ECONOMY IN BRIEF

March 2010

DETR RESEARCH & ANALYSIS BUREAU

NEVADA'S PREMIER SOURCE OF WORKFORCE & ECONOMIC INFORMATION AND ANALYSIS

Economic Summary

The national economic tide appears to be reversing, but expectations for future growth remain foggy. Improvement in a number of key economic indicators, such as gross domestic product, worker productivity and investor sentiment, have some predicting the end of the recession. The surge in economic activity is finally beginning to trickle into the labor market. In March, national employment increased by 162,000 over the previous month. It was the largest gain in three years, and the third advance in the last five months. Despite these significant improvements, the official end of the worst recession since the Great Depression remains in doubt. The National Bureau of Economic Research, the entity responsible for marking turning points in the economy, is reluctant to mark the end of the recession due to high unemployment and its potential affect on demand for new goods and services. The national unemployment rate remains elevated at 9.7 percent, and will likely stay high for the foreseeable future. Given high unemployment and fear of a double-dip recession, the viability of an economic expansion will remain tenuous in the months ahead.

Nevada, in the meantime, continues on a turbulent path towards the bottom of the business cycle. The seasonally adjusted unemployment rate ticked up two-tenths of a percent to 13.4 percent, marking a new record high. In March, 186,900 Nevadans were unemployed and looking for work. On the employment side, February's positive employment reading proved to be unsustainable. Employers shed 4,300 jobs in March, with most of the losses coming from the construction sector. Any real turnaround in Nevada depends on sustained growth in the national economy and improved consumer sentiment. Nevada's economy will continue to bounce along the bottom without any real direction.

Unemployment Rate by County

Typically, spring brings seasonal improvements in Nevada's labor markets as the weather warms up. This March though, improvements were less pronounced than in past years, resulting in divergent seasonal and non-seasonal unemployment rates. Unemployment in the State's regional labor markets improved slightly in March. In the Las Vegas-Paradise area, the unemployment rate declined by one-tenth of a percentage point to 13.8 percent, as the number of unemployed fell by 1,400 to 136,000. The unemployment rate in the Reno-Sparks area pulled back two-tenths of a percentage point from an all time high to 13.2 percent. The unemployment rate in the State's capitol region declined from 13.7 to 13.3 percent. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.6 percent in

Economic Indicators

UNEMPLOYMENT RATES	MAR 2010
NEVADA *	13.4%
LAS VEGAS-PARADISE MSA	13.8%
RENO-SPARKS MSA	13.2%
CARSON CITY MSA	13.3%
ELKO MICROPOLITAN AREA	8.5%
UNITED STATES *	9.7%
CALIFORNIA *	12.6%
* Seasonally Adjusted	
JOB GROWTH (Y-O-Y)	
NEVADA	-4.3%
LAS VEGAS-PARADISE MSA	-5.7%
RENO-SPARKS MSA	-3.2%
CARSON CITY MSA	-3.3%
UNITED STATES	-1.7%
CALIFORNIA	-3.1%
CONSUMER PRICE INDEX (Y-O-Y)	
UNITED STATES	2.3%
GAMING WIN (Y-O-Y)	
FEB 2009 - FEB 2010	
NEVADA	13.9%
CLARK COUNTY	16.5%
WASHOE COUNTY	2.7%
TAXABLE SALES (Y-O-Y)	
JAN 2009 - JAN 2010	
NEVADA	-8.1%
CLARK COUNTY	-8.3%
WASHOE COUNTY	-4.8%

Economic Summary

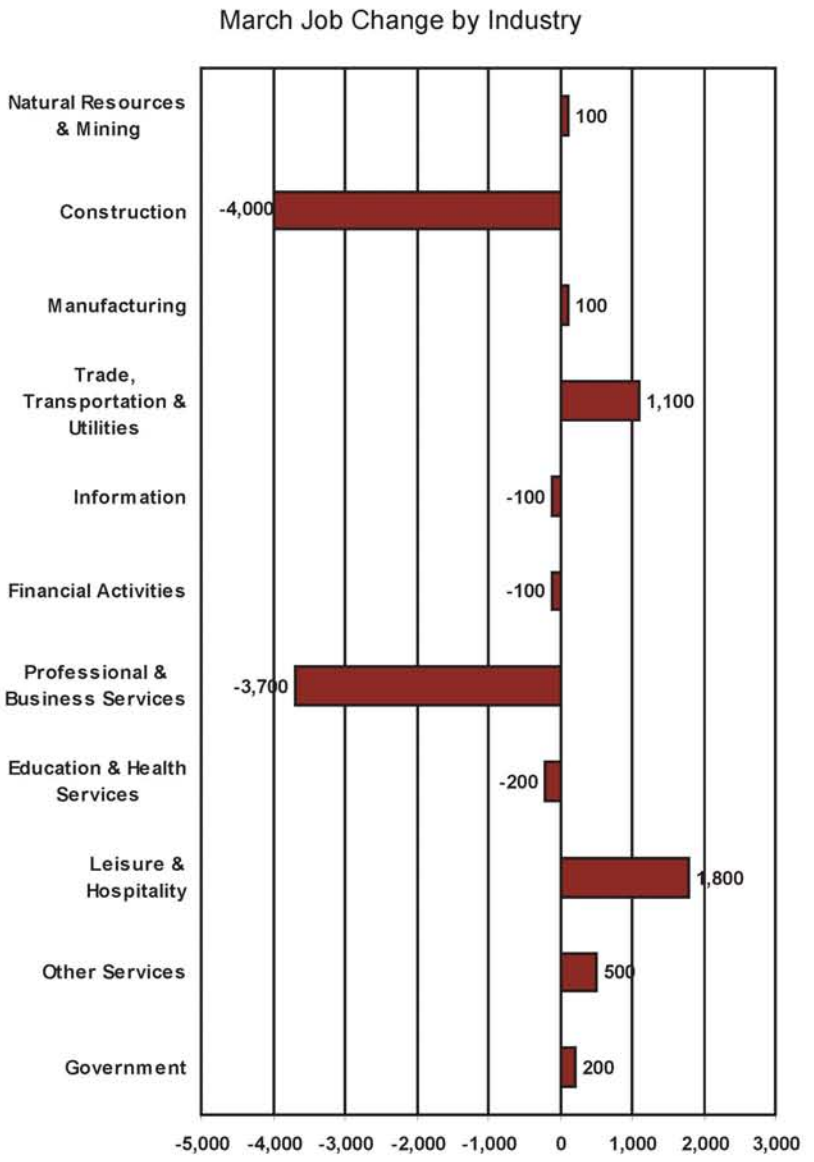
March, down from 13.7 percent in February.)

Results of the employer survey suggest Nevada's businesses are still struggling to find their footing. On the heels of improvement in February, the loss of 4,300 jobs in March is disappointing, but indicative of the turbulence expected as the economy looks for direction. Industries suffering the largest over-the-month contractions include construction and professional and business services. The construction industry shed 4,000 jobs and professional and business services trimmed 3,700 jobs. Losses were offset by modest gains of 1,800 jobs in the leisure and hospitality industry and a gain of 1,100 in trade, transportation and utilities. Pulbic sector employment benefited from the addition of roughly 400 temporary federal workers hired to run the decennial census. The U.S. Census Bureau plans to hire roughly 4,800 workers in total, and though the jobs are temporary, they will provide needed employment for many Nevadans throughout the summer.

By region, job losses were uneven in March. The Las Vegas-Paradise MSA shed 4,500 jobs from February to March, while over-the-year employment is down 47,700, a loss of 5.7 percent. In the Reno-Sparks area, employers shed 300 jobs since February and 6,300 over the last year, a loss of 3.2 percent. Of Nevada's three metro areas, only Carson City added employment. Carson City employers added 300 jobs, but overall employment is down 1,000 from a year earlier, or 3.3 percent.

Employment and unemployment trends are still negative on a year-over-year basis, but the rate of decline has moderated significantly in recent months. In August 2009, year-over-year employment declines peaked at 133,200. In March, the difference from a year earlier is down to 50,100. The year-over-year comparison of Nevada's unadjusted unemployment rate is improving as well. Over-the-year changes peaked at 5.7 percentage points in June 2009 when the unemployment rate increased from 6.4 percent to 12.1 percent. In March, the unemployment rate is just 2.9 percentage points higher than a year earlier. If the gap between 2009 and 2010 continues to shrink at its current pace, over-the-year employment growth should take hold towards the end of this year. If that happens, the unemployment rate will begin to decline on an over-the-year basis, as well.

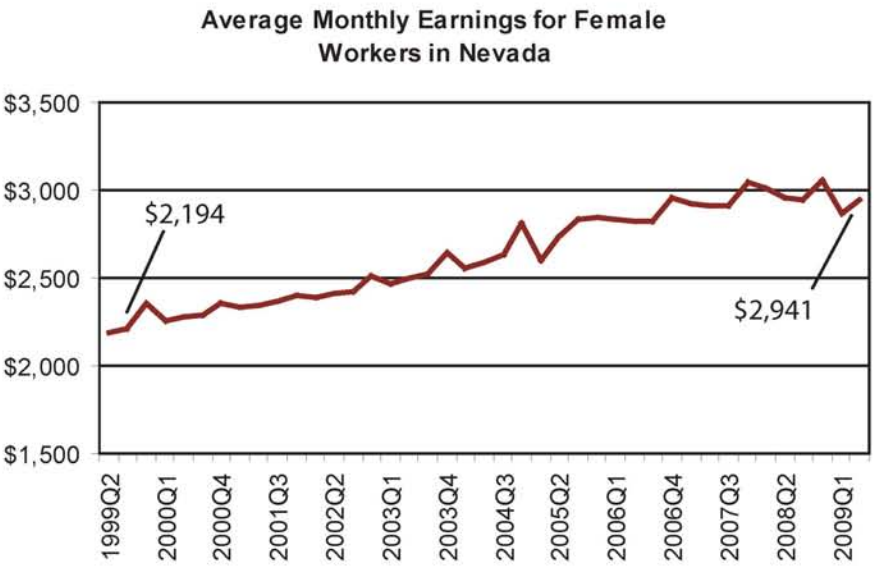
As an aside, the Quarterly Workforce Indicators are a unique set of eight economic measures derived from the Local Employment Dynamics program (a collaboration between the Research and Analysis Bureau and U.S. Census Bureau.) The innovative system merges existing information to provide local

