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PRESS RELEASE

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	UNEMPLOYMENT RATES			JOB GROWTH RATES		
	May '11 ¹	May '10	Apr '11	May '11 ¹	May '10	Apr '11
Nevada ²	12.1%	14.9%	12.5%	(0.6)%	(2.5)%	0.0%
Las Vegas-Paradise MSA ³	12.4	14.9	12.0	(0.7)	(2.6)	(0.2)
Reno-Sparks MSA ³	11.8	14.1	11.7	(2.1)	(1.8)	(1.3)
Carson City MSA ³	11.5	13.8	11.6	0.0	(2.7)	0.3
United States ²	9.1	9.6	9.0	0.7	(0.6)	1.0

Nevada's Unemployment Rate Dropped to 12.1 Percent in May 2011

Nevada's unemployment rate fell to 12.1 percent in May, down nearly three percentage points since peaking in December at 14.9 percent. In the last five months, the number of unemployed Nevadans declined by 39,000. Roughly two out of five of those workers were able to find employment, while the rest dropped out of the labor force, said William Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation (DETR)

"Though Nevada's economic situation has stabilized, employers and workers are still struggling to find their footing in the current economy," Anderson said. "Estimated employment levels based on the employer survey showed an increase of just 1,500 jobs in May. The increase was much less than expected given normal seasonal trends. Measured on a seasonally adjusted basis, May job levels in Nevada were down by more than 5,000 relative to April."

The state's major labor markets took a step back in May. Unemployment in the Las Vegas-Paradise metro area increased for the first time this year, rising by four-tenths from 12.0 percent in

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)

April to 12.4 percent in May. In the Reno-Sparks area, the unemployment rate increased one-tenth to 11.8 percent. Carson City was the exception, where the jobless rate declined by one-tenth to 11.5 percent. In the Elko region, the unemployment rate fell one-tenth to 6.8 percent in May. (Unemployment rates for the state's metropolitan areas are not adjusted for seasonality. For comparison purposes, the state's unadjusted unemployment rate was 12.1 percent in May, up from 11.9 percent in April.) On an over the year basis, unemployment rates are down considerably in all labor markets across the state.

At the statewide level, the largest over-the-month employment increase was in the construction industry, which rose by 1,900 jobs. Most of the gain was reported by specialty trade contractors working on on-going rural construction projects. The leisure and hospitality industry added 900 jobs, driven by gains in the accommodation and food services sector. Part of the increase is due to the re-opening of the Siena Hotel Spa and Casino in Reno.

The financial activities industry had the largest over-the-month job loss, shedding 1,100 jobs in all. Employment in the trade, transportation and utilities industry was down by 1,000 jobs, driven largely by a 700 job loss in the transportation and warehousing sub sector.

For a variety of reasons, there tends to be considerable month-to-month volatility in the various measures of labor market activity at the state level. For instance, job changes in Nevada business establishments this year have ranged from a loss of 16,400 jobs in January to a gain of 4,400 in March. An examination of year-to-date trends discounts some of that volatility, including seasonality. Through the first five months of 2011, job levels in Nevada are essentially unchanged from the same period in 2010, down by just 0.1 percent. To put that in perspective, at the height of the recession in Nevada, in 2009, job losses came in at 9.1 percent. These results are certainly consistent with the "stable" theme evident in many of our recent assessments of Nevada's labor market.

There has also been signs of stability in an alternative measure of "household" employment (as opposed to the more widely-followed establishment-based measure discussed above), which is utilized in estimating the unemployment rate. Specifically, through the first five months of the year, household employment is down just 1.1 percent relative to a year ago. In 2009, household employment was down nearly six percent for the year. These trends, coupled with a declining labor force (down nearly 3.5 percent so far this year), has ushered in the much publicized downtrend in the jobless rate evident so far this year, from 15 percent during the January-May 2010 period to 12.9 percent during the same period in 2011.

Every year about this time, Nevada's youngest workers hit the street seeking seasonal employment opportunities. Though little data exists on this segment of the labor force, the information available reveals alarming changes in recent years and suggest continued difficulty during this summer's hiring season. Demographic information for workers presented in the Local Employment Dynamics program, a joint venture between the Department of Employment, Training and Rehabilitation and the US Census Bureau, shows that younger workers have been hit particularly hard by the recession.

"Many seasonal job opportunities provided to younger workers have dried up in the recession or are being taken by older, more experienced workers," Anderson said. "At the height of the recent business cycle, in the second quarter of 2006, 35,200 new hires between the age of 14 and 18 were hired. Last year, that amount fell to just 12,500, a drop of nearly 65 percent. Not only are there fewer jobs, but the wages paid to younger workers fell as well. Since peaking in 2007 at \$242 per week, the amount paid fell by about \$39 per week to \$203. Given expectations for weak job growth on the whole this summer, competition for traditional summer jobs will be extremely tight."

“For younger workers willing to hit the pavement searching for a job, some industries are a better bet than others,” Anderson said. “Last year, industries that hired the most workers in the 14-18 age group were retail trade (2,600) and accommodation/food services (2,500). For workers seeking a big paycheck, look to the mining industry, which paid its younger new hires over \$1,200 per week, or the utilities industry whose new hires earned \$795 per week. Of course, these jobs are relatively hard to get. The mining industry employed just 130 new hires in the 14-18 year old group during the second quarter last year, while the utilities industry brought on just 23 new hires.”



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.