

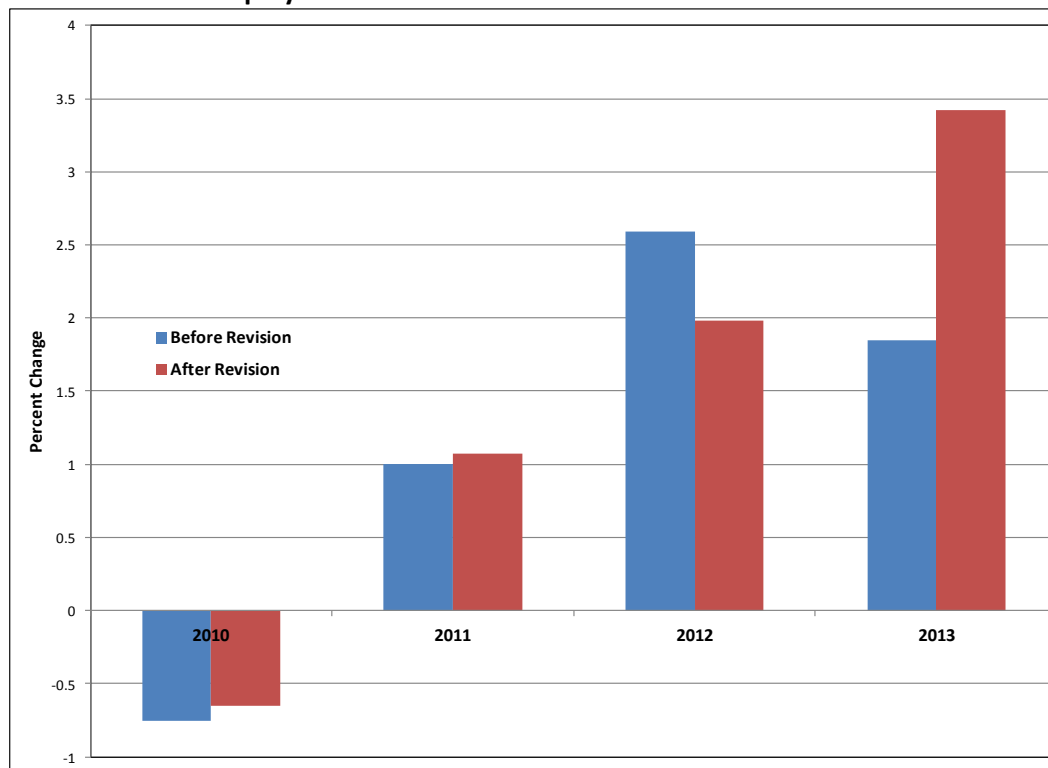
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Revised Data Show a Much Stronger Nevada Economy

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As employment data became available throughout 2013, Nevada seemed to be seeing slower job growth than it had in 2012.¹ Revised data issued in late February tell a very different story. Nevada saw accelerating employment growth in 2013 (Chart 1). At 3.4 percent, the growth rate of Nevada employment was exactly double the 1.7 percent growth rate of national employment in 2013. Moreover, the growth was widespread across the major sectors of the Nevada economy, suggesting the growth is sustainable.

Chart 1: Nevada Employment



Such a revision is not a surprise. Employment data are collected and reported by the Current Employment Statistics, a program of the U.S. Bureau of Labor Statistics. The program surveys business establishments to determine the number of employed workers in a region. One drawback of the survey is that it misses new businesses until the survey list is updated at the beginning of each year. When the

