

NEVADA ECONOMY IN BRIEF

JANUARY 2001

Each year at this time, industrial employment estimates are revised based on more complete information derived from other programs. The updated figures show that Nevada's 2000 employment growth averaged 4.6 percent for the year, one-tenth of a percentage point higher than initially estimated. The Las Vegas MSA increased 5.8 percent, one full percentage point higher than first reported. The Reno MSA, meanwhile, averaged 3.4 percent more jobs in 2000 than in 1999, one percentage point below prior estimates.

Labor force and unemployment data for 2000 has also been updated. The annual average unemployment rate was adjusted 0.2 percent higher statewide and in both the Reno and Las Vegas MSA's, a change too small to reflect any shift in the state's economic trend. The January 2001 unemployment rate in each jurisdiction is very close to the figure from a year earlier. Some warning signs are in evidence, however, as the number of unemployment claims is rising in Las Vegas and the rural areas of the state.

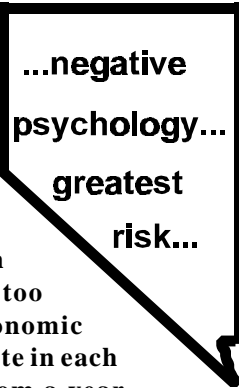
In 1999, employment growth in the Las Vegas MSA was driven by the opening of several new resorts. Retail trade and non-gaming services led the way in 2000, each providing more than one-fourth of all new jobs. Those sectors should continue their solid growth in 2001 and beyond. The last wave of resort building spurred an influx of new residents to Clark County. Retail establishments and service

providers are needed to support the rising population and more than 30 million visitors to Las Vegas each year.

Reno's annual percentage increase in employment in 2000 was its largest in four years. The area's job growth appears to have been stronger in the second half of the year, a time when the national economy was slowing considerably. Also notable in Reno's expansion was the absence of a dominant sector. Employment grew in all sectors except mining, with non-gaming services providing more than 20 percent of all new jobs. Finance and manufacturing had the largest percentage gains.

Rural Nevada received some good news recently. A proposed electric power plant near Carlin—and the natural gas pipeline that would cross Elko County to supply it—moved closer to reality when agreements were reached among several companies critical to the deal. Construction of the facilities is not yet a certainty, but if built, they would provide a big economic boost to the area. The projects would cost nearly \$500 million to construct, but a natural gas supply is considered critical to future economic development and diversification in the northeastern part of the state.

The record U.S. economic expansion remains at risk despite two recent interest rate cuts and the potential for more. The most significant problem may be falling consumer confidence. If individuals and businesses further cut their spending, an actual contraction of the economy could result. Negative psychology, not economic fundamentals, may be the greatest risk to the economy at the present time.



NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	JAN 01 ^P	JAN 00	DEC 00
TOTAL	1,041,100	991,500	1,060,900
MINING	10,700	11,000	10,800
CONSTRUCTION	86,000	82,900	89,100
MANUFACTURING	45,700	43,200	45,600
T.C.P.U. *	57,900	54,100	58,400
TRADE	222,800	206,700	229,200
<i>wholesale</i>	39,800	37,500	40,100
<i>retail</i>	183,000	169,200	189,100
F.I.R.E. **	48,700	45,700	48,600
SERVICES	447,500	430,300	452,600
<i>hotels/gaming/rec.</i>	240,500	238,700	242,300
GOVERNMENT	121,800	117,600	126,600

LAS VEGAS MSA

TOTAL	769,300	728,100	781,400
MINING	1,800	1,800	1,800
CONSTRUCTION	68,700	66,000	71,000
MANUFACTURING	24,900	24,000	24,800
T.C.P.U. *	43,800	40,400	44,000
TRADE	167,800	154,200	172,500
<i>wholesale</i>	23,900	22,600	24,100
<i>retail</i>	143,900	131,600	148,400
F.I.R.E. **	36,800	34,700	36,700
SERVICES	345,000	329,700	347,500
<i>hotels/gaming/rec.</i>	192,700	189,000	193,600
GOVERNMENT	80,500	77,300	83,100

RENO MSA

TOTAL	191,800	184,900	197,400
MINING	500	500	500
CONSTRUCTION	13,100	12,500	13,900
MANUFACTURING	14,800	13,600	14,700
T.C.P.U. *	12,400	12,300	12,600
TRADE	44,100	42,500	45,800
<i>wholesale</i>	12,600	11,800	12,700
<i>retail</i>	31,500	30,700	33,100
F.I.R.E. **	9,200	8,400	9,100
SERVICES	73,900	72,000	75,500
<i>hotels/gaming/rec.</i>	31,500	32,000	32,000
GOVERNMENT	23,800	23,100	25,300

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

FOR ADDITIONAL LABOR MARKET DATA CONTACT THE RESEARCH & ANALYSIS BUREAU

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	JAN 01 ^P	JAN 00	DEC 00
LABOR FORCE	1,000,800	949,700	1,001,100
EMPLOYMENT	953,800	905,000	961,600
UNEMPLOYMENT	47,000	44,700	39,500
UNEMP. RATE (see note)	4.2%	4.2%	4.4%

LAS VEGAS MSA

LABOR FORCE	785,200	740,100	784,900
EMPLOYMENT	749,100	706,200	753,200
UNEMPLOYMENT	36,100	33,900	31,700
UNEMP. RATE	4.6%	4.6%	4.0%

RENO MSA

LABOR FORCE	178,200	170,700	179,500
EMPLOYMENT	170,800	163,900	174,000
UNEMPLOYMENT	7,400	6,800	5,500
UNEMP. RATE	4.1%	4.0%	3.1%

UNITED STATES

UNEMP. RATE (see note)	4.2%	4.0%	4.0%
JOB GROWTH (see note)	1.3%	2.3%	1.4%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	JAN 01 ^P	JAN 00	DEC 00
12-MONTH % CHANGE	3.7%	2.7%	3.4%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

This data is prepared in conjunction with the Bureau of Labor Statistics, U.S. Department of Labor.

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JAN ^P	JAN	DEC	JAN ^P	JAN	DEC	JAN ^P	JAN	DEC
	2001	2000	2000	2001	2000	2000	2001	2000	2000
MINING	\$1040.58	\$970.43	\$1005.28	45.8	46.7	44.6	\$22.72	\$20.78	\$22.54
CONSTRUCTION	764.71	808.20	819.43	34.4	38.8	37.4	22.23	20.83	21.91
MANUFACTURING	606.48	547.65	619.44	42.5	40.9	43.5	14.27	13.39	14.24
<i>durable goods</i>	613.45	547.63	624.18	43.6	41.9	45.1	14.07	13.07	13.84
<i>nondurable goods</i>	589.73	547.45	606.62	40.2	39.3	40.2	14.67	13.93	15.09
PUBLIC UTILITIES	881.56	890.77	853.66	39.9	42.6	41.2	20.61	20.91	20.72
TRADE	399.68	415.31	412.81	32.0	31.8	32.1	12.49	13.06	12.86
<i>wholesale</i>	707.92	813.62	805.82	40.2	42.4	42.3	17.61	19.26	19.05
<i>retail</i>	334.51	328.63	328.00	30.3	29.5	29.9	11.04	11.14	10.97

NEVADA ECONOMY IN BRIEF

FEBRUARY 2001

Although Nevada led the nation's economic charge in the 1990's, it trails the nation's economic decline of the early 21st century. The Silver State continues to demonstrate solid job growth relative to the rest of the country. Nevada's growth rate can be expected to decline, however, due to the absence of new megaresorts—catalysts for the state's last few growth spurts—and the lingering slowdown of the U.S. economy.


In mid-March the Federal Reserve Board lowered interest rates by one-half percentage point for the third time this year. The announcement spurred the financial markets into action—U.S. stock prices plunged. Many analysts believe that the Fed's actions were insufficient to turn the economy around, despite the fact that the series of rate cuts is the sharpest in more than 16 years. The Fed's defenders argue that the underlying economic signals, while weak in some areas, do not require more drastic action. On the other hand, the Fed itself hinted at additional cuts and indicated that current problems, ranging from excess inventory to declining consumer confidence, may extend for several months longer than originally forecast. Stagnation throughout most of 2001, which ideally will stop short of outright recession, is increasingly likely.

Southern Nevada, the area that drove the state's

number one ranking in population and economic growth over the past decade, has had its own share of problems lately. Several firms have announced significant layoffs. While some of these are the result of corporate restructuring efforts, they are indicative of how a declining national economy can spill over into an otherwise healthy area. On a more positive note, a national chain announced it will enter the Las Vegas market with plans for ten new restaurants, a sign that the area is still viewed as a viable target

for investment. Nearby Pahrump has opened a hotel-casino that will be among Nye County's largest employers. Approval for a new hospital in Pahrump is also expected in the next few months.

The northern Nevada mining counties may have some new best friends, and unlikely ones at that. While gold prices are always the 900-pound gorilla of the rural economy, the federal Environmental Protection Agency and Bureau of Land Management seem to hold several keys to economic recovery in the area. The draft environmental impact statement for the Phoenix gold, silver, and copper mine project near Battle Mountain has been released for comment. Meanwhile, environmental rulings are seen as critical to the future of the proposed power plant near Carlin and the natural gas pipeline that will supply it. If these projects can pass agency muster, they will go a long way toward restoring the economic health of rural northern Nevada in coming years.



Stagnation...
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likely.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	FEB 01 ^P	FEB 00	JAN 01
TOTAL	1,046,800	997,600	1,040,500
MINING	10,600	11,400	10,700
CONSTRUCTION	86,200	82,900	85,900
MANUFACTURING	45,800	43,400	45,700
T.C.P.U. *	58,000	54,400	57,900
TRADE	222,300	206,600	222,200
<i>wholesale</i>	39,900	37,700	39,800
<i>retail</i>	182,400	168,900	182,400
F.I.R.E. **	49,000	45,800	48,700
SERVICES	450,100	432,200	447,500
<i>hotels/gaming/rec.</i>	240,900	239,300	240,500
GOVERNMENT	124,800	120,900	121,900

LAS VEGAS MSA

TOTAL	773,700	731,600	769,300
MINING	1,800	1,800	1,800
CONSTRUCTION	69,300	66,200	68,700
MANUFACTURING	25,000	24,100	24,900
T.C.P.U. *	44,000	40,700	43,800
TRADE	168,200	154,400	167,800
<i>wholesale</i>	24,000	22,600	23,900
<i>retail</i>	144,200	131,800	143,900
F.I.R.E. **	37,000	34,800	36,800
SERVICES	347,000	331,200	345,000
<i>hotels/gaming/rec.</i>	192,800	189,200	192,700
GOVERNMENT	81,400	78,400	80,500

RENO MSA

TOTAL	193,100	186,200	191,900
MINING	500	500	500
CONSTRUCTION	13,000	12,400	13,100
MANUFACTURING	14,800	13,500	14,800
T.C.P.U. *	12,400	12,200	12,400
TRADE	44,000	42,400	44,200
<i>wholesale</i>	12,600	11,900	12,600
<i>retail</i>	31,400	30,500	31,600
F.I.R.E. **	9,200	8,500	9,200
SERVICES	74,000	72,100	73,900
<i>hotels/gaming/rec.</i>	31,700	32,300	31,500
GOVERNMENT	25,200	24,600	23,800

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	FEB 01 ^P	FEB 00	JAN 01
LABOR FORCE	1,009,300	960,300	1,000,800
EMPLOYMENT	964,400	921,200	953,600
UNEMPLOYMENT	44,900	39,100	47,200
UNEMP. RATE (see note)	4.4%	4.0%	4.2%

LAS VEGAS MSA

LABOR FORCE	790,700	746,400	785,000
EMPLOYMENT	756,400	716,700	748,900
UNEMPLOYMENT	34,300	29,700	36,100
UNEMP. RATE	4.3%	4.0%	4.6%

RENO MSA

LABOR FORCE	179,700	173,200	178,200
EMPLOYMENT	172,600	167,100	170,800
UNEMPLOYMENT	7,100	6,100	7,400
UNEMP. RATE	4.0%	3.5%	4.2%

UNITED STATES

UNEMP. RATE (see note)	4.2%	4.1%	4.2%
JOB GROWTH (see note)	1.3%	2.0%	1.3%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	175.8	169.8	175.1
12-MONTH % CHANGE	3.5%	3.2%	3.7%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

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AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	FEB ^P	FEB	JAN	FEB ^P	FEB	JAN	FEB ^P	FEB	JAN
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$983.69	\$932.40	\$1040.58	43.7	44.4	45.8	\$22.51	\$21.00	\$22.72
CONSTRUCTION	807.75	783.01	764.71	36.5	37.9	34.4	22.13	20.66	22.23
MANUFACTURING	605.87	562.12	606.48	43.0	41.7	42.5	14.09	13.48	14.27
<i>durable goods</i>	614.10	561.56	613.45	44.5	42.9	43.6	13.80	13.09	14.07
<i>nondurable goods</i>	588.40	563.97	589.73	40.0	39.8	40.2	14.71	14.17	14.67
PUBLIC UTILITIES	835.54	897.59	822.34	41.2	42.2	39.9	20.28	21.27	20.61
TRADE	398.68	423.08	399.68	32.1	32.1	32.0	12.42	13.18	12.49
<i>wholesale</i>	700.72	851.07	707.92	39.3	43.6	40.2	17.83	19.52	17.61
<i>retail</i>	331.84	328.93	334.51	30.5	29.5	30.3	10.88	11.15	11.04

NEVADA ECONOMY IN BRIEF

MARCH / FIRST QUARTER 2001

The Nevada economy performed better than the national economy during the first quarter. The state continued to produce new jobs at a healthy pace, while the U.S. economy remained in a slow-growth mode. Nevada has never been totally immune to national trends, however, and signs of weakness are beginning to appear in the gaming and tourism industry, the state's largest.

Although the initial estimate of the nation's first quarter Gross Domestic Product (GDP) was much higher than most analysts expected, the U.S. economy is now in what is called a "growth recession." In the two most recent quarters, the U.S. economy has continued to grow, but at a rate well below the levels of the past several years. U.S. employment in the first three months of the year averaged only 1.2 percent greater than a year earlier, and the rate of increase has been falling since last May. The four-week average of new claims for unemployment insurance benefits recently reached its highest level in more than eight years. Manufacturing activity has declined for eight consecutive months by one measure. Consumer spending drove the 2.0 percent GDP increase in the first quarter, but a less certain job market could lead to spending cutbacks. At best, the U.S. economy will continue to experience modest expansion throughout much of 2001.

