



Nevada Governor

Jim Gibbons

DETR Director

Larry J. Mosley

DETR's Research and Analysis Chief Economist

Bill Anderson



PRESS RELEASE

Media Contact:

Mae Worthey

(702) 486.7991

(702) 249.6324

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Nov '10¹</u>	<u>Nov '09</u>	<u>Oct '10</u>	<u>Nov '10¹</u>	<u>Nov '09</u>	<u>Oct '10</u>
Nevada ²	14.3%	12.9%	14.2%	(2.2)%	(8.2)%	(2.4)%
Las Vegas-Paradise MSA ³	14.3	12.5	14.1	(2.6)	(8.8)	(3.0)
Reno-Sparks MSA ³	13.2	11.6	12.8	(2.8)	(8.0)	(2.8)
Carson City MSA ³	13.1	11.6	12.6	(2.0)	(6.3)	(2.0)
United States ²	9.8	10.0	9.6	0.6	(3.9)	0.5

For Immediate Release

December 16, 2010

Nevada's Unemployment Rate Continues Stabilize Despite small increase to 14.3 Percent

Nevada's unemployment rate for November rose slightly to 14.3 percent, and continues to show some stabilization, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation (DETR). At 14.3 percent, an estimated 185,900 Nevadans are unemployed and out looking for work.

"Following October's decline, the first in many years, the unemployment rate only ticked up one-tenth of a percent," he said. "Since June, the unemployment rate has hovered in the range of 14.2 to 14.4 percent. In the two previous years, 2008 and 2009, the rate jumped 1.6 and 1.0 percentage points, respectively, over the same time frame. The stabilizing unemployment rate indicates that the worst of the recession is over. However, the unemployment rate will likely remain elevated well into 2011 before declining slowly over a number of years."

Unemployment took a turn for the worse in sub-state labor markets. In Las Vegas, the unemployment rate increased by two-tenths to 14.3 percent. In the Reno-Sparks area, the rate of joblessness jumped four-tenths from 12.8 percent in October to 13.2 percent in November. Unemployment in the Carson City area increased as well, climbing a half-percent to 13.1 percent. In the Elko micropolitan area (includes Elko and Eureka counties), the unemployment rate

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)

increased two-tenths to 7.6 percent. (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 November, up from 13.7 percent in October.)

Results of the employer survey showed a decline in non-farm employment. In all, employers shed roughly 2,500 jobs between October and November. The leisure and hospitality industry cut 2,900 positions, while the construction industry shed 1,500. For the first time since February 1995, construction employment fell below 60,000 jobs in Nevada. Employment in the manufacturing industry continues to contract, falling by 400 to 37,800. Since peaking in September 2006, manufacturing employment has fallen by 13,500 or 26.3 percent. A number of industries showed improvement in November. Retail trade added 1,300 jobs, and is up by over 4,000 since the start of the year. Professional and business services increased by 900 and education and health services added 500.

Average hours worked per week is an indicator of future labor market health. Falling hours indicate little demand for future hiring, while increasing hours may lead to future hiring. In July 2007, private sector hours worked per week peaked at 37.6. Since that time, average weekly hours are down by over three hours per week to 34.2 in October—a series low. As the economy stabilizes and slowly begins to emerge from the recession, average weekly hours will recover. The first hint of stabilization may have come in November, where for the first time in a year, the number of hours worked on average increased, albeit by a small amount. Only a string of monthly gains will indicate future hiring. We are not there yet, but it's a start.

“Not only have hours been cut, but wages have fallen in a similar fashion,” Anderson said. “Average hourly wages have fallen from \$18.45 to \$16.30 per hour. The coupled effect of less hours and pay results in a loss of roughly \$82.96 per week for private sector workers.”

Even as Nevada's gaming industry suffered in the recession, gaming in total has flourished across the country. Thirty-four states now have commercial or Indian casinos. There is some debate about the affect this will have on Nevada's casino-gaming industry in the future.

“Will competing markets eat into Nevada's share of future customers or will the proliferation of gaming create new opportunities for Nevada casinos, thus expanding the market overall?” Anderson asked. “One thing is certain: Nevada's share of employment in the industry is on the decline, due to both expansion in other states and decline in Nevada.”

Since 2006, employment in Nevada's casino gaming sector fell from 216,886 to 188,020 in 2009, while employment increased by 14,000 in all other states over the same time frame. In that time, Nevada's share of all casino jobs in the U.S. fell from 36.2 percent to 32.2 percent. Nevada's economic fortunes are tied to casino-gaming like no other state. While gaming spreads across the country, only time will tell if Nevada can benefit from gaming's growing popularity.

Like the state as a whole, the construction and leisure and hospitality industries have played important roles in Nevada's two major metropolitan areas. Both Las Vegas and Reno-Sparks benefitted from massive construction growth in the years leading up to the recession. From 1997 to 2007, the construction industry added 39,100 jobs in Las Vegas and 8,900 in Reno-Sparks. In the years since, the construction industry in both areas has seen massive declines. In Las Vegas, construction employment is down 54,900 from 2007 through 2010 year-to-date. In the Reno-Sparks area, there are 12,000 fewer construction jobs now than in 2007. Combined, the two areas have lost roughly 19,000 more construction jobs in the last three years than was gained in the previous ten.

Leisure and hospitality make up significant proportions of the industry bases of both Las Vegas and Reno-Sparks, but the performance of the industry differs greatly between the two labor

markets. In the ten years leading up to the recession, the leisure and hospitality industry added 79,900 jobs in Las Vegas. Reno, on the other hand actually lost 2,100 jobs over the same time frame. While Las Vegas has embraced the gaming industry in the last 20 years, employment in the Reno area has been on the decline since the mid-1980s. Since 2007, leisure and hospitality employment declined by 26,400 in Las Vegas and 6,900 in the Reno-Sparks area. In total, the leisure and hospitality industry lost 33,300 jobs in the last three years between the two labor markets. Unlike construction though, leisure and hospitality gained 44,500 more jobs in the years leading up to the recession than it lost in the last three years.



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.