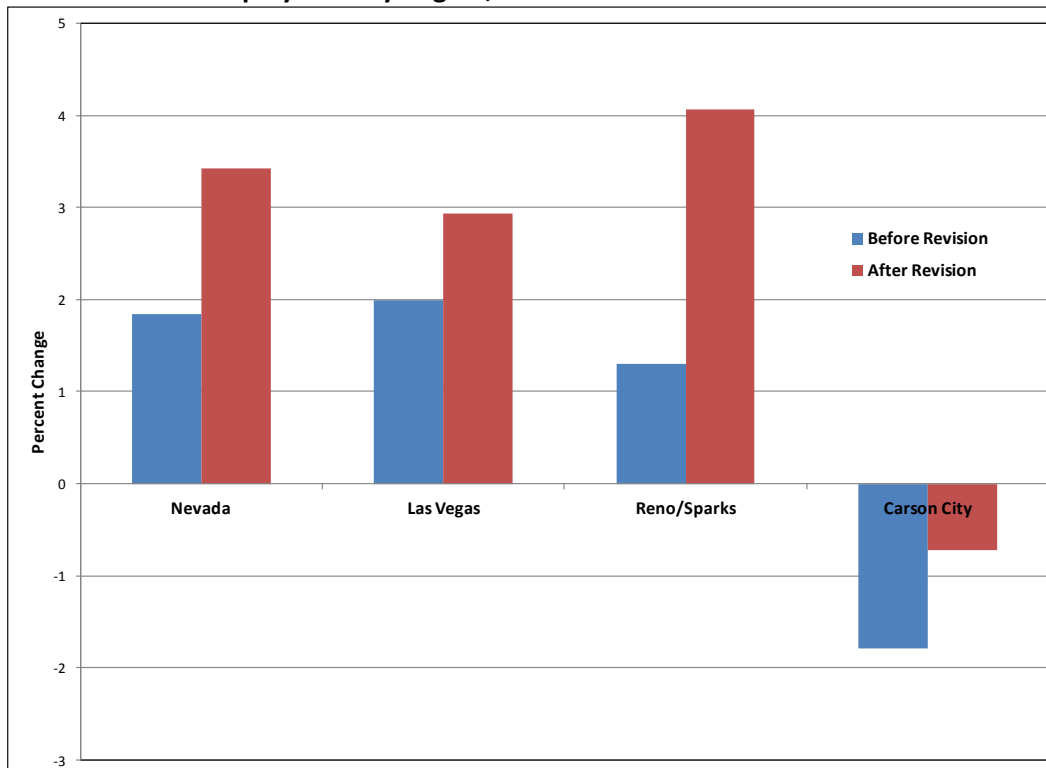
¹ See Kennelly, Ryan T. "Where's the Job Growth?" *Economic Commentary*, Center for Business and Economic Research, University of Nevada, Las Vegas, June 27, 2013. <<http://cber.unlv.edu/commentary/CBER-27June2013.pdf>>

annual update is made, the data can be revised substantially, particularly when the economy is in recovery from a recession.

The February revision marks the fourth, third, second, and first major revision for the 2010, 2011, 2012, and 2013 data, respectively. For 2010, the revised data show a growth of negative 0.64 percent, a slight improvement over the negative 0.75 percent growth last reported. The revision also points to a somewhat better 2011, bumping overall job growth up to 1.07 percent from 1.00 percent. Revisions to the 2012 data show somewhat weaker growth than last reported, now at 1.98 percent from 2.59 percent. The most significant revision occurred for 2013, with employment growth revised up to 3.42 percent from 1.85 percent. Moreover, the revised data show accelerating employment growth in Nevada from 2010 through 2013.

All regions of the state contributed to the upward revisions to the employment data in 2013 (Chart 2). For Las Vegas, total job growth was revised upward to 2.98 percent from 1.98 percent. Reno experienced much higher growth than initially reported, now at 4.07 percent from 1.30 percent. Carson City was the only major region in Nevada to experience job losses during 2013, but its growth was revised upward from negative 1.79 percent to negative 0.72 percent.

Chart 2: Nevada Employment by Region, 2013



Nevada saw a steady improvement from falling employment in 2010 to strong growth in 2013, but only Las Vegas mirrored the overall state pattern (Chart 3). Reno/Sparks saw further weakening in 2011. Carson City saw declining employment in all four years, with its biggest losses in 2011.

