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Nevada's Unemployment Remains on the Rise at 12 Percent for June

Nevada's unemployment rate remains at a record high, jumping to 12 percent in June said Bill Anderson, chief economist for the Nevada Department of Employment, Training & Rehabilitation. The unemployment rate, the highest ever recorded in Nevada, increased 0.8 percentage point from a revised 11.2 percent in May. All of the state's metro areas experienced increases in unemployment. In Las Vegas the rate jumped over a point to 12.3 percent. Reno went from 11.1 to 11.8 and Carson City rose from 10.7 to 11.5 percent.

At 12 percent, an estimated 169,800 Nevadans found themselves unemployed and actively seeking work. Nevada's unemployment rate is 2.5 percentage points higher than the nation's 9.5 percent unemployment rate. Through the mid-point of the year, Nevada is averaging a 10.6 percent unemployment rate, compared to 5.7 percent through the first six months of 2008.

"In June alone, an estimated 15,600 Nevadans joined the ranks of the unemployed, adding to a trend that has run since the start of the recession in 2007," Anderson said. "Though negative overall, some seasonal employment decline is typical for this time of year, as the education sector cuts workers for the summer. Of the 7,900 jobs lost since May of this year, 5,900 were in either State or local government which includes education."

The private sector reported 2,000 fewer jobs over the month, with losses spread across a majority of industry sectors. The professional and business services industry cut 1,700 jobs, the construction industry shed 800, and the leisure and hospitality industry shed an additional 400, Anderson said. Not all industries shed employment though. Offsetting losses in other sectors were the trade, transportation and utilities industry which added 800 jobs; manufacturing reported 200 more jobs; and the mining industry added an additional 100 workers.

"As a whole, Nevada employers have shed 83,700 jobs over the year, with its metropolitan areas bearing the brunt of the decline," Anderson said. "The Las Vegas Metropolitan area has lost over 60,000 jobs, or 6.5 percent. Employment in the Reno-

Sparks area is down 8.1 percent, a loss of 17,500. And, the State's capital region has lost 1,800 jobs, a 5.6 percent decline. The non-metro areas of the State have lost 4,300 jobs over the year."

UNEMPLOYMENT BY GENDER

The economic downturn is disproportionately affecting Nevada workers based on gender. A review of current population survey estimates shows a widening gap is prevalent in the rates of unemployment for men and women. Based on a twelve-month moving average, 9.2 percent of men in the labor force were unemployed for the year ending in June. The rate of unemployed women in the workforce was just 7.6 percent over the same period. Further, men made up 64 percent of unemployment insurance claimants in June, compared to 36 percent for women. Given trends in the construction and healthcare sectors, two traditionally gender dominated industries, the divergence is not unexpected. Construction, a traditionally male-dominated industry, has lost more jobs than any in the recession. Healthcare, on the other hand, remains just one of two industries maintaining positive job growth, the other being mining. While mining is another traditionally male-dominated sector, its relative size has little effect on the overall trend. If nothing else, the review should encourage both men and women to seek non-traditional employment opportunities and training options.

TEMPORARY AGENCIES

The employment services industry consists of establishments that provide job placement services and temporary workers to business. Evidence suggests that trends in the employment services industry can signal the start and end of a recession. Going into a recession, employment services' activity will decrease before overall non-farm employment, as businesses will stop using temporary workers and placement agencies. When the economy shows preliminary signs of stabilizing, firms will initially hire temporary workers. Once an economic expansion is evident, firms will then commit to permanent employment. A review of Nevada trends suggests that the employment services industry began to level and decline prior to total employment going into the current recession, but not before the recession of 2001. The employment services industry trend appears to be more effective at marking the end of a recession. The over-the-year changes in the employment services industry at the end of a recession moved ahead of total employment in the recessions of 1991 and 2001. Most recently, the rate of decline in employment services appears to be slowing, while total non-farm continues on a steep decline, which suggests the bottom of the recession may be near.



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.