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Nevada's Unemployment Rate Climbs to 5 percent in August

Nevada's statewide seasonally adjusted unemployment rate rose to 5 percent in August, the first time it has reached that level since November 2003. The rate remains higher than the national average, which posted at 4.6 percent for the month.

Although the monthly increase was only one-tenth of a percentage point, unemployment has been rising steadily from the 4.1 percent rate last posted in May 2006, said William Anderson, chief economist with the Department of Employment, Training & Rehabilitation (DETR).

Nevada has seen unemployment rates exceed the 5 percent mark, Anderson said. The rate was at least 5 percent from June 1990 through October 1996 and again from March 2001 through November 2003.

"Because of its robust economy, the state attracts a steady stream of new residents," Anderson said. "When the economy slows, as it has recently, it is more difficult for businesses to absorb all the newcomers, therefore the unemployment rate rises. Nevada's labor force has increased by nearly 45,000 in the past 12 months, but job creation has not kept pace."

A strong housing market was the catalyst for Nevada's impressive growth from 2004 to early 2006, Anderson said. Conversely, the housing slowdown has dampened economic growth.

The construction industry has lost 4,700 jobs in the past year. Employment in the financial sector has declined by 600, attributable in part to declining mortgage activity. Some of the 3,400 jobs lost in the employment services (temporary help) industry may have been construction related as well, Anderson said. With permits for new homes down about 50 percent so far this year statewide, there is little chance of a quick recovery in the housing market.

“But housing is not the only cause of the economic slowdown,” Anderson said. “A case of unfortunate timing has led to the concurrent loss of gaming industry jobs.”

The closures of the Stardust and New Frontier hotel-casinos on the Las Vegas Strip—both to be replaced by multi-billion-dollar resorts—contributed to a decline of 3,500 jobs in the gaming sector. But despite the job losses in some of its major industries, Nevada has gained a net 18,100 jobs since August 2006. Significant employment increases have occurred in manufacturing, retail trade, transportation and warehousing, health care, restaurants, professional services and the ever-expanding local school districts.

While the rate of unemployment continues to climb, DETR Director Larry Mosley, said Nevada’s economy is still strong with many opportunities for employment still available.

“We will remain steadfast in pursuing partnerships with businesses to keep the labor market strong,” Mosley said. “It is important that job seekers take advantage of training and job placement programs offered through the state’s Workforce Investment System, Nevada JobConnect. The state is committed to sound workforce development, especially during these volatile economic times.”



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 connect businesses and workers.