

DIRECTOR
Larry J. Mosley



GOVERNOR
Jim Gibbons

OFFICE OF THE DIRECTOR

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Media Contact: Mae Worthey
Public Information Officer
Phone: 702.486.7991
Cell: 702.249.6324

Nevada's Unemployment Rate Continues to Break Records at 12.5 Percent for July

In July, Nevada's unemployment rate jumped half a percentage point to 12.5 percent, with an estimated 179,300 Nevadans unemployed and actively seeking work. The rate continues to surpass all records since Nevada began tracking unemployment in 1976.

"Nevada is in the midst of the longest, deepest recession since World War II, and recent labor market trends show no sign of improvement, particularly unemployment, which has surged at a record pace in recent months," said William Anderson, chief economist for the Nevada Department of Employment, Training & Rehabilitation (DETR). "Since April, the jobless rate increased 1.9 percentage points, adding 27,600 to the ranks of the unemployed. It's the largest three-month surge on a percentage basis going back to 1976."

"Growth in the national economy will likely precede improvement in Nevada," he said. In July, there was talk of 'green shoots' or positive indicators, suggesting the national economy may be bottoming out. For instance, the Commerce Department reported GDP declined just 1.0% in the second quarter, a significant improvement from previous reports. The Bureau of Labor statistics reported a decline in the national unemployment rate. And, total non-farm employment declined by the smallest amount since last August. Even construction showed signs of improvement, where housing starts jumped 3.6 percent in June, a higher than expected gain. Improvement in the national indicators bodes well for a rebound in 2010.

"When that growth will trickle down to Nevada is less certain," he said. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 12.7 percent in July.)

"For Nevada's tattered labor markets, the bottom of the business cycle can't come soon enough," Anderson said. "The Las Vegas-Paradise metro area, including all of Clark County has been particularly hard hit, with an unemployment rate of 13.1 percent. Its not only the highest unemployment rate among Nevada's metro areas, it also ranks in the top five across all areas of similar size in the U.S. The Reno-Sparks metro area isn't faring

much better, where the unemployment rate is 12.2 percent. Carson City, comparatively the best, still has a rate 2.3 percentage points higher than the national rate of 9.4 percent.” (Unemployment rates for the State’s metropolitan areas are not adjusted for seasonality. For comparison purposes, the State’s unadjusted unemployment rate was 12.7 percent in July.)

Total non-farm employment slid 15,000 in July. The over-the-month decline is a result of several factors, including local government cutbacks, waning convention business, and a continuing fall in construction activity. Employment trends in the State’s two largest metropolitan statistical areas were similar to those seen statewide. Las Vegas-Paradise lost 11,900 jobs over-the-month, and is down 60,000 over-the-year. Reno-Sparks employment fell 2,700 from June to July, and is down 18,200 over-the-year. Carson City lost just 100 jobs from June to July, but employment is down 2,100 from the same period a year ago.

“The leisure and hospitality sector continues to limp along,” he said. “Visitation remains stagnant, and those that do visit are spending less. For thirteen months in a row, fewer visitors have come to Las Vegas. In June, 6.3 percent fewer travelers came to Las Vegas than a year earlier. The drop in visitors and apparent change in playing habits is evident in gaming revenue figures.”

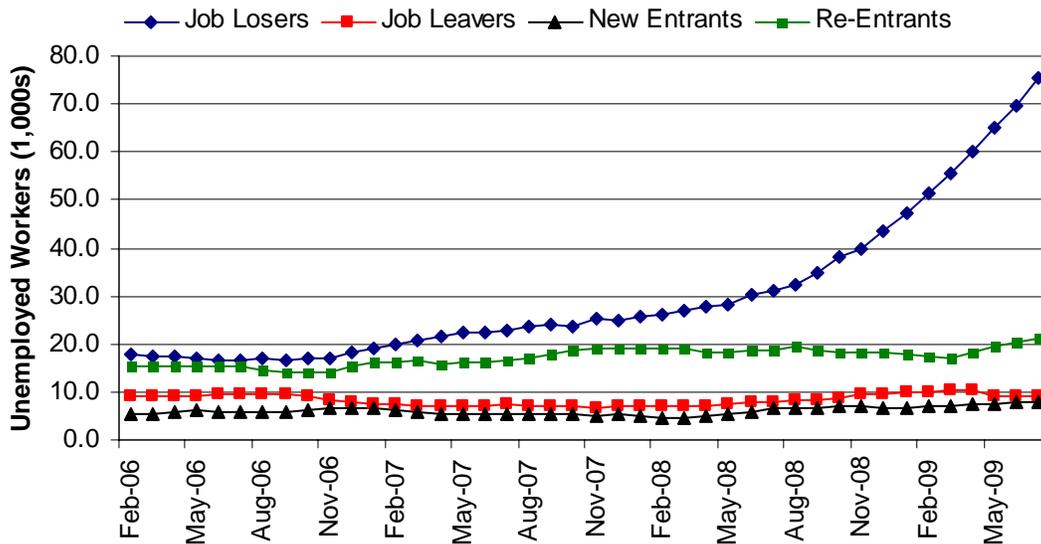
In June, gaming revenues were down 13.8 percent Statewide and 14.7 percent in Clark County. Employers struggling under heavy debt burdens have made cuts wherever possible. One such area is employment where 22,700 jobs have been lost over-the-year. The Las Vegas labor market will get some of those jobs back, with the opening of City Center this fall. A reported 10,000 jobs will be created, but some gains will be offset with losses in construction and cannibalization of existing properties.

Labor force and unemployment estimates in Nevada are partially derived from a monthly survey performed by the U.S. Census Bureau called the Current Population Survey (CPS). The survey encompasses roughly 1,200 rotating households within Nevada. In the survey, unemployed respondents identify themselves as either a job loser, job leaver, new entrant or re-entrant. Looked at on a 12-month moving average basis, the vast majority of the increase in unemployment as the current recession has unfolded in Nevada is attributable to an increase in the number of individuals losing their jobs. Over the past 12 months, the number of Nevadans counted as unemployed because they lost a job has averaged about 80,000. Prior to the recession, the average was less than 20,000. The number of unemployed attributable to new entrants into the labor force who have been unable to find a job has held relatively steady, as has the number of unemployed new entrants into the labor force. The number of re-entrants into the labor force who have not found employment has ticked up a bit. Included in this group may be spouses/partners of those who have lost jobs who have re-entered the labor force in an attempt to replace lost household income.

ECONOMIC OVERVIEW: JULY 2009

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH</u>		
	<u>RATES</u>					
	<u>Jul '09¹</u>	<u>Jul '08</u>	<u>Jun '09</u>	<u>Jul '09¹</u>	<u>Jul '08</u>	<u>Jun '09</u>
Nevada ²	12.5%	6.7%	12.0%	(6.6)%	(1.7)%	
(6.5)%						
Las Vegas-Paradise MSA ³	13.1	6.9	12.3	(6.6)	(1.1)	(6.5)
Reno-Sparks MSA ³	12.2	6.7	11.7	(8.4)	(3.9)	(7.8)
Carson City MSA ³	11.7	6.6	11.5	(6.5)	(1.2)	(5.6)
United States ²	9.4	5.8	9.5	(4.2)	(0.2)	(4.2)

Nevada Unemployed Workers by Reason



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.



¹ Preliminary estimates

² Unemployment rates are seasonally adjusted for the State of Nevada and the United States

³ Metropolitan Statistical Area (Las Vegas-Paradise MSA = Clark County; Reno-Sparks MSA = Washoe & Storey counties; Carson City MSA = Carson City)

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