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## PRESS RELEASE

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	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Jul '11</u> <sup>1</sup>	<u>Jul '10</u>	<u>Jun '11</u>	<u>Jul '11</u> <sup>1</sup>	<u>Jul '10</u>	<u>Jun '11</u>
Nevada <sup>2</sup>	12.9%	14.9%	12.4%	(0.4)%	(1.6)%	(0.5)%
Las Vegas-Paradise MSA <sup>2</sup>	14.0	15.7	13.8	(0.4)	(1.7)	(0.6)
Reno-Sparks MSA <sup>3</sup>	13.0	14.2	12.9	(2.4)	(1.5)	(1.9)
Carson City MSA <sup>3</sup>	12.6	13.8	12.5	(2.7)	(1.7)	0.0
United States <sup>2</sup>	9.1	9.5	9.2	0.9	(0.4)	0.7

### Nevada's Unemployment Rate Rises in July to 12.9 Percent

Nevada's unemployment rate continued to fluctuate in July, jumping to 12.9 percent. The state's major metropolitan areas also experienced an increase in the rate of joblessness. Las Vegas' rate of unemployment rose from 13.8 percent to 14 percent; in Reno, the rate went from 12.9 to 13 percent and Carson City's rate increased slightly to 12.6 percent.<sup>4</sup>

"It is clear that unemployment figures are moving in the wrong direction, and that is especially troubling for the thousands of Nevadans seeking employment," Governor Brian Sandoval said. "The latest figures indicate that we must continue to encourage growth in our economy – by supporting the businesses we have and recruiting new businesses to our state. This reinforces the need for my call to review all regulations that I made day one on the job so we can make Nevada the most business-friendly state in the nation. We have frozen new regulations and each agency is

<sup>1</sup> Preliminary estimates

<sup>2</sup> Unemployment rates are seasonally adjusted for the State of Nevada and the United States. The seasonal adjustment process takes into account normal and predictable fluctuations in labor market activity due to such reoccurring factors as changes in the weather, the beginning and end of the academic year, the timing of holidays, etc., in estimating the unemployment rate. As a result, month-to-month changes in the rate offer a more precise measure of the labor market's underlying health and do not simply reflect normal seasonal patterns.

<sup>3</sup> Metropolitan Statistical Area (Las Vegas-Paradise MSA = Clark County; Reno-Sparks MSA = Washoe & Storey counties; Carson City MSA = Carson City)

<sup>4</sup> Unemployment rates for the state's metropolitan areas reported here are not adjusted for seasonality. Hence, comparisons to the State's seasonally adjusted rate should be avoided. Legitimate comparisons, however, can be made to the State's unadjusted rate --13.7 percent in July, up from 13.5 percent in June.

completely reviewing all regulations to see if we can remove impediments to getting Nevada working again."

Bill Anderson, chief economist for the Nevada Department of Employment, Training and Rehabilitation. (DETR) said "Many barometers utilized to judge the health of Nevada's economy, such as taxable sales, visitor volume, and gaming win, are pointing upward. Unfortunately, this good news has not translated into improvement in the health of the state's labor market as a whole," said "Notably, non-farm job levels essentially have moved sideways through the first seven months of 2011. As a result, in the absence of any full-blown employment growth, the state's jobless rate has been quite volatile so far this year, driven largely by changes in the labor force."

A broader measure of unemployment includes discouraged and partially unemployed workers not accounted for in the official unemployment rate. The most recent reading, using the Bureau of Labor Statistic's current population survey, declined from 23.7 percent in the previous period to 23.3 percent. The rate is based on a four-quarter moving average through June and compares to the official yearly rate of 13.9 percent for the same period.

"Although the much-publicized decline in the jobless rate during the first five months of the year—from 14.9 percent in December 2010 to 12.1 percent in May—was certainly encouraging news, most of the decline was the result of a declining labor force coupled with flat employment trends," Anderson said. "In both June and July, the drop in the labor force has shown signs of leveling off, helping to push the unemployment rate up."

In the area of job creation, for July, non-farm jobs in Nevada totaled 1.11 million, down 8,800 from June. However, job readings historically decline in July. In fact, this year's decline was less than expected. Over the past five years, the average June-July decline was 12,500. As a result, job readings actually increased slightly on a seasonally adjusted basis for the month. Still, employment levels have barely budged as 2011 has unfolded. They are down 5,000 from a year ago, and measured on a seasonally adjusted basis, are just barely up from the end 2010.

Each sub region of the state suffered similar job loss in July. Total non-farm payroll was down 5,800 jobs in the Las Vegas-Paradise area from the previous month. Over-the-year employment is down 3,100, or -0.4 percent. Employment also declined in the Reno-Sparks and Carson City MSAs in July from the previous month, down 1,700 and 500 jobs, respectively. The state's two northern metro areas have seen their over-the-year comparisons worsen in recent months. As of July, the Reno area is down 4,600 jobs or minus 2.4 percent, and Carson City is down 800 jobs or minus 2.7 percent relative to a year ago.

There has been some well-publicized improvement in visitor trends and gaming activity in recent months. Las Vegas visitor volume has been trending up since the second half of 2009. June brought with it a 7 percent gain relative to a year ago. Statewide gaming win grew at an annual rate of 16 percent in both May and June. Over the course of the past 11 months, double-digit gains have been recorded four times. That has translated into some positive developments on the jobs front. Through the first seven months of this year, leisure and hospitality payrolls have grown by 6,800 relative to a year ago.

Taking a different view, so far this year, month-over-month job changes, not adjusted for seasonality, have ranged from a negative 2,800 in January to an increase of 4,800 in March. July saw leisure and hospitality payrolls fall by 1,100 relative to June. In every month but two (May and July), job trends, as measured by monthly changes, have been more impressive than expected, in light of historical trends measured over the past ten years. As a result, seasonally adjusted job readings have grown by nearly 8,000 from year-end 2010. Despite the improvement, much ground

remains to be made up: between 2007 and 2010, more than 30,000 leisure and hospitality jobs were lost.

Recent economic uncertainty pushed gold prices to a new all time high in July at \$1,568 per ounce. Investors, shaken by recent tremors in national and international markets, continue to drive up demand for gold as they seek a store of wealth outside traditional investment options. While the uncertainty brought on by the current debt crisis may hurt Nevada's economy as whole, it improves prospects in the mining regions of the state, whose labor markets have fared relatively well during the recession.

In July, the unemployment rate in the Elko region of the state fell three-tenths of a percent to 7.4 percent, a favorable comparison to the state's unadjusted rate of 13.7 percent. Elko's job base continues to grow as well. Employment in Elko County increased to 21,070 in 2010 (the most current information available), up from 20,350 in 2009, a 3.5 percent increase. Statewide, employment fell by 32,700 or 2.9 percent over the same time frame. With no immediate solution to the travails of the international and national markets in sight, gold prices will remain elevated for the foreseeable future. That bodes well for Nevada's mining communities, who will benefit in terms of economic prosperity and growth.

*Please Note: The Research and Analysis Bureau publishes a Power Point presentation summarizing national, State, and local economic and labor market trends in graphs and charts in conjunction with this monthly press release. The presentation, entitled Nevada Labor Market Briefing: July 2011, will be available at approximately 9:00am and can be found at <http://www.nevadaworkforce.com>, along with our regular press release materials.*



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.