



Unemployment Claims Resume Decline in August

In August, initial claims for unemployment insurance fell 9.7% compared to the prior year, resuming a downward trend that was briefly interrupted by a small increase in July. An initial claim is the first step in filing for unemployment benefits, and provides some insight into the rate at which people are entering unemployment.

As Nevada continues to slowly recover from the 2007 recession, the number of people claiming unemployment benefits has been steadily falling when compared to the prior year, registering a decline in 32 of the past 33 months. After the rate of job loss peaked in late 2008 and early 2009 initial claims initially fell sharply by an average of nearly 20% in 2010. Since then, the pace has slowed to an average of 7.2% through eight months in 2012.

Because initial claims are related to people entering unemployment, they can be considered a leading indicator of changes in overall employment levels. Particularly, this tells us that the number of people losing their jobs continues to fall, an important step to establishing steady growth in employment overall. At the same time, the rate of claims and, by extension, job loss remains elevated and the pace of employment growth is likely to remain slower than what Nevada was accustomed to prior to the recession.

In August 17,003 initial claims were filed compared to 18,825 in August 2011. During the recession, initial claims peaked at 36,414 in December 2008.

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