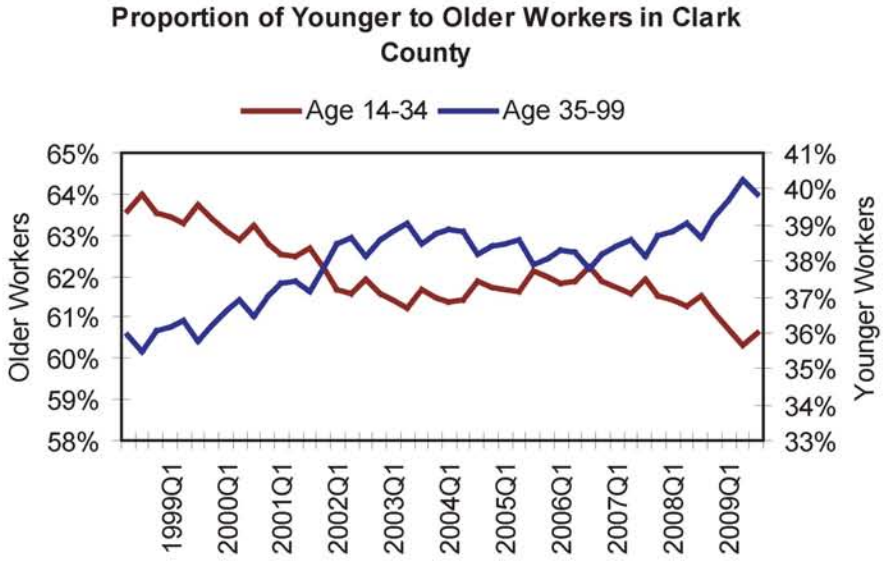


Economic Summary

workforce statistics on employment, measures of change, such as job flow, new hires, separations, and average earnings. The information is available by industry and county on a historical basis, and is useful for analyzing churn in the labor market, as well as structural changes in demographics. For instance, analysis of demographic changes over time reveal that women are playing a more prominent role in the labor market. From 1999 to 2009, the proportion of women in Nevada's workforce has increased from 46 to 48 percent. The average monthly earnings for women have increased by $747 over that time, though women still earn nearly $1,100 less per month than men. Also, an analysis of demographics by age shows that Clark County's labor force is getting older. From 1999 to 2009, the proportion of workers age 14-34 has fallen three percentage points, while workers 35 and older increased by the same amount. All of the Quarterly Workforce Indicators are available on the Research and Analysis Bureau's website at www.nevadaworkforce.com and will play an increasingly important role as we continue to assess economic conditions in Nevada.

Jered McDonald
Economist
Research and Analysis Bureau

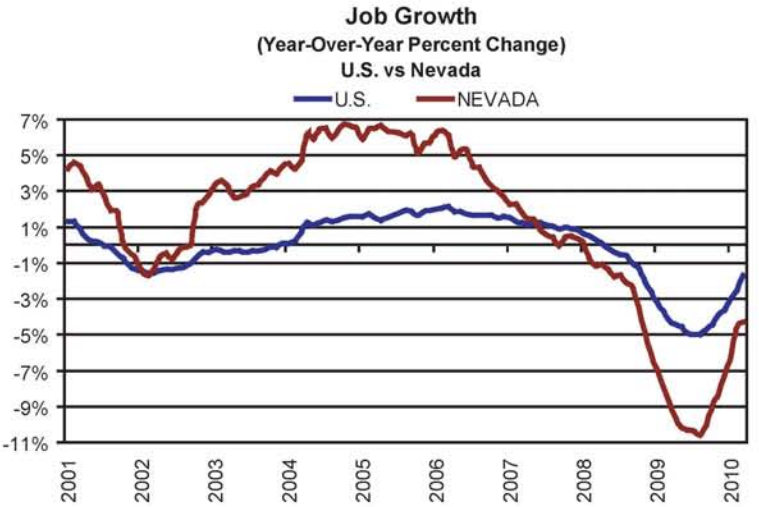




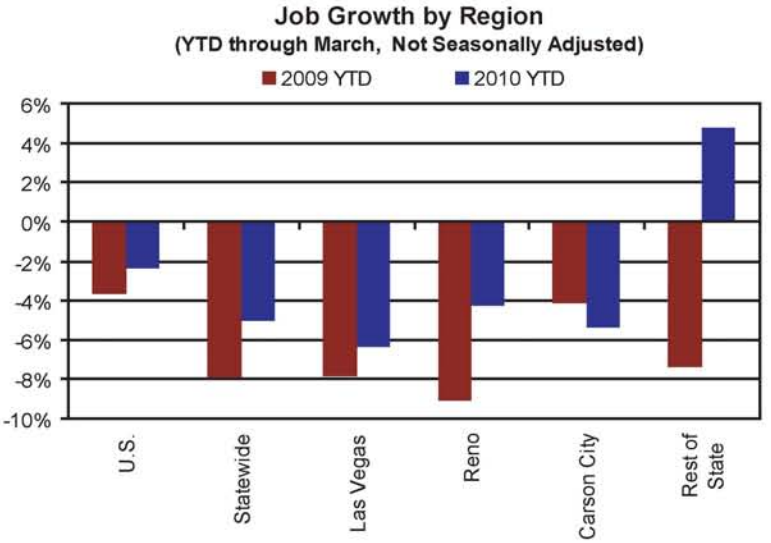
Trends at a Glance

Industrial Employment

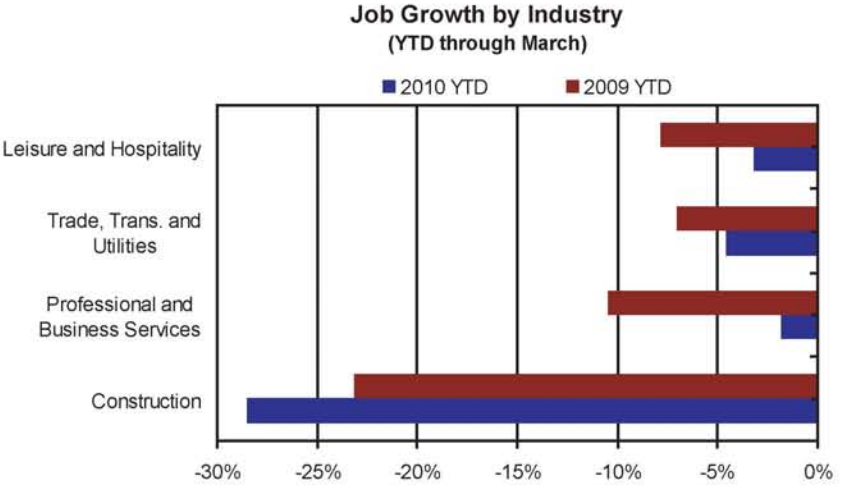
>Industrial employment in Nevada fell 4.3 percent in March relative to a year prior, equating to a loss of 50,100 jobs.
>March job readings were down 1.7 percent nationally relative to March 2009.



>Job losses are moderating in most areas of the State. Year-to-date annual growth rates are lower than a year ago. Only Carson City appears to be losing more jobs this year than last.
>The Las Vegas MSA's job count fell 6.3 percent YTD in March relative to March 2009.
>In the Reno MSA, YTD job readings were down 4.2 percent in March 2010
>In Carson City, employment fell 5.4 percent YTD from March 2009 to March 2010.
>The non-metropolitan areas of the State saw some job growth through the first three montths of the year. Job growth was up 4.8 percent.



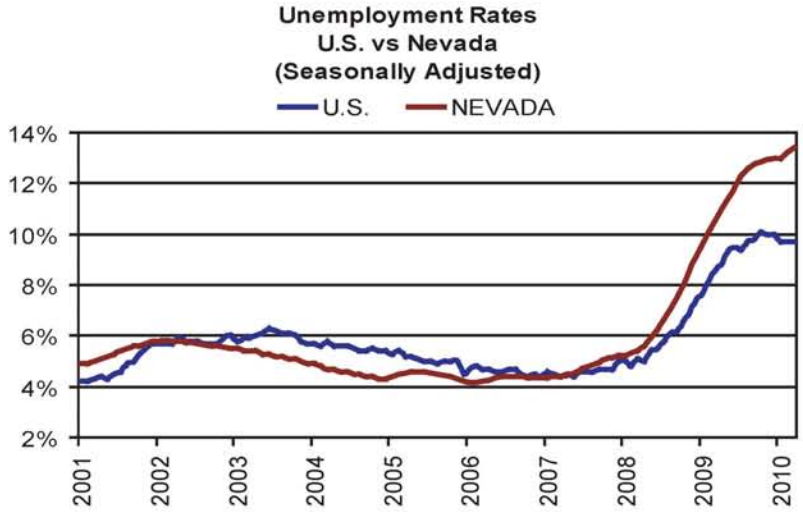
>Approximately 26,000 jobs have been lost in the construction industry YTD through March, a 28.5 percent annual decline. The sector continues to struggle given weak demand for new development, both residential and commerical.
>Job losses in the State's largest industry, leisure and hospitality, are beginning to moderate. Industry employment was down 3.2 percent YTD through March, relative to a year prior. A year earlier, job losses were down 7.8 over the same time frame.



