

DIRECTOR
Larry J. Mosley



GOVERNOR
Jim Gibbons

OFFICE OF THE DIRECTOR

For Immediate Release
October 22, 2010

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

Nevada's Unemployment Rate Remains at 14.4 Percent in September

Nevada's unemployment rate held steady at 14.4 percent in September, marking the first time since January that the rate failed to increase, and only the second time the rate did not increase since the recession began. Since January, the unemployment rate increased 1.4 percentage points, but it has grown just two-tenths in the last three months, said Chief Economist Bill Anderson for the Nevada Department of Employment, Training and Rehabilitation (DETR).

Unemployment rates in each metropolitan area increased from August to September. The unemployment rate in the Las Vegas-Paradise area jumped three-tenths, reaching 15 percent. The rate sets a new all time high for the State's largest labor market. In the Reno-Sparks area, the rate of joblessness increased two-tenths matching the previous record high, 13.6 percent. Carson City's unemployment rate hit 13.4 percent, rising three-tenths from the previous month. The unemployment rate in the Elko region (includes Elko and Eureka counties) increased three-tenths, growing to 7.9 percent. (Unemployment rates for the state's metropolitan areas are not adjusted for seasonality. For comparison purposes, the state's unadjusted unemployment rate was 14.5 percent in September, up from 14.2 percent in August.)

Recently released employment projections show considerable job loss through 2011. In 2012, job loss will subside significantly, but a weak economic climate will keep outright growth in check. Not until 2013 will the state see broad employment growth. Even then, expectations are for weak employment growth at best. The recovery will most certainly differ from typical rebounds, but this recession has been anything but typical. Following recent recessions, Nevada's economy boomed, driven by new growth and construction. Given its current state of high home foreclosures, falling prices and weak demand for new commercial development, new construction will not stimulate growth across the broader economy anytime soon.

"In recent months, growth in unemployment has begun to subside, suggesting some stabilization," "The slowing rate of increase suggests the labor market may finally be

bottoming out, though September's nonfarm employment levels seem to suggest otherwise.

Total nonfarm employment increased by 2,900 in September, thanks in large part to the return of seasonal workers in Nevada's educational system. The private sector on the other hand, failed to find traction, shedding 4,600 jobs over-the-month, he said. In all, the recession continues to take its toll on Nevada's tourism and growth based economy.

"For the most part, Nevada's employers had a rough September regardless of their industry type," Anderson said. "Employment declined in all private sector industry groups except professional and business services, which added 400 jobs; and manufacturing which held steady."

The biggest job losers continue to be those most affected by the recession: leisure and hospitality and construction, which lost 1,600 and 1,500 jobs, respectively. Federal government employment continues to decline as the 2010 centennial census winds down. In September, an additional 600 temporary workers lost their jobs. Since peaking in May at 23,100 jobs, the federal government has reduced payrolls by 5,200 workers. Employment in Nevada's trade sectors remained flat, but with the holiday hiring season just around the corner, employers should start adding jobs over the next couple of months.

Employment readings in Nevada's regional labor markets mirrored statewide trends. Employers in the Las Vegas area added 2,900 workers in September. Government entities added 5,400 workers, while the leisure and hospitality and construction sectors shed 900 jobs each. In the Reno-Sparks area, employment increased by 100 jobs. Public sector employment increased by 1,600 jobs, while the private sector shed 1,500 jobs in total, led by losses in construction (-500) and leisure and hospitality (-300). Capital City employers bucked statewide trends, where employers in government and professional and business services reduced employment levels by 100 jobs each, while all other major industry sectors remained unchanged.

"A number of economic indicators important to Nevada's fortunes have been showing signs of life in recent months" Anderson said. "At the national level, personal income has improved, increasing nearly every month this year. Even in Nevada, incomes have seen growth."

"The question is: when and by how much will income growth translate to improvements in Nevada's tourism based economy?" Anderson questioned. "That translation has a lot to do with consumers' willingness and ability to pay for a trip to Nevada. While it's still early, we may be seeing some tentative signs of improvement.

Visitation to Las Vegas has increased nearly every month in the last year. Also, in recent months, both taxable sales and gaming win recorded large over-the-year gains. In July, taxable sales surged 5.3 percent, driven by activity in food and beverage service and hotel

accommodation. In August, gaming collections increased 11.5 percent. It's just the third increase since the start of the recession. While one month does not a trend make, following years of dismal tax collections, recent reports are step in the right direction.

Nevada's female workforce has been making progress in the workplace for some time. For instance, as noted in the March edition, as the proportion of women in the workforce has increased over the years, so too have their income levels. Further analysis shows that some industries tend to pay better than others. Sectors paying top dollar to their female workers include utilities (\$28.60 per hour); mining, quarrying, and oil and gas extraction (\$27.47 per hour); and management of companies and enterprises (\$25.63 per hour.) Occupations within these industries are generally professional in nature and require significant post secondary education and training. On the opposite end of the spectrum, industries paying the least tend to have occupations requiring little or no advanced training. These industries include agriculture, forestry, fishing and hunting (\$11.43 per hour); arts, entertainment, and recreation (\$11.54); and retail trade (\$12.02 per hour.)

Another area where female workers have seen improvement is in the pay they receive versus their male counterparts. In the last ten years, the proportion of female to male earnings grew by nearly 3 percent, rising from 68.6 percent to 71.5 percent. Despite the positive change though, there is still plenty of room for improvement. Men still earn \$6.72 per hour more on average than their female counterparts. Regardless of the industry they work in, women earn less than men across the board. Industries with the largest discrepancies include management of companies and enterprises (\$20.83 per hour); professional, scientific, and technical services (\$16.68 per hour); and health care and social assistance (\$16.40 per hour.) In the years ahead, the wages paid to male and female workers will likely converge as women continue to move into more high skilled occupations traditionally held by men.



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.