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## PRESS RELEASE

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### Nevada's Unemployment Rate Rose for the First Time this Year

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Jun '11</u> <sup>1</sup>	<u>Jun '10</u>	<u>May '11</u>	<u>Jun '11</u> <sup>1</sup>	<u>Jun '10</u>	<u>May '11</u>
Nevada <sup>2</sup>	12.4%	14.9%	12.1%	(0.3)%	(2.1)%	(0.5)%
Las Vegas-Paradise MSA <sup>2</sup>	13.8	15.3	12.4	(0.5)	(2.2)	(0.6)
Reno-Sparks MSA <sup>3</sup>	13.0	14.1	11.8	(1.5)	(2.1)	(1.9)
Carson City MSA <sup>3</sup>	12.5	13.8	11.5	0.0	(2.3)	0.0
United States <sup>2</sup>	9.2	9.5	9.1	0.9	(0.4)	0.7

Nevada's seasonally adjusted unemployment rate rose three-tenths to 12.4 percent. This is the first increase the state has experienced this year.

“An analysis of June labor market conditions suggests that recent weakness evident at the national level may be trickling into the Silver State,” said Bill Anderson, chief economist with the Nevada Department of Employment, Training and Rehabilitation (DETR). “In total, non-farm payroll employment declined by 2,900 from May to June. These results are well below expectations, given typical seasonal patterns, as evidenced by a seasonally adjusted employment decline of 1,600 on a month-over-month basis. All things considered, Nevada's job market is essentially flat.”

<sup>1</sup> Preliminary estimates

<sup>2</sup> Unemployment rates are seasonally adjusted for the State of Nevada and the United States. The seasonal adjustment process takes into account normal and predictable fluctuations in labor market activity due to such reoccurring factors as changes in the weather, the beginning and end of the academic year, the timing of holidays, etc., in estimating the unemployment rate. As a result, month-to-month changes in the rate offer a more precise measure of the labor market's underlying health and do not simply reflect normal seasonal patterns.

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

<sup>4</sup> Unemployment rates for the state's metropolitan areas reported here are not adjusted for seasonality. Hence, comparisons to the State's seasonally adjusted rate should be avoided. Legitimate comparisons, however, can be made to the State's unadjusted rate--13.5 percent in June, up from 12.1 percent in May.

Unemployment usually rises in June, but this month's increase is twice as large as the average of the last ten years. The large increase is likely caused by weak summer hiring by seasonal employers, Anderson said. Nevada's non seasonally adjusted unemployment rate jumped 1.4 percentage points to 13.5 percent. The unemployment rate in the state's sub state areas increased significantly as well. In the Las Vegas area, the unemployment rate increased 1.4 percentage points, rising from 12.4 percent in May to 13.8 percent in June. In the Reno-Sparks labor market, the rate of joblessness increased by 1.2 percentage points, rising to 13.0 percent in June. The unemployment rate in Carson City grew to 12.5 percent, up by one percent from the previous month. The unemployment rate in the Elko region (includes Elko and Eureka counties) rose nine-tenths of a percentage point to 7.7 percent.<sup>3,4</sup>

Total employment fell by 4,000 in June in Las Vegas, by 400 in Reno, and by 100 in Carson City. Through the first half of the year, job levels are down just 0.1 percent relative to a year ago. Furthermore, June job readings, after adjusting for normal seasonal ups and downs, differ little (up by less than 3,000) compared to year-end 2010 employment estimates, Anderson said.

Spring job growth in the retail sector stalled in June as employers trimmed 800 jobs, and is down 600 jobs for the year. Educational and health services lost 800 jobs, 400 in educational services and 400 in health care and social assistance.

“Not everything in the report is doom and gloom, though. The administrative and support and waste management and remediation services sector, which includes temporary hiring agencies, added 1,900 jobs. In Las Vegas, the leisure and hospitality sector continues to recover highlighted by 2,200 new jobs in June. Some of these gains are seasonal in nature, but some can be attributed to the up-tick in tourism Las Vegas has experienced so far in 2011,” Anderson said.

Continued contraction of public sector jobs reflects state and local austerity measures forced by shrinking tax revenue. Year-over-year tallies show state and local government down 3,600 jobs, a 2.7 percent cut to payroll. Almost 90 percent of the reduction was in local government jobs. Contrarily, private sector employment advanced by 2,500 over-the-year, driven by 8,600 new jobs in the accommodation and food services sector and 6,600 new jobs in the administrative support and waste management sector. Construction continues to hold back overall job growth. In June, building-related employment stands 5,400 below a year ago.

Two recent reports tout Nevada as one of the fastest growing states for export growth in the nation. According to Ball State University's "U.S. Export Adaptability at the State Level" and the U.S. Chamber of Commerce's "Enterprising States", Nevada ranked first in export growth and ninth in long-term job growth. Despite Nevada's economic woes of recent years, exports to foreign markets continue to grow, providing jobs for the state's workforce. On an annualized basis through April, Nevada's total exports increased by 17 percent compared to the same period in 2010. According to the U.S. Department of Commerce's International Trade Administration, a billion dollars of exports supports about 5,000 jobs on average. Based on this ratio, the 17 percent increase in exports translates into about 1,600 jobs in Nevada. Using the same calculation, since 2005, Nevada's export activities have supported an estimated 34,100 jobs annually.

Nevada's top export product based on value is precious metals, the price of which continues to trend into record territory. Through the first four months of the year, Nevada exported over \$969 million worth of

precious metals, \$70 million more than in the same period a year earlier. Nevada's number two export is electric machinery, sound equipment, T.V. equipment, etc. Foreign demand has benefited Nevada's second largest exporting industry. These exports are valued at \$272 million through April year-to-date, up \$67 million from the previous year. As Nevada repositions itself in the global market place, expansion of exports to foreign markets will enhance future economic success.

As it relates to unemployment insurance, the number of initial claims for unemployment insurance in Nevada continued to moderate through the first half of 2011, a trend consistent with stabilization in the labor market, but far short of outright improvement. During the last six months, claims activity is down 17 percent from the first half of 2010. After reaching a peak of 36,000 per month at year-end 2008, claims have gradually eased. They have been below 20,000 in each of the past five months. Like many other economic indicators, a "structural" analysis of claims activity in Nevada highlights a shift away from historical norms in the state's performance, relative to the nation's, in recent years. Historically, the relative level of claims activity (as measured by the number of claims per 1,000 jobs) in Nevada has been in line with national trends. However, beginning in early-2008, initial claims activity in Nevada, expressed in relative terms, has been well above that for the U.S. as a whole. In Nevada, a cyclical peak of 29 claims per 1,000 jobs was reached in December 2009. The comparable national figure was 25 claims per 1,000 jobs. As of June, there were 17 claims per 1,000 jobs in Nevada vs. 14 claims per 1,000 jobs nationwide.

**Please Note: Beginning with this release of the June labor market report, the Research and Analysis Bureau will publish a Power Point presentation summarizing national, State, and local economic and labor market trends in graphs and charts. Current plans are to update the presentation each month. The presentation, entitled *Nevada Labor Market Briefing: June 2011*, will be available at approximately 9:00am and can be found at <http://www.nevadaworkforce.com>, along with our regular press release materials.**



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 provide training and job placement services to job seekers and to assist employers in hiring practices.