

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

**Annual Performance Report  
Workforce Information Core Products and Services Grant  
Program Year 2006 (July 1, 2006 – December 31, 2007)**

**Introduction**

Nevada's Department of Employment, Training and Rehabilitation was awarded a Department of Labor-Employment and Training Administration grant totaling \$400,960 to partially support the labor market information work of the Research and Analysis Bureau. The grant covers the 2006 program year from July 1, 2006 – June 30, 2007. However, as allowed, the Research and Analysis Bureau utilizes the grant resources over an 18-month period, through December 31, 2007.

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 four sections:

- an overview of Nevada economic conditions and trends
- a summary of the Research and Analysis Bureau's accomplishments, measured against required work deliverables
- a summary of customer consultations and interactions
- recommendations for improvements or changes to work deliverables

**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 4.8% in 2006. All told, during the four-year period ending in 2006, job growth in Nevada averaged 5.1% 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 2005, it had declined to 4.2%, and it held steady through 2006.

However, since 2006, economic growth in Nevada has eased considerably. For instance, job growth during the 12-month period ending in June 2007 eased to 3.3%, and it has slowed even more since. In June of 2006, the State's unemployment rate stood at a seasonally adjusted 4.2%. A year later, in June 2007, it had increased to 4.6%.

Much of the slowdown in economic growth in Nevada can be attributed to the impacts of the residential housing slump. For instance, residential housing permit activity throughout the State was off by more than 50% during the first half of 2007. During all

of PY 2006, construction jobs were flat, following a gain of 13,200 during the preceding 12-month period. Since the end of PY 2006, construction job levels have been on the decline.

Other barometers of economic activity in Nevada also point to an economy that continues to grow, but at a much slower pace than in the recent past. Taxable sales in PY 2006 were essentially flat, following a four-year period characterized by solid sales growth. This sluggishness is due, at least in part, to the weakness in the housing sector. At 39.2 million visitors during the 12-month period ending in June 2007, Las Vegas visitor volume was essentially flat. During the same period, Statewide gaming win was up 4.5%, following a 10.9% increase in the previous year.

Despite the slowdown, there is reason to be optimistic about the future. Megaresort construction in the Las Vegas strip vicinity is going to result in about 40,000 new rooms over the next half-decade. Expectations are that the housing market should rebound within the next two years. Job growth is forecast to hold relatively steady in 2007 and 2008, but rebound thereafter, approaching 5% in 2010.

### **Accomplishments**

**Work Deliverable #1: 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, such as short- and long-term industry and occupational projections, State Demographer population estimates, taxable sales, and consumer prices.

Usage of the Bureau's web site ([nevadaworkforce.com](http://nevadaworkforce.com)), which provides public access to the workforce information database, was up by nearly one-third from a year ago during the 12-month plan year.

**Work Deliverable #2: Produce and Disseminate Industry and Occupational Employment Projections...** The Research and Analysis Bureau satisfied all requirements associated with this work deliverable. Both long-term (2004-2014) and short-term (2006-2008) industrial and occupational projections were produced and disseminated. Long-term industry and occupational projections are available for the State, as well as sub-State areas.

Employment projections are utilized by State budget officials in forecasting State General Fund revenues. Given weak revenue collections, 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. Also, given the constantly changing outlook for the housing industry and expectations concerning the timing of an improvement in residential activity, short-term projections were expanded to 2010 in order to capture that rebound.

**Work Deliverable #3: Publish an annual economic analysis report for the Governor and the State Workforce Investment Board...** The Research and Analysis Bureau satisfies this requirement via the publication of a quarterly economic analysis report that is designed for the Governor, his cabinet, the State Workforce Investment Board, and local boards. The Bureau has determined that publishing such an analysis only on an annual basis would not provide policymakers with timely information needed to make sound decisions.

In addition to Bureau of Labor Statistics information from the various Federal-State cooperative programs, the analysis also includes:

- unemployment insurance (claims, duration, and exhaustions) information from the State of Nevada Employment Security Division
- 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
- residential housing permit information from the Census Bureau
- Southern Nevada residential real estate and construction indicators from a private consultant, Home Builders' Research

This quarterly analysis offers information on trends in the State as a whole, as well as sub-State regions.

**Work Deliverable #4: Post products, information, and reports on the Internet...** There were a variety of reports and information posted on the Bureau's web site. A major effort was undertaken to enhance the usefulness and availability of unemployment insurance data and to incorporate that information into assessments of Nevada's labor market and economic trends.

R&A's monthly newsletter, the *Economy in Brief*, in addition to being mailed to approximately 4,000 subscribers, was also made available via the web site. On a related note, current plans are to drastically reduce the physical publication of the newsletter and provide it electronically to all interested parties.

Another popular publication that is posted on the Bureau's web site is *Nevada's Hot 50*, a summary of the State's fastest growing occupations.

Other notable features on the Research and Analysis Bureau's web site include county profiles, Local Employment Dynamics data, demographic information, and access to the Nevada Career Information System, to name just a few.

**Work Deliverable #5: Partner and consult on a continuing basis with workforce investment boards...**The Bureau continued to work closely with the State Workforce Investment Board, as well as both the Southern and Northern Boards, in PY 2006. R&A staff provide a workforce information report at every meeting of the State Board. Staff also consults on a regular basis with the two local boards. All labor market information products produced by the Bureau are made available to board staff and members.

**Work Deliverable #6: Conduct special studies and economic analyses...**The Bureau conducted a variety of studies designed to provide additional insight into underlying labor market and economic trends in Nevada. For example (to name just several):

- R&A worked with a private consultant to develop an occupational forecast through 2020 for food preparers and servers in Clark County (Las Vegas). This analysis was warranted in light of an unprecedented surge of megaresort construction activity in coming years and questions concerning the availability of workers to fill those positions.
- A methodology was developed, utilizing information from the Occupational Employment Statistics Program, to estimate nonmanagerial wage rates by county. State economic development officials use that information to administer various tax abatement programs.
- A review of the Foreign Labor Certification Program in Nevada for calendar year 2006 was completed. In light of the national debate over immigration policies, the Bureau felt that this information might be useful at the State-level.
- At the request of State officials, the Bureau utilized unemployment insurance claims data, as well as QCEW and OES information, to estimate and assess the impacts of two ballot measures successfully passed in Nevada dealing with an increase in the minimum wage and more stringent smoking restrictions.

**Expenditures...**During the 12-month plan year, ending June 2007, nearly 50% of the grant monies were expended. During the six-month period ending December 2007, all remaining grant monies were expended.

PY to Date	Expenditures	Encumbered	Total
June 30, 2007	\$190,986	\$0	\$190,986
December 31, 2007	\$400,960	\$0	\$400,960

**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 2007, our customer satisfaction

scores were very encouraging. This conclusion is based upon 40 responses from a total of 86 surveys mailed.

Specifically, the percentage of economic development agencies, chambers of commerce, and other business associations satisfied with the R&A's workforce information system was 87%. Additionally, 100% of private and public economic research entities were satisfied with workforce information provided by the Bureau.

### **Recommendations for Improvement or Changes to the Deliverables**

Nevada's Department of Employment, Training and Rehabilitation is embarking on a new initiative to institutionalize regional sector strategies. Resources will be focused in a manner that accommodates demand-driven industries on a regional basis. The Research and Analysis Bureau will provide necessary research support designed to identify regional and sectoral workforce needs.

The Bureau has become more proactive in providing research and analysis in support of the State's policymaking efforts. We will continue to focus on producing information products (reports, data releases, etc.) that meet the needs of State officials.