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## OFFICE OF THE DIRECTOR

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### **Nevada's Unemployment Rate Climbs 6.6 Percent in July**

Nevada's unemployment rate hit 6.6 percent in July, the highest it's been since July 1993. The nation's unemployment rate was 5.7 percent. Nevada has experienced an increase of 27,300 unemployed workers since July 2007. There are currently 94,900 people unemployed as compared to 67,700 this time last year. Unemployment in the Las Vegas-Paradise MSA increased by three-tenths of a percent to 6.8 percent, and the unemployment rate in the Reno-Sparks MSA rose to 6.5 percent. In the capital city, the unemployment rate decreased a tenth of a percent to 6.6 percent, but remains 1.6 percent higher than a year ago.

"A combination of seasonal layoffs and economic malaise added to the current woes of Nevada's labor markets in July," said Chief Economist Bill Anderson with the Nevada Department of Employment, Training & Rehabilitation. "A number of ongoing issues continue to plague the Nevada economy. The nationwide credit crisis that has been hindering capital investment for months has interrupted development on the Las Vegas strip. A lack of liquidity has led to an indefinite delay of the multi-billion dollar Echelon Place development. Hopes for an economic turnaround in 2009 had been pinned to the new construction jobs the project would create. Those hopes, while still intact, have been tempered somewhat following the announcement of the Echelon delay and a number of other construction delays. On a positive note, projects with financing in place prior to the crisis appear to be moving forward despite reports of a cash crunch. City Center, Fontainebleau and the Cosmopolitan are still on schedule to open over the next year or two."

July labor market reports showed typical employment losses following the end of the school year. Government employment fell by 6,000 over the month, with 5,800 coming from local governments. In good economic times most of the layoffs would have been absorbed by the private sector. This year, however, the private sector not only failed to absorb the new entrants, but actually lost 7,400 jobs overall from the previous month, Anderson said.

Governor Jim Gibbons said, "The continuing growth in the number of unemployed Nevada workers is a result of the state's difficult economic condition. It's important that state government do everything it can to encourage the creation of new jobs and attract new businesses to Nevada. This includes resisting pressures to increase taxes on business to meet the state's revenue shortfall, which would put even greater strains on already struggling companies and put more Nevadans out of work."

Williams said high fuel prices continue to adversely affect consumer demand and purchasing power. Businesses have seen falling demand for all but the most basic necessities, and this, in turn, has hindered employment growth. Fuel prices, however, are expected to gradually decline in the coming months, providing much needed relief to Nevadans and the state's economy.

"While Nevada's economic outlook remains bleak in the short term, a glimmer of hope that the bottom of the housing slump may be near is developing," Anderson said. "For six straight months sales of existing homes have increased. Although it would appear that the housing market is adjusting to market demand, this notable pick up in resales offers little incentive for new residential construction. Applications for residential building permits continue to decline, and more and more building permits will be pulled if sales of new homes do not increase. Still, the overall increase of month-to-month sales continues to be positive which implies that housing prices are approaching a stable equilibrium."



*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.*