

DIRECTOR
Larry J. Mosley



GOVERNOR
Jim Gibbons

OFFICE OF THE DIRECTOR

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Contact: Mae Flennoy
Public Information Officer
Phone: 702.486.7991
Cell: 702.249.6324

Nevada's Unemployment Hits Over a 5-Year High at 5.8 Percent

Nevada's unemployment rate jumped to 5.8 percent in December, the highest it's been since April 2002, while the national unemployment rate was at 5.0 percent in December, said Chief Economist Bill Anderson of the Department of Employment, Training & Rehabilitation (DETR).

Nevada's statewide seasonally adjusted unemployment rate has steadily increased since reaching a low of 4.1 percent in late 2005 and early 2006, Anderson said. The rate climbed slowly for a year to reach 4.6 percent by mid-2007. Since then the unemployment rate has continued to climb, rising by four-tenths of a percentage point to 5.8 percent in December.

"Although population growth in the state has slowed, Nevada's labor force has increased by about 25,000 since June," Anderson said. "The economy has been unable to absorb the new workers, however, and the ranks of the unemployed have swelled by about 14,000."

The housing slowdown remains the primary cause of labor market problems, Anderson said. The construction industry shed nearly 8,000 jobs in 2007, despite work on numerous large projects on the Las Vegas Strip. Other industries have contributed to Nevada's weak job growth—now at a five-year low 0.6 percent—as well. The financial industry lost 1,500 jobs in 2007, and the employment services (temporary help) sector shed 8,200 jobs.

"The housing slump very likely contributed to the weakness in those industries as well," Anderson said. "The year 2007 was a less than memorable one for Nevada's economy. Labor market conditions continued the deterioration that began in 2006. When the final numbers are in, the state is likely to have seen its second weakest job growth—better only than 2002—in the past 15 years."

Although retail sales figures for the holiday shopping season will not be available for several more weeks, the labor market did not receive its usual seasonal boost, he added. Retail trade employment increased by 5,300 from October to December, below the average of 5,700 holiday season retail jobs created in the previous 10 years.

“On a percentage basis, retail employment gains look even worse,” Anderson said. “From 1997 through 2006, the holiday season provided a 4.9 percent increase in retail sector employment, on average. In 2007, holiday season hiring advanced retail employment by only 3.8 percent.”

Anderson said it is important to note labor market statistics are revised each year. Modified labor force and industrial employment estimates take into account new population data, revised seasonal adjustment factors and more complete employment data than is provided by the monthly surveys.

“While much of the prior year data will be revised—with initial publication of the revisions in early March—the slowing trend reported throughout 2007 is almost certain to be confirmed,” he said. “his trend is likely to continue into 2008.”



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.