Nevada, meanwhile, recorded solid job growth in several industries, and the state continued to lead the nation in job growth through the first three months of the year. Trade, finance, non-gaming services,

transportation, and manufacturing reported year-over-year gains of more than 5 percent in March. Construction employment gains fell below the statewide average, but residential construction is robust. Compared to a year ago, the number of permits for new housing units more than doubled in the Reno area during the first quarter and rose 46 percent in Clark County.

On the other hand, the state's tourism sector is beginning to feel the effects of the U.S. slowdown. Hotels, gaming, and recreation employment has grown only 0.7 percent over the past year, and layoffs in the gaming industry have increased in southern Nevada—although not on a massive scale. Reno and Las Vegas have both reported fewer visitors so far this year. Gross gaming win has averaged little or no growth over the past six months and actually declined seven percent in February. The overall reduction in gaming activity can be expected to linger as long as the U.S. and global economies continue to struggle and California's high energy prices reduce its residents' discretionary income.

The U.S. economy may be approaching the bottom of its current trough. Because excess inventories, a major factor in the recent decline, are being reduced, manufacturing may be positioned for a rebound. Interest rate cuts could begin to provide stimulus later this year. Barring a true national collapse, Nevada's economy should continue to grow, although at a slower pace than the last eight years.



...tourism...
is beginning
to feel the
effects...

1ST QUARTER HIGHLIGHTS

Work began on the expansion of the Reno-Sparks Convention Center and continued on the expansion of the Las Vegas Convention Center.

The Census Bureau reported that Clark and Nye counties and the cities of Henderson, Las Vegas, and North Las Vegas were among the fastest growing in the country in the 1990's.

The Equatorial copper mine near Tonopah closed, putting about 130 people out of work.

The four-month American Bowling Congress tournament, which attracts approximately 80,000 bowlers, began in Reno.

Nye County's tourism sector received a significant boost with the expansion of the Saddle West and the opening of the Pahrump Nugget hotel-casinos.

The lights stayed on in Nevada despite California's power problems, and numerous new power plants have been proposed for both northern and southern Nevada.

Nevada's seasonally adjusted first quarter job growth led the nation by a full percentage point.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	MAR 01 ^P	MAR 00	FEB 01
TOTAL	1,056,600	1,007,400	1,049,100
MINING	10,600	11,500	10,700
CONSTRUCTION	87,800	85,000	86,200
MANUFACTURING	45,900	43,600	45,800
T.C.P.U. *	58,500	54,900	58,200
TRADE	223,800	207,500	222,500
wholesale	40,300	38,000	40,000
retail	183,500	169,500	182,500
F.I.R.E. **	49,200	46,200	48,900
SERVICES	453,500	436,000	450,200
hotels/gaming/rec.	242,100	240,500	241,000
GOVERNMENT	127,300	122,700	126,600

LAS VEGAS MSA

TOTAL	780,100	738,700	775,700
MINING	1,800	1,800	1,800
CONSTRUCTION	70,300	67,800	69,300
MANUFACTURING	25,100	24,300	25,000
T.C.P.U. *	44,400	41,000	44,200
TRADE	169,000	155,300	168,300
wholesale	24,100	22,700	24,000
retail	144,900	132,600	144,300
F.I.R.E. **	37,100	35,100	37,000
SERVICES	348,900	333,800	347,200
hotels/gaming/rec.	193,400	190,200	192,800
GOVERNMENT	83,500	79,600	82,900

RENO MSA

TOTAL	195,600	188,500	193,500
MINING	500	500	500
CONSTRUCTION	13,500	12,800	13,000
MANUFACTURING	14,900	13,500	14,800
T.C.P.U. *	12,400	12,300	12,400
TRADE	44,100	42,500	44,100
wholesale	12,700	12,000	12,700
retail	31,400	30,500	31,400
F.I.R.E. **	9,300	8,600	9,200
SERVICES	75,300	73,300	74,000
hotels/gaming/rec.	32,200	32,600	31,700
GOVERNMENT	25,600	25,000	25,500

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	MAR 01 ^P	MAR 00	FEB 01
LABOR FORCE	1,004,300	958,800	1,010,000
EMPLOYMENT	960,400	922,500	964,900
UNEMPLOYMENT	43,900	36,300	45,100
UNEMP. RATE (see note)	4.6%	4.0%	4.4%

LAS VEGAS MSA

LABOR FORCE	787,500	744,600	791,600
EMPLOYMENT	753,500	716,400	757,300
UNEMPLOYMENT	34,000	28,200	34,300
UNEMP. RATE	4.3%	3.8%	4.3%

RENO MSA

LABOR FORCE	179,400	172,800	179,900
EMPLOYMENT	172,600	167,400	172,700
UNEMPLOYMENT	6,800	5,400	7,200
UNEMP. RATE	3.8%	3.1%	4.0%

UNITED STATES

UNEMP. RATE (see note)	4.3%	4.0%	4.2%
JOB GROWTH (see note)	0.9%	2.3%	1.4%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	MAR 01 ^P	MAR 00	FEB 01
	176.2	171.2	175.8
12-MONTH % CHANGE	2.9%	3.8%	3.5%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

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AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	MAR ^P	MAR	FEB	MAR ^P	MAR	FEB	MAR ^P	MAR	FEB
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1043.32	\$968.36	\$1007.10	45.8	44.4	44.8	\$22.78	\$21.81	\$22.48
CONSTRUCTION	817.70	803.16	797.04	36.8	38.8	36.0	22.22	20.70	22.14
MANUFACTURING	602.00	562.72	607.39	43.0	41.9	43.2	14.00	13.43	14.06
durable goods	613.80	559.44	624.46	44.0	43.2	44.7	13.95	12.95	13.97
nondurable goods	577.10	568.74	575.08	40.9	39.8	40.3	14.11	14.29	14.27
PUBLIC UTILITIES	790.80	892.11	792.33	40.0	42.2	39.4	19.77	21.14	20.11
TRADE	405.45	430.14	398.79	31.8	32.1	31.5	12.75	13.40	12.66
wholesale	702.07	846.63	703.02	39.2	42.1	39.1	17.91	20.11	17.98
retail	338.32	335.55	331.08	30.1	29.8	29.8	11.24	11.26	11.11

THE NEVADA MINING INDUSTRY

excerpt from research by Barbara Woodmansee

By definition, the mining industry extracts naturally occurring minerals from the earth. Some historians claim that the industry was so important to the nation that Nevada was admitted to the United States in 1864 without meeting the national standards for statehood simply because the area was producing immense mineral wealth. Recognition of that importance is reflected in the state's nickname, *The Silver State*, for the primary product then being mined.

The precious metals produced in the state, silver and gold, receive the most attention—as well they should. Nevada produced three-fourths of all the gold and about 30 percent of all the silver mined in the United States in 1999, the latest year for which world-wide mineral information is available. Gold and silver, however, are not the only products mined in Nevada.

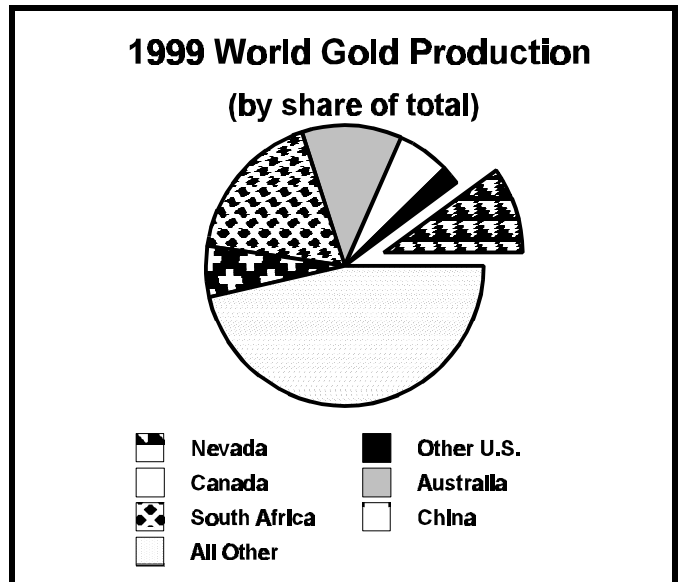
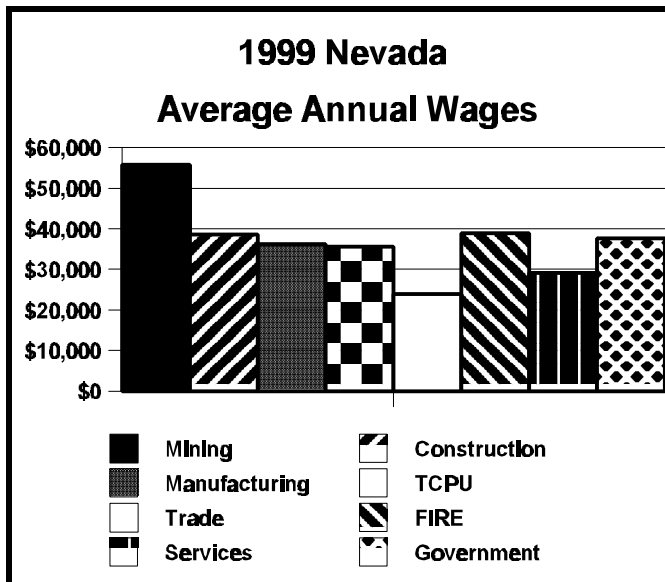
The state is the nation's leading producer of industrial minerals such as barite (primarily used in petroleum drilling), lithium carbonate (used for mental health treatment), and magnesite (used for industrial and pharmaceutical purposes). Other industrial minerals mined in Nevada include gypsum, limestone, diatomite, fluorspar, dolomite, and salt. Base metals, such as copper, mercury, and molybdenum, have been mined in Nevada, but high production and development costs have led to the near elimination of this type of mining, although substantial known ore deposits remain. Finally,

gem mining in the state produces limited amounts of turquoise, malachite, azurite, and opal, and energy-related mining has led to oil production and geothermal electricity generating plants.

All those other mineral products notwithstanding, gold remains king. If Nevada were an independent nation, it would be the third leading gold producer in the world, behind only South Africa and Australia. (See chart below for world gold production by nation.)

Excluding oil and geothermal development, Nevada produced approximately \$2.7 billion in mineral commodities in 1999, but the industry supplies only about one percent of all Nevada jobs. Nevertheless, it is the economic base in some rural counties. The average annual wage paid by the mining industry is roughly 43 percent higher than by the next closest industry (finance, insurance and real estate) and almost 79 percent higher than the average for all industries. (See chart below for the 1999 annual average wage in mining and the other major industrial categories.) That high wage injection can't be underestimated in some of the sparsely populated areas of Nevada with limited economic alternatives.

Mining was a foundation for early settlement of Nevada and remains the lifeblood for some communities. It adds revenues to the state coffers. And in spite of the high-tech nature of the industry today, it still contributes to the frontier image of Nevada.



INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

NEVADA

	<u>Oct.'00</u>	<u>Nov.'00</u>	<u>Dec.'00</u>	<u>Jan.'01</u>	<u>Feb.'01</u>	<u>Mar.'01</u>
TOTAL	1042.3	1047.0	1053.0	1050.9	1059.1	1063.3
Mining	10.9	10.9	10.9	10.8	10.8	10.7
Construction	87.6	88.2	89.0	88.6	89.5	90.2
Manufacturing	45.0	45.1	45.6	45.9	46.0	46.1
<i>Durable Goods</i>	27.8	27.8	28.1	28.2	28.3	28.4
<i>Non-durable Goods</i>	17.2	17.3	17.5	17.7	17.7	17.7
TCPU	57.2	57.6	58.1	58.2	58.8	59.0
Trade	220.2	222.0	223.3	223.7	226.0	226.6
<i>Wholesale</i>	39.6	39.8	40.0	40.0	40.3	40.5
<i>Retail</i>	180.6	182.2	183.3	183.7	185.7	186.1
FIRE	48.2	48.3	48.5	48.7	49.1	49.3
Services	451.0	452.1	454.0	451.6	454.3	457.2
<i>HGR</i>	244.3	244.2	244.9	245.4	244.9	244.1
Government	122.2	122.8	123.6	123.4	124.6	124.2

¹ Seasonally adjusted data are adjusted for regularly occurring seasonal events that alter the economic status quo, e.g. Christmas. It will not be the same as unadjusted data.

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

State of Nevada
 Department of Employment, Training & Rehabilitation
 Research & Analysis Bureau
 500 E. Third Street
 Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

APRIL 2001

The U.S. economy continues to exhibit weakness. Year-over-year job growth fell to 0.5 percent in April, the lowest level since the fall of 1992. The unemployment rate rose to 4.5 percent, the highest in 2-1/2 years. In Nevada, the symptoms were less pronounced. Job growth remained strong (7,200 net new jobs over the month), but unemployment rates were higher than a year ago in nearly every part of the state.

In response to declining business investment and rising unemployment, the Federal Reserve Board announced another one-half percentage point interest rate reduction at its May meeting—and the Fed indicated that more cuts are possible. That news is both good and bad. Although falling interest rates may foretell renewed business activity over the next year to eighteen months, the aggressive Fed action indicates recession remains more of a threat than inflation.

Despite its ongoing electric power crisis, California's employment increased by 17,300 in April, while the nation as a whole was losing more than 200,000 jobs. The West remains a region of relative economic strength compared to much of the country, good news for Nevada since California and other nearby states provide a significant percentage of Nevada's tourists and

are primary markets for Nevada's growing number of distribution firms.

The mining areas of rural Nevada have seen little change in their short-term prospects. Gold has been stuck in a price band between \$255 and \$275 per ounce for several months, too low to encourage significant new mining activity. Declining population, falling school enrollments, lower property tax collections, and reduced taxable sales have been just a few of the manifestations of mining's decline.

In contrast, the areas surrounding the state capital are faring well. Carson City and Douglas County have benefitted from an influx of national retailers over the past 18 months. Storey County has seen a resurgence in taxable sales as a result of development activity at the massive Tahoe-Reno Industrial Center. Lyon County and Douglas County, meanwhile, appear to be the two leading contenders for the next prize, a Starbucks coffee processing plant that will create about 200 permanent jobs.

The summer months are likely to provide a preponderance of weak economic reports with an intermingling positive news. Most analysts do predict a rebound in U.S. and world economic growth later this year and further strengthening in 2002, so the bottom of the current cycle could be near. Recession, while still possible, remains a longshot.

