



October Unemployment Claims Increase Following Five-Year Low

In October, initial claims for unemployment insurance rebounded after reaching a five-year low in September. After initial claims in September fell to under 14,000 for the first time since 2007, initial claims in October rose to over 18,000, a 5.5% increase compared to October 2011. While a substantial increase both over the month and over the year, this increase is largely due to technical factors.

There were only 19 working days in September 2012, but 22 in October 2012. This shift artificially reduced the number of claims reported during September, shifting them into October. In addition, October typically begins a seasonal period of increased claims in Nevada that lasts through the winter. Adjusting for the number of working days in each month, and looking at the change compared to October 2011 to reduce the effects of seasonality, the 5.5% increase in claims would instead be a 4.1% decrease.

While a substantial portion of this increase is technical, the Research & Analysis Bureau will continue to monitor the level of initial claims to see if there has been any shift in the overall trend. As Nevada has been recovering from the 2007 recession, the number of people claiming unemployment benefits has been steadily falling when compared to the prior year, registering a decline in 33 of the past 35 months. Initial claims represent the first step in filing for unemployment benefits. Therefore, because initial claims are related to people entering unemployment they can be considered a leading indicator of changes in overall employment levels. Despite the increase in October, Nevada continues to show overall progress toward economic recovery.

In October 18,454 initial claims were filed compared to 17,495 in October 2011. Since the beginning of the recession initial claims peaked at 36,414 in December 2008, and the low point for initial claims was 13,932 in September 2012.

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