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Nevada's Unemployment Rate Hits 9.4 Percent in January

Nevada's seasonally adjusted unemployment rate climbed to 9.4 percent in January, up from a revised 8.4 percent in December, said William Anderson, chief economist for the Nevada Department of Employment, Training & Rehabilitation (DETR). Nevada's unemployment rate continues to surpass the national average, which was 7.6 percent in January. December's rate was originally reported at 9.1, but due to annual revisions based on new population estimates and additional modeling techniques, it was revised down to 8.4 percent, Anderson said.

"Typically, we would expect unemployment to increase in January, relative to December," Anderson said. "This year, that increase was stronger than normal, as reflected in the rise in the seasonally adjusted jobless rate. The normal December-January increase in unemployment was exacerbated by current economic conditions, as the recession's impacts continued to hit Nevada especially hard.

January's unemployment rate was the highest since August 1983. The unadjusted unemployment rate at both the state and MSA level topped 10.0 percent. The statewide rate reached 10.2 percent. Carson City experienced the highest unemployment rate, 11.1 percent, followed by Reno-Sparks at 11.0 percent, and a jobless rate of 10.0 percent in the Las Vegas-Paradise MSA, Anderson said.

Nevada's unemployment insurance program continues to feel the effects of the climbing unemployment rate.

There are currently 96,000 people receiving unemployment benefits per week, with more than 106,000 claims being filed weekly. The call centers are fielding nearly 25,000 calls per week.

January labor market conditions varied considerably across the state, Anderson said. Eight counties, led by Lyon's 15.1 percent and Nye's 13.1 percent, had double-digit unemployment rates. Three counties, Lander, Elko and White Pine, had jobless rates below 7.0 percent; a reflection of the relatively strong performance of the state's mining industry.

With revised information available for all of 2008, a look at annual trends sheds light on the economic situation in Nevada, Anderson said. Relative to 2007 annual averages, Rhode Island had the largest jump in its jobless rate (2.6 percentage points). Florida and Nevada reported the next largest rate increases (+2.1 and +2.0 percentage points, respectively). Revised employment estimates also show that Nevada's economy contracted more than originally estimated in 2008. The state's annual establishment based industrial employment growth rate for 2008 was revised downward from -0.7 percent to -2.0 percent, the largest reduction in payrolls since 1982. All told, Nevada's economy saw a decline of 26,100 jobs from 2007 to 2008.

"Recessionary pressures appear to be unwinding some of the growth experienced earlier this decade," Anderson said. "Nevada's employers scaled back jobs by nearly 60,000 in January from the same month a year ago. Job losses are broad based, but a few sectors are absorbing significant losses. For instance, construction employment is down by 20,100, leisure and hospitality is down by 19,000, and professional and business service employment is down by 10,800 over the year."

As consumers have scaled back their discretionary travel and spending activity, there have been some structural changes in Nevada's economy. For instance, the number of casino hotel jobs per hotel room in southern Nevada has trended down markedly since mid-2006, just as it has in past downturns in the economy, Anderson said. In December 2008, there were 1.17 casino hotel jobs per each hotel room. In mid 2006, there were in excess of 1.3 jobs per room. Just a decade ago that statistic was approaching 1.4 jobs per room.

"The State's deteriorating labor markets are having broad-ranging impacts," Anderson said. "For several years running, Nevada led the nation in population growth. However, preliminary information suggests that population growth has slowed markedly as the economy has weakened. Nevada's population grew by just 0.8 percent in 2008. Over the 1997-2007 period, population gains averaged 4.3 percent annually."



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.