Recession...
remains a
longshot.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	APR 01 ^P	APR 00	MAR 01
TOTAL	1,064,200	1,014,900	1,057,000
MINING	10,500	10,800	10,600
CONSTRUCTION	89,600	86,300	87,900
MANUFACTURING	46,000	43,700	46,000
T.C.P.U. *	58,900	55,000	58,600
TRADE	225,300	209,100	223,800
wholesale	40,400	38,200	40,300
retail	184,900	170,900	183,500
F.I.R.E. **	49,400	46,500	49,200
SERVICES	455,600	440,400	453,600
hotels/gaming/rec.	243,900	243,100	242,200
GOVERNMENT	128,900	123,100	127,300

LAS VEGAS MSA

TOTAL	785,400	744,200	780,100
MINING	1,800	1,800	1,800
CONSTRUCTION	71,300	68,200	70,400
MANUFACTURING	25,000	24,200	25,100
T.C.P.U. *	44,800	41,300	44,400
TRADE	170,100	156,400	169,000
wholesale	24,300	22,900	24,100
retail	145,800	133,500	144,900
F.I.R.E. **	37,300	35,200	37,100
SERVICES	350,000	337,000	349,000
hotels/gaming/rec.	194,600	191,900	193,500
GOVERNMENT	85,100	80,100	83,300

RENO MSA

TOTAL	197,300	191,100	195,700
MINING	500	500	500
CONSTRUCTION	14,300	13,800	13,500
MANUFACTURING	14,900	13,700	14,900
T.C.P.U. *	12,400	12,200	12,400
TRADE	44,400	43,000	44,100
wholesale	12,700	12,100	12,700
retail	31,700	30,900	31,400
F.I.R.E. **	9,300	8,700	9,300
SERVICES	75,900	74,100	75,400
hotels/gaming/rec.	32,700	33,200	32,200
GOVERNMENT	25,600	25,100	25,600

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	APR 01 ^P	APR 00	MAR 01
LABOR FORCE	1,010,100	967,000	1,004,700
EMPLOYMENT	961,200	930,100	960,500
UNEMPLOYMENT	48,900	36,900	44,200
UNEMP. RATE (see note)	4.9%	3.9%	4.6%

LAS VEGAS MSA

LABOR FORCE	792,100	750,000	787,600
EMPLOYMENT	754,200	721,000	753,600
UNEMPLOYMENT	37,900	29,000	34,000
UNEMP. RATE	4.8%	3.9%	4.3%

RENO MSA

LABOR FORCE	180,100	174,700	179,600
EMPLOYMENT	172,900	169,600	172,700
UNEMPLOYMENT	7,200	5,100	6,900
UNEMP. RATE	4.0%	2.9%	3.9%

UNITED STATES

UNEMP. RATE (see note)	4.5%	4.0%	4.3%
JOB GROWTH (see note)	0.5%	2.4%	0.9%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	APR 01 ^P	APR 00	MAR 01
12-MONTH % CHANGE	3.3%	3.1%	2.9%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	APR ^P	APR	MAR	APR ^P	APR	MAR	APR ^P	APR	MAR
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1052.35	\$982.46	\$1026.04	46.4	44.8	45.4	\$22.68	\$21.93	\$22.60
CONSTRUCTION	836.23	796.18	810.26	37.1	38.5	36.4	22.54	20.68	22.26
MANUFACTURING	592.14	579.70	601.44	42.6	42.5	43.3	13.90	13.64	13.89
durable goods	612.76	562.47	618.05	43.8	43.3	44.4	13.99	12.99	13.92
nondurable goods	552.92	608.28	567.03	40.3	41.1	41.0	13.72	14.80	13.83
PUBLIC UTILITIES	777.35	900.79	786.80	39.6	41.8	40.0	19.63	21.55	19.67
TRADE	406.94	429.30	402.27	32.4	32.4	31.7	12.56	13.25	12.69
wholesale	739.62	801.75	717.79	42.0	41.2	40.1	17.61	19.46	17.90
retail	336.03	342.91	333.98	30.3	30.4	29.9	11.09	11.28	11.17

NEVADA ECONOMY IN BRIEF

MAY 2001

The faltering U.S. economy, handicapped by the struggling manufacturing sector, has begun to extend its reach. Not only are the California and Nevada economies being impacted, but European growth prospects are being hampered by declining exports to the U.S. market. Immediate improvement does not appear likely.

The U.S. manufacturing sector suffered through its tenth consecutive month of falling employment in May, and the rate of decline has been increasing. The industry has lost 675,000 jobs since last summer, about one-third of those jobs in the past two months. Numerically, the national job loss in manufacturing is roughly equivalent to eradicating every job in Clark County.

California's rate of job creation has slowed considerably in the past few months. From January 1997 through the end of 2000, California produced an average of 38,500 new jobs per month. In the first five months of 2001, the number of new jobs totaled fewer than 70,000. Power supply problems, high energy costs, weakening overseas markets, and troubles in both the manufacturing and "dot-com" sectors indicate that California's slowdown is likely to continue.

California's problems usually have an impact on Nevada as well. Job uncertainty and the erosion of discretionary spending due to high energy prices

are sure to have some effect on leisure travel. Weekend visitation was weaker than normal in both Las Vegas and Reno in April, and gaming win has grown very little so far this year. Although two new hotel-casinos should open in the Las Vegas area by the end of the year, they do not rank among the large, "must see" megaresorts that have created so much publicity in the past. They are not expected to dramatically increase the number of visitors. Overall, Nevada's tourism sector can expect little growth in 2001.

The home-building, distribution, and retail trade segments of Nevada's economy have held up well under these economic pressures. Residential building permits continue to exceed the level of a year ago in both the Reno and Las Vegas areas. In contrast to the most recent U.S. housing report, the two areas have yet to show any signs of significant weakness. Meanwhile, with the vacancy rates for retail space and large distribution facilities only about two percent in the Las Vegas area, numerous projects are planned or under construction.

The potential depth and duration of the U.S. economic decline remains a topic of debate among analysts. While a recession—two consecutive quarters of economic contraction—may not occur, it is clear that growth will be modest in 2001. Businesses are responding by adjusting plans and staffing levels. The Federal Reserve Board has lowered interest rates six times this year, and tax rebates may provide a small economic stimulus in the third and fourth quarters.



...tourism...
can expect
little growth
in 2001.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	MAY 01 ^P	MAY 00	APR 01
TOTAL	1,070,600	1,027,900	1,064,000
MINING	10,600	10,900	10,500
CONSTRUCTION	90,800	87,700	89,600
MANUFACTURING	46,200	43,900	46,000
T.C.P.U. *	59,200	55,200	58,900
TRADE	227,400	211,200	225,300
wholesale	40,800	38,600	40,400
retail	186,600	172,600	184,900
F.I.R.E. **	49,600	46,600	49,400
SERVICES	458,600	445,200	455,400
hotels/gaming/rec.	245,200	245,000	243,600
GOVERNMENT	128,200	127,200	128,900

LAS VEGAS MSA

TOTAL	789,000	754,100	785,400
MINING	1,800	1,800	1,800
CONSTRUCTION	71,900	69,100	71,300
MANUFACTURING	25,100	24,200	25,000
T.C.P.U. *	44,900	41,500	44,800
TRADE	171,400	157,900	170,100
wholesale	24,400	23,100	24,300
retail	147,000	134,800	145,800
F.I.R.E. **	37,300	35,300	37,300
SERVICES	352,600	340,800	350,000
hotels/gaming/rec.	195,700	193,300	194,600
GOVERNMENT	84,000	83,500	85,100

RENO MSA

TOTAL	198,900	193,400	197,300
MINING	500	500	500
CONSTRUCTION	14,700	14,300	14,300
MANUFACTURING	14,900	13,800	14,900
T.C.P.U. *	12,500	12,200	12,500
TRADE	45,000	43,200	44,400
wholesale	12,900	12,300	12,700
retail	32,100	30,900	31,700
F.I.R.E. **	9,400	8,800	9,300
SERVICES	76,300	75,200	75,700
hotels/gaming/rec.	32,800	33,800	32,400
GOVERNMENT	25,600	25,400	25,700

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	MAY 01 ^P	MAY 00	APR 01
LABOR FORCE	1,012,800	974,800	1,010,200
EMPLOYMENT	971,500	940,700	961,200
UNEMPLOYMENT	41,300	34,100	49,000
UNEMP. RATE (see note)	4.4%	3.8%	4.9%

LAS VEGAS MSA

LABOR FORCE	794,100	757,700	792,100
EMPLOYMENT	761,500	730,200	754,200
UNEMPLOYMENT	32,600	27,500	37,900
UNEMP. RATE	4.1%	3.6%	4.8%

RENO MSA

LABOR FORCE	180,100	174,700	179,600
EMPLOYMENT	172,900	169,600	172,700
UNEMPLOYMENT	7,200	5,100	6,900
UNEMP. RATE	4.0%	2.9%	3.9%

UNITED STATES

UNEMP. RATE (see note)	4.4%	4.1%	4.5%
JOB GROWTH (see note)	0.4%	2.7%	0.6%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	MAY 01 ^P	MAY 00	APR 01
12-MONTH % CHANGE	3.6%	3.2%	3.3%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.
NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	MAY ^P	MAY	APR	MAY ^P	MAY	APR	MAY ^P	MAY	APR
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1053.63	\$990.99	\$1064.44	46.6	44.3	46.3	\$22.61	\$22.37	\$22.99
CONSTRUCTION	830.45	825.04	823.92	38.5	39.4	37.4	21.57	20.94	22.03
MANUFACTURING	608.90	579.30	602.54	43.4	42.1	43.1	14.03	13.76	13.98
durable goods	636.42	561.89	630.40	45.2	42.6	44.9	14.08	13.19	14.04
nondurable goods	553.22	607.87	546.68	39.8	41.1	39.5	13.90	14.79	13.84
PUBLIC UTILITIES	768.40	893.37	763.88	40.0	42.2	39.6	19.21	21.17	19.29
TRADE	414.74	429.95	412.10	32.2	32.4	32.5	12.88	13.27	12.68
wholesale	751.67	776.16	739.62	42.3	39.2	42.0	17.77	19.80	17.61
retail	342.60	347.73	342.52	30.0	30.8	30.5	11.42	11.29	11.23

NEVADA ECONOMY IN BRIEF

JUNE / SECOND QUARTER 2001

The incredible ten-year expansion of the U.S. economy may not be over officially, but it seemed more like a dream as 2001 passed its midpoint. With unemployment rising, employment dropping, and corporate earnings reports sending the jittery stock market off in different directions daily, a return to flush economic times almost seems an illusion. Policy actions such as interest rate cuts have yet to produce the desired stimulus, and tax cuts have had but a minor effect. On the other hand, while Nevada's economy showed signs of weakness, it is at least producing jobs—and at a much faster pace than any other state.

The U.S. economy lost more than 200,000 jobs in the second quarter, the worst performance since the recession of the early 1990's. The unemployment rate has risen slowly but steadily for the past three quarters, and new claims for unemployment insurance benefits recently reached their highest level in almost nine years. The Federal Reserve Board has lowered its growth forecast for the U.S. economy to the one to two percent range this year, although it is still predicting stronger growth in 2002. Citing continued weakness, the Fed lowered interest rates again at its August meeting.

In Nevada the most tangible evidence of the slowdown is an increase in the number of unemployment claims. The most recent reports show claims more than 20 percent higher than a year ago. New claims are up more than 10 percent year-to-date. Layoff and closure announcements

have been more frequent in recent months, with several of the cutbacks coming from national firms with operations in Nevada. This trend is likely to continue until the national economy rebounds. The pace of job growth can be expected to slow, but Nevada may well maintain its number one ranking among the states.

Nevada's tourism sector continues to report results that are modest at best—but satisfactory considering the nation's economy. Statewide gaming win, automobile traffic, and Las Vegas visitor counts are up about one percent for the year. Northern Nevada has not fared as well as the southern part of the state. The Carson Valley has had a small increase in gaming win so far this year, but Elko County has suffered a year-over-year decline in each month of 2001, and South Lake Tahoe and Washoe County have seen decreases in five of the first six months. The Reno area's results could be substantially worse were it not for the American Bowling

Congress tournament that brought more than 80,000 bowlers to the area from February through June.

The situation in Nevada's rural counties has changed very little. Gold prices remain at a level that is not conducive to new production. Exploration for new ore bodies continues, and several new and expanded mine projects are planned. Development of many of these projects will be delayed, however, until prices rise to more profitable levels.



...Nevada's
economy...
is at least
producing
jobs...

2ND QUARTER HIGHLIGHTS

#Starbucks Coffee selected Douglas County to be the site of its third U.S. roasting plant.

#The long-delayed Neonopolis project in downtown Las Vegas has signed Crown Theatres as its anchor.

#The state issued a Certificate of Need that will allow construction of a new hospital in Pahrump.

#The Federal Reserve Board reduced interest rates three times during the second quarter.

#Lowe's Home Improvement Warehouse opened in Carson City.

#More than three million square feet of commercial space was completed in the Las Vegas area.

#Software and payroll services provider Intuit broke ground on a new office complex in Reno.

#The Maxim hotel in Las Vegas announced that it would close for the second time in two years.