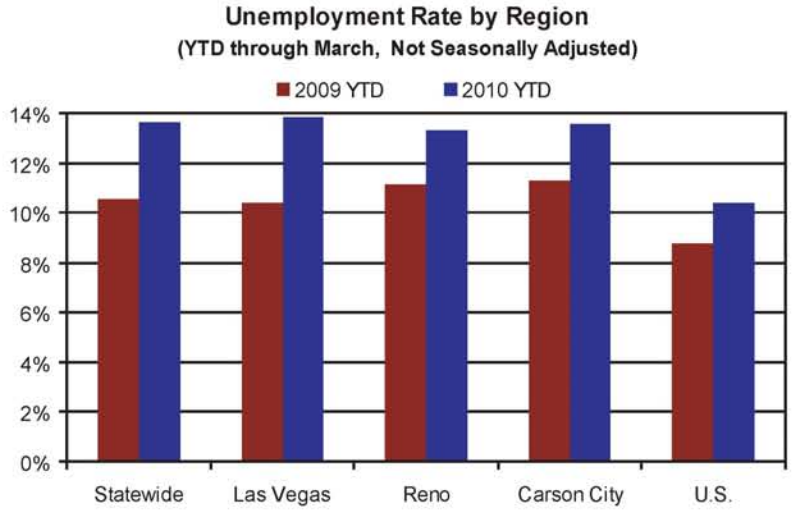
Trends at a Glance

Unemployment

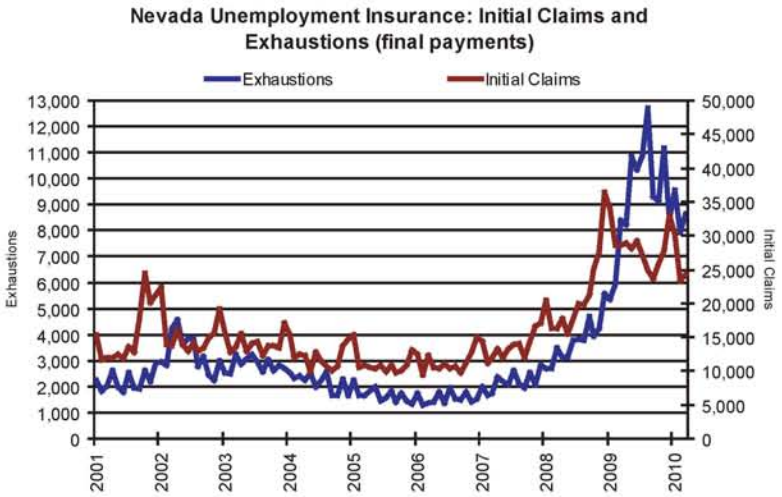
>Nevada's seasonally adjusted unemployment rate was 13.4 percent in March. Nevada has the second highest unemployment rate in the nation, trailing only Michigan with 14.1 percent.
>Nationally, the unemployment rate stood at 9.7 percent in March. Nevada's jobless rate has exceeded the national average since early-2007. In recent months, Nevada's unemployment rate has begun to diverge from the nation's.



>At 13.6 percent, the Statewide unadjusted unemployment rate is up 3.1 percentage points YTD from 2009 to 2010.
>The Las Vegas-Paradise MSA recorded an unemployment rate of 13.9 percent YTD in through March, a 3.4 percentage point increase over-the-year.
>The Reno-Sparks MSA's jobless rate was 13.3 percent YTD through March. On an annual basis, the rate is up 2.2 percentage points over-the-year.
>The jobless rate in Carson City was 13.8 percent YTD in March, up 2.3 percentage points over-the-year.



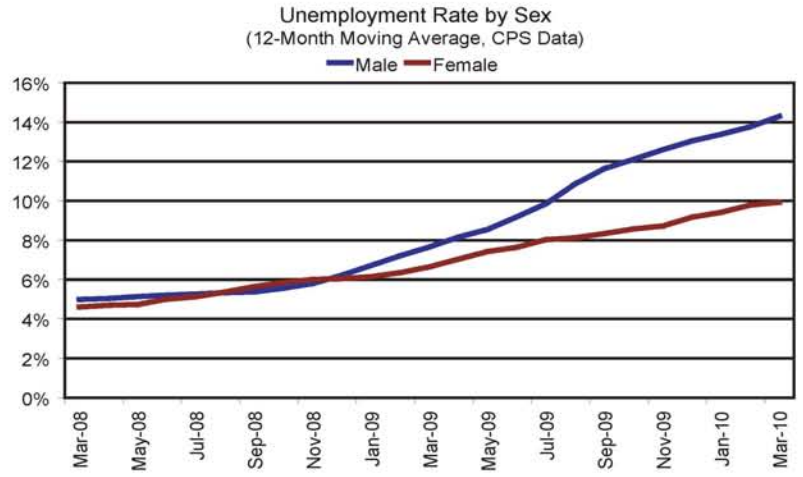
>Initial claims for unemployment insurance increased by 982 in March to 24,300. Over-the-year, claims are down by 14.9 percent.
>Final payments, signifying an exhaustion of regular State benefits, decreased in March from February by 699. Over-the-year, final payments were up 2.9 percent.



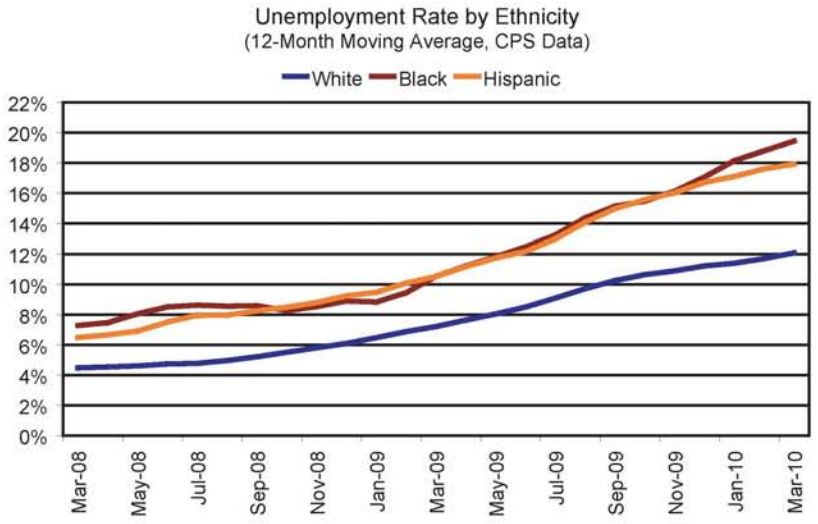
Trends at a Glance

Demographics of the Unemployed

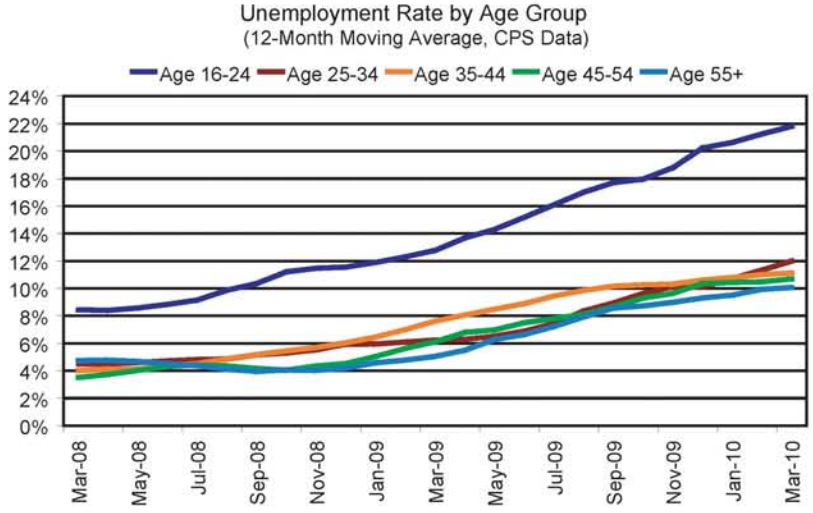
>The male unemployment rate increased five-tenths of a pecent to 14.3 pecent.
>The female unemployment rate increased one-tenth of a percent to 9.9 percent.
>Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries have fared better overall.



>The unemployment rate for Nevada's Hispanic labor force increased three-tenths of a percent to 17.9 percent in March.
>The rate for Nevada's unemployed Black labor force increased seven-tenths of a percentage point to 19.5 percent.
>The unemployment rate for Nevada's White labor force increased four-tenths of a percentage point to 12.1 percent.



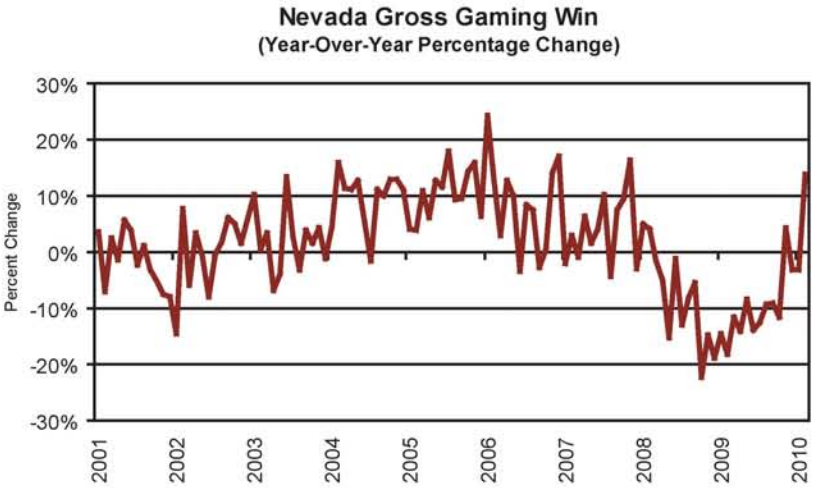
>Nevada's youngest workers are bearing the brunt of the recession worse than any other age group. At 21.8 percent, the unemployment rate for workers age 16-24 is nearly twice the rate of other groups.
>The unemployment rate for workers age 25-34 increased seven-tenths to 12.0 percent.
>The unemployment rate for Nevada's oldest workers is 10.0 percent, up one-tenth from February.



