



NEVADA GOVERNOR
BRIAN SANDOVAL

DETR DIRECTOR
FRANK R. WOODBECK



Media Contact:
 Mae Worthey
 (702) 486.7991
 (702) 249.6324

DETR's RESEARCH AND ANALYSIS BUREAU
CHIEF ECONOMIST BILL ANDERSON

PRESS RELEASE

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Dec '11</u> ¹	<u>Dec '10</u>	<u>Nov '11</u>	<u>Dec '11</u> ¹	<u>Dec '10</u>	<u>Nov '11</u>
Nevada ²	12.6%	14.9%	13.0%	0.3%	(1.2)%	1.4%
Las Vegas-Paradise MSA ³	12.7	15.1	12.4	0.5	(1.8)	1.8
Reno-Sparks MSA ³	11.9	13.8	11.6	(1.4)	(0.7)	(0.2)
Carson City MSA ³	12.2	14.0	11.9	(3.4)	0.7	(2.4)
United States ²	8.5	9.4	8.7	1.3	0.7	1.2

For Immediate Release
 January 23, 2012

Nevada's Unemployment Rate Falls Again in December

Nevada's unemployment rate fell to a seasonally adjusted 12.6 percent in December, bringing the total number of unemployed in the state to 166,300.

"I am encouraged by the overall report of this month's unemployment figures, with job growth slowly but surely returning to Nevada's economy," said Governor Brian Sandoval. "This year, as we help businesses expand and recruit new businesses to Nevada, we will continue our focus on getting Nevada working again."

This is the second consecutive month that the unemployment rate has declined. A year ago, the rate hit a record high of 14.9 percent.

"Continued modest employment growth, combined with relatively stable labor force, paved the way for the decline in the rate," said Bill Anderson, chief economist for the Department of Employment, Training and Rehabilitation (DETR).

However, the seasonally unadjusted unemployment rate increased slightly in each of Nevada's sub-state areas. In Las Vegas, the unemployment rate increased from 12.4 percent in November to

¹ Preliminary estimates

² 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.

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

⁴ 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 -- 12.4 percent in December, up from 12.2 percent in November.

12.7 percent in December. The unemployment rate in the Reno-Sparks area increased three-tenths of a percentage point to 11.9 percent in December. In Carson City, the jobless rate climbed to 12.2 percent in December from 11.9 percent in November. The unemployment rate in the Elko micropolitan area (includes Elko and Eureka counties) increased just one-tenth to 6.7 percent. These figures compare to a statewide, seasonally unadjusted unemployment rate of 12.4 percent in December⁴.

Based upon preliminary information, the unemployment situation improved in 2011 compared to the previous year. Statewide, the jobless rate averaged 13.1 percent in 2011, down nearly two full percentage points from the 2010 average of 14.9 percent. In Las Vegas, the unemployment rate declined nearly two percentage points – down from 15.2 percent in 2010 to 13.3 percent in 2011. Reno and Carson City experienced identical changes from 2010 to 2011, where the unemployment rate fell from 14.1 percent in 2010 to 12.5 percent in 2011. The jobless rate in the Elko area contracted by 1.2 percentage points, falling from 8.4 percent in 2010 to 7.2 percent in 2011. This was driven by record-high gold prices.

“Indeed, there are fewer unemployed workers. Unfortunately, the decline in these rates in 2011 is not entirely due to an improving economy. A declining labor force also contributed to the drop in unemployment,” Anderson said. “As unemployed workers give up their job search or move beyond Nevada’s borders, the labor force declines and unemployment falls. This was the case in 2011, especially during the first half of the year. During the year’s final months, we saw some signs of stability in the labor force numbers.”

On the jobs front, December employment readings came in 3,500 higher than a year ago, the fourth consecutive gain. For the entire year, Nevada added about 2,100 jobs (preliminary estimate), the first such gain since 2007.

“With that said, given trends over much of the fall, the December job estimates were less than we had expected, and were down by 9,800, on a seasonally adjusted basis, relative to the previous month,” Anderson said. “Typically, December brings with it little movement in the job numbers, so this decline was somewhat unexpected. Taken as a whole, though, this report appears to be quite consistent with continued modest improvement in the economy.”

As it relates to employment, payroll employment took a step back in December. Total unadjusted nonfarm payroll employment decreased by 8,500 from November to December, erasing much of the gains experienced over the fall. Trade, transportation, and utilities lost 400 jobs in December. Within this sector, employment in retail trade declined by 1,300 jobs, wholesale trade gained 800 jobs, and transportation, warehousing and utilities was largely unchanged. Preliminary retail trade numbers suggest a lackluster holiday hiring season. From October to December the industry added 2,700 jobs based on preliminary information, 700 less than last year, and not nearly as many as the long term average of 5,000.

Leisure and hospitality employers shed 3,100 jobs, with most coming from accommodation and food services. Employers in professional and business services shed 900 jobs, driven by losses in the administrative and support services sector. Employment in education and health services declined again this month after reaching an all time high in October. Within the industry, health care and social assistance lost 1,600 jobs, while educational services gained 100. Despite the recent losses, education and health services have added 3,000 jobs over the past 12 months.

Manufacturing employment changed little over the month, but has decreased 2.2 percent over the year. Employment levels in manufacturing have been declining since 2007 and have not been this low since the mid 1990s. After posting an increase last month, employment in the construction industry decreased by 3,300 jobs in December. Since peaking in 2007, construction employment has steadily decreased and is down 2.3 percent over the last year. Government employment

changed little, with federal and state government each adding 100 jobs, and local government losing 100 jobs. Over the year, government employment has decreased 3.5 percent due to cuts in state and local government employment.

“Until recently, Nevada was traditionally the fastest or one of the fastest growing states in the nation for both population and job growth,” Anderson said. “In recent decades, Nevada’s economic growth was able to absorb the influx of new residents. On average, during the decades of the 1950s through the 1990s, population grew by 61.9 percent, while employment grew by 74.9 percent. However, during the last decade (2000-2010), a large divergence developed between the rate of population growth and the rate of employment growth. From 2000 to 2010, population grew by 35 percent, while employment grew by only 8.6 percent. Many jobs were created during the economic boom of the mid-2000s, though a good many were artificially created by the housing bubble. With the bubble now deflated, a large number of workers are now left in the precarious position of seeking work elsewhere or retraining for new industries.”

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Press Briefing with Chief Economist Bill Anderson in Las Vegas, at 9 a.m. Monday January 23, 2012, at 2800 E. St. Louis Ave. Las Vegas NV 89104.

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 can be found at <http://www.nevadaworkforce.com>, along with our regular press release materials. Follow us on Twitter: <http://twitter.com/NVlabormarket>



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