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## **Nevada Economy More Firmly in Recovery than Previously Realized**

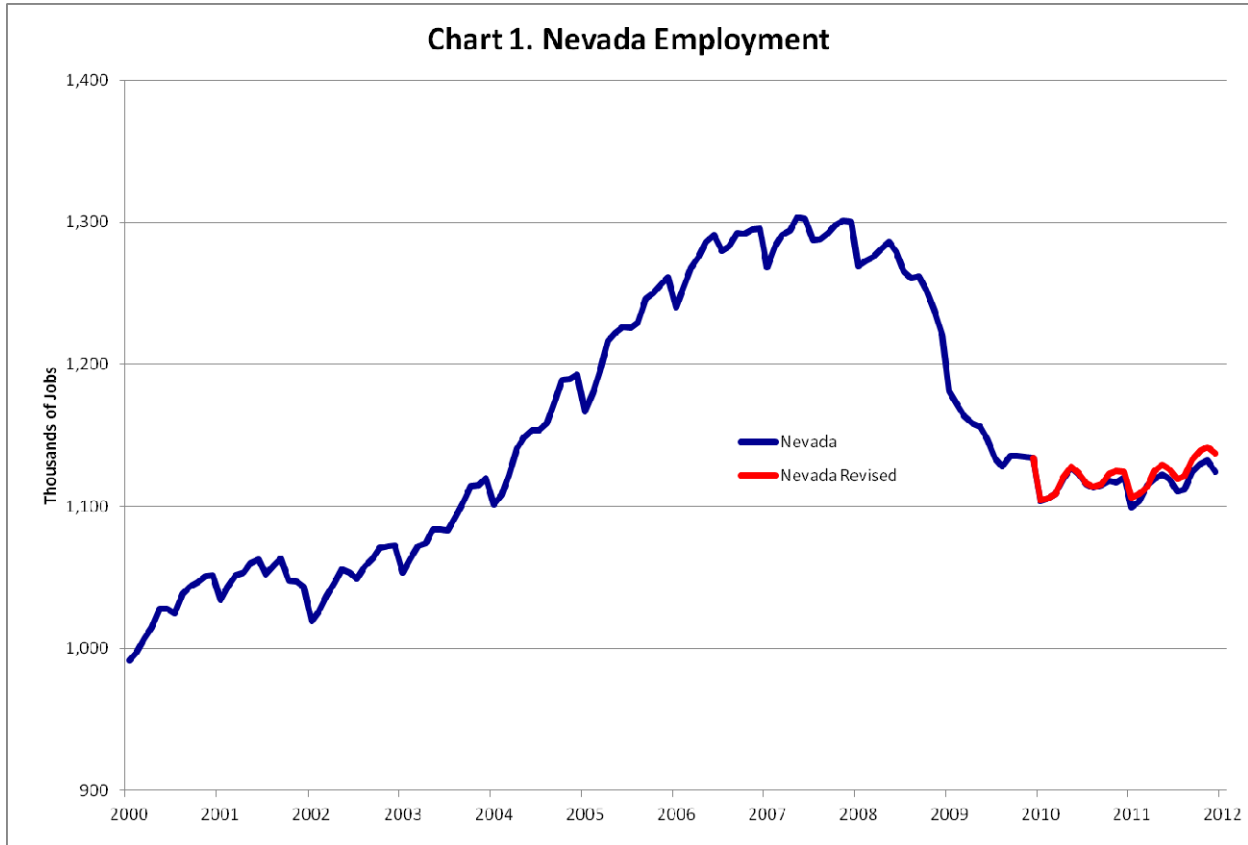
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New employment numbers released on Monday, March 12 by the State of Nevada Department of Education, Training and Rehabilitation (DETR) show that Nevada's economy fared better in 2010 and 2011 than earlier estimates had indicated. The Nevada economy did not shed as many jobs in 2010 as was previously thought, and it added more jobs in 2011 than was previously thought. The revised data show that the Nevada economy is more firmly in recovery than was previously realized. Similar patterns are found in the revised numbers for the Las Vegas and Reno-Sparks metropolitan areas.

