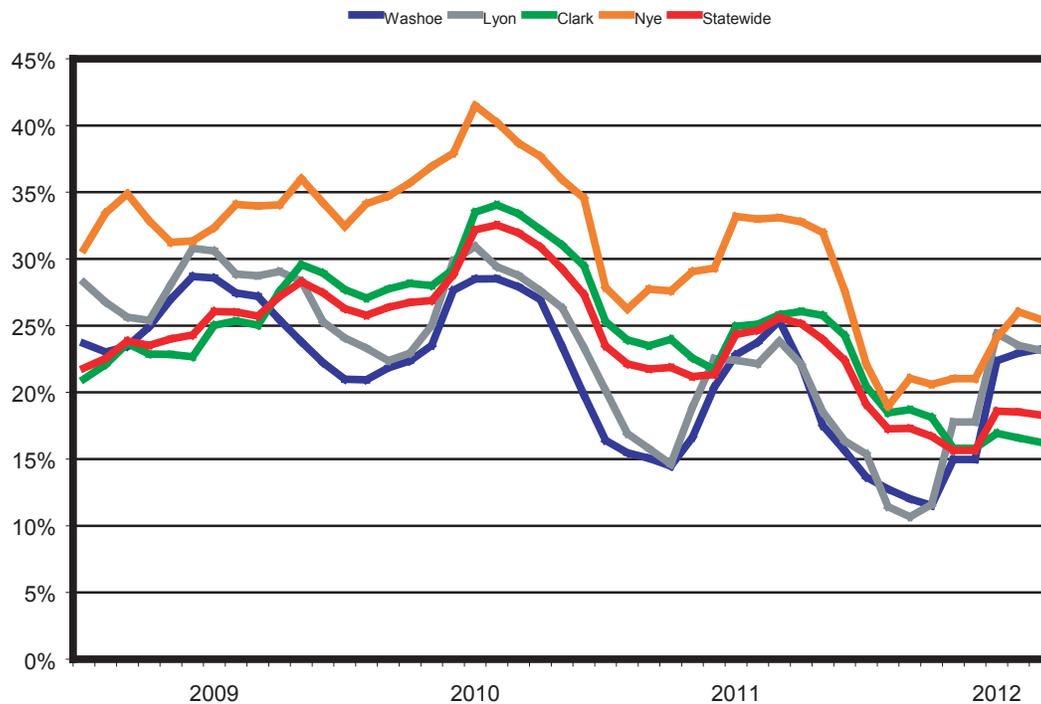




Share of Total UI Claims from the Construction Industry

May 7, 2012; William Anderson, Chief Economist



- Lyon and Nye Counties continue to maintain the highest unemployment rates in the State. So far this year, through March, Lyon County's unemployment rate has averaged 17%, while Nye County has recorded a 15.3% reading. Statewide, the jobless rate has averaged 12.3%.
- The construction sector was hit extremely hard by the recession, and continues to lag. All told, approximately 100,000 construction jobs have been lost from peak levels throughout the State. Each of these two counties is adjacent to a major population center (Las Vegas for Nye County and Reno for Lyon County). One possible explanation for the extremely high unemployment rate in these two counties is that many construction workers resided there during more prosperous times, and commuted into the population centers for construction work. With construction at a relative standstill, these workers are counted amongst the unemployed in the county in which they reside.
- An examination of unemployment insurance claims activity over time suggests that it may be the case, especially for Nye County. Specifically, the share of claims activity attributable to those who have lost jobs in the construction sector has remained consistently higher in Nye County than in the State as a whole from mid-2008 through the present. In March of this year, approximately 25% of all claims in the County could be traced to the construction sector. This compares to a Statewide average of 18%.
- The results are a bit more mixed in Lyon County. The share of construction-related claims was higher than Statewide norms during the early stages of the study period, before falling below average over much of the mid-2009 through late-2011 period. However, over the past several months, the share of construction-related claims has again risen above average. As of March, 23% of all Lyon County unemployment insurance claims were from the construction sector.