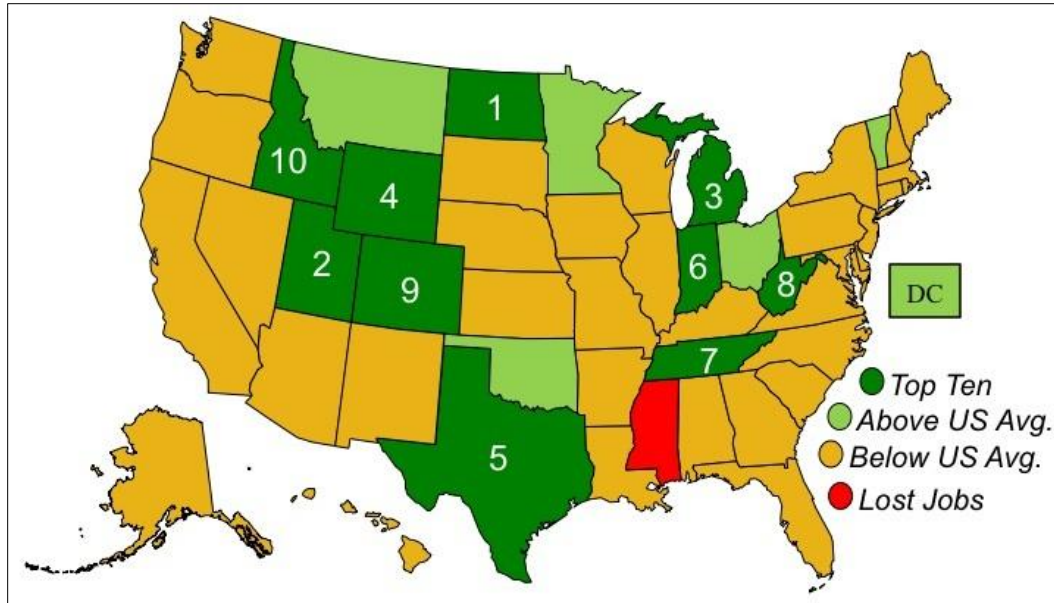
Figure 3: 2008 Employment Growth



Sources: U.S. Bureau of Labor Statistics; Center for Business and Economic Research, UNLV

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.

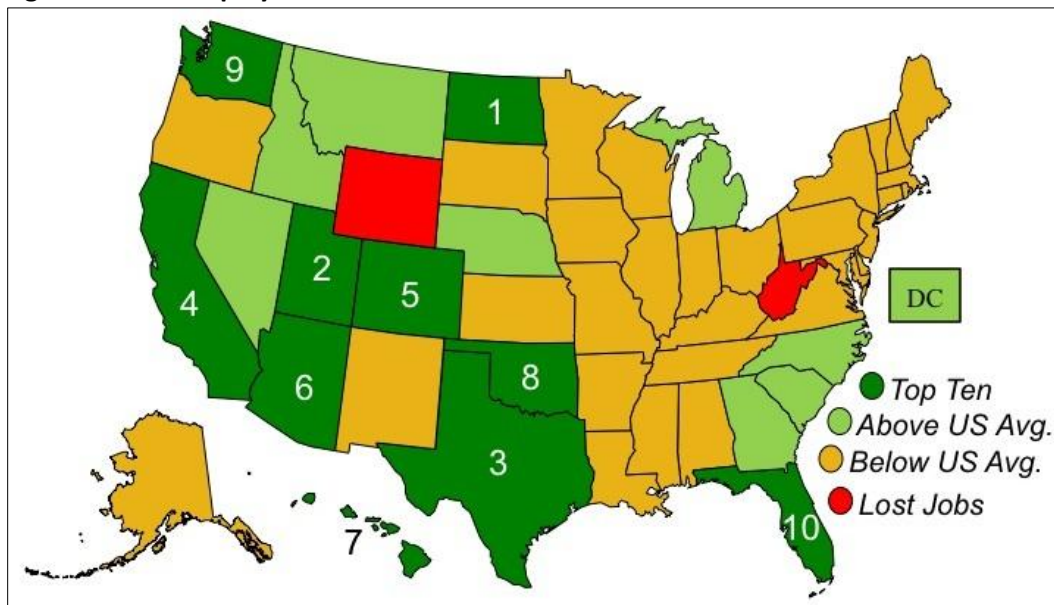
Figure 6: 2011 Employment Growth



Sources: U.S. Bureau of Labor Statistics; Center for Business and Economic Research, UNLV

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.

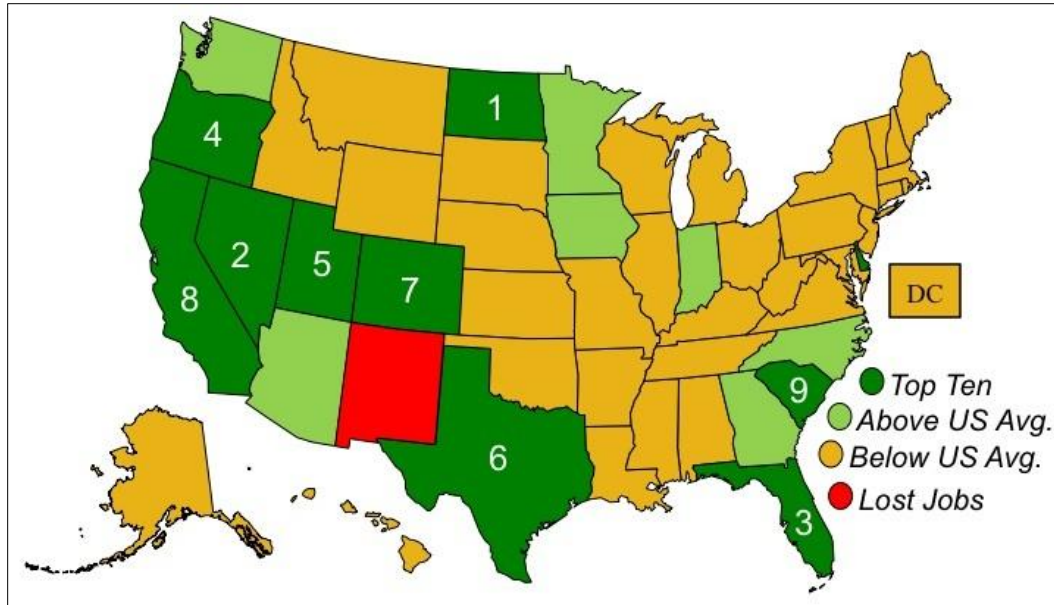
Figure 7: 2012 Employment Growth



Sources: U.S. Bureau of Labor Statistics; Center for Business and Economic Research, UNLV

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



Sources: U.S. Bureau of Labor Statistics; Center for Business and Economic Research, UNLV

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.

Stephen P. A. Brown, PhD
 Professor and Director
 Center for Business and Economic Research
 University of Nevada, Las Vegas