When the economy is in the final stages of a downturn and the initial stages of a recovery, substantial upward revisions of employment data are fairly common. Nevada's monthly employment data are obtained through DETR's surveys of Nevada businesses. New businesses tend to form as the economy shifts from decline to growth. When DETR rebases its data—as it does every March—it better accounts for the new business formations and deaths that have occurred during the past year. The revised data better capture the actual progress of the Nevada economy.

## Revising Nevada History

According to the old data, Nevada lost 13,400 jobs (1.2 percent) in 2010 and gained 3,500 jobs (0.3 percent) in 2011 (Chart 1). According to the revised data, Nevada lost 10,100 jobs (0.9 percent) in 2010 and gained 13,100 jobs (1.2 percent) in 2011. Over the two-year period, the difference in employment amounted to an additional 12,900 jobs (1.2 percent).



Source: DETR

As shown in Table 1, DETR made relatively small revisions to the 2010 Nevada data, increasing total employment by 3,300 jobs (0.3 percent). The upward revisions are concentrated in manufacturing; trade, transportation, and utilities; and financial activities. Downward revisions are concentrated in professional and business services; leisure and hospitality; and government.

**Table 1. Change in Nevada Employment December 2009 to December 2010**

Sector	Old Data	Revised Data	Difference
Total Employment	-13,400	-10,100	3,300
Goods Producing	-12,600	-10,200	2,400
Natural Resources	800	1,200	400
Construction	-11,100	-10,600	500
Manufacturing	-2,300	-800	1,500
Service Producing	-800	100	900
Private Service Producing	1,100	3,600	2,500
Trade, Transportation, and Utilities	-4,400	500	4,900
Information Services	-200	-400	-200
Financial Activities	-2,400	-600	1,800
Professional and Business Services	2,700	1,300	-1,400
Education and Health Services	1,500	2,700	1,200
Leisure and Hospitality	3,300	1,100	-2,200
Other Services	600	-1,000	-400
Government	-1,900	-3,500	-1,600

Source DETR; CBER calculations

As shown in Table 2, the revisions to the 2011 Nevada data were more substantial, increasing total employment by 9,600 jobs (0.9 percent). Large upward revisions are found in natural resources; trade, transportation, and utilities; financial activities; leisure and hospitality; and other services. Notable downward revisions are found in construction and education and health services.