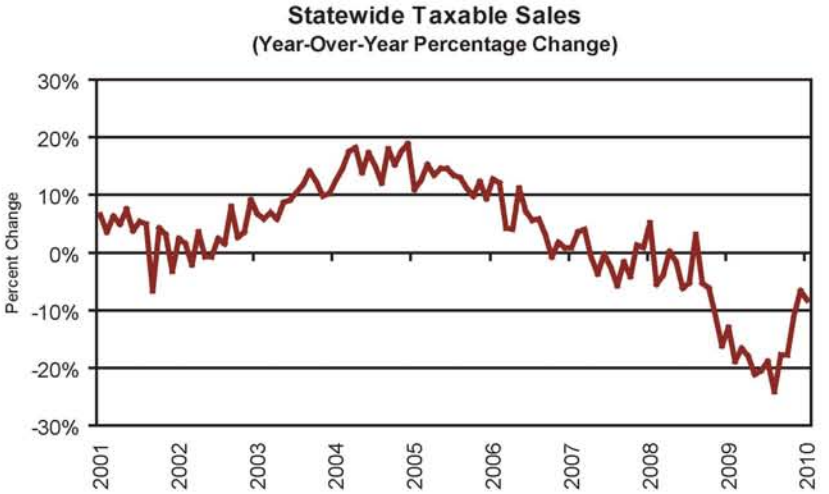
Trends at a Glance

Economic Indicators

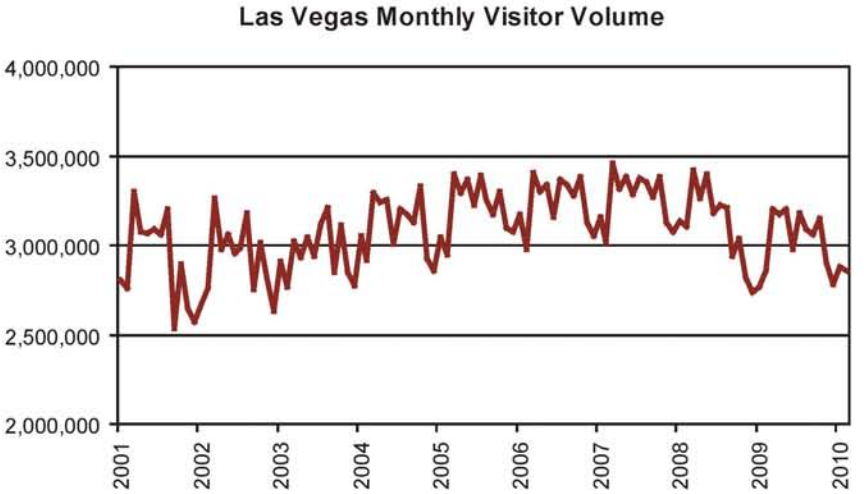
>Nevada gaming win was up 13.9 percent in February relative to the previous year.
>For the fiscal year, gaming win has decreased 4.3 percent year-to-date.



>In January, taxable sales fell 8.1 percent, with collections totalling $2,822,563,108.
>Through the first seven months of the fiscal year, taxable sales are down 15.2 percent compared to the same period in fiscal year 2009.



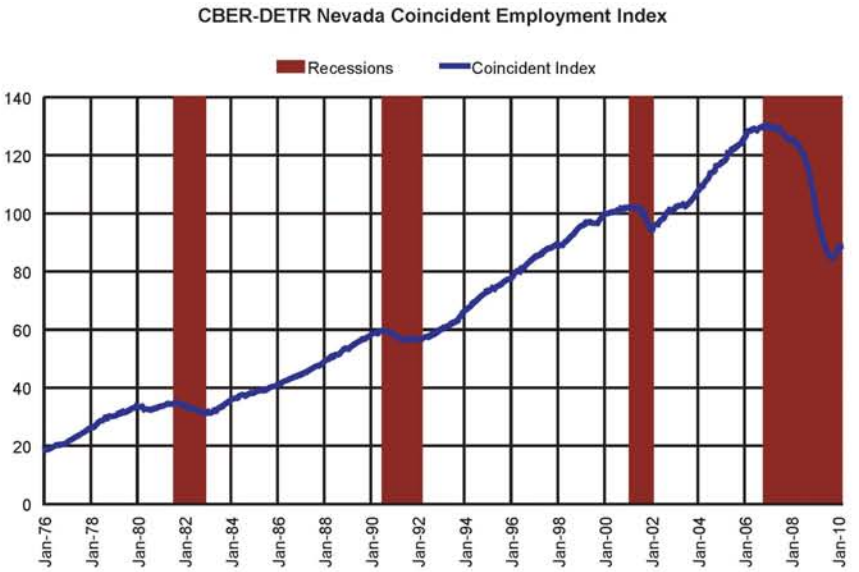
>Las Vegas visitor volume decreased 2,089 in February relative to a year prior, a 0.1 percent decrease. Year-over-year, visitor volume decreased for the first time since August 2009.



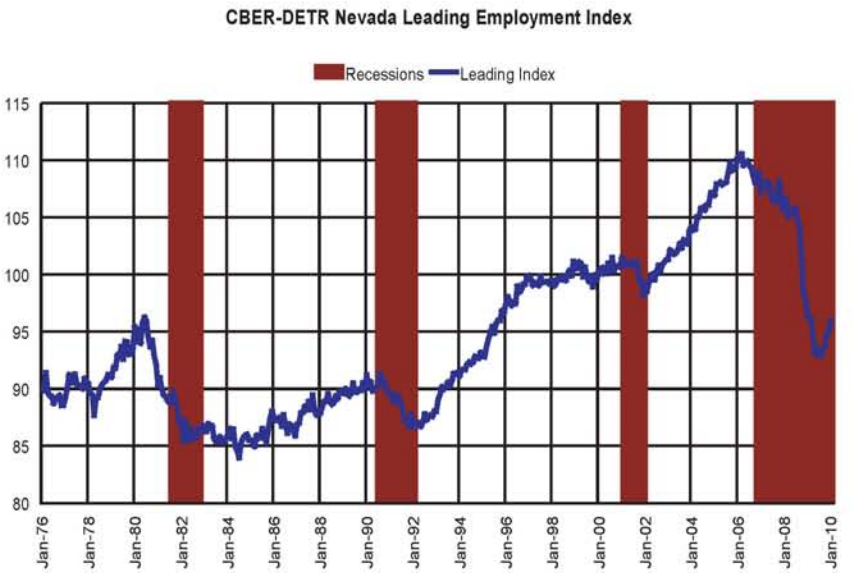
Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

>Releases of the last two months show a pause in the recovery. The coincident index fell ever so slightly in February and March 2010. The leading index fell in these two months by more, but still a small amount. Based on the seasonally adjusted data, the unemployment rate, household employment, and nonfarm employment moved in a negative direction with the March release. The remaining variable -- the insured unemployment rate – moved in a positive direction. Even though the coincident index fell slightly over the last two months, the coincident index remains significantly higher than the bottom reached in October 2009.



>The Nevada leading employment index, which provides a signal about the future direction of the coincident index, showed a slight decrease of 0.9 percent from February. In March, the components of the leading index experienced the following changes -- initial claims for unemployment insurance, housing permits, the real Moody's Baa bond rate, and the short-duration unemployment rate moved in a positive direction. The remaining variables – commercial permits and construction employment – moved in a negative direction. Thus, the leading index fell by small amounts between February and March 2010. Overall, the leading indexed moved slightly higher in five of the last seven months and exceeds its current bottom in May 2009.



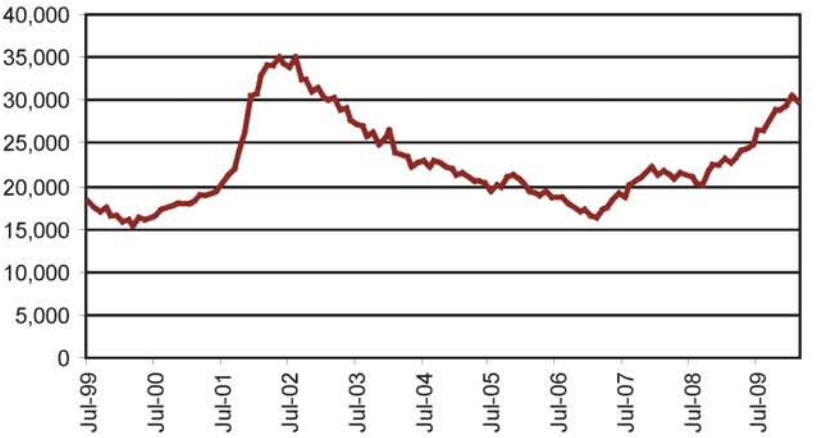
Trends at a Glance

Welfare Indicators

>The Temporary Assistance for Needy Families (TANF) program provides time-limited cash assistance to low-income families with children so they can be cared for in their own home. TANF also seeks to reduce dependency by promoting job preparation, reduce out-of-wedlock pregnancies and encourage the formation and maintainence of two-parent families.

>As an economic indicator, TANF reveals information on the relative well being of Nevada's low-income families. The number of recipents in the program is strongly influenced by the ups and downs of the business cycle. Since the start of the recession, the number of recipients has increased by 35 percent. In February, 29,822 individuals were receiving assistance.

Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients

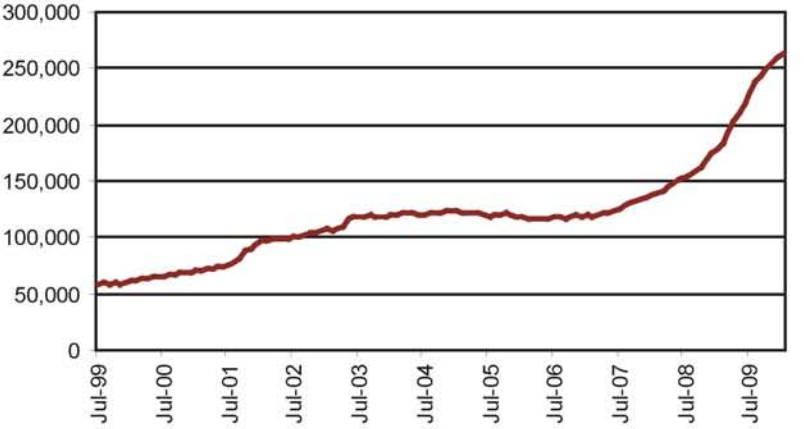


Source: Nevada Department of Health and Human Services

>The Supplemental Nutrition Assistance Program (SNAP), formerly known as "food stamps", provides the means to increase food purchasing power to raise the nutritional level among low income households and is the first line of defense against hunger for thousands of Nevadans.