#The Mandalay Bay in Las Vegas announced plans to build a 1.8 million square-foot convention center.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	JUN 01 ^P	JUN 00	MAY 01
TOTAL	1,073,200	1,027,800	1,069,800
MINING	10,700	11,100	10,600
CONSTRUCTION	92,500	90,200	90,800
MANUFACTURING	46,600	44,500	46,200
T.C.P.U. *	59,100	55,900	59,200
TRADE	229,500	212,900	227,200
wholesale	41,100	39,000	40,700
retail	188,400	173,900	186,500
F.I.R.E. **	49,900	47,300	49,500
SERVICES	460,600	448,700	458,700
hotels/gaming/rec.	246,200	246,800	245,200
GOVERNMENT	124,300	117,200	127,600

LAS VEGAS MSA

TOTAL	787,600	749,900	788,700
MINING	1,800	1,800	1,800
CONSTRUCTION	72,800	70,900	71,900
MANUFACTURING	25,300	24,300	25,200
T.C.P.U. *	44,800	42,100	45,000
TRADE	172,300	158,900	171,400
wholesale	24,500	23,300	24,400
retail	147,800	135,600	147,000
F.I.R.E. **	37,500	35,700	37,300
SERVICES	352,700	342,100	352,600
hotels/gaming/rec.	196,000	194,400	195,700
GOVERNMENT	80,400	74,100	83,500

RENO MSA

TOTAL	200,700	194,500	198,800
MINING	500	500	500
CONSTRUCTION	15,400	15,000	14,700
MANUFACTURING	15,100	14,100	14,900
T.C.P.U. *	12,600	12,200	12,500
TRADE	45,400	43,700	44,900
wholesale	13,000	12,400	12,900
retail	32,400	31,300	32,000
F.I.R.E. **	9,500	8,900	9,400
SERVICES	77,500	76,100	76,300
hotels/gaming/rec.	33,300	33,900	32,800
GOVERNMENT	24,700	24,000	25,600

* T.C.P.U. = Transportation, Communications & Public Utilities

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	JUN 01 ^P	JUN 00	MAY 01
LABOR FORCE	1,026,800	993,400	1,012,700
EMPLOYMENT	976,400	950,800	971,300
UNEMPLOYMENT	50,400	42,600	41,400
UNEMP. RATE (see note)	4.5%	3.8%	4.4%

LAS VEGAS MSA

LABOR FORCE	804,200	769,800	794,000
EMPLOYMENT	764,100	735,300	761,300
UNEMPLOYMENT	40,100	34,500	32,700
UNEMP. RATE	5.0%	4.5%	4.1%

RENO MSA

LABOR FORCE	184,900	180,100	181,400
EMPLOYMENT	177,600	174,600	175,200
UNEMPLOYMENT	7,300	5,500	6,200
UNEMP. RATE	3.9%	3.0%	3.4%

UNITED STATES

UNEMP. RATE (see note)	4.5%	4.0%	4.4%
JOB GROWTH (see note)	0.3%	2.5%	0.4%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	JUN 01 ^P	JUN 00	MAY 01
12-MONTH % CHANGE	3.2%	3.7%	3.6%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND
U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

*This data is prepared in conjunction with the Bureau
of Labor Statistics, U.S. Department of Labor.*

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JUN ^P	JUN	MAY	JUN ^P	JUN	MAY	JUN ^P	JUN	MAY
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1022.71	\$999.92	\$1022.42	45.8	44.9	45.3	\$22.33	\$22.27	\$22.57
CONSTRUCTION	836.85	872.71	821.06	38.6	40.8	38.1	21.68	21.39	21.55
MANUFACTURING	599.63	587.24	605.52	42.8	42.4	43.5	14.01	13.85	13.92
durable goods	624.63	578.96	630.99	44.3	43.4	45.2	14.10	13.34	13.96
nondurable goods	545.10	600.62	550.43	39.5	40.5	39.8	13.80	14.83	13.83
PUBLIC UTILITIES	776.66	873.62	766.48	40.2	41.9	39.9	19.32	20.85	19.21
TRADE	422.36	421.18	414.72	33.1	32.2	32.4	12.76	13.08	12.80
wholesale	768.96	762.42	751.67	43.2	39.3	42.3	17.80	19.40	17.77
retail	349.99	341.19	342.09	31.0	30.6	30.3	11.29	11.15	11.29

THE NEVADA AGRICULTURE INDUSTRY

By Mike Clarke, incorporating research by Barbara Woodmansee

One dictionary describes agriculture as “the science or art of cultivating the soil, producing crops, or raising livestock and ... the preparation of these products for man’s use...”

Perhaps because of the wild west image created by world championship rodeos, widely-publicized mustang herds, and cowboy movies, Nevada is often thought to be a major agricultural state. The industry is also often considered a major part of the state’s economy. The truth is that Nevada ranks 47th in the nation for dollar value of agricultural products produced according to the U.S. Department of Agriculture (USDA). And the industry provides only about one percent of the state’s total employment and not even one percent of the state’s gross state product.

On the other hand, the industry does provide the economic foundation for many of the rural communities. Commodities range from dairy products to melons. Beef cattle lead the state in dollar value of agricultural sales (at \$135,539,000 in 1997), and Elko County ranked as the fourth highest county in the nation in the USDA 1997 census for the number of beef cattle. This is not surprising given that over 80 percent of Nevada’s agricultural land is rangeland.

Although no other agricultural product in Nevada reached \$100 million in sales, the state has been an important source of garlic, onion, and alfalfa seed for export to the

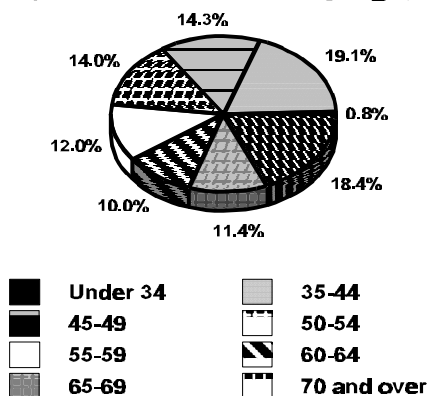
growing regions of California and other states. Among the state’s final products, potatoes grown near Winnemucca and the Churchill County Heart of Gold cantaloupe are considered premiere food products. And alfalfa from all over the state is exported to as far away as Asia.

Rising production costs and dissatisfaction with the rural life style are altering the nature of the industry. Only 40 percent of all of Nevada’s farmers and ranchers now work full time on the land. Roughly one-third of the total work 200 or more days per year somewhere other than on their farms or ranches. The acreage devoted to agriculture has continued to shrink, and the number of farm and ranch operators dropped 6.5 percent from 1987 to 1997.

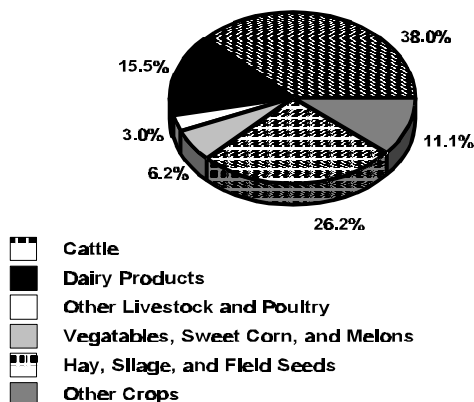
Many of Nevada’s youth have abandoned the farm or ranch for perceived higher earnings and/or a more exciting life in the cities, and the average age of the operators has risen from 54.2 in 1992 to 55.4 in 1997. (See the bottom left graph for the age distribution of the operators.) Unfortunately, no reversal of this trend seems imminent.

While agricultural growth is unlikely, the industry will remain an important component of rural Nevada for at least two reasons. One, it provides both employment and income to some. And two, it provides quality food products for consumers that are available from nowhere else. Farm and ranch acreage may diminish, but it won’t disappear.

**Nevada Farm & Ranch Operators
(1997--distributed by age)**



**Nevada Agricultural Production
(by 1997 dollar value share of total)**



INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

NEVADA

	<u>Jan.'01</u>	<u>Feb.'01</u>	<u>Mar.'01</u>	<u>Apr.'01</u>	<u>May'01</u>	<u>Jun.'01</u>
TOTAL	1050.9	1059.1	1063.7	1068.6	1070.3	1077.1
Mining	10.8	10.8	10.7	10.6	10.6	10.5
Construction	88.6	89.5	90.3	91.1	91.1	91.6
Manufacturing	45.9	46.0	46.2	46.2	46.3	46.6
<i>Durable Goods</i>	28.2	28.3	28.4	28.5	28.7	28.8
<i>Non-durable Goods</i>	17.7	17.7	17.8	17.7	17.6	17.8
TCPU	58.2	58.8	59.1	59.1	59.6	59.2
Trade	223.7	226.0	226.6	227.7	228.8	230.2
<i>Wholesale</i>	40.0	40.3	40.5	40.6	40.8	41.0
<i>Retail</i>	183.7	185.7	186.1	187.1	188.0	189.2
FIRE	48.7	49.1	49.3	49.5	49.5	49.8
Services	451.6	454.3	457.3	458.1	459.6	460.1
<i>HGR</i>	245.4	244.9	244.2	243.6	243.7	243.5
Government	123.4	124.6	124.2	126.3	124.9	129.1

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

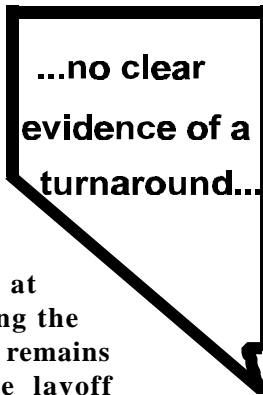
NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

State of Nevada
 Department of Employment, Training & Rehabilitation
 Research & Analysis Bureau
 500 E. Third Street
 Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

JULY 2001

Economic conditions remained in a holding pattern in July. While there was no clear evidence of a turnaround at either the state or national level, conditions did not get significantly worse. U.S. employment declined during the month, but the total number of jobs is still slightly higher than a year ago. The national unemployment rate has been fairly stable for the past few months, and the number of new claims for unemployment insurance benefits has fallen in recent weeks. Nevada continued to significantly outperform the nation as a whole in the rate of job growth, but the state has slowly regressed from its previous performance levels. The revised estimate of U.S. Gross Domestic Product showed that the economy grew at an annual rate of only 0.2 percent during the second quarter. The manufacturing sector remains in decline, but the frequency of large layoff announcements by U.S. firms seems to have slowed. Declining energy prices have led to a reduction in the rate of inflation, which remains moderate. Weak corporate earnings reports, not exactly a surprise given recent economic conditions, seemed to shock the stock market, which responded—as usual—by overreacting. Analysts differ in their assessment of whether an upswing will begin in 2001, but most are still forecasting a stronger economy in 2002.



...no clear evidence of a turnaround...

The economy of neighboring California parallels that of the nation as a whole. The unemployment rate has moved in a narrow band (4.9 to 5.1 percent) over the past four months, and year-over-year job growth fell to 1.6 percent in July, about half the rate of increase of a few months ago. Northern California appears to be faring worse than the southern half of the state, and these conditions are being felt in the Reno/Lake Tahoe gaming market. The area draws heavily from northern California and suffered significant year-over-year declines in gaming win during the second quarter.

Opening despite these difficult market conditions was the Siena Hotel Spa and Casino in downtown Reno. Although not a large gaming property by Nevada standards, the Siena represents a rare new investment in Reno gaming. With an expanded Reno-Sparks Convention Center set to open in 2002, and other proposals under discussion for downtown meeting facilities, local officials hope that they can withstand the economic downturn and the threat of expanded Indian gaming in their California feeder markets.

For the second consecutive summer, Nevada is suffering from a severe drought and an abundance of wildfires. These conditions are putting pressure on the agricultural segment of Nevada's rural economy, which is already burdened by the mining industry's woes. Gold prices have risen recently, but are still at too low a level to stimulate the region's economic health.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA

(NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	JUL 01 ^P	JUL 00	JUN 01
TOTAL	1,064,900	1,025,800	1,072,400
MINING	10,500	11,000	10,600
CONSTRUCTION	92,800	89,800	92,200
MANUFACTURING	46,000	44,600	46,400
T.C.P.U. *	58,700	56,100	59,100
TRADE	229,500	214,900	229,100
<i>wholesale</i>	41,000		41,000
<i>retail</i>	49,700	175,800	188,100
	47,300	47,300	
SERVICES	459,600		460,800
<i>hotels/gaming/rec.</i>		247,400	246,200
	118,100	114,600	
LAS VEGAS MSA			
TOTAL	779,800	749,300	787,100
MINING	1,800	1,800	1,800
CONSTRUCTION	72,600	70,600	72,600
MANUFACTURING	24,900	24,200	25,200
T.C.P.U. *	44,300	42,400	44,800
TRADE	172,100	160,900	172,300
<i>wholesale</i>	24,400	23,400	24,500
<i>retail</i>	147,700	137,500	147,800
F.I.R.E. **	37,200	35,700	37,400
SERVICES	350,500	340,300	352,700
<i>hotels/gaming/rec.</i>	196,000	194,400	196,000
GOVERNMENT	76,400	73,400	80,300
RENO MSA			
TOTAL	200,200	194,100	200,200
MINING	600	500	500
CONSTRUCTION	15,600	14,800	15,300
MANUFACTURING	15,000	14,200	14,900
T.C.P.U. *	12,600	12,200	12,500
TRADE	45,500	44,300	45,400
<i>wholesale</i>	13,000	12,500	13,000
<i>retail</i>	32,500	31,800	32,400
F.I.R.E. **	9,500	9,000	9,500
SERVICES	78,300	76,600	77,400
<i>hotels/gaming/rec.</i>	34,100	34,600	33,200
GOVERNMENT	23,100	22,500	24,700

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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FAX: 775-684-0342

INTERNET: detr.state.nv.us

LABOR FORCE DATA

(BY PLACE OF RESIDENCE)

NEVADA	JUL 01 ^P	JUL 00	JUN 01
LABOR FORCE	1,048,800	1,001,900	1,037,700
EMPLOYMENT	996,500	960,600	985,500
UNEMPLOYMENT	52,300	41,300	52,200
UNEMP. RATE (see note)	4.7%	3.8%	4.6%
LAS VEGAS MSA			
LABOR FORCE	818,900	776,700	812,100
EMPLOYMENT	776,600	742,700	770,700
UNEMPLOYMENT	42,300	34,000	41,400
UNEMP. RATE	5.2%	4.4%	5.1%
RENO MSA			
LABOR FORCE	189,000	181,300	186,300
EMPLOYMENT	182,100	176,200	178,900
UNEMPLOYMENT	6,900	5,100	7,400
UNEMP. RATE	3.7%	2.8%	4.0%
UNITED STATES			
UNEMP. RATE (see note)	4.5%	4.0%	4.5%
JOB GROWTH (see note)	0.4%	2.2%	0.4%
U.S. INFLATION DATA			
CONSUMER PRICE INDEX			
(1982-84=100)	177.5	172.8	178.0
12-MONTH % CHANGE	2.7%	3.7%	3.2%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

This data is prepared in conjunction with the Bureau of Labor Statistics, U.S. Department of Labor.