**Table 2. Change in Nevada Employment December 2010 to December 2011**

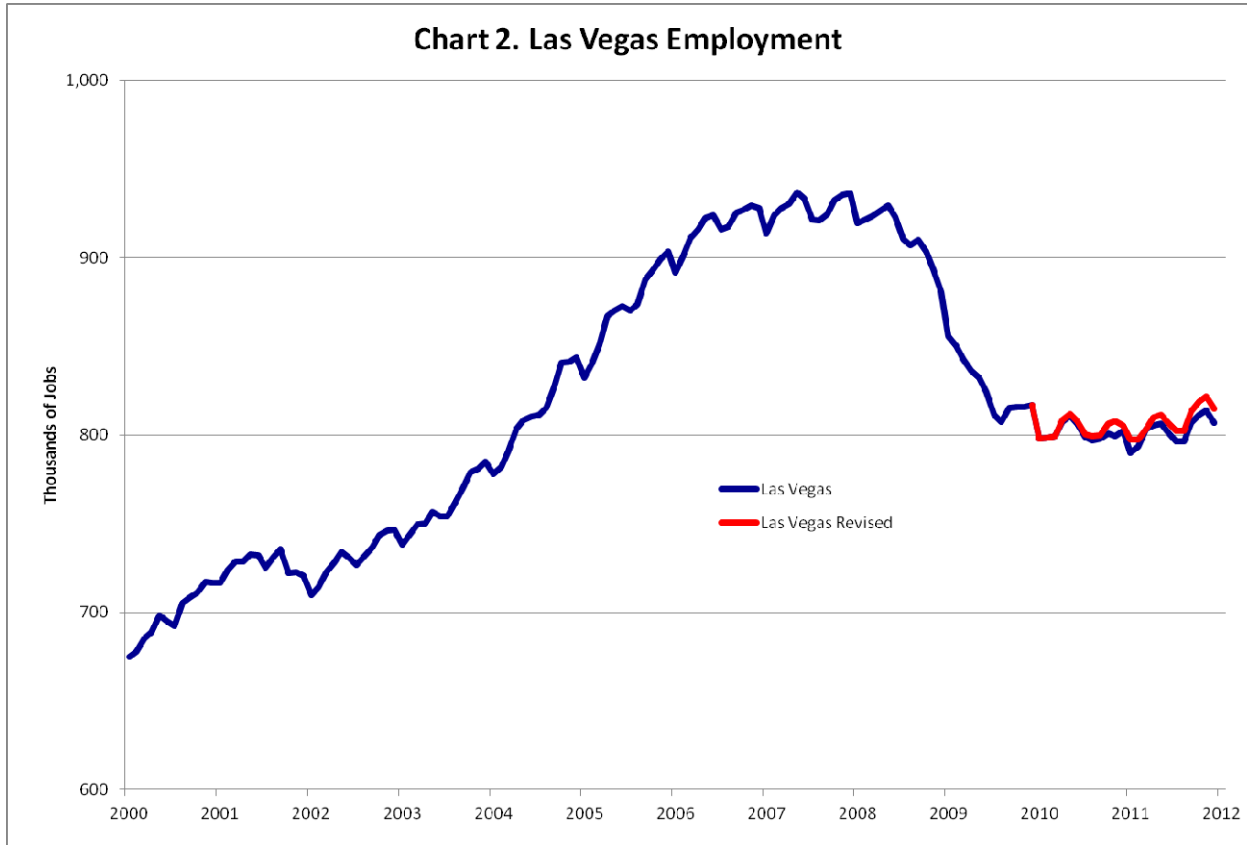
Sector	Old Data	Revised Data	Difference
Total Employment	3,500	13,100	9,600
Goods Producing	-1,600	-2,800	-1,200
Natural Resources	500	2,000	1,500
Construction	-1,300	-4,700	-3,400
Manufacturing	-800	-100	700
Service Producing	5,100	15,900	10,800
Private Service Producing	10,600	20,600	10,000
Trade, Transportation and Utilities	-1,700	2,400	4,100
Information Services	-200	100	300
Financial Activities	-3,500	-600	2,900
Professional and Business Services	2,300	1,900	-400
Education and Health Services	3,000	1,200	-1,800
Leisure and Hospitality	9,800	13,700	2,900
Other Services	900	1,900	1,000
Government	-5,500	-4,700	800

Source DETR; CBER calculations

Both the old and the revised data show that leisure and hospitality made solid contributions to Nevada's employment growth in 2011. Together, the private service-producing sectors contributed 20,600 new jobs in Nevada during 2011. Construction, manufacturing, financial activities, and government suffered job losses.

## Revising Las Vegas History

According to the old data, Las Vegas lost 14,500 jobs (1.8 percent) in 2010 and gained 4,300 jobs (0.5 percent) in 2011 (Chart 2). According to the revised data, Las Vegas lost 11,500 jobs (1.2 percent) in 2010 and gained 9,500 jobs (1.2 percent) in 2011. Over the two-year period, the difference in employment amounted to an additional 8,200 jobs (1.0 percent).



Source: DETR

As shown in Table 3, DETR made relatively small revisions to the 2010 Las Vegas data, increasing total employment by 3,000 jobs (0.4 percent). The upward revisions are concentrated in trade, transportation, and utilities and financial activities. Downward revisions are concentrated in construction and professional and business services.

