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Nevada's seasonally adjusted unemployment rate increased to 10.6 percent, gaining two-tenths of a percentage point over-the-month. It's the smallest month-to-month increase since April 2008, according to Bill Anderson, chief economist for the Nevada Department of Employment, Training, and Rehabilitation.

The number of unemployed Nevadans fell for the first time in a year, falling by one-hundred to 146,300. The unemployment rate is 0.1 percentage points below the record of 10.7 percent (December 1983.) "The decline may be an indication that the worst of the down turn is behind us, but only time will tell if April's reading is the start of a trend or just a brief respite from continued increases in unemployment," Anderson said.

Nevada's unemployment rate remained higher than the national average, which was 8.9 percent in April.

The unemployment rate in each of Nevada's three metropolitan statistical areas either declined or remained the same. The Carson City MSA experienced the sharpest decline in its unemployment rate, falling from 11.3 percent to 10.8 percent. The unemployment rate in Reno-Sparks fell two-tenths of a percentage point to 11.0 percent, and the Las Vegas-Paradise unemployment rate was unchanged at 10.4 percent. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 10.5 percent in April.)

"Employers reported 5,200 fewer jobs Statewide in April than in March, an about-face compared to last year's increase of 5,100 over the same period. The recession has negated typical seasonal growth seen this time of year. Over the last five years, Nevada's employment increased an average of 11,320 from March to April," Anderson said. "A number of key industries failed to maintain employment levels: the retail sales industry shed 1,600 jobs; professional and business services employers trimmed 1,400 jobs from their payrolls; and local governments, struggling with declining revenue, slashed 1,500 jobs over the month. On the bright side, food service and drinking establishments added

1,100 positions, education and health services added 100, and casino hotels and gaming ended a string of monthly losses, remaining flat over-the-month.”

Employment trends in Nevada’s three metropolitan statistical areas were mixed. Employment in Las Vegas declined 4,200 over-the-month and is down 54,700 over-the-year. Reno-Sparks employment contracted by 700 jobs from March to April and is down 18,500 over-the-year. Carson City managed a monthly increase of 200, but is down 1,300 from the same month a year ago.

The CBER-DETR Nevada Coincident and Leading Employment Indices, developed through a partnership between DETR and UNLV’s Center for Business and Economic Research, measure the ups and downs of Nevada’s economy. There are two indices: the Coincident index, which gauges current labor market conditions, and the Leading index, which signals the future direction of the Coincident index. The Coincident index uses four employment measures: household employment, nonfarm employment, the unemployment rate and the insured unemployment rate. The Coincident index fell by 3.4 percent in March from February, suggesting the current recession has yet to find a bottom. The Leading index, however, showed an increase from February to March of 0.1 percent, implying that an employment bottom may be near.

According to Anderson, a comparative review of Nevada employment changes over time offers a sobering analysis of recent trends, Anderson said. On a percentage basis, the level of job losses in the current recession has not been seen since World War II. The Nevada economy in the 1940s was significantly different than today’s. At the time, Nevada’s total employment was less than 60,000. From 1943 to 1944, the economy shed 6,900 jobs, accounting for a 12.4 percent year-over-year decline.

“Even the recession of the early 1980s is beginning to look relatively mild as the current recession deepens,” Anderson said. “In 1982, Nevada lost 2.4 percent of all jobs. Through the first four months of 2009, Nevada has already lost 5.7 percent of all jobs, with more losses expected as the year unfolds.”

Nevada’s construction industry continues to struggle through commercial and residential market adjustments. Employment in April declined by 1,200 over-the-month, and is down 22,600 over-the-year.

“Nevada’s construction woes are not unique to the State, though the build up and fall of the industry has been more severe than most,” Anderson said. “During the peak of the ‘housing boom’, year-over-year employment growth neared 18 percent in Nevada. Compare that to the 5.2 percent employment growth in the nation as a whole over the same time period. At its height, the construction industry accounted for 11.2 percent of all jobs in the State, and only 5.7 percent for the nation. Through 2009, the ratio of construction jobs has fallen to 8.1 percent of all jobs in Nevada, a level similar to the early 1990s.”

Growth in Nevada's construction industry began to slow a year before the U.S., though both started contracting in 2007. Nevada began contracting at a much faster 6.4 percent, compared to just 0.8 percent at the national level. Through the first four months of 2009, that gap has narrowed, and the rate of decline has also been similar, as Nevada has contracted 16.5 percent, and the nation 14.2 percent.

“Nevada's construction woes will likely continue through the rest of the year, as the City Center and Fontainebleau projects complete construction,” Anderson said. “With each project nearing completion, both operations will release workers throughout the summer and into the fall. Once released, workers will find it difficult to locate new employment opportunities.”

Anderson added that the financial troubles of the big-three automobile manufacturers are adversely affecting both national and local economies. Restructuring efforts include planned dealership closings in Nevada. The closures will cause additional hardship for an already battered industry in the State. New auto dealerships have already shed over 550 jobs falling to 9,591 through the third quarter of 2008 (the most recent data available.) Recently announced dealership closures will significantly increase the level of job losses in the months ahead.



*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.*