>The number of Nevadans participating in SNAP has increased significantly in recent years, suggesting more and more families are struggling to make ends meet. Since December 2007, the start of the recession, the number of recipients has increased by 93 percent. In January, 262,500 Nevadans participated in the program.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



Source: Nevada Department of Health and Human Services

Employment and Labor Force Summary

Nevada

Employment By Industry
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Nonfarm Employment	**1,113.3**	**1,163.4**	**1,117.6**	**-50.1**	**-4.3**	**-59.3**	**-4.3%**	**-0.4%**	**-5.1%**
Goods Producing Industries	**112.4**	**141.6**	**116.2**	**-29.2**	**-3.8**	**-30.3**	**-20.6%**	**-3.3%**	**-20.9%**
Natural Resources and Mining	**11.3**	**11.5**	**11.2**	**-0.2**	**0.1**	**-0.3**	**-1.7%**	**0.9%**	**-2.9%**
Construction	**62.6**	**88.6**	**66.6**	**-26.0**	**-4.0**	**-26.0**	**-29.3%**	**-6.0%**	**-28.4%**
Manufacturing	**38.5**	**41.5**	**38.4**	**-3.0**	**0.1**	**-4.0**	**-7.2%**	**0.3%**	**-9.4%**
Service Producing Industries	**1,000.9**	**1,021.8**	**1,001.4**	**-20.9**	**-0.5**	**-29.0**	**-2.0%**	**0.0%**	**-2.8%**
Trade, Transportation & Utilities	**206.5**	**213.6**	**205.4**	**-7.1**	**1.1**	**-9.9**	**-3.3%**	**0.5%**	**-4.6%**
Wholesale	34.9	35.6	34.5	-0.7	0.4	-1.3	-2.0%	1.2%	-3.7%
Retail	122.9	126.9	122.3	-4.0	0.6	-6.0	-3.2%	0.5%	-4.7%
Trans, Warehousing and Utilities	48.7	51.1	48.6	-2.4	0.1	-2.6	-4.7%	0.2%	-5.1%
Information	**12.4**	**13.6**	**12.5**	**-1.2**	**-0.1**	**-1.2**	**-8.8%**	**-0.8%**	**-8.6%**
Financial Activities	**53.7**	**56.6**	**53.8**	**-2.9**	**-0.1**	**-3.1**	**-5.1%**	**-0.2%**	**-5.4%**
Finance and Insurance	31.6	33.5	31.7	-1.9	-0.1	-1.7	-5.7%	-0.3%	-5.2%
Professional & Business Services	**135.1**	**137.1**	**138.8**	**-2.0**	**-3.7**	**-2.6**	**-1.5%**	**-2.7%**	**-1.8%**
Education & Health Services	**100.3**	**96.4**	**100.5**	**3.9**	**-0.2**	**3.7**	**4.0%**	**-0.2%**	**3.8%**
Health Care and Social Assistance	91.7	88.3	92.0	3.4	-0.3	3.4	3.9%	-0.3%	3.8%
Leisure & Hospitality	**301.3**	**307.6**	**299.5**	**-6.3**	**1.8**	**-9.8**	**-2.0%**	**0.6%**	**-3.2%**
Casino Hotels	171.7	177.3	170.9	-5.6	0.8	-7.7	-3.2%	0.5%	-4.3%
Food Services and Drinking Places	91.3	91.1	90.7	0.2	0.6	-0.6	0.2%	0.7%	-0.7%
Other Services	**33.7**	**33.6**	**33.2**	**0.1**	**0.5**	**-0.3**	**0.3%**	**1.5%**	**-0.8%**
Government	**157.9**	**163.3**	**157.7**	**-5.4**	**0.2**	**-6.0**	**-3.3%**	**0.1%**	**-3.7%**

Labor Force and Unemployment
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Labor Force	1,372.5	1,358.5	1378.3	14.0	-5.8	11.7	1.0%	-0.4%	0.9%
Unemployment	186.9	145.3	189.3	41.6	-2.4	44.1	28.6%	-1.3%	30.7%
Unemployment Rate	13.6%	10.7%	13.7%	*	*		*	*	
Unemployment Rate (SA)	***13.4%***	***10.6%***	***13.2%***	*	*		*	*	
Total Employment	1,185.6	1,213.2	1,189.0	-27.6	-3.4	-32.4	-2.3%	-0.3%	-2.7%

Size Class of Industries - Third Quarter 2009
(Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
9	1000+	81	176129	18.1%
8	500-999	96	66777	6.9%
7	250-499	213	76547	7.9%
6	100-249	885	129961	13.3%
5	50-99	1761	118210	12.1%
4	20-49	5322	156317	16.1%
3	10-19	8455	113699	11.7%
2	5-9	11876	77705	8.0%
1	0-4	46010	58455	6.0%
Total		74,699	973,800	100.0%

Largest Private Employers - September 2009

Employer	Employees	Industry
WYNN LAS VEGAS	8000 to 8499	Casino Hotels
BELLAGIO LLC	8000 to 8499	Casino Hotels
MGM GRAND HOTEL/CASINO	7500 to 7999	Casino Hotels
MANDALAY BAY RESORT AND CASINO	6000 to 6499	Casino Hotels
CAESARS PALACE	5000 to 5499	Casino Hotels
MIRAGE CASINO-HOTEL, THE	4500 to 4999	Casino Hotels
THE VENETIAN CASINO RESORT	4000 to 4499	Casino Hotels
THE PALAZZO CASINO RESORT	3500 to 3999	Casino Hotels
FLAMINGO LAS VEGAS OPERATING C	3000 to 3499	Casino Hotels
ENCORE LAS VEGAS	3000 to 3499	Casino Hotels
LUXOR	3000 to 3499	Casino Hotels
RIO SUITE HOTEL & CASINO	3000 to 3499	Casino Hotels
PARIS LAS VEGAS	3000 to 3499	Casino Hotels
TREASURE ISLAND HOTEL CASINO	2500 to 2999	Casino Hotels

Avg Wages By Industry - QCEW Data
Third Quarter 2009

Industry	Avg. Weekly Wage
Total All Industries	$805
Natural Resources and Mining	$1,272
Construction	$1,103
Manufacturing	$921
Trade, Transportation & Utilities	$693
Information	$998
Financial Activities	$898
Professional & Business Services	$959
Education & Health Services	$928
Leisure & Hospitality	$553
Other Services	$603
Public Administration	$1,187
Unclassified	$1,015

Employment and Labor Force Summary

Las Vegas-Paradise

Employment By Industry
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Nonfarm Employment	**794.9**	**842.6**	**799.4**	**-47.7**	**-4.5**	**-53.9**	**-5.7%**	**-0.6%**	**-6.3%**
Goods Producing Industries	**68.0**	**94.0**	**71.5**	**-26.0**	**-3.5**	**-26.3**	**-27.7%**	**-4.9%**	**-27.2%**
Natural Resources and Mining	**0.2**	**0.3**	**0.2**	**-0.1**	**0.0**	**-0.1**	**-33.3%**	**0.0%**	**-33.3%**
Construction	**47.7**	**71.8**	**51.2**	**-24.1**	**-3.5**	**-24.0**	**-33.6%**	**-6.8%**	**-32.4%**
Manufacturing	**20.1**	**21.9**	**20.1**	**-1.8**	**0.0**	**-2.2**	**-8.2%**	**0.0%**	**-10.0%**
Service Producing Industries	**726.9**	**748.6**	**727.9**	**-21.7**	**-1.0**	**-27.6**	**-2.9%**	**-0.1%**	**-3.7%**
Trade, Transportation & Utilities	**141.1**	**149.0**	**140.8**	**-7.9**	**0.3**	**-9.4**	**-5.3%**	**0.2%**	**-6.2%**
Wholesale	20.8	21.9	21.0	-1.1	-0.2	-1.1	-5.0%	-1.0%	-5.0%
Retail	86.9	91.6	86.4	-4.7	0.5	-6.2	-5.1%	0.6%	-6.6%
Trans, Warehousing and Utilities	33.4	35.5	33.4	-2.1	0.0	-2.1	-5.9%	0.0%	-6.0%
Information	**9.1**	**10.0**	**9.1**	**-0.9**	**0.0**	**-0.8**	**-9.0%**	**0.0%**	**-8.1%**
Financial Activities	**40.8**	**43.5**	**40.8**	**-2.7**	**0.0**	**-2.8**	**-6.2%**	**0.0%**	**-6.5%**
Finance and Insurance	23.5	25.3	23.5	-1.8	0.0	-1.7	-7.1%	0.0%	-6.7%
Professional & Business Services	**98.9**	**101.4**	**102.5**	**-2.5**	**-3.6**	**-2.9**	**-2.5%**	**-3.5%**	**-2.8%**
Education & Health Services	**69.3**	**66.9**	**69.4**	**2.4**	**-0.1**	**2.3**	**3.6%**	**-0.1%**	**3.4%**
Health Care and Social Assistance	63.0	60.9	63.3	2.1	-0.3	2.1	3.4%	-0.5%	3.5%
Leisure & Hospitality	**245.9**	**251.9**	**244.0**	**-6.0**	**1.9**	**-9.1**	**-2.4%**	**0.8%**	**-3.6%**
Casino Hotels	148.3	152.1	147.5	-3.8	0.8	-5.7	-2.5%	0.5%	-3.7%
Food Services and Drinking Places	71.9	72.4	71.2	-0.5	0.7	-1.3	-0.7%	1.0%	-1.8%
Other Services	**23.7**	**23.5**	**23.2**	**0.2**	**0.5**	**-0.1**	**0.9%**	**2.2%**	**-0.3%**
Government	**98.1**	**102.4**	**98.1**	**-4.3**	**0.0**	**-4.6**	**-4.2%**	**0.0%**	**-4.5%**

Labor Force and Unemployment
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Labor Force	981.9	1,006.1	984.9	-24.2	-3.0	6.6	-2.4%	-0.3%	0.7%
Unemployment	128.2	87.5	118.8	40.7	9.4	34.4	46.5%	7.9%	33.8%
Unemployment Rate	***13.1%***	***8.7%***	***12.1%***	*	*		*	*	
Total Employment	853.7	918.6	866.1	-64.9	-12.4	-27.9	-7.1%	-1.4%	-3.2%

