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**Nevada's Unemployment Rate Holds at 13.4 Percent**

	<u>UNEMPLOYMENT RATES</u>			<u>JOB GROWTH RATES</u>		
	<u>Oct '11<sup>1</sup></u>	<u>Oct '10</u>	<u>Sep '11</u>	<u>Oct '11<sup>1</sup></u>	<u>Oct '10</u>	<u>Sep '11</u>
<b>Nevada<sup>2</sup></b>	<b>13.4%</b>	<b>14.9%</b>	<b>13.4%</b>	<b>1.0%</b>	<b>(1.5)%</b>	<b>0.9%</b>
<b>Las Vegas-Paradise MSA<sup>2</sup></b>	<b>13.1</b>	<b>14.8</b>	<b>13.6</b>	<b>1.3</b>	<b>(1.9)</b>	<b>1.1</b>
<b>Reno-Sparks MSA<sup>3</sup></b>	<b>12.1</b>	<b>13.3</b>	<b>12.6</b>	<b>(1.0)</b>	<b>(1.8)</b>	<b>(1.5)</b>
<b>Carson City MSA<sup>3</sup></b>	<b>12.0</b>	<b>13.1</b>	<b>12.4</b>	<b>(2.1)</b>	<b>(1.0)</b>	<b>(1.7)</b>
<b>United States<sup>2</sup></b>	<b>9.0</b>	<b>9.7</b>	<b>9.1</b>	<b>1.1</b>	<b>0.3</b>	<b>1.2</b>

Nevada's unemployment rate remained at a seasonally adjusted 13.4 percent for October. For the third month in a row, the unemployment rate was unchanged with an estimated 176,400 Nevadans unemployed and looking for work. In Las Vegas, the unemployment rate fell from 13.6 percent in September to 13.1 percent in October. In the Reno-Sparks area, the rate of joblessness also declined by one-half percentage point falling to 12.1 percent. In Carson City, the unemployment rate fell four-tenths, falling from 12.4 percent in September to 12.0 percent in October. The unemployment rate in the Elko Micropolitan area (includes Elko and Eureka counties) reached its lowest level this year, checking in at 6.7 percent.

"This month's unemployment numbers demonstrate growth in key industries and certain areas, and the overall stability is a sign that job losses may have come to an end," said Governor Brian Sandoval. "The numbers prove that we must continue our efforts to fight back from this recession job by job and company by company. There is a role for each one of us to help get Nevada working again."

Nevada's non-seasonally adjusted unemployment rate fell to 12.7 percent<sup>4</sup> in October, down half a percentage point from September. The decline is typical for this time of year as schools are now back in session and employers are starting to hire for the holiday shopping season, Anderson said.

<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 –12.7 percent in October, down from 13.2 percent in September.

While the rate of unemployment held steady in October, employers posted another small increase in employment. Nevada's employers added 400 jobs on a seasonally adjusted basis, doing little, but enough to help stabilize the unemployment rate. On a seasonally unadjusted basis, total non farm employment grew by 5,500 jobs in October, while on an over-the-year basis employment is up 11,700 or 1.0 percent. Employment fell in three of the eleven major industry categories from September. Construction industry employers cut the most, trimming payrolls by 2,500 in October, though a good portion of those were seasonal. On an over-the-year basis, construction employment is off by 2,800 or 4.7 percent. Small cut backs were also made in manufacturing and other services.

"Nevada's employment and unemployment picture continued to show signs of economic stability with some modest improvement in October," said Bill Anderson, chief economist for Department of Employment, Training and Rehabilitation (DETR). "Overall, there are some positives in this month's numbers, but for a state looking to bounce back from a deep recession, the numbers leave considerable room for improvement. Looking forward, chances are that trends will be more similar to the modest gains recorded in the past few months than to the boom-like conditions from a half-decade, or so, ago.

On the positive side, the leisure and hospitality industry added 3,200 jobs. The increase adds to recent improvement in the last year. Since October 2010, leisure and hospitality employers have increased payrolls by 14,700, a 4.7 percent increase. The education and health services sector continues to shine with the addition of 1,400 jobs in October, and employment is up a robust 5.8 percent since the same month last year. The gain pushed total employment in the sector to 106,300 workers, setting a new all time high. Lastly, the trade, transportation and utilities sector added 1,400 positions in October, most of them in retail and transportation and warehousing, but employment remains slightly below year-ago levels.

Employers are beginning to bolster staffing in anticipation of the holiday shopping season. In recent years, the recession negatively impacted typical hiring trends. Over the last ten years, Nevada's retail sector employment grew by 5,100 from October to December on average. In down years, such as 2008, the industry added just 1,800 jobs. While in good times, such as 2007, the industry added 7,300.

"Last year, retail employers added just 3,400 jobs — pretty low by historical standards," Anderson said. "Given improvement in the overall economy, we expect this year's hiring level to be modestly higher than last year."

## **Looking Ahead**

"For the coming year, Nevada can expect employment to see modest growth," Anderson said. "We can reasonably predict the unemployment rate to experience moderate fluctuations and even make some improvement. As it stands, we do expect 2012 to be better for Nevada's economy than 2011."

In the US, this "recovery" is on pace to be one of the weakest the country has experienced, especially as measured by labor market improvement. At the national level, the unemployment rate has stagnated at around nine percent due to weakness on the jobs front. In the 28 months since the end of the recession, just 1,023,000 jobs have been created. That compares to job gains of 8,053,000 in the 28 months following the 1981 recession and 2,423,000 following the recession in 1990. The most recent recovery is more indicative of what we're seeing now, which is best described as a jobless recovery. Following the 2001 recession, employment was still slightly negative in the 28 months after the business cycle reached a low.

In Nevada, the recent recession was longer and deeper, making use of the official recession dates set by the National Bureau of Economic Research less than ideal for a comparative analysis. Using employment as a barometer of the state's economic health, the recession appears to have ended in September 2010 when employment bottomed out at 1,108,100 based on preliminary seasonally adjusted figures. So how does recent improvement compare to past recessions? Well, in the last 13 months, Nevada employers have added 13,900 jobs for a 1.3 percent increase. In comparison, following the three most recent recessions, Nevada's labor market improved at a much faster clip. In the 13 months following the employment trough caused by the 2001 recession and terrorist attacks on September 11th, employment in Nevada increased by 38,000 jobs or 3.7 percent. Following the recession of 1991, payrolls added 22,000 and in 1982 payrolls were up 21,300, 13 months post employment trough. This recovery looks to be slower than anything we've seen in recent history.

Last month we took a look at business filings at the Secretary of State's office, and found that activity is beginning to pick up. More specifically, new filings have increased 11 of the 12 previous months. Another business indicator we track is beginning to show improvement, as well. The number of unemployment insurance contributory employers increased by 304 in the third quarter, pushing the total number of businesses to 56,396. The increase marks the first year-over-year increase in nearly three years. These developments further suggest that Nevada's business environment is improving.

*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.*



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