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## **September Unemployment Rate Falls to 4 Percent**

### *Low Rates Keep Business Unemployment Insurance Rate Steady*

*Las Vegas, NV* — For the second consecutive month, Nevada's unemployment rate dropped, pointing to analysts' suggestion that volatility in summer employment contributed to the rise experienced in June and July. Reports released Friday by the Department of Employment, Training & Rehabilitation (DETR) show September's seasonally adjusted rate at 4 percent, remaining below the national average, reported at 4.6 percent for the same month.

"This is of course good news for the unemployment rate to continue its downward movement," said Terry Johnson, DETR director. "After two summer months of rising rates, we're glad to see it drop again as we head into fall. This type of activity confirms the economy in Nevada is continuing its momentum."

Another encouraging point about the low unemployment rate is the positive effects it has on the amount businesses must pay for unemployment insurance tax, Johnson said.

The Employment Security Council recently recommended the average tax rate employers pay into the unemployment insurance trust fund remain at 1.38 percent for the third consecutive year. Employers pay the tax on the first \$24,600 for each employee's wages. The money goes into a trust fund and is used to pay unemployment benefits to people who have lost their jobs due to no fault of their own.

Appointed by the governor, the Employment Security Council consists of nine members representing employers, employees, and the general public.

“The council’s recommendation underscores Nevada’s positive job growth and continued low unemployment rate,” said Cynthia Jones, administrator for DETR’s Employment Security Division. “It is important that the trust fund continues to grow and if that can be accomplished at the same time as allowing businesses to experience stability in the tax rate then that is certainly encouraging news.”

Because the unemployment rate is so low, there is less stress on the unemployment trust fund, which is projected to reach \$850 million by the end of 2007, Jones said.

Governor Kenny Guinn touted Nevada’s favorable tax structure as one of the benefits of businesses relocating and expanding in Nevada.

“Employers continue to reap the benefits of the state’s booming job market, as do job seekers who migrate to Nevada looking good paying jobs,” Gov. Guinn said. “Nevada’s attractive business climate and prosperous economic outlook entice companies looking at the state for possible business enterprises and support current employers who are helping to build Nevada one job at a time.”

Under state law, the Employment Security Council recommends the tax rate to the Employment Security Division Administrator, who will then make the final decision after hearing public comment on the topic.

The public hearing will be held at 10:00 a.m., on November 20, 2006, in the auditorium at 500 East Third Street, Carson City, Nevada and can also be seen by videoconference at DETR’s southern headquarters at 2800 E. St. Louis Avenue, Conference Room C, Las Vegas, Nevada.



*DETR is comprised of the Employment Security Division, Equal Rights Commission, Rehabilitation Division and the Information Development and Processing Division. DETR works in partnership with the Nevada JobConnect System to connect businesses and workers.*

