

DIRECTOR  
Larry J. Mosley



GOVERNOR  
Jim Gibbons

## OFFICE OF THE DIRECTOR

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Media Contact: Mae Worthey  
Public Information Officer  
Phone: 702.486.7991  
Cell: 702.249.6324

### **Nevada Unemployment Rises to 13 Percent After Two Months of Decline**

In December, the unemployment rate jumped seven-tenths of a percent to 13 percent, nearly matching the highest rate on record, September's 13.3 percent. An estimated 176,000 Nevadans were unemployed. Changes in the unemployment rates in Nevada's regional labor markets followed suit in December. The unemployment rate in Las Vegas jumped a full percentage point to 13.1 percent. In the Reno area, the unemployment rate increased 1.3 percentage points to 12.7 percent. In Carson City, the unemployment rate climbed to 12.7 percent, an increase of 1.5 percentage points over the month. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 12.8 percent in December.)

"December marked the end of a historically bad year for Nevada's economy," Anderson said. "A year marred by record setting unemployment and job loss. To cap an already dismal year, employers shed an additional 12,500 jobs in December, casting further doubt on the likelihood of a near-term economic recovery in Nevada."

In all, 76,100 jobs were lost from 2008 to 2009. On an average annual basis, in 2009, the unemployment rate grew 5 percentage points, representing an increase of 72,600 unemployed Nevadans.

All metropolitan areas of the state lost jobs in December. In Las Vegas, employers reported 9,900 fewer jobs in December than November. Since December 2008, the area has lost 66,700 jobs or 7.4 percent. The Reno-Sparks labor market contracted by 1,600 jobs in December and is down 13,300 over the year. Carson City held steady, losing just 100, but remains 1,100 below year ago levels, Anderson said.

The much anticipated opening of CityCenter in Las Vegas failed to be the immediate catalyst the leisure and hospitality industry needed to stop the evaporation of jobs, Anderson said. In December, the industry lost 3,900 jobs statewide, with the majority of these losses, 3,000, coming from the Las Vegas area. With the opening of CityCenter, the construction phase came to an end and with it a big drop in construction employment. Across the state, the industry shed 5,300 jobs, with 4,700 job losses in Las Vegas alone. For the second year in a row, holiday hiring came in below the long term average. Typically, the retail industry temporarily hires roughly 6,000 workers between October and December. This year the industry added just 3,000 additional workers across the state.

“Over time, population and employment tend to move hand-in-hand,” Anderson said. “Prior to the current recession, Nevada’s economy was among the strongest in the nation, if not the strongest. As a result, the state served as a magnet for individuals in search of increased economic opportunity. Indeed, Nevada’s population growth was the most pronounced in the nation for essentially two decades prior to the current downturn.”

Nevada’s solid performance continued through the middle part of this decade. The decade started with optimism following years of significant growth, but with two recessions, one triggered by the worst terrorist event in U.S. history, and another triggered by the collapse of the housing bubble, the first ten years of the new millennium fell below initial expectations and potential. On average, the Nevada economy, as measured by employment gains, grew by 76 percent every decade since the 1940s. But, from December 1999 to December 2009, Nevada’s employment base grew by just 15 percent, marking the slowest rate of growth for a ten year period. At the same time, population growth slowed from 70 percent in the 1990s to 30 percent in the recently-completed decade, Anderson said.

The current employment recession has now surpassed all recessions in the modern era in terms of depth and length. Prior to this recession, the longest, deepest employment recession occurred in the early 1980s. The recession of the 1980s lasted 18 months, and at its worst, job loss was 4.5 percent year-over-year. The current downturn is now two years old, and employment has fallen by greater than 6 percent.

“Despite the length and depth of the downturn, Nevada’s job market will likely worsen in the months ahead,” Anderson said.

Deconstructing the recession by industry reveals how and when different sectors began to succumb to the economic downturn. Construction employment peaked first in June 2006. Negative economic contagion then spread to nearly all industries within two years. Total employment didn’t peak until May 2007. Since then, all industries, except education and health services, have lost jobs. The education and health services industry has continued to grow given increased demand for services. Construction has, by far, lost the most jobs, 71,600, followed by leisure and hospitality with 44,100 jobs lost.



*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.*