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Nevada's Unemployment Rate Jumps to 9.1 Percent in December

The statewide unemployment rate jumped a full percentage point to 9.1 percent (seasonally adjusted) from a revised 8.1 percent in November. The unemployment rate is the highest it has been since September 1983, when the economy was also in recession, said Bill Anderson, chief economist for the Nevada Department of Employment, Training & Rehabilitation. Nevada remained well above the national rate, which was at 7.2 percent in December.

Of the 50 states and Washington D.C., Nevada's annual average unemployment rate of 6.5 percent is the eighth highest which is calculated through November 2008. Michigan has the highest annual average at 8.1 percent, Anderson said.

Unemployment also spiked in the state's three metropolitan statistical areas. The unemployment rates in Las Vegas-Paradise and Reno-Sparks increased 1.2 percentage points over the month to 9.1 and 9.0 percent, respectively. Carson City's unemployment rate increased by 1.2 percentage points to 9.4 percent. (Unemployment rates for the state's metropolitan areas are not adjusted for seasonality. For comparison purposes, the state's unadjusted unemployment rate was 9 percent in December.)

"Nevada's economic conditions took a turn for the worse in the final months of 2008, and the deterioration was particularly evident in December," Anderson said. "All told, roughly 128,000 Nevadans found themselves looking for work in December."

During the final month of the year the state's lowest unemployment rate was in Elko County (4.4 percent). The highest jobless reading was Lyon County's 12.1 percent. An examination of recent trends suggests that the state's mining counties have the lowest levels of unemployment insurance activity, and are then followed by the state's urban areas. The highest level of unemployment insurance activity is in other (non-mining) rural counties.

The unemployment rate is calculated by using information from household surveys, employer surveys and claims for unemployment insurance benefits. The unemployment rate was heavily influenced by an unprecedented increase in initial claims for unemployment insurance benefits, Anderson said.

Initial claims topped 36,000 in December, marking the highest monthly total on record — a total 113.5 percent higher than the previous December and 31.4 percent higher than the previous month. For the week ending January 17, 2009, DETR made 78,391 unemployment benefit payments, which includes individuals receiving an initial payment, continued payment and payments made through the federal unemployment insurance extension program.

“That means that nearly 80,000 Nevadans are receiving some type of unemployment benefit payment because they are unable to find work,” said Cynthia Jones, DETR deputy director and administrator for DETR’s Employment Security Division. “We are sympathetic to the dire economic hardship Nevadans are facing. We are doing everything we can to improve our systems to make it easier on claimants to file for these much-needed benefits.”

DETR continues to hire new staff to take telephone claims and is expanding its telephone system to handle more calls, Jones said. The website www.expressclaim.org remains the quickest way to get a claim filed, Jones said.

Employment Review

Employment has been on a year-over-year decline for ten consecutive months, Anderson said. In March, once revised estimates are released, 2008 will likely mark the first time in 26 years that jobs declined on an annual basis, Anderson said.

“The decline ends a historic era of employment growth in the state,” Anderson said. “The current downturn has made it quite obvious that Nevada is not immune to broader economic forces. Much has been made of late concerning cautious consumer spending patterns, as consumer confidence has fallen acutely in recent months. This has impacted Nevada’s economy on a number of fronts. Taxable sales have taken a decisive downturn, having fallen in eight of the first ten months of 2008. Las Vegas visitor volume declined at a double-digit pace in recent months, and gaming win per visitor (adjusted for inflation) in Southern Nevada has declined over year-ago readings in six of the past seven quarters.”

Additionally, preliminary indications suggest that the 2008 holiday hiring season was quite weak in Nevada. Over the 1999-2007 period, the average October-

December gain in retail hiring was 5,800, or 4.7 percent. In 2008, retail payrolls increased just 3,200 between October and December, a gain of just 2.3 percent.

"Construction has been hard hit throughout the state," Anderson said. "Based upon information from the second quarter of 2008 (the most recent county-level information), job readings are off in nearly every county in the state, relative to a year ago. While the largest declines were in Clark and Washoe, year-over-year declines in excess of 400 jobs were recorded in Douglas and Nye, 375 in Carson City, and 300 in both Storey and Lyon."

Recently revised employment projections call for some stability to return to the economy in late 2009, at the earliest, although actual growth is not expected until well into 2010," Anderson said.

"Nevada's recovery is likely to lag the national recovery since Nevada is largely reliant on consumer sentiment and the willingness of consumers to spend disposable income," Anderson said. "New development will likely remain stalled until credit markets loosen, which will take a considerable amount of time despite the federal government's best efforts to inject funds into the system. A return to annual employment growth may not be realized until 2011."



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.