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### Nevada's Unemployment Rate Rises in June to 6.4 percent

The Statewide seasonally adjusted unemployment rate increased two-tenths of a percent to 6.4 percent in June 2008. The national rate remained at 5.5 percent.

Unemployment in the Las Vegas-Paradise MSA increased by seven-tenths of a percent to 6.5 percent. The unemployment rate rose to 6.4 percent in the Reno-Sparks MSA and 6.7 percent in the Carson City MSA, said Bill Anderson, chief economist for the Department of Employment, Training & Rehabilitation. The number of individuals actively seeking employment has increased every month this year, growing by 27,200 since January.

“Along with typical seasonal change, it can be assumed many individuals are reentering the labor market seeking work to offset increasing prices,” Anderson said.

Industrial non-agricultural employment in the state continued to slide. For the first time since 2002 year-over-year growth has declined for four consecutive months. Employment in the state is down by 12,100 from June of 2007. Employment in the Las Vegas-Paradise MSA has declined by 6,200, Reno-Sparks is down by 2,200 and Carson City MSA employment has fallen by 500.

“Employers are being forced to adjust to a challenging business climate constrained by fuel related inflation and lagging consumer demand,” Anderson said. “Businesses are finding it difficult to pass price increases onto customers and are struggling to maintain employment levels.”

Disappointing gaming numbers are also adding to the State’s troubles, Anderson said. Gross gaming win fell by 15.7 percent in May, the largest monthly year-over-year drop in over 10 years. Total win fell below \$1 billion for the first time in 11 months. All major markets saw declines except Carson Valley. South Lake Tahoe’s win was off by over 24 percent, followed by Clark County at -16.4 percent and Washoe County at -8.8 percent. The decline will place added pressure on government budgets.

June initial claims for unemployment benefits in Nevada were over 33 percent higher than year ago levels. The average duration of a claim was up by 4.6 percent, with over 40

percent of claimants exhausting their benefit rights. There is some good news though for the roughly 47,000 to 50,000 Nevadans who previously ran out of benefits, or may run out before March 31<sup>st</sup> 2009. Under a bill passed by congress and the President, claimants currently unemployed with no additional benefit rights will get an additional 13 weeks of benefits. The federally funded benefits should give a boost to households and provide a measurable injection of economic stimulus.

“Although Nevada’s economy as a whole continues to struggle, the situation in rural Nevada shows promise,” Anderson said. “Though up overall, unemployment rates in gold producing counties remain relatively low.”

The rates in Elko, Eureka, Lander and White Pine counties were below 5 percent in June. The price of gold remains near all time highs and appears to be stimulating new investment. Several existing mines that previously reached, or were approaching, the end of their productive lives are finding new life. Increased profit potential, world demand and technology advances are extending mine life and fostering development of new mining opportunities. Mining industry employment is expected to increase in the near term.



*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.*