Size Class of Industries - Third Quarter 2009 (Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
09	1000+	65	149733	21.0%
08	500-999	76	54410	7.6%
07	250-499	154	54609	7.7%
06	100-249	648	94890	13.3%
05	50-99	1296	86314	12.1%
04	20-49	3654	108595	15.2%
03	10-19	5665	75546	10.6%
02	5-9	7745	51041	7.2%
01	0-4	30217	37011	5.2%
00	Total	49,520	712,149	100.0%

Largest Private Employers - September 2009

Employer	Employees	Industry
WYNN LAS VEGAS	8000 to 8499	Casino Hotels
BELLAGIO LLC	8000 to 8499	Casino Hotels
MGM GRAND HOTEL/CASINO	7500 to 7999	Casino Hotels
MANDALAY BAY RESORT AND CASINO	6000 to 6499	Casino Hotels
CAESARS PALACE	5000 to 5499	Casino Hotels
MIRAGE CASINO-HOTEL, THE	4500 to 4999	Casino Hotels
THE VENETIAN CASINO RESORT	4000 to 4499	Casino Hotels
THE PALAZZO CASINO RESORT	3500 to 3999	Casino Hotels
FLAMINGO LAS VEGAS OPERATING C	3000 to 3499	Casino Hotels
ENCORE LAS VEGAS	3000 to 3499	Casino Hotels
LUXOR	3000 to 3499	Casino Hotels
RIO SUITE HOTEL & CASINO	3000 to 3499	Casino Hotels
PARIS LAS VEGAS	3000 to 3499	Casino Hotels
TREASURE ISLAND HOTEL CASINO	2500 to 2999	Casino Hotels

Avg Wages By Industry - QCEW Data Third Quarter 2009

Industry	Avg. Weekly Wage
Total All Industries	$804
Natural Resources and Mining	$863
Construction	$1,148
Manufacturing	$916
Trade, Transportation & Utilities	$681
Information	$1,009
Financial Activities	$901
Professional & Business Services	$955
Education & Health Services	$935
Leisure & Hospitality	$584
Other Services	$581
Public Administration	$1,302
Unclassified	$951

Employment and Labor Force Summary

Reno-Sparks

Employment By Industry
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Nonfarm Employment	**188.2**	**194.5**	**188.5**	**-6.3**	**-0.3**	**-8.3**	**-3.2%**	**-0.2%**	**-4.2%**
Goods Producing Industries	**19.6**	**23.3**	**19.9**	**-3.7**	**-0.3**	**-4.2**	**-15.9%**	**-1.5%**	**-17.3%**
Natural Resources and Mining	**0.3**	**0.3**	**0.3**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0%**
Construction	**8.7**	**10.9**	**9.0**	**-2.2**	**-0.3**	**-2.4**	**-20.2%**	**-3.3%**	**-21.1%**
Manufacturing	**10.6**	**12.1**	**10.6**	**-1.5**	**0.0**	**-1.8**	**-12.4%**	**0.0%**	**-14.3%**
Service Producing Industries	**168.6**	**171.2**	**168.6**	**-2.6**	**0.0**	**-4.2**	**-1.5%**	**0.0%**	**-2.4%**
Trade, Transportation & Utilities	**42.2**	**43.3**	**42.0**	**-1.1**	**0.2**	-1.8	**-2.5%**	**0.5%**	-4.2%
Wholesale	9.4	9.6	9.3	-0.2	0.1	-0.4	-2.1%	1.1%	-4.1%
Retail	21.0	21.6	20.9	-0.6	0.1	-0.9	-2.8%	0.5%	-4.3%
Trans, Warehousing and Utilities	11.8	12.1	11.8	-0.3	0.0	-0.5	-2.5%	0.0%	-4.1%
Information	**2.3**	**2.6**	**2.3**	**-0.3**	**0.0**	**-0.3**	**-11.5%**	**0.0%**	**-11.5%**
Financial Activities	**8.9**	**9.0**	**8.9**	**-0.1**	**0.0**	-0.2	**-1.1%**	**0.0%**	-2.2%
Finance and Insurance	5.6	5.6	5.6	0.0	0.0	0.0	0.0%	0.0%	0.0%
Professional & Business Services	**23.5**	**24.1**	**23.6**	**-0.6**	**-0.1**	**-0.7**	**-2.5%**	**-0.4%**	**-2.9%**
Education & Health Services	**22.1**	**21.4**	**22.1**	**0.7**	**0.0**	**0.6**	**3.3%**	**0.0%**	**2.6%**
Leisure & Hospitality	**33.2**	**33.5**	**33.2**	**-0.3**	**0.0**	**-0.7**	**-0.9%**	**0.0%**	**-2.0%**
Casino Hotels	14.7	15.4	14.7	-0.7	0.0	-0.9	-4.5%	0.0%	-5.8%
Food Services and Drinking Places	12.4	12.2	12.4	0.2	0.0	0.1	1.6%	0.0%	1.1%
Other Services	**6.9**	**6.8**	**6.9**	**0.1**	**0.0**	**0.0**	**1.5%**	**0.0%**	**0.5%**
Government	**29.5**	**30.5**	**29.6**	**-1.0**	**-0.1**	**-1.1**	**-3.3%**	**-0.3%**	**-3.6%**

Labor Force and Unemployment
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Labor Force	227.6	223.3	228.3	4.3	-0.7	3.4	1.9%	-0.3%	1.5%
Unemployment	30.1	25	30.7	5.1	-0.6	5.5	20.4%	-2.0%	22.0%
Unemployment Rate	***13.2%***	***11.2%***	***13.4%***	*	*		*	*	
Total Employment	197.5	198.3	197.6	-0.8	-0.1	-2.1	-0.4%	-0.1%	-1.0%

Size Class of Industries - Third Quarter 2009
(Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
09	1000+	12	20136	12.5%
08	500-999	6	3167	2.0%
07	250-499	32	13470	8.4%
06	100-249	160	22826	14.2%
05	50-99	296	20361	12.7%
04	20-49	1048	29749	18.5%
03	10-19	1711	23694	14.8%
02	5-9	2305	15355	9.6%
01	0-4	8762	11861	7.4%
00	Total	14,332	160,619	100.0%

Largest Private Employers - September 2009

Employer	Employees	Industry
RENOWN REGIONAL MEDICAL CENTER	2000 to 2499	Hospitals
PEPPERMILL HOTEL CASINO - RENO	2000 to 2499	Casino Hotels
INTERNATIONAL GAME TECHNOLOGY	2000 to 2499	Manufacturing
SILVER LEGACY RESORT CASINO	1500 to 1999	Casino Hotels
ATLANTIS CASINO RESORT	1500 to 1999	Casino Hotels
ST. MARYS	1500 to 1999	Hospitals
GRAND SIERRA RESORT AND CASINO	1500 to 1999	Casino Hotels
ELDORADO HOTEL & CASINO	1000 to 1499	Casino Hotels
SPARKS NUGGET INC.	1000 to 1499	Casino Hotels
CIRCUS CIRCUS CASINOSINC-RENO	1000 to 1499	Casino Hotels
UNITED PARCEL SERVICE	1000 to 1499	Couriers
HARRAHS RENO	1000 to 1499	Casino Hotels
HIRE DYNAMICS LLC	700 to 799	Temp.Help Srvcs

Avg Wages By Industry - QCEW Data
Third Quarter 2009

Industry	Avg. Weekly Wage
Total All Industries	$800
Natural Resources and Mining	$1,242
Construction	$955
Manufacturing	$963
Trade, Transportation & Utilities	$716
Information	$960
Financial Activities	$943
Professional & Business Services	$937
Education & Health Services	$971
Leisure & Hospitality	$419
Other Services	$656
Public Administration	$1,098
Unclassified	$1,158

Employment and Labor Force Summary

Carson City

Employment By Industry
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Nonfarm Employment	**29.0**	**30.0**	**28.7**	**-1.0**	**0.3**	**-1.3**	**-3.3%**	**1.0%**	**-4.2%**
Goods Producing Industries	**3.4**	**4.0**	**3.4**	**-0.6**	**0.0**	**-0.7**	**-15.0%**	**0.0%**	**-16.4%**
Manufacturing	**2.4**	**2.6**	**2.4**	**-0.2**	**0.0**	**-0.3**	**-7.7%**	**0.0%**	**-11.1%**
Service Producing Industries	**25.6**	**26.0**	**25.3**	**-0.4**	**0.3**	**-0.7**	**-1.5%**	**1.2%**	**-2.7%**
Trade, Transportation & Utilities	**3.8**	**4.0**	**3.8**	**-0.2**	**0.0**	**-0.2**	**-5.0%**	**0.0%**	**-5.8%**
Retail	2.9	3.1	2.9	-0.2	0.0	-0.2	-6.5%	0.0%	-6.5%
Professional & Business Services	**1.9**	**1.9**	**1.9**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0%**
Leisure & Hospitality	**3.3**	**3.3**	**3.3**	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0%**	**-1.0%**
Government	**11.7**	**11.8**	**11.5**	**-0.1**	**0.2**	**-0.2**	**-0.8%**	**1.7%**	**-1.4%**

Labor Force and Unemployment
(Estimates in Thousands)

	Mar10	Mar09	Feb10	Nominal Change Annual Mar09-Mar10	Nominal Change Monthly Feb10-Mar10	Nominal Change YTD 2009-2010	% Change Annual Mar09-Mar10	% Change Monthly Feb10-Mar10	% Change YTD 2009-2010
Total Labor Force	29.0	29.1	29	-0.1	0.0	-0.2	-0.3%	0.0%	-0.7%
Unemployment	3.9	3.3	4	0.6	-0.1	0.6	18.2%	-2.5%	18.2%
Unemployment Rate	***13.3%***	***11.3%***	***13.7%***	*	*		*	*	
Total Employment	25.1	25.8	25.0	-0.7	0.1	-0.8	-2.7%	0.4%	-3.1%

Size Class of Industries - Third Quarter 2009
(Non-Government Worksites)