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	JUL ^P	JUL	JUN	JUL ^P	JUL	JUN	JUL ^P	JUL	JUN
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1058.46	\$1007.76	\$1083.95	46.0	45.6	47.5	\$23.01	\$22.10	\$22.82
CONSTRUCTION	823.21	888.52	836.86	37.3	41.5	38.3	22.07	21.41	21.85
MANUFACTURING	596.40	589.16	597.28	42.0	42.6	42.3	14.20	13.83	14.12
<i>durable goods</i>	<i>620.92</i>	<i>573.29</i>	<i>621.62</i>	<i>43.3</i>	<i>43.3</i>	<i>43.9</i>	<i>14.34</i>	<i>13.24</i>	<i>14.16</i>
<i>nondurable goods</i>	<i>544.10</i>	<i>616.76</i>	<i>545.38</i>	<i>39.2</i>	<i>41.2</i>	<i>38.9</i>	<i>13.88</i>	<i>14.97</i>	<i>14.02</i>
PUBLIC UTILITIES	775.60	882.17	764.20	40.0	41.3	40.2	19.39	21.36	19.01
TRADE	418.53	427.37	417.54	32.8	32.9	32.8	12.76	12.99	12.73
<i>wholesale</i>	<i>774.26</i>	<i>779.50</i>	<i>764.71</i>	<i>43.4</i>	<i>41.2</i>	<i>43.4</i>	<i>17.84</i>	<i>18.92</i>	<i>17.62</i>
<i>retail</i>	<i>344.56</i>	<i>345.34</i>	<i>344.86</i>	<i>30.6</i>	<i>31.0</i>	<i>30.6</i>	<i>11.26</i>	<i>11.14</i>	<i>11.27</i>

NEVADA ECONOMY IN BRIEF

AUGUST 2001

For much of 2001—prior to the terrorist attacks on New York City and Washington, D.C.—the U.S. economy experienced a gradual rise in the unemployment rate and a decline in the year-over-year rate of job growth. In August, however, the national unemployment rate rose an eye-catching four-tenths of a percentage point, and the total number of jobs in the U.S. declined for the third time in five months. The employment figures were consistent with other reports of economic weakness. Gross Domestic Product rose only 0.3 percent in the second quarter, the slowest quarterly growth since 1993. The first two quarters of 2001 had the most anemic GDP growth of any six-month period in the past decade. The Federal Reserve Board, meanwhile, reported that consumer spending—the force that kept the economy growing after business investment declined—had weakened even before September 11.

Nevada's economy has paralleled the national trends, although the Silver State continued to lead the nation in the rate of job growth through August. Visitor volume and gaming win have had relatively low growth rates this year, but remain at historically high levels. Many of the state's rural counties continue to suffer from falling taxable sales and declining population and school enrollment, symptoms of the ongoing slump in gold prices.

The events of September 11 jolted the state and national economies. The complete stoppage of air transportation was unprecedented. Mail service, air cargo operations,

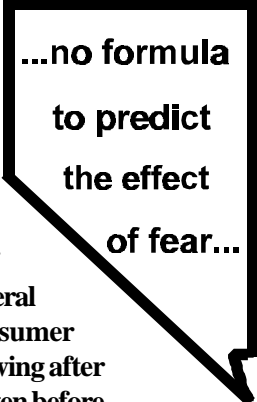
and both business and leisure travel were affected. A new element was factored into the mix once air service was restored—fear. Airline schedules were reduced nationwide, and many of the remaining flights operated well below capacity.

In Nevada, the initial effects were being felt primarily in Las Vegas, which gets nearly half of its visitors via air. Within two weeks of the attacks, hotels and other tourism-related businesses had announced thousands of combined layoffs. On the first weekend after the attacks, one-third to one-half of Las Vegas hotel rooms were vacant. On a normal weekend about 95 percent of the city's rooms are occupied. Dozens of conventions and trade shows were canceled or postponed. Tourism is showing signs of recovering (the room occupancy rate in Las Vegas was about 10 percent higher on the second weekend), but it could be months before travel returns to its previous level.

The full economic impact of the events of September 11 may not be known for some time.

A majority of analysts now expect the U.S. economy to dip into at least a mild recession, although most expect recovery in the first half of 2002. Nevada's tax base will be affected. Reduced tourism will result in lower gaming revenues, and layoffs will impact retail sales.

Nevada's tourism industry has always depended upon the health of the national economy, but the current situation is different. There is no formula to predict the effect of fear on economic behavior. Until the public is assured that air travel is safe, Nevada's major industry could be facing its poorest results in at least ten years.



...no formula
to predict
the effect
of fear...

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	AUG 01 ^P	AUG 00	JUL 01
TOTAL	1,068,600	1,035,500	1,064,500
MINING	10,500	11,000	10,600
CONSTRUCTION	93,400	90,800	92,700
MANUFACTURING	46,000	44,800	46,000
T.C.P.U. *	58,800	56,500	58,700
TRADE	230,900	218,000	229,500
wholesale	41,200	39,300	41,000
retail	189,700	178,700	188,500
F.I.R.E. **	49,700	47,800	49,700
SERVICES	461,000	452,300	459,400
hotels/gaming/rec.	246,700	249,100	247,200
GOVERNMENT	118,300	114,300	117,900

LAS VEGAS MSA

TOTAL	784,400	758,300	779,800
MINING	1,800	1,800	1,800
CONSTRUCTION	72,900	71,000	72,500
MANUFACTURING	24,900	24,400	24,900
T.C.P.U. *	44,400	42,800	44,300
TRADE	173,500	163,400	172,200
wholesale	24,500	23,500	24,400
retail	149,000	139,900	147,800
F.I.R.E. **	37,300	35,900	37,200
SERVICES	351,700	344,800	350,500
hotels/gaming/rec.	195,300	196,200	195,900
GOVERNMENT	77,900	74,200	76,400

RENO MSA

TOTAL	200,300	195,500	199,800
MINING	500	500	600
CONSTRUCTION	15,700	15,100	15,600
MANUFACTURING	14,800	14,300	15,000
T.C.P.U. *	12,600	12,200	12,600
TRADE	45,600	44,600	45,500
wholesale	13,100	12,500	13,000
retail	32,500	32,100	32,500
F.I.R.E. **	9,400	9,100	9,500
SERVICES	78,600	77,100	78,300
hotels/gaming/rec.	34,300	34,700	34,100
GOVERNMENT	23,100	22,600	22,700

* T.C.P.U. = Transportation, Communications & Public Utilities

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	AUG 01 ^P	AUG 00	JUL 01
LABOR FORCE	1,039,700	1,000,100	1,048,900
EMPLOYMENT	988,300	960,100	996,500
UNEMPLOYMENT	51,400	40,000	52,400
UNEMP. RATE (see note)	4.8%	3.8%	4.7%

LAS VEGAS MSA

LABOR FORCE	814,000	778,400	818,800
EMPLOYMENT	772,800	745,200	776,700
UNEMPLOYMENT	41,200	33,200	42,100
UNEMP. RATE	5.1%	4.3%	5.1%

RENO MSA

LABOR FORCE	187,100	180,800	188,800
EMPLOYMENT	180,100	175,800	181,800
UNEMPLOYMENT	7,000	5,000	7,000
UNEMP. RATE	3.8%	2.8%	3.7%

UNITED STATES

UNEMP. RATE (see note)	4.9%	4.1%	4.5%
JOB GROWTH (see note)	0.4%	2.0%	0.4%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	AUG 01 ^P	AUG 00	JUL 01
CONSUMER PRICE INDEX	177.5	172.8	177.5
12-MONTH % CHANGE	2.7%	3.4%	2.7%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

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AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	AUG ^P	AUG	JUL	AUG ^P	AUG	JUL	AUG ^P	AUG	AUG
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1042.85	\$981.23	\$1039.68	45.9	44.5	45.6	\$22.72	\$22.05	\$22.80
CONSTRUCTION	823.22	892.16	814.74	36.8	41.0	37.0	22.37	21.76	22.02
MANUFACTURING	590.79	594.45	597.70	41.9	42.4	42.3	14.10	14.02	14.13
durable goods	628.76	591.30	622.36	44.0	43.8	43.4	14.29	13.50	14.34
nondurable goods	514.61	602.80	542.08	37.7	40.0	39.8	13.65	15.07	13.62
PUBLIC UTILITIES	768.41	863.20	776.42	40.4	41.5	40.8	19.02	20.80	19.03
TRADE	419.25	424.38	414.41	32.5	33.0	32.3	12.90	12.86	12.83
wholesale	788.06	786.85	775.20	43.3	42.1	42.9	18.20	18.69	18.07
retail	342.39	341.14	339.53	30.3	30.9	30.1	11.30	11.04	11.28

NEVADA ECONOMY IN BRIEF

SEPTEMBER / THIRD QUARTER 2001

The September employment figures provide the last glimpse at state and national labor markets before the terrorist attacks on New York City and Washington, D.C. Employment survey data for September did not include layoffs that occurred after the attacks. October's labor statistics, therefore, will be the first to reasonably reflect the effects of September 11 on job markets.

In the immediate aftermath of the attacks, Las Vegas hotels and gaming establishments laid off an estimated 12,000 to 15,000 workers. Many of the remaining employees were put on reduced work schedules. Other tourism-related businesses such as airlines, curbside baggage handlers, taxicab companies, and Grand Canyon tour operators suffered layoffs and reduced revenues as well. Hotel occupancy rates fell dramatically, and more than 250 conventions were canceled or postponed. By early October, however, a new tourism pattern emerged. Weekend occupancy rates rose to their normal level (approximately 95 percent). Midweek business improved, but occupancy remained about 10 percentage points below the same period a year earlier. Consequently, about one-fourth of the laid-off workers were recalled, but often on a part-time basis.

Despite improved hotel occupancy rates, it was not "business as usual" in Las Vegas. Many hotels rooms were being offered at less than normal prices. Show attendance, restaurant business, and retail activity slowed

along the Las Vegas Strip. Delays were announced in several major tourism-related construction projects, including new hotel rooms, a convention center, timeshare units, and airport facilities. The new visitation and spending patterns may continue for some time.

Northern Nevada felt fewer direct economic repercussions than Las Vegas from the September 11 attacks. The Reno/Lake Tahoe gaming market was already having a difficult year in 2001. Gaming revenues had suffered year-over-year declines for several consecutive months. But because the area is less dependent on air travel than Las Vegas, business was able to rebound more quickly. The most significant negative news resulted from the sale of the Flamingo Reno hotel-casino. The property closed October 23, eliminating about 1,000 jobs.

Rural Nevada received a temporary boost when the price of gold rose above \$290 per ounce in the wake of the attacks before returning to the mid-\$270s by late October. Other positive news could be more enduring. Two hotel-casinos are expanding in West Wendover. A major gold mining firm announced that two mine development projects could start next year, with two more to follow. Plans for a natural gas pipeline that would enable new industrial development appeared to be progressing. But a higher price for gold remains the critical component of a rural economic recovery that does not appear imminent.



...a new
tourism
pattern
emerged.

3RD QUARTER HIGHLIGHTS

#The Stratosphere hotel-casino on the Las Vegas Strip opened its new 1,000-room hotel tower in July.

#Gizmo Wireless announced plans to move its headquarters from California to Reno.

#Beatty was selected to be the site of a polarized optical products manufacturing plant.

#A groundbreaking ceremony was held for a three-mile extension of the Las Vegas Strip monorail, a \$650 million project expected to be completed in 2004.

#The Aladdin hotel-casino, the last of five Las Vegas Strip megaresorts to open between October 1998 and August 2000, filed for bankruptcy, but remained open.

#The Siena Hotel Spa and Casino opened in downtown Reno, providing more than 700 new jobs.

#The new terminal at the Elko Regional Airport opened in August.

#Two new hotel-casinos were proposed for the Minden-Gardnerville area in Douglas County.

#Henderson approved plans for a 380,000 square-foot manufacturing plant that would be the largest to be built in the Las Vegas area in the past decade.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	SEP 01 ^P	SEP 00	AUG 01
TOTAL	1,077,100	1,044,800	1,067,800
MINING	10,400	11,000	10,500
CONSTRUCTION	93,100	89,400	93,400
MANUFACTURING	45,900	44,800	46,000
T.C.P.U. *	58,700	56,900	58,700
TRADE	231,600	219,700	230,700
wholesale	41,200	39,400	41,200
retail	190,400	180,300	189,500
F.I.R.E. **	49,800	47,900	49,700
SERVICES	462,000	453,700	460,800
hotels/gaming/rec.	245,500	246,900	246,700
GOVERNMENT	125,600	121,400	118,000

LAS VEGAS MSA

TOTAL	791,400	765,600	784,000
MINING	1,800	1,800	1,800
CONSTRUCTION	72,800	69,900	72,800
MANUFACTURING	24,900	24,300	24,900
T.C.P.U. *	44,400	42,900	44,300
TRADE	174,000	164,500	173,400
wholesale	24,500	23,500	24,500
retail	149,500	141,000	148,900
F.I.R.E. **	37,400	36,100	37,300
SERVICES	353,300	346,800	351,800
hotels/gaming/rec.	194,700	195,100	195,400
GOVERNMENT	82,800	79,300	77,700

RENO MSA

TOTAL	201,800	196,900	200,500
MINING	500	500	500
CONSTRUCTION	15,600	15,000	15,800
MANUFACTURING	14,800	14,400	14,800
T.C.P.U. *	12,600	12,300	12,600
TRADE	45,700	44,800	45,600
wholesale	13,000	12,500	13,100
retail	32,700	32,300	32,500
F.I.R.E. **	9,400	9,100	9,500
SERVICES	78,300	76,600	78,600
hotels/gaming/rec.	34,000	34,100	34,300
GOVERNMENT	24,900	24,200	23,100

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	SEP 01 ^P	SEP 00	AUG 01
LABOR FORCE	1,042,400	1,007,500	1,039,900
EMPLOYMENT	992,700	965,600	988,200
UNEMPLOYMENT	49,700	41,900	51,700
UNEMP. RATE (see note)	4.7%	4.1%	4.8%

LAS VEGAS MSA

LABOR FORCE	818,100	784,900	815,300
EMPLOYMENT	777,700	750,200	773,500
UNEMPLOYMENT	40,400	34,700	41,800
UNEMP. RATE	4.9%	4.4%	5.1%

RENO MSA

LABOR FORCE	187,900	181,800	187,500
EMPLOYMENT	181,100	176,700	180,500
UNEMPLOYMENT	6,800	5,100	7,000
UNEMP. RATE	3.6%	2.8%	3.7%

UNITED STATES

UNEMP. RATE (see note)	4.9%	3.9%	4.9%
JOB GROWTH (see note)	0.1%	2.0%	0.4%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	SEP 01 ^P	SEP 00	AUG 01
12-MONTH % CHANGE	2.6%	3.5%	2.7%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

This data is prepared in conjunction with the Bureau of Labor Statistics, U.S. Department of Labor.