Chart 3: Nevada Employment by Region, 2010-2013

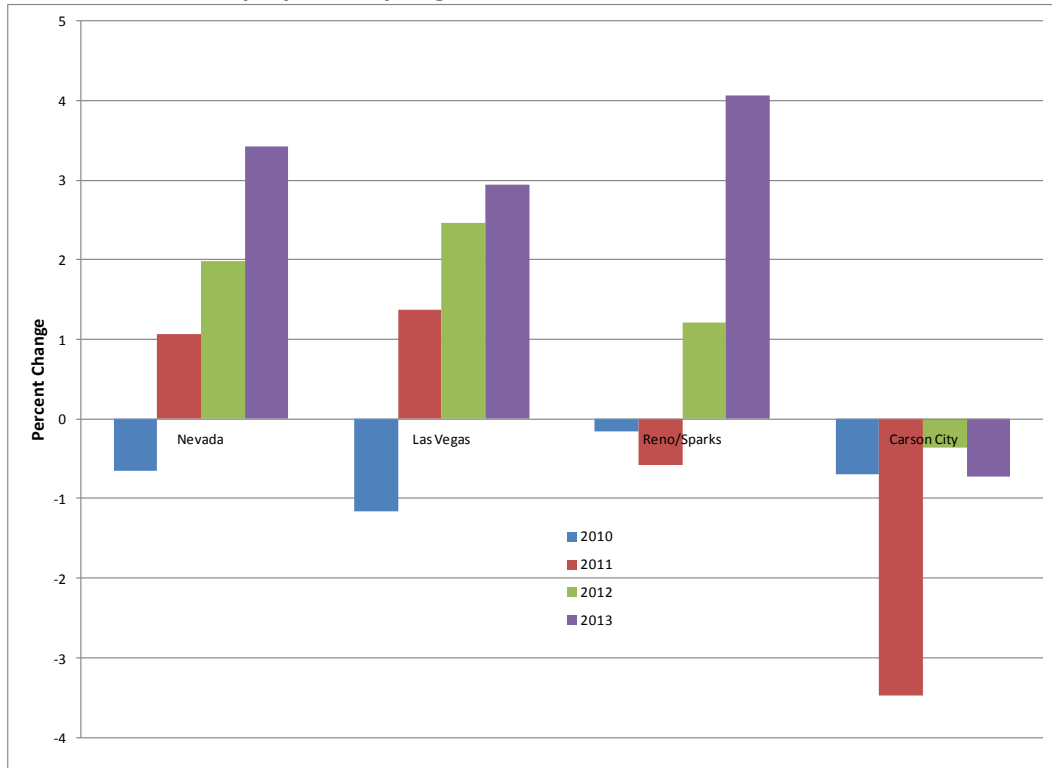
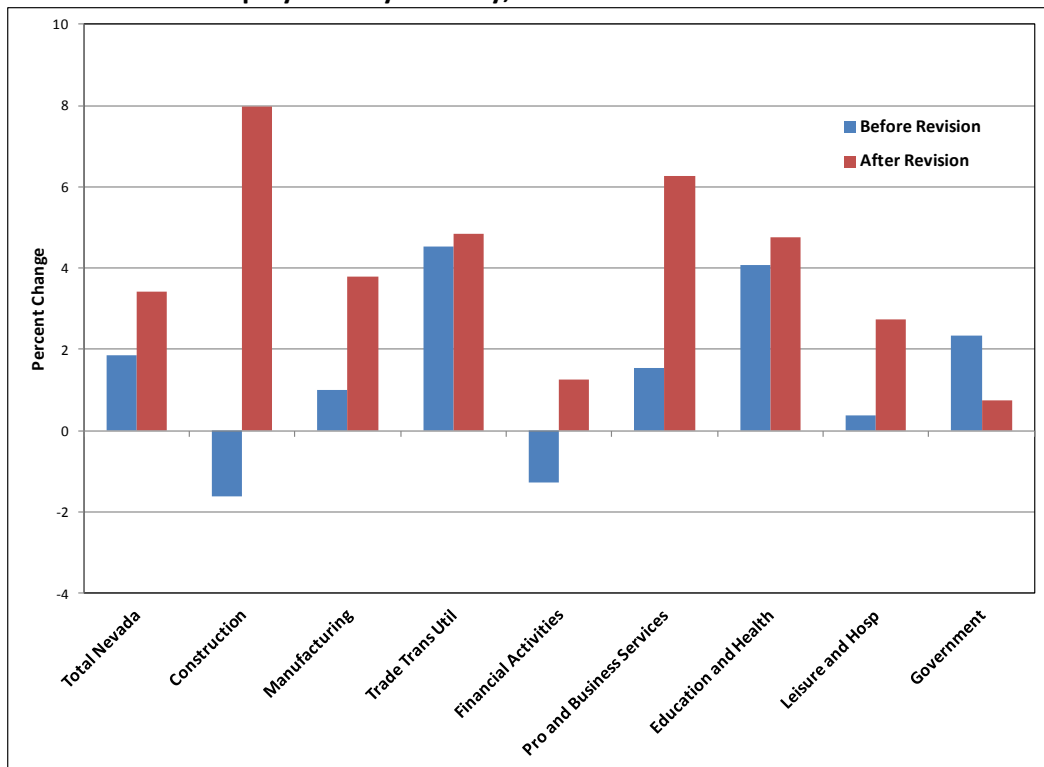


