



Nevada Governor
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PRESS RELEASE

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ECONOMIC OVERVIEW: January 2011

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Jan '11¹</u>	<u>Jan '10</u>	<u>Dec '10</u>	<u>Jan '11¹</u>	<u>Jan '10</u>	<u>Dec '10</u>
Nevada ²	14.2%	14.6%	14.9%	(0.5)%	(6.5)%	(1.2)%
Las Vegas-Paradise MSA ³	13.7	15.4	15.1	(1.2)	(6.7)	(1.8)
Reno-Sparks MSA ³	13.3	15.1	13.8	(0.4)	(7.3)	(0.6)
Carson City MSA ³	13.6	15.4	14.0	1.1	(5.1)	0.7
United States ²	9.0	9.7	9.4	0.7	(3.2)	0.7

Nevada's seasonally adjusted unemployment rate fell from a revised 14.9 percent in December to 14.2 percent in January. Nevada's regional labor markets saw their unemployment rates fall significantly in December, again, due to a contracting workforce, rather than economic improvement. The unemployment rate in the Las Vegas-Paradise area fell from 15.1 percent in December to 13.7 percent in January. In the Reno-Sparks area, the unemployment rate fell from 13.8 percent to 13.3 percent. In the State's capitol region, the unemployment rate declined by four-tenths, falling from 14.0 percent to 13.6 percent. In the Elko area (includes Elko and Eureka counties), the unemployment rate declined by two tenths, falling from 7.8 to 7.6 percent in January. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.5 percent in January, down from 14.7 percent in December.)

"Unfortunately, the decrease was not driven by significant improvement in the labor market" said Bill Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation. "It appears likely that some jobless Nevadans are becoming discouraged and giving

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)

up their search for work and dropping out of the labor force. In addition, given stagnant population levels, it is also likely that some Nevadans are leaving the state.”

In January, roughly 10,700 workers (seasonally adjusted) dropped out of the labor force. The number of unemployed fell by nearly the same amount, while household employment remained virtually unchanged. This translates into 187,900 (seasonally adjusted) unemployed Nevadans. January’s unemployment rate is four-tenths of a percent lower than the same month a year ago. This marks the first over-the-year decline since the start of the recession.

Nevada’s nonfarm employment fell by 22,500 jobs in January, though most of the job losses were seasonal in nature, led by retail, construction and state government sectors. Nevada lost 17,800 in the private sector and 4,700 in the public sector. Most of the decline in the public sector is temporary, coinciding with the semester break at the State’s public universities and colleges.

The largest over-the-month job loss came from the retail trade industry, which shed 5,900 mostly seasonal jobs. The professional and business services industry shed 1,800 jobs. Construction employment, which typically declines in January due to weather conditions, lost 3,400 jobs. The leisure and hospitality industry lost 3,900 jobs after a revised gain of 2,700 jobs in December, but employment is still up 3,200 jobs from January 2010. Manufacturing employment continues to experience job losses. Employment fell by 600 jobs, marking the seventh consecutive monthly decline. Transportation and warehousing and financial activities also declined, shedding 700 and 500 jobs respectively. The only industry with an employment gain was the health care and social assistance industry, adding 400 jobs.

Total nonfarm employment declined by 13,800 jobs in the Las Vegas-Paradise Metropolitan Area (MSA). Employment also declined in the Reno-Sparks and Carson City MSAs, down 6,400 and 800 jobs respectively.

In recent months, economic indicators have shown signs of improvement. For instance, key indicators of the State’s economic well being, such as visitor statistics, gaming win and taxable sales have exceeded expectations. A number of workforce indicators have shown stabilization, too, including the unemployment rate, which has stabilized, albeit at a high rate, and employment losses have moderated considerably, down just a half-percent over-the-year in January. Even the labor force participation has shown signs of reversal, having increased the past few months after bottoming out at 63 percent in October.

“Not all is positive though,” Anderson said. “The recent surge in gas prices will undoubtedly affect travel to Nevada and continued pressure on government payrolls will likely offset any near term improvement in private sector hiring. It appears Nevada will continue to move sideways, bouncing along the trough of this recession for the foreseeable future.”

This year’s benchmark re-estimation of nonfarm employment revealed that Nevada’s economy lost fewer jobs than originally estimated in 2010. In all, employment declined by 32,600 jobs over-the-year, or 1,900 less jobs than originally estimated. The Las Vegas-Paradise MSA reported a smaller employment decrease in 2010 than first estimated. Average annual job growth was down 3.1 percent over-the-year, slightly less negative than the -3.7 percent initially estimated. The area lost 25,500 jobs in all, 5,200 less than originally estimated. Annual average employment losses in the Reno-Sparks MSA were revised to -2.5 percent from an original estimate of -3.3 percent. In total, the area lost 4,900 jobs, 1,600 less than originally reported. Employment in the Carson City MSA fell by 800 jobs over-the-year, a decline of 100 fewer jobs than originally estimated. On a percentage basis, employment fell 2.6 percent, three-tenths of a percentage point less than first reported.

Results of the benchmark re-estimation of the State's largest industries were mixed. The construction industry lost 2,500 more jobs than originally reported, marking a total loss of 22,000 jobs or 27.1 percent over-the-year. The retail industry declined 1.4 percent over-the-year, 0.7 percentage points less than initially estimated. In all, job losses totaled 1,800 statewide, 900 less than originally reported. Employment in the leisure and hospitality industry was revised up by 2 percentage points to a year-over-year increase of 0.2 percent. In 2010, the leisure and hospitality industry gained 700 jobs, 6,400 more jobs than originally estimated.



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.