

**Nevada Department of Employment, Training and Rehabilitation  
Research and Analysis Bureau**

**Annual Performance Report  
Workforce Information Core Products and Services Grant  
Program Year 2013 (July 1, 2013 – December 31, 2014)**

**Introduction**

Nevada's Department of Employment, Training and Rehabilitation was awarded a Department of Labor-Employment and Training Administration grant totaling \$411,657 to partially support the labor market information work of the Research and Analysis Bureau. The grant covers the 2013 program year from July 1, 2013 – June 30, 2014. However, as allowed, the Research and Analysis Bureau utilizes the grant resources over an 18-month period, through December 31, 2014.

Grant recipients are required to submit an annual performance report summarizing a variety of activities funded via the grant. This report satisfies this requirement for the Research and Analysis Bureau. It consists of three sections:

- an overview of Nevada economic conditions and trends
- a summary of the Research and Analysis Bureau's accomplishments and activities, measured (where appropriate) against required work deliverables
- a budget summary

**Economic Overview**

Nevada's economic performance over, roughly, the 2003-2006 period was nothing short of remarkable. Job growth reached a peak of 6.1% during 2005, and was still a strong 4.6% in 2006. All told, during the four-year period ending in 2006, job growth in Nevada averaged 5% per year. Nationally, the comparable figure was just 1.1%.

The State's unemployment rate rose to 5.7% in 2002, a result of the national economic recession in the early part of the decade. By 2006, it had declined to 4.2%.

However, over the 2006-2010 period, economic growth in Nevada eased considerably. For instance, job growth in calendar year 2009 was -9.1%. Job losses moderated to a -2.7% clip in 2010. In 2008, job growth was weaker than in all but two other states. In both 2009 and 2010, it was the weakest in the nation. The jobless rate reached a peak of 13.9% in late-2010. Public finances in Nevada, with a heavy reliance on consumer spending, were extremely hard-hit.

Three factors drove Nevada's economic slowdown: weakness in the housing sector, credit market difficulties which first impacted the residential construction sector and then

spilled over into the commercial sector, and tepid discretionary consumer spending, which impacted visitor volume and spending in Nevada.

Beginning in 2011, Nevada's economy, including the State's labor market, began to show signs of life. Job growth turned positive and has now grown in 44 consecutive months. So far in 2014, employment gains in Nevada have been higher than in 48 other states. The jobless rate has been cut nearly in half, and currently stands at 7.6%, still well above the national average. Unemployment insurance claims have come down from cyclical highs. After peaking in excess of excess of 36,000 per month during the recession, claims activity has declined to about 13,000 of late. Declines have been registered in 53 of the past 57 months. In essence, over the course of the business cycle, Nevada's economy has gone from, arguably, the strongest in the nation, to the weakest, and is now growing at an above-average rate, relative to the nation.

Some encouraging signs are also evident outside of the labor market. Various barometers of construction/real estate--starts, permits, and sales activity--have risen off of historical lows. Visitor volume is trending up and has reached record-high levels, and gaming win, although quite volatile from month-to-month, is trending higher. Taxable sales have grown in each of the past 48 months.

All things considered, Nevada's economy has been growing at a consistent, but moderate, pace, and diversification is evident. Improvement is noticeable in our two historical drivers, leisure/hospitality and construction, but nearly all other sectors are contributing, as well. Arguably, recent trends represent an improvement over pre-recessionary conditions in that, over the long-term, they will leave the State less prone to the boom-bust cycle. Expectations are for continued modest labor market improvement in Nevada, with job growth in the 30,000-40,000 range annually, putting further downward pressure on the unemployment rate. One aspect of the labor market that has yet to show consistent improvement concerns wages. Nevada wages are struggling to show steady gains, and are falling in real terms. The long-term outlook for the labor market would be greatly enhanced by a more favorable trend in wages. 2014:IQ wage gains were a bit more pronounced than prior readings, a development which will be monitored going forward.

### **PY 2013 Accomplishments/Activities/Deliverables**

**Accomplishment/Activity/Deliverable i: Continue to Populate the Workforce Information Database with State and Local Data...**The Research and Analysis Bureau continued to maintain and populate the most current version of the workforce information database with all required information. Updates to the database included current data releases, as well as revisions to historical information.

Information from the various BLS-State cooperative programs (Local Area Unemployment Statistics, Current Employment Statistics, the Quarterly Census of Employment and Wages, and the Occupational Employment Statistics Program) was populated in the database. Other information sources were also incorporated into the database--short- and long-term industry and occupational projections, State Demographer

population estimates, taxable sales, consumer prices, and unemployment insurance claim information.

Usage of the Bureau's web site (*nevadaworkforce.com*), which provides public access to the workforce information database, was up 3.7% during the 12-month plan year. This is a very volatile indicator. For instance, during Plan Year 2011, visits to our website were up 86%. In Plan Year 2013, a decline of 12.8% was registered. All told, there were 290,000 website visits during the 12 months ending in June 2014, an increase of more than 10,000 from the prior year.

