The Nevada Economy Shows Renewed Strength

Stephen P. A. Brown

Nevada economic activity accelerated sharply in 2012. After posting job losses of 79.7 thousand, 86.7 thousand and 8.5 thousand in 2008, 2009 and 2010, respectively, the Nevada economy created just 11.2 thousand jobs in 2011 (Chart 1). According to recently revised data, the Nevada economy created 29.3 thousand jobs for a 2.6 percent growth rate in 2012. That rate of growth put Nevada well ahead of the U.S. figure of 1.7 percent for 2012 and in fourth place among the states for the fastest rate of employment growth in the United States, behind North Dakota, Utah and Texas.

Chart 1. Nevada Job Creation

![Chart showing Nevada Job Creation](chart.png)

Source: Author’s Calculations and Nevada Department of Employment, Rehabilitation and Training

In comparison to the 2001-2007 expansion, Nevada’s growth rate may seem a little weak. During that 73-month period, Nevada’s employment grew at a nation-leading 3.7 percent annual rate, while the U.S. economy added jobs at only a 0.9 percent annual rate.

Where’s the Job Growth?

We normally think of Las Vegas as setting the pace for Nevada’s job growth, but looking only at Las Vegas renders only a partial view of Nevada economic activity. In 2012, Las Vegas employment
grew at a slightly slower rate than the state’s, and Reno-Sparks and Carson City showed sluggish employment growth (Chart 2). Measured in growth rates, rural Nevada showed the strongest employment gains—particularly in those areas of the state where mining is important.

**Chart 2. Nevada Job Creation by Region**

Las Vegas led the state in employment growth during the 2001-2007 expansion, with an average annual growth rate of 4.4 percent. Since 2007, however, Las Vegas employment outpaced the state’s employment only in 2011. Moreover, rural Nevada has been the leader of the state’s employment growth rate since 2008.

**What Industries Are Creating the Jobs?**

A number of Nevada’s industries are showing strong growth (Chart 3). Construction and natural resources and mining were the two industries showing the highest employment growth rates in 2012. Other sectors showing robust growth rates were wholesale and retail trade, real estate and rental leasing, management of companies, and health care and social assistance. Increasing by 2.5 percent, employment in leisure and hospitality was just a little behind overall state employment growth.

The strong growth of the natural resources and mining sector has helped drive the growth in rural Nevada during the current recovery. Although this sector has generally outperformed the Nevada economy since 2001, it also has helped push rural Nevada ahead of the state’s overall employment growth since 2008.

Rural Nevada is also contributing strength to construction in Nevada (Chart 4). Given the relative size of Las Vegas, we wouldn’t be seeing gains in Nevada construction employment without a
rebound in Las Vegas construction. Nonetheless, the growth rate of construction employment in rural Nevada is running well ahead of the state’s.

Chart 3. Nevada Job Creation by Selected Industry

![Chart 3](image)

Source: Author’s Calculations and Nevada Department of Employment, Rehabilitation and Training

Chart 4. Nevada’s Construction Job Creation by Region

![Chart 4](image)

Source: Author’s Calculations and Nevada Department of Employment, Rehabilitation and Training

The Center for Business and Economic Research, UNLV – Box 456002 – 4505 S. Maryland Parkway – Las Vegas, Nevada 89154-6002
Phone (702) 895-3191 – Fax (702) 895-3606 – cber@unlv.nevada.edu – http://cber.unlv.edu – http://twitter.com/cber_unlv
The Nevada Economy Shakes Off Its Torpor

In 2012, the Nevada economy added 29.3 thousand jobs for a 2.6 percent growth rate. That growth rate put Nevada well ahead of the U.S. growth rate of 1.7 percent for 2012. Given its size, renewed strength in Las Vegas played an important role in the Nevada’s economic resurgence. Reno-Sparks and Carson City showed only weak employment growth. In contrast, rural Nevada showed a higher rate of employment gains than the state as whole.

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