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	SEP ^P	SEP	AUG	SEP ^P	SEP	AUG	SEP ^P	SEP	AUG
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$962.17	\$1007.76	\$1021.44	45.3	45.6	44.8	\$21.24	\$22.10	\$22.80
CONSTRUCTION	900.12	865.25	856.49	39.0	39.8	38.1	23.08	21.74	22.48
MANUFACTURING	617.76	600.08	590.52	42.9	42.2	42.0	14.40	14.22	14.06
durable goods	642.84	593.40	626.12	44.0	43.6	44.0	14.61	13.61	14.23
nondurable goods	567.36	611.46	516.58	40.7	39.5	37.9	13.94	15.48	13.63
PUBLIC UTILITIES	762.30	907.36	772.85	40.1	42.4	40.4	19.01	21.40	19.13
TRADE	426.71	415.68	414.41	32.4	32.0	32.2	13.17	12.99	12.87
wholesale	866.58	763.02	776.48	44.6	40.5	42.5	19.43	18.84	18.27
retail	335.18	337.12	338.93	29.9	30.1	30.1	11.21	11.20	11.26

THE NEVADA FINANCE, INSURANCE and REAL ESTATE INDUSTRY

from research by Barbara Woodmansee

The Finance, Insurance and Real Estate industry (sometimes abbreviated F.I.R.E.) provides a variety of essential financially-oriented services. Included in the industry are commercial banks, credit unions, credit card issuers, insurance companies, stock brokers, real estate agencies, apartment and commercial property management firms, real estate appraisers, and mortgage lenders.

Finance, Insurance and Real Estate was a relatively slow-growth industry nationwide during the 1990's. Between 1991 and 2000, employment in the industry grew 13.7 percent, well below the 21.7 percent average growth recorded for all U.S. industries. The industry's share of total U.S. employment fell from 6.1 percent to 5.7 percent, while in Nevada the industry remained at a constant 4.6 percent share of total employment.

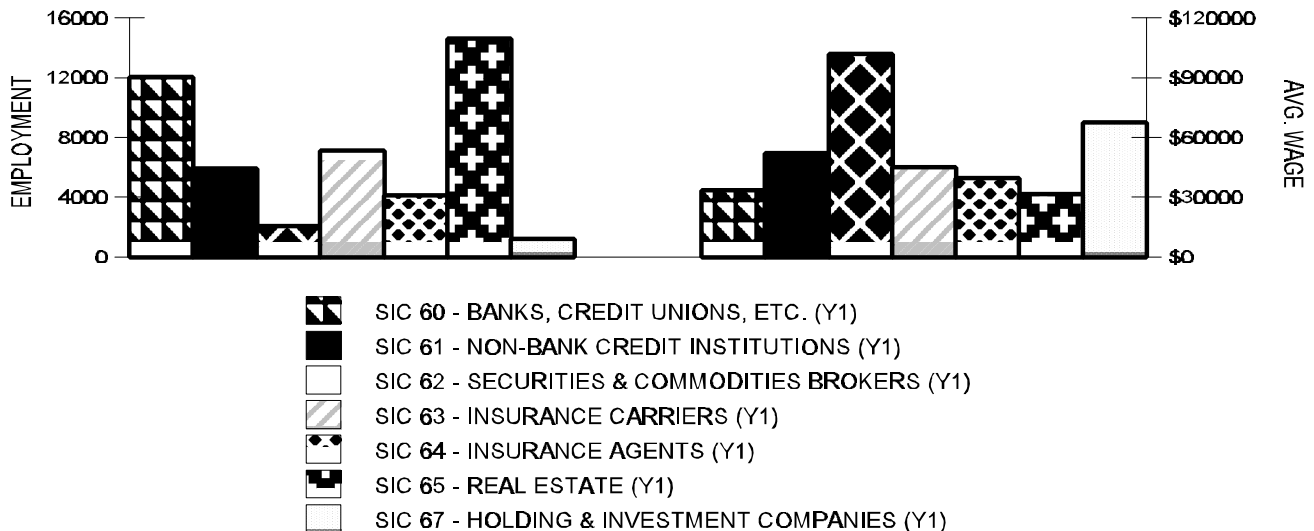
The U.S. banking sector lost more than 100,000 jobs during the 1991-2000 period. Many of the job losses resulted from process automation and bank mergers. While Nevada also witnessed its share of bank mergers, banking sector employment grew in the state, but at a slower rate than other parts of the industry. Some of the employment growth resulted from the establishment of call centers, credit card processing

facilities and other back office operations, primarily in the Las Vegas area. Establishment of similar facilities also fueled growth among non-depository credit institutions (lending companies), which saw an employment increase of more than 300 percent during the 1991-2000 period. Financial firms were attracted by Nevada's warm climate, low-cost (and perceived low-wage) business environment, familiarity with 24-hour operations, availability of office space, and rapid expansion of the labor force.

With a statewide average annual wage of \$41,106 in 2000, Finance, Insurance and Real Estate is one of Nevada's highest paying industries. There are wide disparities in wages among the various sectors, however. In 2000 the average wage ranged from about \$31,300 in the real estate sector to more than \$101,600 for securities and commodities brokers. The industry employs a large number of customer contact and clerical workers, jobs which traditionally pay in the lower half of the wage scale.

The chart below illustrates the difference in employment and average wages in each of the sectors that comprise Nevada's Finance, Insurance and Real Estate Industry for the year 2000.

NEVADA'S F.I.R.E. INDUSTRY - 2000



INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

NEVADA

	<u>Apr.'01</u>	<u>May'01</u>	<u>Jun.'01</u>	<u>Jul.'01</u>	<u>Aug.'01</u>	<u>Sep.'01</u>
TOTAL	1068.6	1070.3	1076.3	1068.5	1068.5	1068.8
Mining	10.6	10.6	10.4	10.4	10.3	10.4
Construction	91.1	91.1	91.3	90.7	90.6	90.8
Manufacturing	46.2	46.3	46.4	45.9	45.8	45.7
<i>Durable Goods</i>	28.5	28.7	28.7	28.5	28.5	28.4
<i>Non-durable Goods</i>	17.7	17.6	17.7	17.4	17.3	17.3
TCPU	59.1	59.6	59.2	58.5	58.5	58.5
Trade	227.7	228.8	229.8	230.1	230.4	230.6
<i>Wholesale</i>	40.6	40.8	40.9	40.8	40.9	41.1
<i>Retail</i>	187.1	188.0	188.9	189.3	189.5	189.5
FIRE	49.5	49.5	49.8	49.7	49.6	49.8
Services	458.1	459.6	460.3	457.6	456.7	457.9
<i>HGR</i>	243.6	243.7	243.5	244.0	242.8	243.3
Government	126.3	124.9	129.1	125.6	126.6	125.1

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

State of Nevada
 Department of Employment, Training & Rehabilitation
 Research & Analysis Bureau
 500 E. Third Street
 Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

OCTOBER 2001

Nevada's seasonally adjusted unemployment rate rose 1.5 percentage points in October to 6.3 percent, and the number of jobs declined 11,300. The increase in the unemployment rate was the largest of any state in the first month after September 11. It also represented the greatest single-month rise in Nevada's current statistical series, which dates from 1978 and includes two significant recessions. The greatest impact was—as expected—felt in the state's tourism industry, particularly in Las Vegas.

The hotels, gaming, and recreation sector lost 11,600 jobs statewide during the month. The Las Vegas MSA accounted for 10,000 of those jobs. Tourism-related losses were not confined to hotels and casinos. Air transportation firms lost 500 jobs statewide, while bars and restaurants lost 600. Industries other than tourism felt the effects, although on a lesser scale, as normal business patterns were disrupted. Health care and government (primarily local school districts) were the only major industry sectors reporting employment increases (after normal seasonal adjustments) from September to October.


The number of visitors to Las Vegas declined about 14 percent year-over-year in September, and visitation to Reno decreased approximately 10 percent. It was a surprise, therefore, when statewide gaming win fell only 3.15 percent when compared to September 2000. Hotel-casinos reported strong business during the Labor Day weekend and in the weekend immediately prior to September 11. The casinos reported exceptional wins in baccarat, a game whose revenue

comes primarily from high-end players. Given the reported absence of these high rollers after September 11, it may be difficult to improve on the September results in the near future.

Reno and the rural areas, far less dependent on air travel for their economic well-being than Las Vegas, reported little change in their unemployment rates after September 11. Reno MSA employment declined 1,100 in October, with a loss of 1,200 jobs in gaming and a gain of 100 jobs in other industries. Some employment loss in Reno's gaming sector is normal after the summer tourism season and special events-laden September. It will take additional time to more fully determine the effects of September 11 outside Las Vegas.

It was not difficult to determine the effects nationally. The U.S. lost 415,000 jobs in October, and the unemployment rate rose from 4.9 percent to 5.4 percent, a greater increase than expected. Nearly every economic indicator recorded its worst results in five, ten, or twenty years, and the ten-year expansion of the U.S. economy has apparently reached its official end. The recovery period for the national economy—and thus for Nevada's—is uncertain, but it is likely to be many months before businesses begin absorbing the large numbers of newly unemployed.

There are some positive economic signals. Inflation is not currently a major concern, and the stock market has rebounded from its recent lows. Furthermore, the effects of ten interest rates cuts have not yet been fully realized, and additional economic stimulus is expected. Although the next few months will be difficult, most analysts expect improvement by the summer of 2002.



The recovery
period...is
likely to be...
months...

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	OCT 01 ^P	OCT 00	SEP 01
TOTAL	1,065,300	1,051,600	1,076,600
MINING	10,300	10,900	10,400
CONSTRUCTION	91,800	89,300	92,900
MANUFACTURING	45,700	45,100	45,900
T.C.P.U. *	57,700	57,700	58,700
TRADE	231,600	221,500	231,500
wholesale	41,100	39,700	41,200
retail	190,500	181,800	190,300
F.I.R.E. **	49,700	48,200	49,800
SERVICES	449,800	453,900	461,900
hotels/gaming/rec.	233,800	245,100	245,400
GOVERNMENT	128,700	125,000	125,500

LAS VEGAS MSA

TOTAL	781,600	772,200	791,100
MINING	1,800	1,800	1,800
CONSTRUCTION	71,800	70,000	72,700
MANUFACTURING	24,900	24,400	25,000
T.C.P.U. *	43,600	43,500	44,300
TRADE	174,000	166,400	173,900
wholesale	24,400	23,800	24,500
retail	149,600	142,600	149,400
F.I.R.E. **	37,300	36,400	37,400
SERVICES	343,100	347,700	353,200
hotels/gaming/rec.	184,600	194,400	194,600
GOVERNMENT	85,100	82,000	82,800

RENO MSA

TOTAL	200,800	197,500	201,900
MINING	500	500	500
CONSTRUCTION	15,600	14,900	15,600
MANUFACTURING	14,800	14,500	14,800
T.C.P.U. *	12,500	12,500	12,600
TRADE	45,900	44,800	45,800
wholesale	13,100	12,600	13,000
retail	32,800	32,200	32,800
F.I.R.E. **	9,400	9,100	9,400
SERVICES	76,800	76,100	78,300
hotels/gaming/rec.	32,800	33,400	34,000
GOVERNMENT	25,300	25,100	24,900

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	OCT 01 ^P	OCT 00	SEP 01
LABOR FORCE	1,052,200	1,008,200	1,043,000
EMPLOYMENT	987,500	966,700	992,600
UNEMPLOYMENT	64,700	41,500	50,400
UNEMP. RATE (see note)	6.3%	4.3%	4.8%

LAS VEGAS MSA

LABOR FORCE	826,600	787,300	818,600
EMPLOYMENT	771,500	752,600	777,500
UNEMPLOYMENT	55,100	34,700	41,100
UNEMP. RATE	6.7%	4.4%	5.0%

RENO MSA

LABOR FORCE	188,100	181,100	188,000
EMPLOYMENT	181,100	176,200	181,200
UNEMPLOYMENT	7,000	4,900	6,800
UNEMP. RATE	3.7%	2.7%	3.6%

UNITED STATES

UNEMP. RATE (see note)	5.4%	3.9%	4.9%
JOB GROWTH (see note)	(0.3%)	1.8%	0.1%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	OCT 01 ^P	OCT 00	SEP 01
12-MONTH % CHANGE	2.1%	3.4%	2.6%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

This data is prepared in conjunction with the Bureau of Labor Statistics, U.S. Department of Labor.

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	OCT ^P	OCT	SEP	OCT ^P	OCT	SEP	OCT ^P	OCT	SEP
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1036.38	\$1004.83	\$1024.66	46.6	45.1	45.5	\$22.24	\$22.28	\$22.52
CONSTRUCTION	842.24	850.83	872.03	37.6	39.5	38.5	22.40	21.54	22.65
MANUFACTURING	605.68	597.27	607.05	41.8	43.0	42.6	14.49	13.89	14.25
durable goods	624.39	588.75	629.84	43.3	44.3	43.8	14.42	13.29	14.38
nondurable goods	569.11	611.66	556.61	38.9	40.4	39.9	14.63	15.14	13.95
PUBLIC UTILITIES	771.04	857.67	762.30	40.2	40.9	40.1	19.18	20.97	19.01
TRADE	407.36	420.23	419.58	31.9	32.4	32.5	12.77	12.97	12.91
wholesale	792.00	809.40	821.98	44.0	42.2	44.6	18.00	19.18	18.43
retail	327.81	334.21	336.00	29.4	30.3	30.0	11.15	11.03	11.20

NEVADA ECONOMY IN BRIEF

NOVEMBER 2001

November employment data offered few hints of immediate improvement in either the Nevada or U.S. economies. Nevada's current 6.5 percent unemployment rate is the highest since February 1994, and the state's 0.9 percent year-over-year job growth is the weakest since June 1992. Nationally, the unemployment rate rose from 5.4 percent to 5.7 percent and employment declined 331,000 from October to November. It should be noted, however, that the economic retreat was less dramatic both statewide and nationally than in the previous month. The state had a slight increase in the number of jobs from October to November as seasonal retail hiring offset a decline in gaming employment. The state's modest two-tenths of a percentage point rise in the unemployment rate, from 6.3 percent to 6.5 percent, followed a 1.5 percentage point increase in October.

Several tourism and gaming statistics illustrate patterns that have developed since September 11. Airline passenger counts in both Las Vegas and Reno were down 16 to 18 percent year-over-year in October and November. The September counts were down about 30 percent. The Las Vegas Strip, heavily dependent upon air travel, suffered a significant drop in gaming win in each of the past two months. The scarcity of Asian high rollers has dramatically reduced the industry's table game receipts, a condition

which may improve when Japan Airlines resumes its nonstop Tokyo to Las Vegas flights during the first quarter of 2002. Locals-oriented gaming markets such as the Carson Valley, North Las Vegas, and the Boulder Strip reported year-over-year gains in October as people returned to their normal activities. Although automobile traffic into both the Reno and Las Vegas markets grew as airline passenger counts declined, a return of air travel to pre-September 11 levels appears necessary to restore the health of Nevada's dominant industry.