**Accomplishment/Activity/Deliverable ii: Produce and Disseminate Industry and Occupational Employment Projections...**The Research and Analysis Bureau satisfied all requirements associated with this work deliverable. Methodologies, software tools, and guidelines developed by the Projections Workgroup and the Projections Managing Partnership were utilized. Projections staff received required training via both in-person and webinar-based environments. Both Statewide short-term (2013-2015) and long-term (2012-2022) industrial and occupational projections were produced, published, and disseminated. Although not a required deliverable for PY 2013, sub-State long-term (2012-2022), a required deliverable for PY 2014, were also produced, published, and disseminated. Sub-State short-term projections (2013-2015), an "allowable and encouraged" (not required) activity, were also produced, published, and disseminated.

Employment projections are utilized by State budget officials in forecasting State General Fund revenues. The Bureau worked with both executive and legislative branch policymakers and analysts in order to ensure that they had access to the most timely and useful projections. Projections designed to assist State policymakers are now being generated on a quarterly basis and are made available on our web site. These projections cover the period through 2015 in order to be useful for the biennial budget development process.

The biennial Licensed Occupation Survey was conducted and the required tables were submitted to the NCSC in December 2013. It will be conducted again during PY 2015.

**Accomplishment/Activity/Deliverable iii: Statewide Annual Economic Analysis Report and Other Reports...**The Research and Analysis Bureau's most visible publication is our regular newsletter, the *Economy in Brief*. The *EiB* provides a regular comprehensive overview of economic conditions throughout the State of Nevada, including sub-State regions.

In addition to Bureau of Labor Statistics information from the various Federal-State cooperative programs, these analyses also include:

- unemployment insurance (claims, duration, and exhaustions) information from the State of Nevada Employment Security Division

- labor market/demographic information from the Census Bureau's Current Population Survey
- taxable sales information from the Nevada Department of Taxation
- Las Vegas visitor volume information from the Las Vegas Convention and Visitors Authority
- Nevada gaming win from the Nevada Gaming Control Board
- personal income data from the Bureau of Economic Analysis
- export activity from Haver Analytics
- business license information from the Secretary of State's Office
- residential housing permit information from the Census Bureau
- housing start information from Haver Analytics
- Southern Nevada residential real estate and construction indicators from a private consultant, Home Builders' Research
- Department of Health and Human Services caseload information

As financial/economic events beyond our borders had devastating impacts on the State's economy during the recession, we have also begun offering a periodic assessment of macroeconomic conditions and how they might/are impacting Nevada.

Targeted audiences include the business community, Nevada residents (especially the unemployed searching for work/growth opportunities), policymakers (including the State and local workforce investment boards), researchers, etc.

The *EiB*, published solely with WIG resources, is posted on our website and disseminated via our e-mail subscription list (approximately 400). We also announce its availability via Twitter.

A copy of the *EiB* from June 2014 (the end of PY 2013), summarizing economic conditions throughout the State has been submitted in satisfaction of this deliverable.

One of our more popular information products/publications is a series of one-page *Research Notes*, each dealing with a special topic concerning Nevada's workforce and economy. Since July 2013, the beginning of PY 2013, we have produced 34 separate *Notes*. Sample topics include alternative measures of labor underutilization, Nevada job growth rankings, unemployment duration, reasons for unemployment, etc.

During PY 2011, the Governor announced sweeping changes to the State's economic development efforts. This new approach is sector-driven. As these efforts have unfolded, nine separate sectors that are the driving focus of State economic development efforts have evolved. The Research and Analysis Bureau has played a major role in steering the work of the various Sector Councils which have been formed to help advise and guide the State's workforce training programs.

Our partnership with Economic Modeling Specialists, Inc. (EMSI) has proven to be especially valuable in our sector-driven work. Typically, at each sector council meeting, R&A presents a technical and detailed overview of sector labor market conditions/trends.

These reports/presentations rely heavily upon EMSI tools and offer a structural overview of each of the sectors, utilizing such techniques as location quotient and shift/share analysis, amongst others.

**Accomplishment/Activity/Deliverable iv: Customer Consultations...**In the final weeks of the 12-month plan year (which coincides with the State's fiscal year), surveys were mailed to various users of the Research and Analysis Bureau's data offerings in order to gauge customer satisfaction. For PY 2013, our customer satisfaction scores were very encouraging.

Specifically, the Bureau surveys two groups of customers: economic development agencies/chambers of commerce/other business associations (100% customer satisfaction); and private and public economic research entities (100% customer satisfaction). As an aside, customer satisfaction results have been adopted as one of the Bureau's performance measures and are reported as part of the State's biennial budget process.

On a more informal note, over the course of PY2013, the Research and Analysis Bureau was provided the opportunity to present to a variety of customer groups (economic development entities, business organizations, State/local WIBS, etc.). Feedback received was extremely positive. We are typically invited back for future presentations/updates. The Bureau also posts Power Point presentations made to external audiences, when appropriate.

**Accomplishment/Activity/Deliverable v: Activities Undertaken to Meet Customer Needs...**The Bureau continued to work closely with the State Workforce Investment Board, as well as both the Southern and Northern Boards, in PY 2013. R&A staff provide a workforce information report at every meeting of the State Board and begin most meetings with a general economic overview. Staff also consults on a regular basis with the two local boards and make regular appearances at their board meetings. All labor market information products produced by the Bureau are made available to board staff and members.

