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### **Nevada's Unemployment Rate Sets a Record at 11.3 Percent for May**

Nevada's unemployment rate hit 11.3 percent which is the highest rate of joblessness registered since the state began keeping record in 1976. Prior to May, the highest rate recorded was 10.7 percent in December 1982. This equates to 154,600 people in Nevada who are out of work and are actively looking for work, with 112,700 of those in Clark County, said William Anderson, chief economist for the Nevada Department of Employment, Training & Rehabilitation (DETR).

"There is some sentiment that the U.S. economy may be near the bottom of the recession," Anderson said. "Unfortunately, May brought with it news suggesting that economic conditions in Nevada remain extremely weak. Historically, employment is a 'lagging' indicator of the economy's health. Hence, when a recovery does take hold in Nevada, labor market conditions will likely not respond immediately. This recession has hit the State extremely hard. As of April, only six states--Michigan, Oregon, South Carolina, Rhode Island, California, and North Carolina--had higher unemployment rates than Nevada." (May jobless rates have not yet been released for all states.)

Nationally, the unemployment rate jumped from 8.9 percent in April to 9.4 percent in May, and it stands 3.9 percentage points higher than a year ago. Over the 2002-2006 period, Nevada's jobless rate consistently came in below national readings. Since then, however, the state's jobless rate has exceeded that for the U.S., Anderson said.

The unemployment situation in May in the state's largest metropolitan statistical area deteriorated considerably. The Las Vegas jobless rate rose to 11.1 percent, up from 10.4 percent in April. A year ago, this labor market barometer stood at 5.7 percent. In the Reno-Sparks metro area, the April-May increase was much more subdued, as the jobless rate settled at 11.2 percent, up just two-tenths of a percentage point from the previous month. In May 2008, the jobless rate came in at 6 percent. In Carson City, conditions were unchanged from a month ago, as the unemployment rate held steady at 10.8 percent, up from 6.2 percent a year ago. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 11 percent in May.)

May saw strong growth in the services sector, specifically in the food services and drinking places industry, which added 1,400 jobs over the month after adding 1,100 jobs to the employment level in April from March. A number of key industries in the State, however, failed to maintain employment levels, including both the construction and the casino hotels industries, Anderson said.

“Nevada is experiencing the backlash from slowed consumer spending and declining visitor volume,” Anderson said. “High gas prices have a severe effect on tourism visitation numbers and could pose serious threats to an economic recovery going forward.”

Additionally, Anderson noted that the recession is having varied effects on private businesses of different sizes in Nevada. From the fourth quarter of 2007 to the fourth quarter of 2008, large employers (those with 500 or more workers) shed 31,081 jobs in Nevada. Medium-sized businesses (between 50 and 499 workers) lost 34,412 workers, and small-businesses (less than 50 workers) shed 18,569 jobs. On a percentage basis, larger companies are faring the worst, having lost 11.4 percent of their workforce, followed by medium sized companies who have lost 9.8 percent. Smaller companies appear to be faring the best, having only lost 4.4 percent of their employment.



*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.*