Size Class	Employees Per Worksite	Number of Worksites	Employment in Size Class	% of Total Employment
09	1000+	0	0	0.0%
08	500-999	0	0	0.0%
07	250-499	6	1823	10.2%
06	100-249	13	2238	12.5%
05	50-99	34	2497	13.9%
04	20-49	143	4347	24.3%
03	10-19	219	2691	15.0%
02	5-9	360	2366	13.2%
01	0-4	1406	1955	10.9%
00	Total	2,181	17,917	100.0%

Largest Private Employers - September 2009

Employer	Employees	Industry
ROSENDIN ELECTRIC INC	300 to 399	Construction
WAL-MART SUPERCENTER	300 to 399	Retail
CHROMALLOY NEVADA	300 to 399	Manufacturing
CASINO FANDANGO	300 to 399	Casinos
CARSON CITY NUGGET	300 to 399	Casinos
CLICK BOND INC	200 to 299	Manufacturing
GOLD DUST WEST CARSON CITY	200 to 299	Casinos
COSTCO WHOLESALE CORP	200 to 299	Retail

Avg Wages By Industry - QCEW Data
Third Quarter 2009

Industry	Avg. Weekly Wage
Total All Industries	$826
Natural Resources and Mining	*
Construction	$1,017
Manufacturing	$848
Trade, Transportation & Utilities	$675
Information	$115
Financial Activities	$771
Professional & Business Services	$791
Education & Health Services	$916
Leisure & Hospitality	$360
Other Services	$713
Public Administration	$1,046
Unclassified	$1,270

Macroeconomic Fundamentals

Employment

Businesses haven't cut payrolls as aggressively in recent months and layoffs have slowed considerably. However, feeble hiring is keeping the moderating contraction in the labor market from turning into outright expansion. Corporations are seeing profit growth from productivity gains, giving them little incentive to hire new employees. Though, at this stage of the inventory correction, it shouldn't be long before temporary help hiring turns into permanent employment gains. While the federal government is hiring temporary Census workers, state and local governments are forced to layoff workers due to abysmal fiscal conditions. Labor market recovery is currently without a sustainable stimulus. It will be up to the private sector to hire workers if the economy is to rebound sufficiently.

Consumption & Income

The weak position of consumers is not creating new aggregate demand for goods or services. Consumer confidence is suffering due to high unemployment and falling income. National income was down 1.7% on average for 2009, marking the first time income growth declined since 1949. Consumer goods production will likely suffer as a result. Eventually, population growth as well as obsolescence and spoilage, will require consumers to spend again. On the bright side, there is some evidence that income and consumption are bottoming. Also, the latest employment numbers may mark the beginning of the slow trek toward consumer revival. However, because the resurgence in the national economy will likely play out over many years, disposable income will not boost regional economies any time soon. Ironically perhaps, the saving rate is dropping below most expectations for a recession of this magnitude. What this means for sustainable spending remains to be seen if the recovery falters. Dark clouds in the form of higher gasoline prices are appearing at a time when it is least affordable. Higher demand from emerging economies coupled with seasonal demand will drive prices higher. Consumer weakness may put the brakes on a fragile recovery.

Manufacturing

The factory orders and durable goods reports indicate that government and business demand is driving orders for manufactured goods. Unfortunately, consumers are unable to contribute a proportionate share. Consumer goods production is still falling and will remain weak until the labor market shows significant expansion. In the mean time, government stimulus had boosted demand with cash for clunkers and the new homebuyer tax credit. This stimulus is ending and cash rich corporations may not provide the next boost if consumption can't materialize in a timely fashion.

Housing

The housing market has not yet hit a firm bottom, but the decline appears to be ending. New home sales are victims to continued falling values in the existing home market. And unfortunately, high foreclosure rates will replenish the market inventory throughout 2010. Prices have finally firmed enough that some previously depressed areas are seeing price appreciation. However, this may be temporary or regionally spotty as foreclosed properties hit the market. The gradual end of government intervention may be provoking a rise in mortgage rates. Both refinance and purchase applications recently reacted negatively when interest rates edged up. With the 10 year bond rate ascending steadily, it is likely mortgage rates will also continue to rise. The housing market will therefore not be an economic driver anytime soon and further Fed or other policy action may be needed to forestall a continuing drag on the economy.

Commodities

Base metal prices are raising rapidly and historical demand does not warrant the current increases. It's possible portfolio mix allocations to commodities may be creating a mini bubble, or perhaps true emerging market demand is the driving force. There is currently much speculation on the existence of a Chinese economic bubble fueled by property development. Investment based trade is expanding in the US and centered on China. Capital goods production and industrial materials are driving the nascent US recovery, including a critical interaction with China. If a Chinese bubble were to burst, it would certainly affect the entire globe. Whatever exists of the US recovery would be threatened, as well as Nevada's mining industry, particularly copper. The Chinese currency value is under fire from its primary trading partners. If held artificially low, it would hinder other national economies from expanding out of recession. Inflation pressures are also building in China with labor and raw materials costs rising. There is enormous uncertainty surrounding this single country that emerged with unprecedented rapidity. The threat of a double dip recession instigated by a collapse of activity in China should be taken seriously.

Peter Janson
Economist
Research and Analysis Bureau

Industry Profile

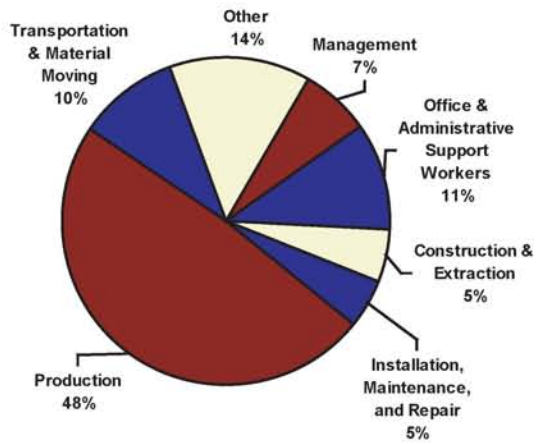
Manufacturing

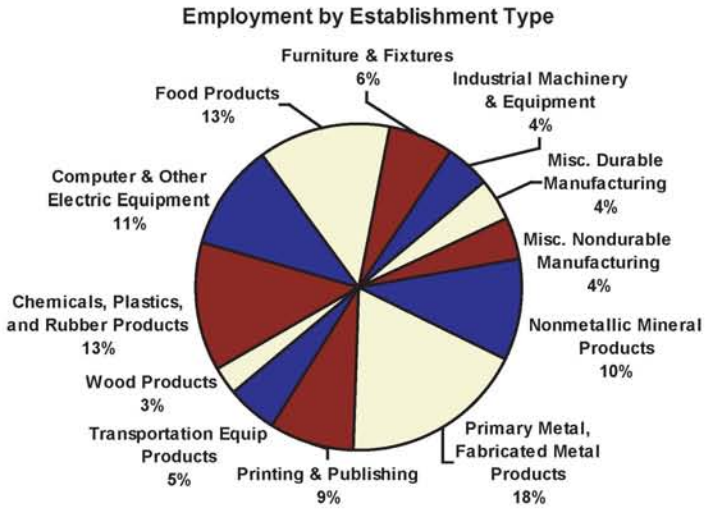
The manufacturing sector is comprised of establishments that engage in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. These establishments are often described as plants, factories, or mills and use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing. The subsectors in this industry generally reflect distinct production processes related to material inputs, production equipment, and employee skills.

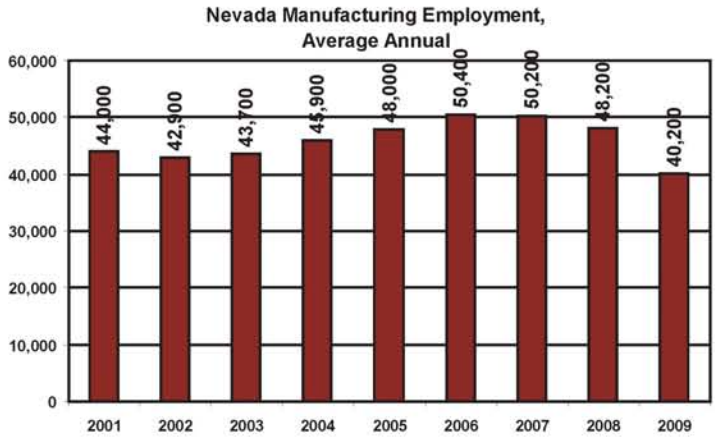
It is no surprise that there is a narrow spectrum of occupations within this industry; with almost half being defined as production. However, professional occupations such as network and data analysts, human relations specialists, and electrical engineers can also be found.

The manufacturing industry in Nevada is rather diverse with no single establishment type having a dominating presence. At 18 percent, primary metal and fabricated metal products make up the largest portion of the industry. Establishments found in this sub-industry smelt and/or refine ferrous and nonferrous metals from ore, pig or scrap using electrometallurgical and other process metallurgical techniques, or engage in forging and stamping activities; this represents 6,159 employed people.

