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Nevada's Unemployment Rate Breaks Another Record at 13.7 Percent

Nevada's unemployment rate hits yet another record high at 13.7 percent in April, with Las Vegas also hitting record breaking levels at 14.2 percent, said William Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation (DETR). That equates to 193,000 people statewide are out of work, with 140,900 of those in the Las Vegas area. The rates remain above the national average of 9.9 percent.

"While the consensus may be that the recession is nearing the end, employment has not begun to show any signs of real improvement," Anderson said. "News on the employment front remains unsettling, especially for those still struggling to find work in this down economy."

Anderson said it is notable to mention that the public sector, particularly local government, is beginning to see large decreases in employment as well.

"Despite numerous wage concessions and other cutbacks, many local governments are being forced to lay off employees. In the last year, local government employers shed 5,500 jobs, or 5.2 percent. Local government employment slid by 1,000 in April alone. Job losses will likely increase in the coming months as municipalities adjust to lower budgets set to begin July 1st, Anderson said.

"Construction remains one of the most discouraging sectors in the labor market," Anderson said. "Construction employment has fallen to a level not seen since April 1995. Since the height of the housing boom in June to 2006, construction has fallen from 148,800 to 62,700, a loss of 86,100 jobs," Anderson said.

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ECONOMIC OVERVIEW: APRIL 2010

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Apr '10¹</u>	<u>Apr '09</u>	<u>Mar '10</u>	<u>Apr '10¹</u>	<u>Apr '09</u>	<u>Mar '10</u>
Nevada ²	13.7%	11.0%	13.4%	(3.5)%	(9.6)%	(4.2)%
Las Vegas-Paradise MSA ³	14.2	10.5	13.8	(4.6)	(9.7)	(5.5)
Reno-Sparks MSA ³	13.5	10.8	13.3	(2.9)	(10.4)	(3.1)
Carson City MSA ³	13.4	10.7	13.4	(3.0)	(6.2)	(3.3)
United States ²	9.9	8.9	9.7	(1.0)	(4.4)	(1.7)

Quotes from this report are attributable to William Anderson, chief economist, Nevada Department of Employment, Training and Rehabilitation.

The worst of the recession may be in the rearview mirror, but in April, Nevada continued down a long and bumpy road to economic recovery. Slow seasonal hiring drove employment slightly higher, while the unemployment rate topped the previous record high, again. The labor force has increased every month this year, as workers entered the job market either out of necessity or renewed optimism in potential job prospects. Over-the-year job loss is moderating, but a surge in permanent hiring remains elusive. Without an economic driver resulting in substantial new job creation, Nevada will continue to wait for the construction and leisure and hospitality industries to shake the effects of the Great Recession.

Nevada employers added 2,500 jobs in April with most of the increase coming from seasonal hiring in retail trade, and leisure and hospitality. The retail trade sector added 1,300 jobs, driven by increases in garden/hardware and sporting goods stores. The start of pool season in Las Vegas, combined with outdoor recreation, contributed to an increase in employment of 1,500 in leisure and hospitality. Unfortunately, losses in construction have yet to subside, with employment sliding 700 jobs. Construction employment has fallen to a level not seen since April 1995. Since the height of the housing boom in June to 2006, construction has fallen from 148,800 to 62,700, a loss of 86,100 jobs.

Across the State, each region benefitted slightly from the turning of the season. Employers in the Las Vegas-Paradise area added 1,300 jobs. Total nonfarm employment in the Reno-Sparks area increased by 1,200 and Carson City employers added 200 jobs. Over-the-year job losses have moderated significantly this spring. In Las Vegas, employment is down 4.6 percent, compared to a 9.7 percent decline a year ago. Reno was down 2.9 percent from a year earlier, and Carson City was down 3.0 percent. In April 2009, Reno was down 10.4 percent, and Carson City was down 6.2 percent. While the labor market is still deteriorating, the rate of decline is waning.

¹Preliminary estimates

²Unemployment rates are seasonally adjusted for the State of Nevada and the United States

³Metropolitan Statistical Area (Las Vegas-Paradise MSA = Clark County; Reno-Sparks MSA = Washoe & Storey counties; Carson City MSA = Carson City)

Nevada's seasonally adjusted unemployment rate increased three-tenths of percentage point to 13.7 percent in April, with an estimated 193,000 unemployed workers. Both labor force and unemployment increased, suggesting workers entering the labor market struggled to find suitable employment. Joblessness in the State's regional labor markets increased as well. In Las Vegas, the unemployment rate jumped from 13.8 percent to 14.2 percent. In the Reno-Sparks area, the unemployment rate increased two-tenths of a percent to 13.5 percent. The unemployment rate in the Carson City and Elko regions held steady at 13.4 percent and 8.5 percent, respectively. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 14.0 percent in April, up from 13.6 percent in March.)

The casino hotel and gaming industry in Clark County may have reached or be nearing the bottom of the downturn. While still weak compared to just a few years ago, a number of indicators have been improving. Employment has increased each month this year, gaming win is leveling out and visitor volume has improved six out of the last seven months. Even hotel occupancy, while still low by historical standards, has improved, despite a perceived over supply of rooms. Gaming win per visitor is on the upswing, too. Using a twelve-month moving average, win per visitor peaked in October 2007 at \$281, and has declined steadily ever since. In December 2009, win per visitor appears to have reached a bottom at \$242. In the first two months of 2010, win per visitor increased to \$245, marking the first significant increase since the start of the recession. The improvement may turn out to be just a blip, or it may mark a turning point in the industry's fortunes – only time will tell.

In what may be another shoe to drop in the recession, the public sector, particularly local government, is beginning to see large decreases in employment. Despite numerous wage concessions and other cutbacks, many local governments are being forced to lay off employees. In the last year, local government employers shed 5,500 jobs, or 5.2 percent. Employment slid by 1,000 in local government in April alone. Job losses will likely increase in the coming months as municipalities adjust to lower budgets set to begin July 1st. Offsetting local government job losses, at least temporarily, the federal government via the Census has provided work to a total of 1,150 workers, 460 of whom were added in April. Census employment is expected to peak in May or June, and then begin to taper off into the fall.

The effects of the recession go beyond job loss and wage reductions and into the overall quality of life in Nevada. Beyond unemployment insurance (UI) for jobless and underutilized workers, the social safety net extends to services provided by public and non-profit agencies. One such agency is the Nevada Department of Health and Human Services, which administers both the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and Temporary Assistance for Needy Families (TANF). TANF provides temporary cash assistance to low-income families with children. As economic indicators, SNAP and TANF service levels provide additional information on the relative economic well-being of Nevada's low income families. Since the start of recession, service levels for both programs have grown dramatically. The number of Nevadans participating in SNAP and TANF increased by 100 percent and 39 percent, respectively. In the last year alone, the number of SNAP participants increased by 80,149 or 41.7 percent, while the number of TANF participants increased by 7,640 or 33 percent. Given the expectations of continued economic contraction and additional future UI exhaustions, the level of SNAP and TANF recipients will likely grow for the foreseeable future.



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 provide training and job placement services to job seekers and to assist employers in hiring practices.