As discussed above, R&A has become an active partner with the State's various economic development entities. We work closely with the Governor's Office of Economic Development and collaborate extensively with their research staff. We also have solid working relationships with several sub-State economic development entities, assisting them with site-selection issues.

Our on-going work with the nine sector councils has proven to be quite productive. An R&A economist is assigned to every council and provides technical support, in addition to making regular presentations.

Each month, our most important reports and analyses are packaged together for dissemination to our various customer groups. These *Monthly Highlights* are designed to serve as an easy reference guide to our various products and releases. They highlight our

monthly newsletter, Power Point summaries, press releases, R&A in the media, Research Notes, and presentations. Our *Highlights* are distributed to our e-mail subscription list of 400.

**Accomplishment/Activity/Deliverable vi: New Tools and Resources...** While a lack of budgetary resources did not allow for access to new tools beyond those utilized historically by R&A, we continued to rely heavily on a variety of “non-traditional” tools utilized by WIG-funded staff. In addition to the EMSI tool discussed above, R&A also relies heavily upon the Haver Analytics tool, which provides us with quick and easy access to their economic databases. Looking forward, expectations are that a subscription to HWOL will be obtained during PY 2014.

Until recently, R&A was part of the CIBER-based website consortium. During PY 2011, the Bureau partnered with several other states in the beginning stages of a new website consortium, with Montana as the host. As PY 2013 unfolded, the efforts continued to evolve and development on a new website infrastructure is well underway and should be in operation in PY 2014.

**Accomplishment/Activity/Deliverable vii: Efforts to Create and Support Partnerships and Collaborations...** The Research and Analysis Bureau is recognized throughout the State as the “premier” provider of labor market and economic information. There are countless interactions with outside entities over the normal course of our work. Some of these partnerships involve the leveraging of WI funding.

Some specific examples of our collaborations include:

- R&A worked with DETR management in assessing a variety of issues pertaining to the State’s unemployment insurance system. During PY 2013, much of that work revolved around the feasibility of a bonding proposal to pay off federal debt in the Unemployment Insurance Trust Fund (Funding provided by DETR is/was utilized to support this work). In November 2013, bonds were issued to pay off all outstanding loans.
- As part of the continued integration of the State’s workforce development efforts with Nevada’s overall economic development strategy, R&A worked cooperatively on a project-by-project basis, providing a variety of research and technical support, with the State’s various development authorities. We are an EMSI client. Access to their various analytical tools proved to be critical in successfully responding to these types of economic development-related inquiries.
- The Chief Economist served on the Census Bureau’s Local Employment Dynamics Steering Committee.
- The Chief Economist served on the Board of the Labor Market Information Institute.
- The Chief Economist served on the Workforce Information Council.
- The State Treasurer’s Office utilizes the Bureau’s skills and expertise as part of the periodic bond sale process (and provides funding to support our efforts).

- Workforce information is regularly shared with researchers/faculty in the State’s higher education system.

**Accomplishment/Activity/Deliverable viii: Activities to Leverage LMI-WI Funding...**In addition to the minimal support from the State Treasurer’s Office mentioned above (approximately \$5,000 annually), the Department of Employment, Training & Rehabilitation recognizes the value of the WIG-related activities undertaken by R&A. On an as-needed basis, non-WIG federal/State funds are made available to support the work undertaken by WIG-supported staff.

**Accomplishment/Activity/Deliverable ix: Recommendations to ETA for Changes and Improvements to WIG Requirements...**The Research and Analysis Bureau will continue to strive to meet the needs of our customers. Our priorities will remain supporting the WIB community, economic development entities, employers, job seekers, and public policymakers. We feel that the existing work deliverables adequately capture the work that we do as part of these efforts. As PY 2014 unfolds, we are hoping to identify more efficient means to deliver our information to our customers. With the anticipated launch of our new website, we hope to achieve these efficiencies.

As for suggested improvements, we stress the importance of the Estimates Delivery System (EDS) in this period of uncertain funding. We would find it difficult to meet our occupational projections deliverables and our publication objectives without the EDS product. Utilizing EDS, we are able to customize our occupation publications to areas, levels and categories that are meaningful for our different customer groups. In addition to the benefit to our publications and projections, EDS provides the best way to review OES estimates and microdata for quality control. It has been our experience that the quality of the information we provide to our customers is improved by having access to EDS.

In addition, we would request that utilizing the resources of the Census Bureau’s Local Employment Dynamics Program be specifically mentioned as an “allowable” or “encouraged” activity under the Grant.

**Budget Summary**

During the 12-month plan year ending June 2014, 70% of the grant monies were expended or encumbered. During the six-month period ending December 2014, expectations are for all remaining PY 2013 grant monies to be expended.

PY to Date	Expenditures	Encumbered	Total
June 30, 2013	\$ 289,081	\$ -	\$ 289,081
December 31, 2014	\$ 411,657	\$ -	\$ 411,657