

## A Positive Outlook

# The Economy and a Better Society



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adjusted employment sits at a record 1.32 million. As employment climbed, the unemployment rate fell. At its peak, Nevada's seasonally adjusted unemployment rate was about one and a half times the national rate. Today, the state and national rates are nearly identical as they approach what is known as full employment. In general terms, full employment is a state of balance between supply and demand in the labor market whereby anyone who wants to work can find a job, while businesses can hire workers without raising wages to a point that spikes inflation. Meanwhile, average weekly wages in Nevada continue to climb to record levels as the demand for labor increases.

On both the local and national levels, these key economic figures are reported each month and often discussed and dissected in terms of whether the economy is getting better or worse. These discussions often isolate the economy from its role in society as a whole, yet these macroeconomic measurements have tangible impacts on not just the health of the economy, but the health of society. When jobs disappear and unemployment rises, the costs to society climb alongside economic hardship. These costs are often borne by government programs and nonprofit agencies, which help provide a social safety net for those who need it.

Yet for most, that safety net is just a short-term solution designed to weather the economic storm. Ultimately, a strong economy where willing workers can find jobs and earn incomes to support themselves and their families will provide the greatest impact in reducing those societal costs and improving quality of life. Today, we are seeing those effects for ourselves. More Nevadans have jobs than ever before. Unemployment insurance claims are at historic lows. The statewide poverty rate has fallen from 16.4 percent in 2012 to 14.9 in 2015, one of the largest improvements in the nation.

What we are seeing is something that has been proven over centuries of American life. When an economy is thriving, people can, and do, improve their economic fortunes. In turn, those individuals avail themselves less of social programs, providing the opportunity for even greater economic growth.

Today, the number of Nevadans seeking unemployment insurance is as low as it's been in a decade. On a monthly basis, the state receives roughly 11,000 initial claims for unemployment insurance, which provides a financial safety net for out-of-work residents while they search for new jobs. Not that long ago, nearly three times as many laid off workers were applying for unemployment benefits as the state struggled through the economic downturn.

Like most of our state's economic measures, this figure has improved immensely in recent years as Nevada emerged from the recessionary fallout and returned to a state of economic growth. While monthly claims are at their lowest since 2006, perhaps even more notable is the fact that, as a share of the total labor force, the rate of unemployment insurance claims today is below even the boom years of the early to mid-2000s.

These trends are the result of years of steady improvement in Nevada's economy, particularly the rebound in employment and wages. The number of jobs has been growing steadily since 2010 and surpassed the pre-recession peak in 2016. Today, seasonally