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Workforce and Economic Update:

Passing of Ballot Measures Affecting Unemployment

Ballot Questions 5 and 6 may be impacting the labor market in Nevada, according to a workforce and economic analysis by the Department of Employment, Training & Rehabilitation (DETR).

Terry Johnson, DETR director, said particularly notable was the fact that unemployment insurance claims from food preparation workers and food servers jumped 51 percent in the first quarter of 2007 as compared to a year ago.

Johnson directed his department to conduct research of certain sectors of the labor market to see if any trends in unemployment have developed since November when measures passed banning smoking and increasing the minimum wage.

Job growth in full-service restaurants is also down from an average annual gain of 8.9 percent over the 2003-2006 period to 6.7 percent in the first quarter of this year. Job growth in businesses classified as "other gaming," averaged 1.3 percent growth annually between 2003 and 2006. This affects such workers as slot-route operators. During the first three months of 2007, job levels actually declined at a 2.9 percent rate, Johnson noted.

"This information represents the first available evidence concerning the labor market impacts of Questions 5 & 6," Johnson said. "It appears that due to the smoking ban, some establishments are choosing gaming over food service, leaving kitchen workers unemployed. As more comprehensive information becomes available in the spring and summer months, DETR will continue assessing these impacts."

The analysis also shows statistical information about the 24,129 people who receive unemployment benefits. There are an estimated 58,000 people unemployed in Nevada, which accounts for the latest unemployment rate of 4.3 percent.

The largest percentage of those collecting benefits is between the ages of 45 and 55. Over half of the recipients are between 35 and 54.

Additionally, DETR has seen a 45 percent increase in the number of construction-related claims for unemployment benefits within the last year, Johnson said. This can be attributed to the continued slow-down in housing.

“While the construction industry makes up 11 percent of Nevada’s workforce, it accounts for 25 percent of unemployment claims filed through DETR,” Johnson said. “There is clearly a disproportionate number of workers in the construction sector becoming unemployed. It seems that the housing slump is signaling less of a need for workers in this industry. However, we must not ignore the tremendous amount of commercial building underway, which may provide jobs to some of these displaced workers.”

Industries with the largest annual percentage growth in unemployment insurance claims were transportation and warehousing at 52.7 percent; professional and technical services at 50 percent; and real estate, rental and leasing at 49 percent.

Some industries experienced a decline in the number of claims. The Information industry, including communications jobs and some computer technology workers, saw claims decline 12.5 percent in March, relative to a year ago. Managers of companies and enterprises saw claims decline 11.6 percent from a year ago and claims from the public administration sector fell 10.9 percent over the same period.

“While we are pleased with the low unemployment rate Nevada enjoys, one unemployed citizen is one too many,” Johnson. “We are committed to improving service delivery through the Nevada JobConnect System. With a job growth rate twice that of the nation; there is no reason that a willing worker should be unemployed. If he or she is lacking certain skills, then we can help. We want to get the word out that Nevada’s Workforce Investment System is ready and able to assist citizens who need help with training, resume writing, job referrals and more.”

Included is a table of statistical data of Nevada’s unemployment insurance recipients.



DETR is comprised of the Employment Security Division, Equal Rights Commission, Rehabilitation Division, the Information Development and Processing Division and the Research and Analysis Bureau.

DETR works in partnership with the Nevada JobConnect System to connect businesses and workers.