**Table 3. Change in Las Vegas Employment December 2009 to December 2010**

Sector	Old Data	Revised Data	Difference
Total Employment	-14,500	-11,500	3,000
Goods Producing	-13,400	-13,600	-200
Natural Resources	0	-100	-100
Construction	-11,800	-12,800	-1,000
Manufacturing	-1,600	-700	900
Service Producing	-1,100	2,100	3,200
Private Service Producing	9,600	12,400	2,800
Trade, Transportation, and Utilities	1,900	5,800	3,900
Information Services	-100	0	100
Financial Activities	-2,200	-1,000	1,200
Professional and Business Services	3,100	1,600	-1,500
Education and Health Services	3,300	3,600	300
Leisure and Hospitality	3,900	3,200	-700
Other Services	-300	-800	-500
Government	-1,800	-1,400	400

Source DETR; CBER calculations

As shown in Table 4, the revisions to the 2011 Las Vegas data were more substantial, increasing total employment by 5,200 jobs (0.7 percent). With the exception of leisure and hospitality, all the service-producing sectors saw upward revisions, with the largest gains found in trade, transportation, and utilities and financial activities. Construction saw a large downward revision.

**Table 4. Change in Las Vegas Employment December 2010 to December 2011**

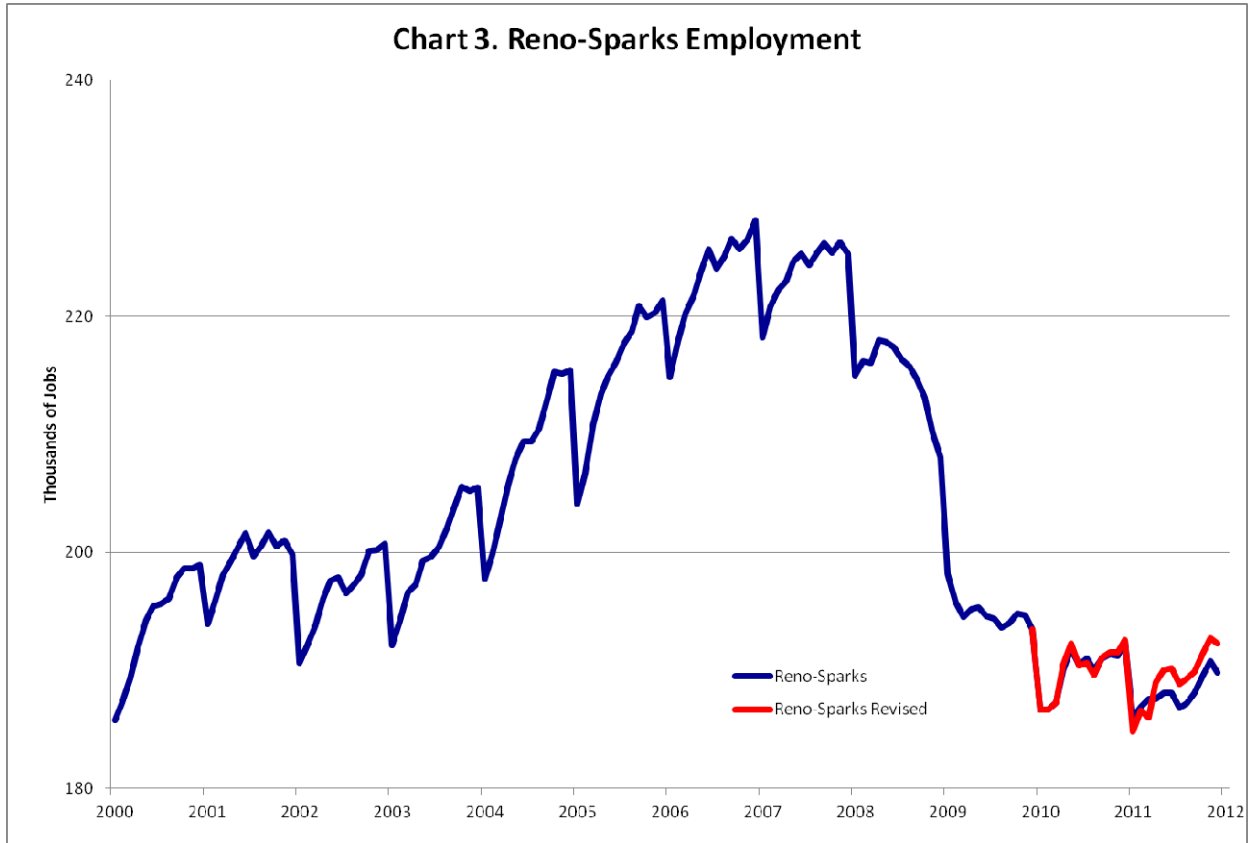
Sector	Old Data	Revised Data	Difference
Total Employment	4,300	9,500	5,200
Goods Producing	-900	-1,700	-800
Natural Resources	0	0	0
Construction	-600	-2,100	-1,500
Manufacturing	-300	400	700
Service Producing	5,200	11,200	6,000
Private Service Producing	8,800	14,600	5,800
Trade, Transportation and Utilities	-1,000	1,900	2,900
Information Services	-300	0	300
Financial Activities	-3,600	-1,300	2,300
Professional and Business Services	1,400	1,700	300
Education and Health Services	2,100	900	-1,200
Leisure and Hospitality	9,400	10,300	900
Other Services	800	1,100	300
Government	-3,600	-3,400	200

