



OFFICE OF THE DIRECTOR

For Immediate Release
October 19, 2009

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

ECONOMIC OVERVIEW: September 2009

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Sep '09¹</u>	<u>Sep '08</u>	<u>Aug '09</u>	<u>Sep '09¹</u>	<u>Sep '08</u>	<u>Aug '09</u>
Nevada ²	13.3%	7.3%	13.2%	(6.1)%	(3.0)%	(6.9)%
Las Vegas-Paradise MSA ³	13.9	7.7	13.4	(6.2)	(1.4)	(6.9)
Reno-Sparks MSA ³	13.1	7.3	12.4	(7.7)	(5.4)	(8.5)
Carson City MSA ³	12.8	7.6	12.1	(5.9)	(2.7)	(6.5)
United States ²	9.8	6.2	9.7	(4.2)	(0.7)	(4.4)

Nevada's Unemployment Rate Slightly Rises to 13.3 Percent in September

Nevada's jobless rate, at a seasonally adjusted 13.3 percent, was barely up from the 13.2 percent tally for August. Nevada employers added 11,000 jobs in September from the previous month. The month-over-month increase in the unemployment rate was the smallest since March 2008, while the employment gain was the strongest since February 2007.

"The deterioration in Nevada's labor market eased a bit in September, but we will have to wait to see how future months unfold before we can conclude that the recession's grip on the State's economy is lessening," said William Anderson, chief economist for Nevada Department of Employment, Training & Rehabilitation (DETR). "Still, it is

¹Preliminary estimates

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

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

best not to get overly optimistic based upon information for just one month. Nationwide, the unemployment rate came in at 9.8 percent in September, considerably below Nevada's reading."

The total number of unemployed Nevadans remains worryingly high at 190,700, up by nearly 85,000 relative to a year ago.

"Similarly, job readings are off by 76,500 over the 12-month period. The bottom line is that once the economy does begin to recover, which it will, there is much ground to be made up," Anderson said.

In the Las Vegas metro area, September's unemployment rate came in at 13.9 percent, up from 7.7 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 13.5 percent in September.) Job levels stand 56,300 below year-ago readings. In the Reno-Sparks region, September's employment count stands nearly 17,000 below a year ago. The unemployment rate, at 13.1 percent, is up markedly from a year ago, when it was 7.3 percent. Carson City's unemployment rate was estimated to be 12.8 percent in September, and payrolls were down nearly 2,000 relative to a year ago. In September 2008, the region's unemployment rate was 7.6 percent. Clearly, all regions of the State have felt the impacts of the current economic climate.

Unemployment figures are often confused with unemployment insurance activity. They are not one and the same. Specifically, the monthly estimate of the number of unemployed in Nevada is designed to capture those residents out of work who are actively seeking employment, regardless of whether they are receiving unemployment insurance benefits, Anderson said. Between 2004 and 2007, unemployment insurance recipients averaged about 35-40 percent of the total unemployment estimate in Nevada. With the implementation of a variety of federally-funded extensions for those exhausting their benefits, that share began to increase in mid-2008. So far in 2009, the number of unemployment recipients in Nevada has averaged more than 70 percent of the total unemployment count.

All industries within the state have felt the effects of the economic downturn, but none more so than construction. Construction benefited greatly from a booming economy, as building-related employment in Nevada increased by 48,000 between 1997 and 2007. However, since then, 50,000 jobs have been lost, Anderson said. Elsewhere, the leisure and hospitality industry added 77,300 jobs during the ten-year period ending in 2007. However, within the past two years 30,000 jobs have been eliminated.

"The much-anticipated opening of the City Center Project in Las Vegas should help ease job losses in the months ahead, but for the industry as a whole the negatives continue to outweigh the positives," Anderson said.

Both the professional and business services and trade/transportation/utilities sectors added in excess of 70,000 jobs during the economic boom. Since then, the former has cut nearly 15,000 positions, while the latter has cut payrolls by nearly 8,000.

Perhaps the earliest signs of the approaching recession showed up in residential real estate and construction activity beginning in approximately mid-2006. Arguably, one bright spot of late has to do with increases in resale activity. For instance, sales of existing homes have been on the upswing in southern Nevada since mid-2008. So far this year, resale activity has increased by more than 50 percent. However, on the flip-side, a considerable portion of that increase in activity is attributable to distressed properties.

In addition to the City Center opening on the horizon, another event that, historically, has had a positive impact on the Nevada labor market--the holiday shopping season--is also close at hand. During this decade (through 2007), retail trade employment growth in Nevada (from October through December) has averaged nearly 6,000 jobs per year. However, in 2008, job gains were just about one-half (3,100) of their recent norms.

“Once again, we expect the weak economy to limit the number of new seasonal hires this year,” Anderson said.

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.

