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Nevada's Unemployment Rate Remains Above the National Average for the Second Consecutive Month

For the second consecutive month, Nevada experienced a higher than usual unemployment rate of 4.6 percent, according to the Department of Employment, Training and Rehabilitation (DETR). The June figures show the rate to remain above the national average of 4.5 percent.

“The unrelenting slump in the housing market continues to be a major contributor to the labor market decline. The state has experienced a loss of 5,200 construction jobs in the past year,” said William Anderson, DETR’s Chief Economist. “Employment in Nevada has increased by 1.7 percent over the past 12 months, the lowest growth rate since September 2002 and barely above the 1.5 percent increase reported for the U.S. as a whole.”

The year-long slowdown in job growth was aggravated by the start of summer labor market volatility, Anderson said. Government employment, including the university and college system, fell by 5,000 in June. The number of unemployed people usually rises during this time of year due to teachers and other education staff reporting that they are not working during the summer months, Anderson said.

From September 2003 through June 2006, gains in construction sector employment added from one-half to one-and-a-half percentage point to the state’s overall rate of job growth, Anderson said. In the past 12 months, construction sector employment has declined by 3.5 percent. If construction jobs were excluded, employment growth in the state would be 2.4 percent over the past 12 months rather than the reported 1.7 percent.

“The state’s mining regions present a more positive picture,” Anderson said. “Gold continues to trade above \$650 per ounce, and copper has rebounded by more than \$1 per pound (to approximately \$3.50) since early February. Labor markets remain tight in several mining counties, and qualified workers are hard to find.”

Elko, Humboldt, Lander and White Pine counties each posted an unemployment rate below 4 percent in June. While monthly industrial employment figures are not available for the rural counties, it should be noted that Eureka County posted 18.5 percent job growth from the fourth quarter of 2005 to the fourth quarter of 2006, Anderson said.

"The current themes — a weak housing market, a strong mining industry, modest overall growth — are likely to continue for the remainder of 2007 and into 2008," Anderson said.

While the unemployment rate may seem problematic, DETR Director Larry Mosley stated that Nevada's economy is still holding strong compared to the rest of the nation.

"While the statistics do show an increase in the number of people unemployed, there is still reason to remain positive," said Mosley. "A number of commercial construction projects are on the horizon that will pour a tremendous amount of work opportunities into the labor market. Nevadans should remain hopeful that the prospect of obtaining employment will eventually improve."

Mosley said the gaming industry should get a boost from the Palazzo opening in late 2007 and the Encore at Wynn Las Vegas a year later. But 2009 should be a blockbuster year with the opening of Project CityCenter and other gaming properties, and Echelon Place will follow in 2010.



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.