Source DETR; CBER calculations

Both the old and the revised data show that leisure and hospitality made sizable contributions to Las Vegas employment growth in 2011. Together, the private service-producing sectors contributed 14,600 new jobs in the Las Vegas metropolitan area during 2011. Manufacturing added another 400 jobs. Construction, financial activities, and government suffered job losses.

### Revising Reno-Sparks History

According to the old data, Reno-Sparks lost 1,100 jobs (0.6 percent) in 2010 and lost another 2,600 jobs (1.4 percent) in 2011 (Chart 3). According to the revised data, Reno-Sparks lost 900 jobs (0.5 percent) in 2010 and another 300 jobs (0.2 percent) in 2011. Over the two-year period, the difference in employment amounted to 2,500 jobs (1.3 percent).



As shown in Table 5, DETR made relatively small revisions to the 2010 Reno-Sparks data, increasing total employment by 200 jobs (0.1 percent). The upward revisions are concentrated in manufacturing; trade, transportation, and utilities; financial activities and government. Downward revisions are concentrated in professional and business services, leisure and hospitality, and other services.

**Table 5. Change in Reno-Sparks Employment December 2009 to December 2010**

Sector	Old Data	Revised Data	Difference
Total Employment	-1,100	-900	200
Goods Producing	-200	300	500
Natural Resources	100	100	0
Construction	100	200	100
Manufacturing	-400	0	400
Service Producing	-900	-1,200	-300
Private Service Producing	0	-800	-800
Trade, Transportation and Utilities	-1,400	-700	700
Information Services	0	-200	-200
Financial Activities	-300	100	400
Professional and Business Services	-600	-900	-300
Education and Health Services	500	400	-100
Leisure and Hospitality	1,800	1,200	-600
Other Services	0	-700	-700
Government	-900	-400	500

Source DETR; CBER calculations

As shown in Table 6, the revisions to the 2011 Reno-Sparks data were more substantial, increasing total employment by 2,300 jobs (1.2 percent). With the exception of government, all service producing sectors saw no change or upward revisions. The largest gains were found in trade, transportation, and utilities; financial activities; and leisure and hospitality. Construction saw a large downward revision.

**Table 6. Change in Reno-Sparks Employment December 2010 to December 2011**

Sector	Old Data	Revised Data	Difference
Total Employment	-2,600	-300	2,300
Goods Producing	-200	-900	-700
Natural Resources	0	-100	-100
Construction	100	-700	-800
Manufacturing	-300	-100	200
Service Producing	-2,400	600	3,000
Private Service Producing	-1,300	1,800	3,100
Trade, Transportation and Utilities	-1,000	400	1,400
Information Services	-200	0	200
Financial Activities	-600	-100	500
Professional and Business Services	-1,000	-900	100
Education and Health Services	200	200	0
Leisure and Hospitality	1,300	2,200	900
Other Services	0	0	0
Government	-1,100	-1,200	-100

Source DETR; CBER calculations

Both the old and the revised data show that leisure and hospitality made sizable contributions to Reno-Sparks employment growth in 2011. Together, the private service-producing sectors contributed 1,800 new jobs in the Reno-Sparks metropolitan area during 2011. Natural resources, construction, manufacturing, financial activities, professional and business services, and government suffered job losses.

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