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Nevada's Unemployment Climbs to 10.4 Percent in March

In March, the unemployment rate in Nevada increased to 10.4 percent, up from a revised 10.0 percent in February. The rate is the highest it has been since March 1983. It remained above the national average which was 8.5 percent in March.

The rate would have been higher if not for a decline in the labor force, said Bill Anderson, chief economist for the Nevada Department of Employment, Training & Rehabilitation.

“Nearly 14,000 Nevada workers dropped out of the labor force from the previous month, most were likely too discouraged to actively seek employment,” he said.

The Las Vegas-Paradise MSA absorbed most of the increase in unemployment, where the rate increased by three-tenths of a percentage point to 10.4 percent. The unemployment rates in both the Reno-Sparks and Carson City MSAs were largely unchanged at 11.2 and 11.3 percent, respectively. One bright spot was the Elko Micropolitan area, where the unemployment rate declined by two-tenths of a percentage point to 6.2 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 March.)

“Over the year, total non-farm employment has fallen by 67,400 jobs, or 5.3 percent,” Anderson said. Job losses were broad-based, with nearly all industries showing declines from March of the previous year. Employers in the Las Vegas-Paradise area have shed roughly 48,000 jobs over the last year, a 5.2 percent decline. The Reno-Sparks area has lost 7.5 percent of its employment base, a loss of 16,100 jobs since March 2008. Carson City has so far suffered fewer job losses, having lost only 4.7 percent of total employment over the year.

“Earlier this decade, all regions within the State benefitted from Nevada's strong economic growth,” Anderson said. “Over the 2002-2007 period, job growth ranged from

6.1 percent in the Carson City metropolitan area to 27 percent in the Las Vegas region. However, since then, each of Nevada's three metropolitan areas, as well as the State as a whole, have recorded job losses."

Between 2007:IQ and 2009:IQ, the Reno metro area saw job readings decline 9.5 percent, roughly double the rate of decline seen in Las Vegas over the same time span. The State's rural counties have held up relatively well in the current downturn, as job levels have declined only 4.4 percent over the course of the past two years, Anderson said.

"Leisure and hospitality, the State's largest industry in terms of employment, is feeling the impacts of the on-going economic recession on discretionary consumer spending," Anderson said. "Numerous recent headlines highlight the financial difficulties many, if not all, of the State's gaming companies are facing. On an industry-wide basis, leisure and hospitality jobs have trended down markedly as the economic downturn has unfolded. March job readings are off by more than 21,000 relative to a year ago."

Gaming's difficulties are widespread throughout the State's geographic regions. Through the first eight months of fiscal year 2009 (July 2008-February 2009), gaming win has declined relative to the year-ago period in each of the State's gaming markets. Statewide results show a decline of 14.5 percent. Gaming win in the State's largest market, Clark County, has declined in excess of 15 percent through the first two-thirds of FY 2009. Washoe County's win is off 12.5 percent, on an annualized basis, over the same period. Elko County is home to the smallest (-6.3 percent) decline in win.

Construction job levels continue to recede as well. In 2006, construction payrolls increased by 8,200. In 2007, 9,300 building-related jobs were lost. Construction positions fell another 16,400 in 2008, Anderson said. Trends over the past few months suggest that job readings have fallen more than 20,000 below a year ago. Specifically, March brought with it a decline of 21,100 from the prior year. This represents 31.3 percent of jobs lost across all industries.

"Much has been made of the severity of the current recession relative to previous downturns in Nevada," Anderson said. "While it is extremely difficult to make broad generalizations given structural changes in the economy over time, we must go back to the early-1980s to find unemployment rates as high as we are currently experiencing. As a result, a comparison between the current economic slump and the recession which rocked the State's economy more than 25 years ago appears to be a legitimate exercise. "

According to the National Bureau of Economic Research, the national business cycle peaked in December 2007, at which time the U.S. officially slipped into recession, Anderson said. In the 15 months since that peak, job levels in Nevada have declined by more than seven percent. In the early-1980s, the business cycle peaked in July of 1981. During the 15-month period following that peak, Nevada jobs declined 2.7 percent. Hence, the State appears to have been hit harder by the current recession than in the early-1980s, at least as measured by employment trends.



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.

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