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PRESS RELEASE

For Immediate Release

May 18, 2012

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Apr '12¹</u>	<u>Apr '11</u>	<u>Mar '12</u>	<u>Apr '12¹</u>	<u>Apr '11</u>	<u>Mar '12</u>
Nevada ²	11.7%	13.6%	12.0%	0.5%	0.4%	0.6%
Las Vegas-Paradise MSA ³	11.6	13.6	12.0	0.6	0.2	0.5
Reno-Sparks MSA ³	11.4	13.1	12.0	(0.5)	(0.8)	(0.7)
Carson City MSA ³	11.8	13.1	12.4	(3.5)	(1.7)	(3.1)
United States ²	8.1	9.0	8.2	1.4	1.2	1.5

Nevada's Unemployment Falls to 11.7 Percent

In April, Nevada's unemployment rate fell below 12 percent for the first time in nearly three years. The unemployment rate declined for the eighth consecutive month, with a fall from 12 percent in March to 11.7 percent in April. The jobless rate is down from a peak of 14 percent reached in October 2010, and the number of unemployed Nevadans has fallen from 193,600 to 158,600 over the period.

"Nevada has recorded year-over-year private sector job gains every month since early 2011, a clear sign that we are slowly but steadily working our way toward a stronger economy," said Governor Brian Sandoval. "We will continue to push for job growth in our economy, especially in key economic sectors to ensure the unemployment rate continues to decline."

New job growth in Nevada is being driven by the private sector, which has added employment in every month since January 2011. So far this year, private sector job levels are trending about 13,800 higher than a year ago. That is on top of approximately 12,000 new jobs added in 2011. Those improvements are being partially offset by declines in the public sector, which has lost 6,400 jobs since January 2011.

¹ Preliminary estimates

² 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.

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

⁴ 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 – 11.5 percent in April, down from 11.9 percent in March.

The unemployment rate in each of the state's three metropolitan areas fell below 12 percent and reached levels not seen in nearly three years. In the Las Vegas region, the unemployment rate fell to 11.6 percent in April, down from 12.0 percent in March. The unemployment rate in the Reno-Sparks area fell by six-tenths to 11.4 percent in April. In the Capital region, the unemployment rate fell six-tenths to 11.8 percent in April, down from 12.4 percent in March. In the Elko micropolitan area (Elko and Eureka counties), the unemployment rate declined three-tenths to 6.3 percent. The rate is 5.2 percentage points lower than the statewide average and 1.4 points lower than the national average, 7.7 percent.⁴

“Much has been made of late about the underlying reasons behind the downtrend in the unemployment rate,” said Bill Anderson, chief economist for the Department of Employment, Training and Rehabilitation (DETR). “While job growth has been positive of late, contributing to the drop in the jobless rate, there are some structural forces at play, as well. Specifically, the labor force participation rate (LFPR) has been trending down both at the state and national level for many years.”

At the beginning of the recession, about 66 percent of the U.S. population was in the labor force (either employed or unemployed). As of April, the LFPR was just 63.6 percent, suggesting individuals (presumably without a job) are dropping out of the labor force and are not counted amongst the unemployed. In Nevada, the labor force participation rate has been trending down since the early 1980's, after reaching a peak of 73.7 percent. The current LFPR stands at 64.9 percent, down from 67.8 since the start of the recession. While recent declines in the LFPR can be attributed to a poor job market, longer term trends point to changes in the structure of the economy and demographics of the population.

Seasonally adjusted nonfarm payroll employment in Nevada fell by 600 from March to April. Private-sector employment grew by 200 in April, but government employment fell by 800. Over the last year, private sector employment increased by 10,500 jobs. However, these gains were offset by a decrease in government employment of 5,100. April's lackluster jobs report comes on the heels of a strong report in March, which was revised up by 2,700 jobs, pushing that month's gain from 5,000 to 7,700.

Results were mixed for Nevada's major industry sectors. Mining employment rose by 100 in April and set a new series peak dating back to 1990. The trade, transportation and utilities sector added 2,900 jobs, with a strong showing from retail trade (+1,600), transportation/warehousing/utilities (+1,100); and an increase of 200 jobs in wholesale trade. Education and health services added 1,200 jobs in April -- most of it coming from the health care and social assistance sub-sector which added 1,100 jobs. Even with the increase, the health care and social assistance employment level is still below the peak set in October 2011.

“On the down side, a number of industries shed employment in April. Construction (-900) continued to trend down, setting a new post-boom low,” Anderson said. “Employment in professional and business services was down by 2,000 in April. Within the sector, administrative, waste management and remediation services lost 2,100 jobs. Although employment in accommodation and food services fell by 1,400 in April, it has gained 7,800 jobs over the last year (a gain of 2.7 percent). Government employers cut employment by 800 jobs over-the-month. Federal government employment was unchanged, and state government employment decreased slightly (-200). Most of the losses occurred in local government (-600). Local government employment has steadily decreased, losing 4,200 jobs in the last year and is currently at levels not seen since October 2005.

Employment levels in two of Nevada's metropolitan areas increased over-the-month, with Las Vegas adding 400 jobs and Reno adding 500. Carson City lost 200 jobs and employment is down 3.5 percent from a year ago. Reno employment is also down from a year ago, with 900 fewer jobs than in April of 2011 (a decrease of 0.5 percent). Las Vegas has added 4,600 jobs since April of 2011 for a year-over-year growth rate of 0.6 percent.

Along with a growing labor market, measures of wages paid to employees continue to trend positive. The 12 month average of hourly earnings for all employees on private nonfarm payrolls rose by six cents, to \$19.56.

Average hourly earnings have increased by \$0.70 since April 2011, an increase of 3.6 percent. Additionally, contribution reports from employers enrolled in Nevada's unemployment insurance program show moderate growth in covered wages. After declining in both 2009 and 2010, average weekly wages have rebounded of late. Wages in 2011 were up 1.3 percent from a year ago (\$829 vs. \$818), despite some weakness in the fourth quarter.

Total personal income in Nevada has increased on an over-the-year basis for seven straight quarters, despite a fall in transfer payments. Transfer payments as a share of personal income rose markedly during the recession, driven by increases in unemployment insurance benefits, and peaked at 16.6 percent in the final quarter of 2010. Since then, the level of transfer payments as a part of personal income has trended down and currently stands at 15.6 percent of the total.

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