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PRESS RELEASE

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ECONOMIC OVERVIEW: February 2011

	UNEMPLOYMENT RATES			JOB GROWTH RATES		
	Feb '11 ¹	Feb '10	Jan '11	Feb '11 ¹	Feb '10	Jan '11
Nevada ²	13.6%	14.7%	14.2%	(0.1)%	(5.7)%	(0.4)%
Las Vegas-Paradise MSA ³	13.7	15.2	13.7	(0.6)	(6.0)	(1.0)
Reno-Sparks MSA ³	13.2	14.8	13.3	0.2	(4.6)	(0.4)
Carson City MSA ³	13.5	14.9	13.6	0.7	(5.3)	0.7
United States ²	8.9	9.7	9.0	1.0	(2.7)	0.7

February Unemployment Rate Drops to 13.6 Percent

Nevada's unemployment rate tumbled for a second straight month in February to the seasonally adjusted 13.6 percent, down six-tenths from January. This equates 179,200 unemployed Nevadans. Unemployment in the state's labor markets changed little from January to February. In Las Vegas, the unemployment rate was unchanged at 13.7 percent. In the Reno-Sparks and Carson City areas, the unemployment rate declined one-tenth to 13.2 and 13.5 percent, respectively. In the Elko area (includes Elko and Eureka counties), the unemployment rate was unchanged at 7.7 percent in February. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.6 percent in February, up from 13.5 percent in January.)

"The fall in the state's rate was again precipitated by a decline in the state's labor force, as opposed to general economic improvement," said Bill Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation. "The labor force declined by 7,700, while the number of unemployed fell by 8,700, suggesting that many workers have given up looking for work."

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)

In the last year, roughly 45,000 workers have fallen out of the labor force. Despite recent declines in the unemployment rate, it remains high by historical standards and has remained elevated for a record amount of time compared to recent recessions, Anderson said. In fact, February marks the 25th consecutive month of double-digit unemployment in Nevada. In the early 1980s, Nevada's unemployment rate exceeded 10 percent for 15 months.

On the employment side, results of the employer survey show that the pace of job losses continues to ease, as they have for the past several months. February employment levels were down just 0.1 percent from a year ago. Relative to the prior month, Nevada's nonfarm employment rose by 5,500 in February, following a revised loss of 21,500 in January. Payrolls rose in each of the state's major labor markets, lead by Las Vegas with an increase of 3,500 jobs, followed by Reno with 1,100 and Carson City with 500. Most of February's gain was in the public sector and reflects an increase in state government employment, marked by the end of the university system's semester break. Private sector employers added a modest 600 jobs spread across a number of industries.

The leisure and hospitality industry added 1,500 jobs, the largest employment increase for any industry in February. Employment in leisure and hospitality now has 3,800 more jobs than a year ago, a 1.2 percent increase. The construction industry posted a gain of 1,000 jobs. Within the construction industry, specialty trade contractors accounted for most of the employment increase. Other industries that increased payrolls were financial activities and other services, both adding 200 jobs.

The largest over-the-month job loss was in the trade, transportation and utilities industry, which declined by 1,300 jobs. The decline was driven by a loss of 1,200 jobs in the retail industry. Professional and business services employment dropped by 1,000 jobs, following a revised decline of 2,200 in January. Employment in the information industry was down 300 jobs. After posting a decline for seven consecutive months, manufacturing job losses ended and industry employment was flat over-the-month.

Job market recovery appears to be taking hold a little earlier in Reno and Carson City, than in Las Vegas. On an over-the-year basis, both areas have higher employment now than a year ago. Employment in the Reno-Sparks MSA is up a slight 400 jobs and employment in the Carson area is up 200 jobs over-the-year, while the employment level in Las Vegas remains 5,100 below year ago figures. For the Reno-Sparks area, it marks the first year-over-year increase since August 2007.

The labor force participation rate varies across demographic groups over time indicating structural changes in both social and economic norms. A clear example is the increase of women entering the workforce in the 1960s and 1970s. As the need for two-income households became more prevalent, more and more women entered the labor market, driving participation rates significantly higher. In a similar fashion, both social and economic changes have affected the participation rates of older workers in Nevada's economy. Over the last ten years, the participation rate declined for Nevada's labor force as a whole, but grew for the state's oldest workers. From 2000 to 2010, the labor force participation rate in Nevada declined from 70 percent to 65.6 percent, while the participation rate for workers 65 and older increased from 12.8 percent to 20.6 percent. The growth in the participation rate of older workers is likely caused by two factors: (1) a social change, marking the ability of older workers to work later into life, and (2) recessionary wealth destruction is forcing older workers to delay retirement due to financial reasons.

According to a report recently released by the Bureau of Labor Statistics, Nevada is one of 17 states that has a higher minimum wage than the federal level, which the Fair Labor Standards Act (FLSA) guarantees at \$7.25 an hour. According to the BLS, in 2010, the number of working

Nevadans, 16 years and older, receiving pay based on hourly rates totaled 651,000. Low-wage workers, defined as workers at or below minimum wage, account for an estimated 23,000, or 3.5 percent of all workers who are paid by the hour. Further analysis reveals 10,000 employees received \$7.25 an hour and 13,000 earned less. (The sizeable employee group earning sub-minimum wage reflects employers invoking exemptions to the minimum wage law, not necessarily violations of FLSA.) As a whole, the nation has 72.9 million hourly rate workers with 4.4 million, or 6 percent, at or below minimum wage. Only six other states have a lower percentage of workers at or below minimum wage: Alaska, California, Massachusetts, Oregon, Vermont, and Washington. Among Nevada's five neighbors, three rank lower than the federal level (Arizona, 5.6 percent; California, 2 percent; Oregon, 1.6 percent), and two have a higher percentage of low-wage earners (Idaho, 7.6 percent; Utah, 6.1 percent.)



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.