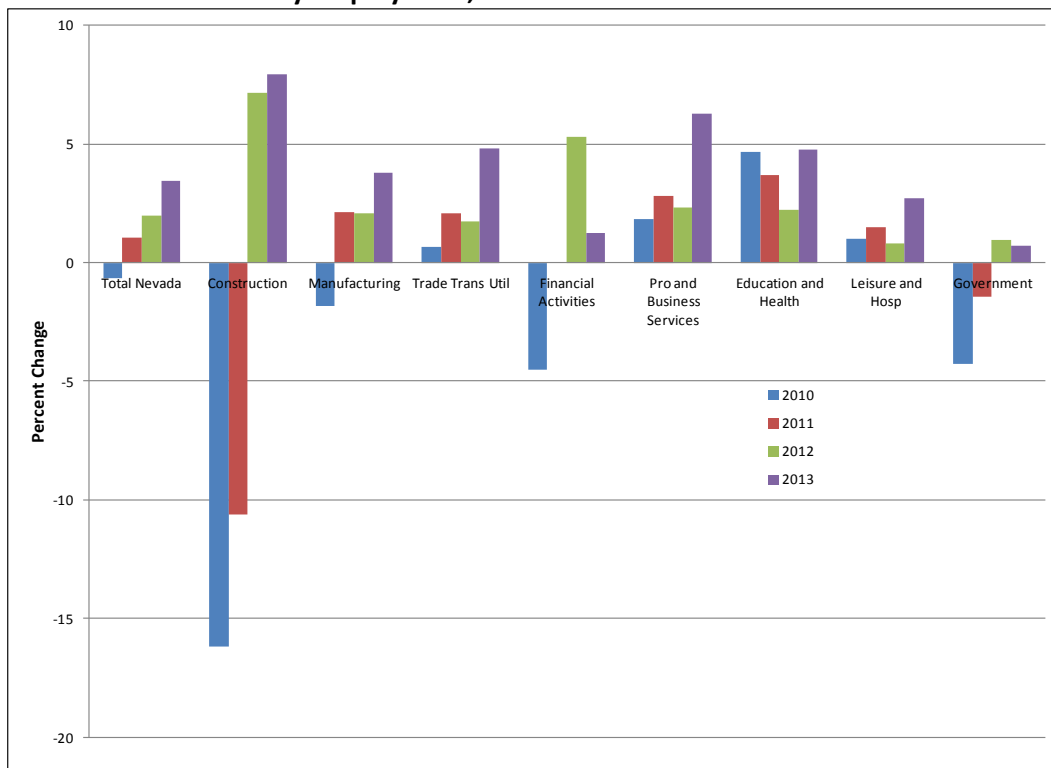
Chart 4: Nevada Employment by Industry, 2013



Of Nevada's major industry groups, only government was revised downward in 2013 (Chart 4). The growth figures for three of Nevada's most important industries—Construction, Professional and Business Services, and Leisure and Hospitality—were revised upward considerably. The Manufacturing and Financial Activities sectors also performed much better at generating jobs in 2013 than was originally reported. The Trade, Transportation, and Utilities sector, along with Education and Health Services, was revised upward as well but not by nearly as much as the other industries.

Nevada saw a steady improvement from falling employment in 2010 to strong growth in 2013, but no industry mirrored the overall state pattern (Chart 5). Construction saw a smaller employment decline in 2011 than 2010 and accelerating growth in 2012 and 2013. Manufacturing saw improving growth in 2011, constant growth in 2012, and improving growth again in 2013. Trade, Transportation, and Utilities saw an employment increase in 2010, stronger growth in 2011, slower growth in 2012, and much stronger growth in 2013. Financial Services showed particularly strong growth in 2012 but much slower growth in 2013. Professional and Business Services saw an employment increase in 2010, stronger growth in 2011, slower growth in 2012, and much stronger growth in 2013. Education and Health Services saw slowing employment growth from 2010 through 2012, but growth bounced back to 2010 values in 2013. Government employment saw a smaller employment decline in 2011 than 2010, accelerating growth in 2012, and slowing growth in 2013.

Chart 5: Nevada Industry Employment, 2010-2013



Overall, the revised data show the Nevada economy improving from 2010 through 2013, with gains in 2011, 2012, and 2013. Most of Nevada's sectors showed increasing employment in 2011. Construction and Government are the two exceptions. All of Nevada's major industrial sectors show increased employment in 2012 and 2013. With the exception of Financial Activities and Government, all of these sectors show stronger employment growth in 2013 than 2012. Together, these observations reveal that the Nevada economy is well into its recovery, and the recovery is broad based across Nevada's industries.

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