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PRESS RELEASE

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Nevada's Unemployment Rate Falls for the First Time During Recession October Rate 14.2 Percent

| | <u>UNEMPLOYMENT RATES</u> | | | <u>JOB GROWTH RATES</u> | | |
|-------------------------------------|----------------------------|----------------|----------------|----------------------------|----------------|----------------|
| | <u>Oct '10¹</u> | <u>Oct '09</u> | <u>Sep '10</u> | <u>Oct '10¹</u> | <u>Oct '09</u> | <u>Sep '10</u> |
| Nevada ² | 14.2% | 12.8% | 14.4% | (2.4)% | (8.9)% | (2.2)% |
| Las Vegas-Paradise MSA ³ | 14.1 | 13.1 | 15.0 | (3.1) | (9.3) | (2.6) |
| Reno-Sparks MSA ³ | 12.8 | 12.1 | 13.5 | (2.8) | (9.1) | (3.6) |
| Carson City MSA ³ | 12.5 | 11.8 | 13.3 | (1.7) | (7.2) | (2.4) |
| United States ² | 9.6 | 10.1 | 9.6 | 0.5 | (4.4) | 0.3 |

For the first time in nearly five years, Nevada's unemployment rate has declined. In October, the rate fell to a seasonally adjusted 14.2 percent, down from September's rate of 14.4 percent. This equates to 181,600 people in the state who are unemployed.

The unemployment rate dropped significantly in all areas of the state. In Las Vegas-Paradise, the rate fell from an all time high of 15 percent to 14.1 percent, which means about 135,000 people are out of work. In the Reno-Sparks area, unemployment fell from 13.5 percent to 12.8 percent. Carson City's unemployment rate dropped to 12.5 percent from 13.3 percent. In the Elko region, unemployment fell to 7.4 percent. (Unemployment rates for the state's metropolitan areas are not adjusted for seasonality. For comparison purposes, the state's unadjusted unemployment rate was 13.7 percent in October, down from 14.5 percent in September.)

The unemployment rate last declined in December 2005, when it reached a low of 4.2 percent. Since then, the rate has increased 10 percentage points, representing an increase of roughly 137,000 jobless workers in the state.

"This is a clear sign that the recession's grip on Nevada may finally be loosening," said Bill Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation (DETR). "However, though the recession appears to be bottoming out, especially

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)

with regard to unemployment, many key industries remain weak. The number of jobs being eliminated is stabilizing, but there is no sign of major job growth on the horizon.” Anderson said, “While the decline in the rate is immediate good news, there is still a long road ahead to completely recover from the devastating effects of the recession.

Unemployment in Nevada may have reached its peak, but we don't expect it to decline much in the year ahead. “Through October, the unemployment rate is averaging 13.9 percent for the year,” Anderson said. “The average unemployment rate in 2011 will be similar to 2010, but should decline slowly throughout the year.”

Another contributing factor to the fall in the unemployment rate is the decline in the number of individuals looking for employment in the state.

“Most likely, a number of workers have moved out of the state, while some have become discouraged and stopped looking for work,” Anderson said. “Results of the household survey found a significantly lower labor force, with the majority of the reduction occurring via a decline in the number of unemployed Nevadans.” In October, the number of people unemployed fell by roughly 14,400, while the labor force, which includes those unemployed and employed, contracted by 25,900.

Nevada's total nonfarm employment increased by 3,100 jobs in October. The private sector added 900 jobs, while the public sector added 2,200 jobs due to seasonal gains. Professional and business services added 800 jobs, while education and health services industries added 700 jobs. And, the construction industry added 400 jobs. The largest employment losses came from the leisure and hospitality industry with a loss of 1,000 jobs, which weren't completely unexpected given the end of the summer tourism season. Employment also declined in financial activities and other services industries, losing 200 and 300 jobs respectively.

Across the state, regional labor markets showed modest improvement in October. Employment in the Las Vegas-Paradise area increased by 1,600 jobs, though over-the-year, employment is down 25,100 or 3.1 percent. The Reno-Sparks MSA employment increased by 1,300, but is still down 5,400 jobs or 2.8 percent from October 2009. Carson City area employers added 300 jobs in October, and are down just 500 or 1.7 percent from the same month a year ago.

October typically kicks off the holiday hiring season. In recent years though, holiday hiring has been dampened by the recession.

“Based on long term seasonal factors, we would expect to see employment increase by roughly 5,000 workers between September and December,” Anderson said. “Last year, employment actually fell by 200 jobs overall due to the recession. All seasonal improvement was essentially wiped out by the recession. This year, given moderating job losses, it is expected that seasonal hiring will improve over last year, but will not approach pre-recession trends. So far, hiring is moving in a positive direction, retail trade employment was up 600 in October over September.”

Unemployment By Gender

In October, the unemployment rates for men and women varied by over three percentage points. The unemployment rate for men reached 15.5 percent, while female unemployment totaled 12.3 percent. There are two primary reasons for this difference: 1) there are more males (53 percent) in the workforce and 2) the recession's varied effects on industries, especially those with particularly high concentrations of one gender over the other. Just three industries are comprised of more women than men: education and health services (73 percent female), financial activities (58 percent female) and retail trade (53 percent.) Men overwhelmingly comprise industries such as

natural resources and mining (83 percent), construction (81 percent) and trade, transportation and utilities (72.4 percent). Nearly all industries have suffered in the recession, but the level of loss has varied greatly.

Between the fourth quarters of 2007 and 2009, employment fell by 171,074. Of that, men held 64 percent or 109,874 of the jobs lost, while women accounted for 36 percent or 61,200 jobs. By industry, the largest loss came in construction, which lost 55,053, and of that, 43,123 were men. Leisure and hospitality lost the second most jobs (36,224), but its composition of men (50.6 percent) and women (49.4 percent) are nearly equal. The third highest loss came from the professional and business services sector, which lost 26,087 jobs. Of those, men lost 15,635 and women lost 10,452. The least amount of job losses came in education and health services (73 percent female), which lost just 76 positions. To summarize, this recession has most adversely affected industries with high concentrations of male workers, most notably, the construction industry. With expectations of weak construction growth for the foreseeable future, the long term ramifications for Nevada's construction workers will be particularly challenging.



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.