



Nevada Governor  
BRIAN SANDOVAL  
DETR Director

Larry J. Mosley

DETR's Research and Analysis Chief Economist

Bill Anderson



## PRESS RELEASE

Media Contact:

Mae Worthey

(702) 486.7991

(702) 249.6324

For Immediate Release

April 18, 2011

### ECONOMIC OVERVIEW: March 2011

	UNEMPLOYMENT RATES			JOB GROWTH RATES		
	Mar '11 <sup>1</sup>	Mar '10	Feb '11	Mar '11 <sup>1</sup>	Mar '10	Feb '11
Nevada <sup>2</sup>	13.2%	14.8%	13.6%	0.5%	(4.7)%	(0.1)%
Las Vegas-Paradise MSA <sup>3</sup>	13.3	15.1	13.7	0.5	(5.1)	(0.7)
Reno-Sparks MSA <sup>3</sup>	13.1	14.5	13.2	0.1	(3.7)	0.1
Carson City MSA <sup>3</sup>	13.2	14.6	13.5	0.3	(4.0)	0.7
United States <sup>2</sup>	8.8	9.7	8.9	1.0	(2.0)	1.0

In March, Nevada's unemployment rate fell to 13.2 percent, and businesses reported an over-the-year employment increase for the first time in 38 months. Most of the monthly employment increase in March was concentrated in the Las Vegas-Paradise MSA. Total nonfarm employment in the Las Vegas area increased by 10,100, and is up 0.5 percent from the same month last year. Employment in the Reno-Sparks area increased by a modest 600 jobs, while employment in Carson City was essentially unchanged, adding just 100 jobs. Both areas have slightly more jobs now than they did a year ago.

Unemployment rates in the State's major regional labor markets declined in March. In the Las Vegas area, the unemployment rate fell four-tenths of one-percent to 13.3 percent. It's the lowest unemployment rate for the area since December 2009. The unemployment rate in the Reno-Sparks area declined by one-tenth to 13.1 percent, and the rate in Carson City fell three-tenths to 13.2 percent. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.2 percent in March, down from 13.6 percent in February.) "Nevada's labor markets showed signs of life in March, hinting at what may be the beginnings of an economic recovery," said Bill Anderson, chief economist for the Nevada Department of Employment, Training, and Rehabilitation. "Employment

<sup>1</sup>Preliminary estimates

<sup>2</sup>Unemployment rates are seasonally adjusted for the State of Nevada and the United States

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

increased on an over-the-year basis for the first time since January 2008, and results of the household survey showed a solid decline in unemployment."

Nevada's seasonally adjusted unemployment rate fell for the third consecutive month, falling to 13.2 percent after having reached an all-time high of 14.9 percent in December. In recent months the declining labor force drove the rate down. This month though, the fall was driven by a fairly large decrease (-5,300) in the number of unemployed and a labor force increase of 2,000. Reaching its lowest level since June 2009, an estimated 173,900 Nevadans were unemployed in March. Employers added 7,600 (seasonally adjusted) new jobs in March. It's the largest one-month increase since September 2005 and suggests that underlying employment trends exceeded expectations.

The leisure and hospitality industry continued to increase, adding 4,600 jobs in March, not adjusted for seasonality. Most of the increase was in the accommodation and food services sector. The second largest monthly increase occurred in the professional and business services industry, which rose by 3,400, with most of the increase in the administrative support and waste management sub sectors. The health care and social services sector accounted for most of the increase in the education and health services industry, which rose by 2,000. The retail trade sector added 1,100 jobs. The up-tick was driven by seasonal increases in department and garden/hardware stores. The financial activities industry lost 1,000 jobs, evenly divided by finance and insurance, real estate and rental and leasing sectors. Natural resources and mining, manufacturing, construction and other services sectors were essentially flat over-the-month.

Now that employment appears to have reached a bottom, at least based on preliminary job reports, we can take a look at which industries are beginning to emerge from the downturn. Based on unadjusted data, the leisure and hospitality industry has provided the most new jobs in the last year. Since March of last year, the industry has added 7,100 jobs, with most of those coming from accommodation and food services. The opening of the Cosmopolitan added a good portion of those jobs, but many others have been created in response to increased demand from consumers. Key consumer indicators are rising, such as taxable sales, which have increased on an over-the-year basis for seven consecutive months, a 5.1 percent increase related to a year ago, and Las Vegas visitor volume has increased 17 of the last 18 months. Demand for services from companies is driving job growth in the professional and business services industry, as well. Employment in this industry is up 5,900 over the year, driven by companies seeking services from other companies for things such as office administration, human resources, document preparation, collections, security and surveillance services, cleaning, and waste disposal services.

A number of industries are still feeling the effects of the downturn. Construction, which lost more jobs than any other industry, continues to shed workers. The industry is down 3,400 from the same time last year. In March, employment stood 54,300 and will likely continue to fall in the months ahead given a lack of demand for new development. As a result of the construction downturn, the financial activities sector continues to lose jobs, as well, 2,700 since March 2010. Manufacturing is still suffering from weak demand and global competition. Employment in this sector is down 2,000 in the last year. Finally, public sector employment is down 3,600 in the last year and will likely continue to fall given the dismal budget situation for state and local governments, as well as a push for cuts from the federal government.

Two industries have defied the recession throughout: mining and education and health services. Based on high gold prices, the mining areas of the State continue to perform at a relatively high level. Unemployment rates in mining counties are considerably lower than metropolitan areas. In

the Elko micropolitan area (includes Elko and Eureka counties), the unemployment rate was 7.9 percent in March, over five percentage points lower than the Statewide average. Recent global unrest and financial insecurity pushed gold prices above \$1,400 per ounce – setting a new all time high. So long as uncertainty persists in global markets, the economic situation in Nevada’s rural mining areas will remain favorable compared to the rest of the State. The education and health services industry is one of the few to add jobs during the recession. Since the recession started in December 2007, the industry has added 11,000 new jobs. Five-thousand have been added in just the last year. Educational services include private colleges and training providers, which have benefited from the downturn as workers seek additional training or retraining. The health services sector continues to grow based on increasing demand for services from an aging population and a traditionally underserved populace.



**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.**