Rural Nevada suffered another blow when a 60-day closure notice was issued for the Getchell Mine near Winnemucca. Absent a deal to keep the mine open, about 175 workers will lose their jobs in early February. With gold trading below \$280 per ounce, the outlook in several rural counties remains bleak.

Despite massive job losses this year, several signs point to improvement in the national economy in 2002. The Index of Leading Economic Indicators has risen the past two months, and consumer confidence rose sharply in December. The national housing market has rebounded after a temporary lull. Businesses have reduced excess inventories, setting the stage for recovery in the manufacturing sector. Low interest rates, and in some cases large cash reserves, should make investment attractive once businesses foresee the likelihood of increased profitability. A few difficult months may lie ahead, but recovery is probable in the absence of further negative economic shocks.



...economic
retreat was
less
dramatic...

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	NOV 01 ^P	NOV 00	OCT 01
TOTAL	1,068,500	1,058,600	1,065,900
MINING	10,300	10,800	10,400
CONSTRUCTION	91,200	89,200	91,800
MANUFACTURING	45,300	45,300	45,500
T.C.P.U. *	57,700	58,200	57,700
TRADE	233,400	226,000	231,500
wholesale	41,300	39,900	41,200
retail	192,100	186,100	190,300
F.I.R.E. **	49,800	48,400	49,700
SERVICES	450,700	454,600	450,100
hotels/gaming/rec.	233,300	243,300	234,600
GOVERNMENT	130,100	126,100	129,200

LAS VEGAS MSA

TOTAL	785,800	779,600	782,400
MINING	1,700	1,800	1,800
CONSTRUCTION	71,800	70,500	71,800
MANUFACTURING	24,800	24,600	24,800
T.C.P.U. *	43,600	44,000	43,600
TRADE	175,400	170,000	174,000
wholesale	24,600	24,000	24,500
retail	150,800	146,000	149,500
F.I.R.E. **	37,400	36,500	37,300
SERVICES	344,900	349,100	343,500
hotels/gaming/rec.	185,100	193,700	185,400
GOVERNMENT	86,200	83,100	85,600

RENO MSA

TOTAL	200,400	197,300	200,700
MINING	500	500	500
CONSTRUCTION	15,100	14,300	15,600
MANUFACTURING	14,600	14,600	14,700
T.C.P.U. *	12,500	12,600	12,500
TRADE	46,300	45,400	45,900
wholesale	13,100	12,700	13,100
retail	33,200	32,700	32,800
F.I.R.E. **	9,500	9,100	9,400
SERVICES	76,300	75,800	76,800
hotels/gaming/rec.	32,300	32,900	32,800
GOVERNMENT	25,600	25,000	25,300

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	NOV 01 ^P	NOV 00	OCT 01
LABOR FORCE	1,050,300	1,009,800	1,052,600
EMPLOYMENT	985,700	968,000	987,700
UNEMPLOYMENT	64,600	41,800	64,900
UNEMP. RATE (see note)	6.5%	4.4%	6.3%

LAS VEGAS MSA

LABOR FORCE	826,600	790,800	827,500
EMPLOYMENT	772,600	757,200	772,100
UNEMPLOYMENT	54,000	33,600	55,400
UNEMP. RATE	6.5%	4.3%	6.7%

RENO MSA

LABOR FORCE	187,700	180,700	187,900
EMPLOYMENT	179,900	175,300	180,900
UNEMPLOYMENT	7,800	5,400	7,000
UNEMP. RATE	4.2%	3.0%	3.7%

UNITED STATES

UNEMP. RATE (see note)	5.7%	4.0%	5.4%
JOB GROWTH (see note)	(0.6)%	1.7%	(0.3)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	NOV 01 ^P	NOV 00	OCT 01
12-MONTH % CHANGE	1.9%	3.4%	2.1%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

This data is prepared in conjunction with the Bureau of Labor Statistics, U.S. Department of Labor.

AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	NOV ^P	NOV	OCT	NOV ^P	NOV	OCT	NOV ^P	NOV	OCT
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1069.43	\$993.02	\$1041.50	46.7	43.9	45.7	\$22.90	\$22.62	\$22.79
CONSTRUCTION	801.14	814.57	844.83	36.3	37.4	37.8	22.07	21.78	22.35
MANUFACTURING	614.24	616.28	612.85	42.1	43.4	42.5	14.59	14.20	14.42
durable goods	643.42	609.29	641.58	43.8	44.9	44.4	14.69	13.57	14.45
nondurable goods	564.09	627.01	559.65	39.2	40.4	39.0	14.39	15.52	14.35
PUBLIC UTILITIES	746.76	861.94	760.10	39.2	40.6	39.1	19.05	21.23	19.44
TRADE	419.84	423.79	407.96	32.0	32.4	31.6	13.12	13.08	12.91
wholesale	828.94	869.85	796.35	45.1	45.0	43.9	18.38	19.33	18.14
retail	333.46	325.60	328.25	29.2	29.6	29.1	11.42	11.00	11.28

NEVADA ECONOMY IN BRIEF

DECEMBER / FOURTH QUARTER 2001


Nevada's employment picture remained relatively stable in December. The statewide unemployment rate rose a statistically insignificant one-tenth of a percentage point over the month to 6.6 percent. The unemployment rate has risen only three-tenths of a percentage point in the past two months after increasing sharply between September and October. There was negligible change in the total number of jobs in December. Although holiday retail hiring was weaker than normal, it nonetheless offset the customary seasonal decline in construction. Other industries saw little change over the month.

The state's economy continues to reflect both the national recession and the post-September 11 decline in air travel. Facing economic uncertainty, Nevada's retailers increased employment by 4,000 during November and December. In the previous eight years retail employment had increased an average of 6,150 during the same two months. Manufacturing employment in the state declined both before and after September 11. Employment in the Transportation, Communications and Public Utilities industry began a decline in late spring, then fell again following layoffs by airlines serving the state. Hotels, Gaming and Recreation sector employment was below the same months in 2000 throughout the summer—before being hit hard by the drop in tourism in the fourth quarter.

Reduced air travel continues to adversely impact the southern Nevada economy. The number of visitors to Las Vegas was down a year-over-year 8.6 percent in November, although a 17.9 percent decline in airline passengers was

partially offset by a 12.4 percent rise in automobile traffic. November results were affected by disappointing attendance at the Comdex trade show, the area's largest. December holiday travel was reportedly below last year's level, and results for the New Year's weekend are expected to show a slight decline in visitation. Since the most recent cycle of Las Vegas megaresort openings ended in August 2000, the state has suffered a year-over-year decrease in gaming win in eight of fifteen months. November's 7.45 percent drop (11.9 percent on the Las Vegas Strip) was due primarily to an 80 percent decline in baccarat win, a favorite game of the still-absent high rollers.

The next several months will be difficult for Nevada's economy. Although attendance at the first major Las Vegas trade show of 2002 was respectable, it was still well below the previous year's level. The state's mining industry is facing more than 250 layoffs during the first quarter of 2002 from the previously announced Getchell Mine curtailment and the planned end to milling operations at the McCoy/Cove Mine in Lander County. Reno will not host a major national bowling tournament in 2002, an event that brings close to 100,000 visitors to the area in two of every three years. The Las Vegas area shattered records for home sales in 2001 but is not expected to repeat that performance in the current economic climate. While Nevada's economy will continue to generate activity to support the state's number one ranked population growth, the pace is expected to be slower than in the 1990's.



...relatively
stable in
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4TH QUARTER HIGHLIGHTS

#The opening of the Palms and Green Valley Ranch Station hotel-casinos created more than 3,000 new jobs in the Las Vegas area.

#Commercial air service was restored in Ely after a nearly one-year absence.

#Downtown Las Vegas saw the opening of its first new Class A office building in more than 25 years.

#Plans for new hospitals in Pahrump and Mesquite were put on indefinite hold when the company that was to build them backed away from the projects.

#Steve Wynn selected a general contractor and a name—La Reve—for his planned resort at the former Desert Inn site on the Las Vegas Strip.

#Two new art museums opened at the Venetian resort on the Las Vegas Strip: the Hermitage Guggenheim and the Guggenheim Las Vegas.

#The Census Bureau named Nevada the nation's fastest growing state for the fifteenth consecutive year.

#Two hotel-casinos closed in late October: the Station House in Tonopah and the Flamingo-Reno.

#The Index of Leading Economic Indicators rose each month of the fourth quarter, providing promise of an economic rebound in 2002.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	DEC 01 ^P	DEC 00	NOV 01
TOTAL	1,068,700	1,060,900	1,068,600
MINING	10,200	10,800	10,300
CONSTRUCTION	90,000	89,100	91,200
MANUFACTURING	45,200	45,600	45,300
T.C.P.U. *	57,700	58,400	57,800
TRADE	235,800	229,200	233,800
wholesale	41,500	40,100	41,300
retail	194,300	189,100	192,500
F.I.R.E. **	49,900	48,600	49,800
SERVICES	450,000	452,600	450,600
hotels/gaming/rec.	233,000	242,300	233,200
GOVERNMENT	129,900	126,600	129,800

LAS VEGAS MSA

TOTAL	787,200	781,400	785,700
MINING	1,700	1,800	1,700
CONSTRUCTION	71,500	71,000	71,800
MANUFACTURING	24,700	24,800	24,800
T.C.P.U. *	43,700	44,000	43,600
TRADE	177,500	172,500	175,800
wholesale	24,700	24,100	24,600
retail	152,800	148,400	151,200
F.I.R.E. **	37,500	36,700	37,400
SERVICES	344,800	347,500	344,700
hotels/gaming/rec.	185,500	193,600	184,900
GOVERNMENT	85,800	83,100	85,900

RENO MSA

TOTAL	200,500	197,400	200,700
MINING	500	500	500
CONSTRUCTION	14,600	13,900	15,100
MANUFACTURING	14,600	14,700	14,600
T.C.P.U. *	12,400	12,600	12,500
TRADE	46,800	45,800	46,300
wholesale	13,200	12,700	13,100
retail	33,600	33,100	33,200
F.I.R.E. **	9,500	9,100	9,500
SERVICES	76,000	75,500	76,400
hotels/gaming/rec.	31,800	32,000	32,300
GOVERNMENT	28,100	25,800	25,800

* T.C.P.U. = Transportation, Communications & Public Utilities

** F.I.R.E. = Finance, Insurance & Real Estate

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TELEPHONE: 775-684-0450

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INTERNET: detr.state.nv.us

E-MAIL: detrlmi@nvdetr.org

LABOR FORCE DATA (BY PLACE OF RESIDENCE)

NEVADA	DEC 01 ^P	DEC 00	NOV 01
LABOR FORCE	1,045,200	1,001,100	1,050,700
EMPLOYMENT	980,700	961,600	985,700
UNEMPLOYMENT	64,500	39,500	65,000
UNEMP. RATE (see note)	6.6%	4.4%	6.5%

LAS VEGAS MSA

LABOR FORCE	822,300	784,900	826,700
EMPLOYMENT	769,600	753,200	772,400
UNEMPLOYMENT	52,700	31,700	54,300
UNEMP. RATE	6.4%	4.0%	6.6%

RENO MSA

LABOR FORCE	187,500	179,500	188,000
EMPLOYMENT	178,800	174,000	180,100
UNEMPLOYMENT	8,700	5,500	7,900
UNEMP. RATE	4.6%	3.1%	4.2%

UNITED STATES

UNEMP. RATE (see note)	5.8%	4.0%	5.6%
JOB GROWTH (see note)	(0.8)%	1.5%	(0.7)%

U.S. INFLATION DATA

CONSUMER PRICE INDEX (1982-84=100)	DEC 01 ^P	DEC 00	NOV 01
CONSUMER PRICE INDEX	176.7	174.0	177.4
12-MONTH % CHANGE	1.6%	3.4%	1.9%

^P DATA FOR CURRENT MONTH IS PRELIMINARY.

NOTE: NEVADA AND U.S. UNEMPLOYMENT RATES AND U.S. JOB GROWTH RATE ARE SEASONALLY ADJUSTED.

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AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	DEC ^P	DEC	NOV	DEC ^P	DEC	NOV	DEC ^P	DEC	NOV
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1070.92	\$1005.28	\$1073.17	46.2	44.6	46.7	\$23.18	\$22.54	\$22.98
CONSTRUCTION	823.88	819.43	793.03	37.5	37.4	35.9	21.97	21.91	22.09
MANUFACTURING	640.22	619.44	625.13	43.2	43.5	42.7	14.82	14.24	14.64
durable goods	673.93	624.18	649.88	45.2	45.1	44.3	14.91	13.84	14.67
nondurable goods	578.68	606.62	583.20	39.5	40.2	40.0	14.65	15.09	14.58
PUBLIC UTILITIES	761.84	853.66	748.67	39.7	41.2	39.3	19.19	20.72	19.05
TRADE	428.04	412.81	423.11	32.7	32.1	32.2	13.09	12.86	13.14
wholesale	815.18	805.82	828.94	43.2	42.3	45.1	18.87	19.05	18.38
retail	347.09	328.00	338.07	30.5	29.9	29.5	11.38	10.97	11.46

UNEMPLOYMENT INSURANCE - A CHANGED ENVIRONMENT

Unemployment Insurance leapt into the spotlight after the September 11, 2001 attack, which in its aftermath left many Nevadans and other Americans unemployed. This occurred shortly after the national economy was weakened by the onslaught of a recessionary period. The slowing of the economy began back in March of 2001 and continued to 9/11/01. In Nevada the months of October, November, and December showed 69,575 total new claims compared with last year's total of 42,287. Total continued claims in October, November, and December were 547,255 compared with 294,623 a year ago. For many claimants, as well as Unemployment Insurance staff, this was a trying time. Fortunately the department had in place a new claims system which enabled unemployed individuals to submit their claims by telephone.

The September 11, 2001 incident quickly impacted the state economy. Nevada relies very heavily on tourism, and following 9/11/01 many conventions were cancelled, as was a substantial amount of other business and leisure travel. Layoffs from many casinos, transportation-related industries, and entertainment businesses followed. As mentioned above, unemployment claims went up sharply. During October, November, and December the combined Unemployment Insurance payout was 104.4 million dollars compared to last year's same time period payout of 56.4 million dollars. These benefits are paid from the state's Unemployment Insurance trust fund.

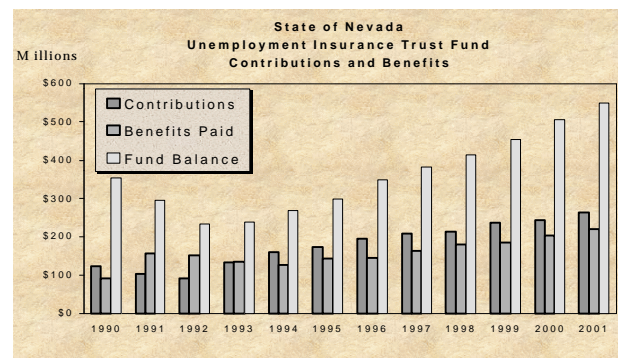
At the beginning of the state's fiscal year, October 2000, the Nevada Unemployment Insurance trust fund had an estimated 500 million dollar balance. The fund is designed to cushion against a weakened economy such as we now face. The revenues that support this fund come from employer payroll taxes based on covered employment and each firm's experience rating. The average tax base is indexed each year at a rate of 66 2/3 percent of the annual average wage. This year's average tax rate is 1.29 percent. At the same time, the maximum weekly benefit amount, also indexed, is calculated at a rate of 50 percent of the average weekly wage. These computations are set by Nevada statute. The current year's maximum weekly benefit amount is \$301, and the minimum is \$16 per week.

The Nevada Department of Employment, Training and Rehabilitation and the Employment Security Council assess the trust fund annually and project the upcoming level of both contributions and benefits paid. At a minimum, the balance must adhere to the Nevada Trust Fund Solvency law. Solvency is calculated on a worst case basis, utilizing

covered employment, the average weekly payment, weeks of unemployment duration, and a calculation known as the "risk ratio" (unemployment first pay orders as a percent of covered employment).

The management of the trust fund is guided by the "forward funding" philosophy. The goal is to not raise Nevada business taxes when the economy softens. Ideally, the fund should be built up in years of economic expansion. In the face of September 11, 2001 the Council was able to leave the taxes charged to Nevada business unchanged for the current year. It anticipates that the trust fund will withstand increased payouts and at the same time allow Nevada businesses an opportunity to regroup, adjust to the market, and plan for future growth. The forward funding ideal is prevalent among many states nationwide.

The Nevada economy is recovering slowly from the September 11, 2001 attack in concert with signs of renewed business activity nationwide. Nevada, it must be noted, is apparently faring better than many other tourism-related states across the country. Unemployment Insurance claims and their counterpart, the unemployment rate, will lag an expansion in the economy. Projected jobless rates for 2002 and 2003 are 6.5 and 5.5 respectively. Improvements in the unemployment numbers will be noted after the overall economy has shown renewed growth. The Unemployment Insurance Program serves as a social safety net for Nevadans, and at the same time it serves as a reserve of experienced unemployed that will provide a pool of workers for the economy as it enters its next expansionary phase.



For more information contact Gary Lungstrum at 775-684-0382.

INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

		<u>Jul.'01</u>	<u>Aug.'01</u>	<u>Sep.'01</u>	<u>Oct.'01</u>	<u>Nov. '01</u>	<u>Dec.'01</u>
NEVADA	TOTAL	1068.5	1068.5	1068.3	1056.1	1056.4	1060.4
	Mining	10.4	10.3	10.4	10.4	10.4	10.3
	Construction	90.7	90.6	90.6	90.1	90.1	89.8
	Manufacturing	45.9	45.8	45.7	45.4	45.1	45.2
	<i>Durable Goods</i>	28.5	28.5	28.4	28.2	28.0	28.1
	<i>Non-durable Goods</i>	17.4	17.3	17.3	17.2	17.1	17.1
	TCPU	58.5	58.5	58.5	57.2	57.2	57.4
	Trade	230.1	230.4	230.5	230.1	229.7	229.7
	<i>Wholesale</i>	40.8	40.9	41.1	41.1	41.2	41.4
	<i>Retail</i>	189.3	189.5	189.4	189.0	188.5	188.3
	FIRE	49.7	49.6	49.8	49.7	49.7	49.8
	Services	457.6	456.7	457.8	447.0	447.9	451.4
	<i>HGR</i>	244.0	242.8	243.2	233.7	234.1	235.4
	Government	125.6	126.6	125.0	126.2	126.3	126.8

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

State of Nevada
 Department of Employment, Training & Rehabilitation
 Research & Analysis Bureau
 500 E. Third Street
 Carson City, Nevada 89713-0001

NEVADA ECONOMY IN BRIEF

DECEMBER / FOURTH QUARTER 2001

Nevada's employment picture remained relatively stable in December. The statewide unemployment rate rose a statistically insignificant one-tenth of a percentage point over the month to 6.6 percent. The unemployment rate has risen only three-tenths of a percentage point in the past two months after increasing sharply between September and October. There was negligible change in the total number of jobs in December. Although holiday retail hiring was weaker than normal, it nonetheless offset the customary seasonal decline in construction. Other industries saw little change over the month.

The state's economy continues to reflect both the national recession and the post-September 11 decline in air travel. Facing economic uncertainty, Nevada's retailers increased employment by 4,000 during November and December. In the previous eight years retail employment had increased an average of 6,150 during the same two months. Manufacturing employment in the state declined both before and after September 11. Employment in the Transportation, Communications and Public Utilities industry began a decline in late spring, then fell again following layoffs by airlines serving the state. Hotels, Gaming and Recreation sector employment was below the same months in 2000 throughout the summer—before being hit hard by the drop in tourism in the fourth quarter.


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partially offset by a 12.4 percent rise in automobile traffic. November results were affected by disappointing attendance at the Comdex trade show, the area's largest. December holiday travel was reportedly below last year's level, and results for the New Year's weekend are expected to show a slight decline in visitation. Since the most recent cycle of Las Vegas megaresort openings ended in August 2000, the state has suffered a year-over-year decrease in gaming

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The next several months will be difficult for Nevada's economy. Although attendance at the first major Las Vegas trade show of 2002 was respectable, it was still well below the previous year's level. The state's mining industry is facing more than 250 layoffs during the first quarter of 2002 from the previously announced Getchell Mine curtailment and the planned end to milling operations at the

McCoy/Cove Mine in Lander County. Reno will not host a major national bowling tournament in 2002, an event that brings close to 100,000 visitors to the area in two of every three years. The Las Vegas area shattered records for home sales in 2001 but is not expected to repeat that performance in the current economic climate. While Nevada's economy will continue to generate activity to support the state's number one ranked population growth, the pace is expected to be slower than in the 1990's.



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4TH QUARTER HIGHLIGHTS

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#Downtown Las Vegas saw the opening of its first new Class A office building in more than 25 years.

#Plans for new hospitals in Pahrump and Mesquite were put on indefinite hold when the company that was to build them backed away from the projects.

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#The Index of Leading Economic Indicators rose each month of the fourth quarter, providing promise of an economic rebound in 2002.

NEVADA ECONOMIC DATA

INDUSTRIAL EMPLOYMENT DATA (NUMBER OF JOBS BY PLACE OF WORK)

NEVADA	DEC 01 ^P	DEC 00	NOV 01
TOTAL	1,068,700	1,060,900	1,068,600
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CONSTRUCTION	90,000	89,100	91,200
MANUFACTURING	45,200	45,600	45,300
T.C.P.U. *	57,700	58,400	57,800
TRADE	235,800	229,200	233,800
wholesale	41,500	40,100	41,300
retail	194,300	189,100	192,500
F.I.R.E. **	49,900	48,600	49,800
SERVICES	450,000	452,600	450,600
hotels/gaming/rec.	233,000	242,300	233,200
GOVERNMENT	129,900	126,600	129,800

LAS VEGAS MSA

TOTAL	787,200	781,400	785,700
MINING	1,700	1,800	1,700
CONSTRUCTION	71,500	71,000	71,800
MANUFACTURING	24,700	24,800	24,800
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SERVICES	344,800	347,500	344,700
hotels/gaming/rec.	185,500	193,600	184,900
GOVERNMENT	85,800	83,100	85,900

RENO MSA

TOTAL	200,500	197,400	200,700
MINING	500	500	500
CONSTRUCTION	14,600	13,900	15,100
MANUFACTURING	14,600	14,700	14,600
T.C.P.U. *	12,400	12,600	12,500
TRADE	46,800	45,800	46,300
wholesale	13,200	12,700	13,100
retail	33,600	33,100	33,200
F.I.R.E. **	9,500	9,100	9,500
SERVICES	76,000	75,500	76,400
hotels/gaming/rec.	31,800	32,000	32,300
GOVERNMENT	28,100	25,800	25,800

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NEVADA	DEC 01 ^P	DEC 00	NOV 01
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EMPLOYMENT	980,700	961,600	985,700
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UNEMP. RATE (see note)	6.6%	4.4%	6.5%

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LABOR FORCE	822,300	784,900	826,700
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UNITED STATES

UNEMP. RATE (see note)	5.8%	4.0%	5.6%
JOB GROWTH (see note)	(0.8)%	1.5%	(0.7)%

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AVERAGE HOURS AND EARNINGS IN SELECTED NEVADA INDUSTRIES

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	DEC ^P	DEC	NOV	DEC ^P	DEC	NOV	DEC ^P	DEC	NOV
	2001	2000	2001	2001	2000	2001	2001	2000	2001
MINING	\$1070.92	\$1005.28	\$1073.17	46.2	44.6	46.7	\$23.18	\$22.54	\$22.98
CONSTRUCTION	823.88	819.43	793.03	37.5	37.4	35.9	21.97	21.91	22.09
MANUFACTURING	640.22	619.44	625.13	43.2	43.5	42.7	14.82	14.24	14.64
durable goods	673.93	624.18	649.88	45.2	45.1	44.3	14.91	13.84	14.67
nondurable goods	578.68	606.62	583.20	39.5	40.2	40.0	14.65	15.09	14.58
PUBLIC UTILITIES	761.84	853.66	748.67	39.7	41.2	39.3	19.19	20.72	19.05
TRADE	428.04	412.81	423.11	32.7	32.1	32.2	13.09	12.86	13.14
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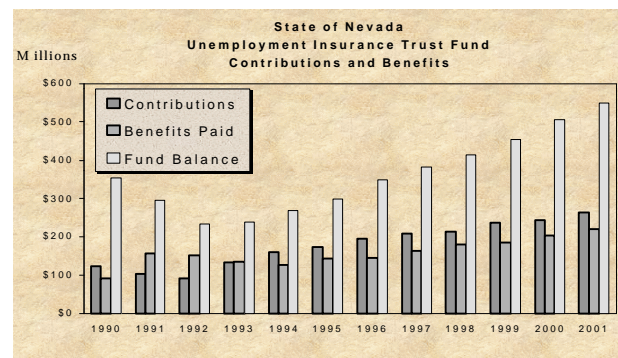
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The Nevada Department of Employment, Training and Rehabilitation and the Employment Security Council assess the trust fund annually and project the upcoming level of both contributions and benefits paid. At a minimum, the balance must adhere to the Nevada Trust Fund Solvency law. Solvency is calculated on a worst case basis, utilizing

covered employment, the average weekly payment, weeks of unemployment duration, and a calculation known as the "risk ratio" (unemployment first pay orders as a percent of covered employment).

The management of the trust fund is guided by the "forward funding" philosophy. The goal is to not raise Nevada business taxes when the economy softens. Ideally, the fund should be built up in years of economic expansion. In the face of September 11, 2001 the Council was able to leave the taxes charged to Nevada business unchanged for the current year. It anticipates that the trust fund will withstand increased payouts and at the same time allow Nevada businesses an opportunity to regroup, adjust to the market, and plan for future growth. The forward funding ideal is prevalent among many states nationwide.

The Nevada economy is recovering slowly from the September 11, 2001 attack in concert with signs of renewed business activity nationwide. Nevada, it must be noted, is apparently faring better than many other tourism-related states across the country. Unemployment Insurance claims and their counterpart, the unemployment rate, will lag an expansion in the economy. Projected jobless rates for 2002 and 2003 are 6.5 and 5.5 respectively. Improvements in the unemployment numbers will be noted after the overall economy has shown renewed growth. The Unemployment Insurance Program serves as a social safety net for Nevadans, and at the same time it serves as a reserve of experienced unemployed that will provide a pool of workers for the economy as it enters its next expansionary phase.



For more information contact Gary Lungstrum at 775-684-0382.

INDUSTRIAL EMPLOYMENT - SEASONALLY ADJUSTED¹

(in thousands)

NEVADA	<u>Jul.'01</u>	<u>Aug.'01</u>	<u>Sep.'01</u>	<u>Oct.'01</u>	<u>Nov. '01</u>	<u>Dec.'01</u>
TOTAL	1068.5	1068.5	1068.3	1056.1	1056.4	1060.4
Mining	10.4	10.3	10.4	10.4	10.4	10.3
Construction	90.7	90.6	90.6	90.1	90.1	89.8
Manufacturing	45.9	45.8	45.7	45.4	45.1	45.2
<i>Durable Goods</i>	28.5	28.5	28.4	28.2	28.0	28.1
<i>Non-durable Goods</i>	17.4	17.3	17.3	17.2	17.1	17.1
TCPU	58.5	58.5	58.5	57.2	57.2	57.4
Trade	230.1	230.4	230.5	230.1	229.7	229.7
<i>Wholesale</i>	40.8	40.9	41.1	41.1	41.2	41.4
<i>Retail</i>	189.3	189.5	189.4	189.0	188.5	188.3
FIRE	49.7	49.6	49.8	49.7	49.7	49.8
Services	457.6	456.7	457.8	447.0	447.9	451.4
<i>HGR</i>	244.0	242.8	243.2	233.7	234.1	235.4
Government	125.6	126.6	125.0	126.2	126.3	126.8

¹ Seasonal adjustment is used to account for the effects of regularly occurring events that alter the economic status quo (e.g., Christmas season hiring by department stores). It will not be the same as unadjusted data.

TCPU = Transportation, Communications & Public Utilities

FIRE = Finance, Insurance & Real Estate

HGR = Hotels, Gaming & Recreation

Seasonally adjusted employment data is provided on a monthly basis on our Web site. Monthly data is provided for a number of sub-sectors, such as federal, state, and local government.

NOTE: Seasonal adjustment factors have not been established for the Las Vegas MSA and the Reno MSA for the most recent reporting period. Seasonally adjusted data for these areas will be published when available.

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 Research & Analysis Bureau
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