Manufacturing employment had shown modest growth in the years leading up to the recession. From 2001 through 2007, employment in the industry increased by 6,200 or 14







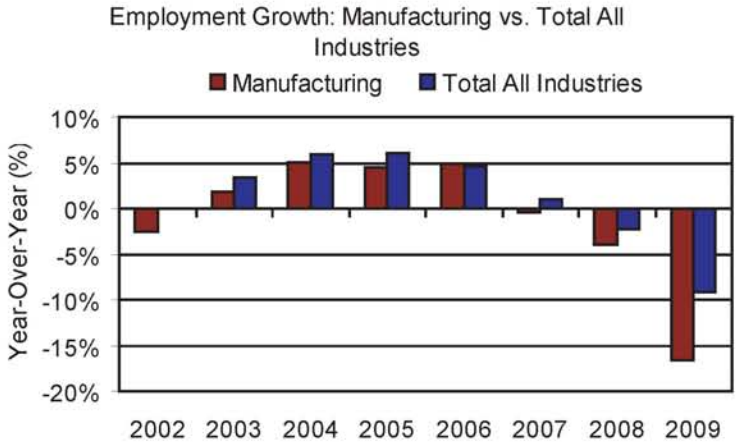
Industry Profile

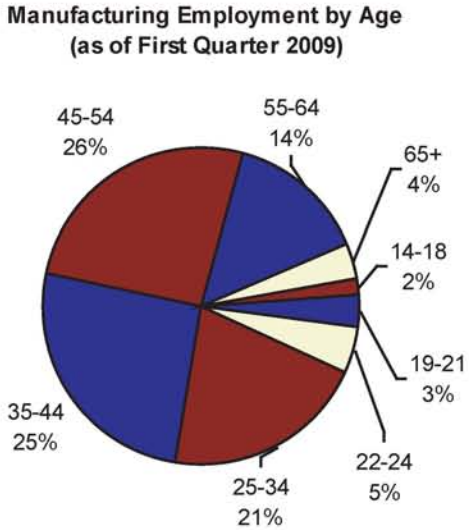
Manufacturing

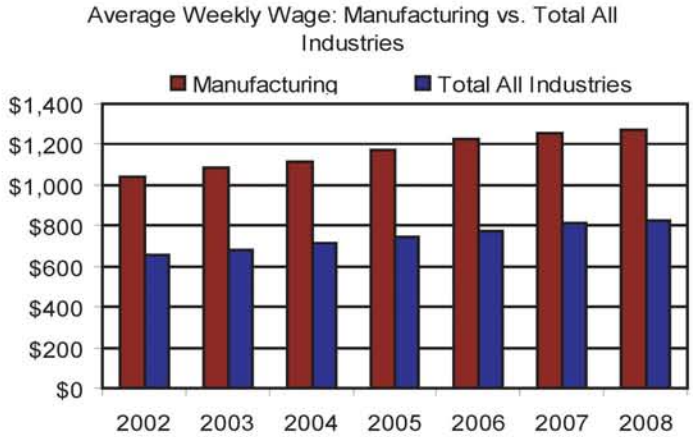
percent. Once the recession started, employment dropped down below 2001 level employment, 44,000. Compared to growth across all industries, manufacturing has lagged. During 2008 and the first two quarters of 2009, average employment dropped substantially more than the total of all industries. The net job flow at the Statewide level began trending down in first quarter 2007, as the recession took hold of the economy. The dramatic losses follow a similar trend in Washoe County, Clark County and Carson City, which comprise 88 percent of manufacturing jobs in Nevada.

Demographically, manufacturing workers are mostly older and male. Men comprise 70 percent of manufacturing workers compared to 30 percent female workers. Across all industries, the ratio is roughly 52 percent men to 48 percent female. These characteristics hold true to each county in the State where manufacturing occurs. By age, workers are concenrated in older age groups compared to the all industry distribution in Nevada. In manufacturing, 51 percent of workers fall in the age range of 35-54 years old. The same age group accounts for 46 percent of workers across all industries. The discrepancy is likely caused by skill level requirements in manufacturing, where older experienced workers are more desirable than younger inexperienced workers.

The manufacturing industry has traditionally paid higher wages than the economy as a whole in Nevada. From 2002 to 2008, manfacturing jobs paid $425 more per week on average than other industries, and the discrepancy has grown over the time period. In 2008, manufacturing paid $1,275 per week compared to $827 across all industries, a difference of 35 percent. On a percentage basis, manufacturing wages grew similar to wages across all industries. From 2002 to 2008, the average weekly wage in manufacturing grew by 22.4 percent ($233), while total average weekly wages grew by 26.5 percent or $173.







Industry Profile

Manufacturing

In all, there were 1,738 manufacturing worksites in Nevada in the third quarter of 2009. The number of worksites declined over-the-year by 132 or 7.1 percent. All size classes, except for worksites with 1 to 4 employees contracted. Worksites with 1 to 4 employees added 32 sites, but just 25 employees were added over-the-year. The hardest hit were employers with 10 to 19 employees, who lost 59 worksites. Based on employment, worksites with 100 to 249 employees lost the most workers, 2,602 or 25.9 percent.

Manufactures of gaming products, categorized as *All Other Miscellaneous*, dominate the list of largest employers in Nevada. IGT, with worksites in both Northern and Southern Nevada, is the largest manufacturer in the State. Other industries represented on the list include an ice cream maker, an electric sign company and a plastics producer.

Future manufacturing employment growth depends largely on the health of the broader economy in the nation and Nevada. Manufucturing has suffered in the recession with large job losses brought on by declines in construction and gaming. With no new major strip developments and nonexistent commercial and residential construction, the manufacturing sector will continue to contract for the next year or two. Year-over-year employment growth should turn positive in the second half of 2012.

Angel Sandoval
Economist
Research and Analysis Bureau

Jered McDonald
Economist
Research and Analysis Bureau

Manufacturing Businesses Grouped by Size

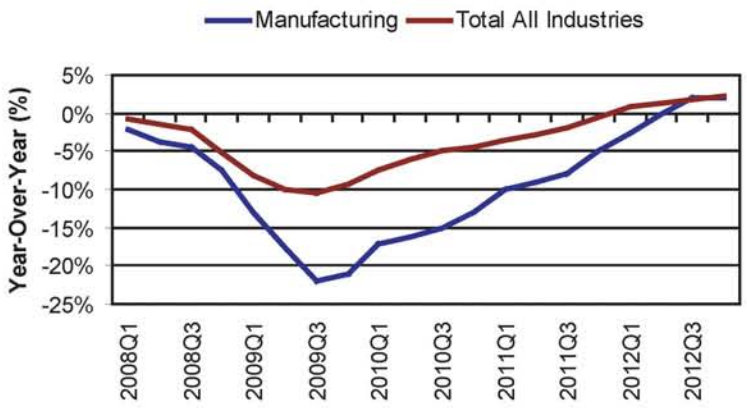
	Worksites 2009 Q3	Worksites 2008 Q3	Change	%Change
Total	1,736	1,868	-132	-7.1%
1 to 4 Employees	670	638	32	5.0%
5 to 9 Employees	360	390	-30	-7.7%
10 to 19 Employees	285	344	-59	-17.2%
20 to 49 Employees	250	292	-42	-14.4%
50 to 99 Employees	106	115	-9	-7.8%
100 to 249 Employees	50	69	-19	-27.5%
250 to 499 Employees	10	14	-4	-28.6%
500 or more Employees	5	6	-1	-16.7%

	Employees 2009 Q3	Employees 2008 Q3	Change	%Change
Total	39,184	47,938	-8,754	-18.3%
1 to 4 Employees	1,501	1,476	25	1.7%
5 to 9 Employees	2,382	2,592	-210	-8.1%
10 to 19 Employees	3,973	4,762	-789	-16.6%
20 to 49 Employees	7,590	9,060	-1,470	-16.2%
50 to 99 Employees	7,404	8,285	-881	-10.6%
100 to 249 Employees	7,435	10,037	-2,602	-25.9%
250 to 499 Employees	3,637	5,014	-1,377	-27.5%
500 or more Employees	5,262	6,712	-1,450	-21.6%

Top Ten Employers by Worksite
(as of September 30, 2009)

Employer	County	Manufacturing Industry	Employment
International Game Technology	Washoe	All Other Miscellaneous	2000 to 2499
Bally Gaming Inc	Clark	All Other Miscellaneous	900 to 999
International Game Technology	Clark	All Other Miscellaneous	800 to 899
Bently Nevada	Douglas	Industrial Process Variable Instruments	600 to 699
Aristocrat Technologies Inc	Clark	All Other Miscellaneous	500 to 599
Good Humor Breyers	Clark	Ice Cream & Frozen Dessert	400 to 499
Titanium Metals Corporation	Clark	Primary Nonferrous Metal	400 to 499
Poly-West Inc	Clark	Unsupported Plastics Bag	300 to 399
Hamilton Holding Mgmt Corp	Washoe	Analytical Laboratory Instruments	300 to 399
Young Electric Sign Co	Clark	Sign	300 to 399

Employment Projections: Manufacturing vs. Total All Industries



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

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Phone: (775) 684-0450
Fax: (775) 684-0342
E-mail: detrlmi@nvdetr.org

Websites:
www.nevadaworkforce.com
www.nevadajobconnect.com
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February 2010

NEVADA'S PREMIER SOURCE OF WORKFORCE & ECONOMIC INFORMATION AND ANALYSIS

Economic Summary

The economic environment changed little in February and Nevada's labor markets continue to bounce along the bottom of the business cycle. Two prominent measures of labor force health diverged in February. Total non-farm employment showed weak signs of life, while the unemployment rate ticked up by two-tenths of a percent from the previous month. Employers added 10,400 jobs over-the-month -- the first monthly increase since October 2009. Results from the household survey weren't as positive. An influx of workers entered the labor force looking for work and drove the unemployment rate higher. At 13.2 percent, the unemployment rate is the highest on record (using recently benchmarked data), with 189,400 unemployed workers. Nevada's unemployment rate is 3.5 percentage points higher than the nation's 9.7 percent unemployment rate.

The unemployment rate in each of Nevada's three metropolitan statistical areas changed little. The Las Vegas-Paradise unemployment rate increased from 13.8 to 13.9 percent. The unemployment rate in Reno-Sparks held steady at 13.4 percent, and the Carson City MSA experienced a decline in its unemployment rate, falling from 13.8 percent to 13.7 percent. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.7 percent in February.)

Total statewide employment increased by 10,400 jobs over-the-month. Las Vegas-Paradise picked up most of job growth with an increase of 7,400. Reno-Sparks added 1,600 jobs and Carson City 100. Job growth by industry was widespread, though a good portion of the growth, 3,900, was in State government, which corresponded to the start of the spring semester at the higher education institutions. Other improving sectors include leisure and hospitality (+2,700), professional and business services (+2,200), and education and health services (+1,800). Gains were partially offset by losses in trade, transportation and utilities and financial activities, which fell by 800 and 300 jobs, respectively.

Unemployment Rate by County

The construction industry held steady at 66,900 workers in February – a welcome reprieve from nearly four years of relentless job loss. The industry shed over a quarter of its workers in just the last year, roughly 24,000 jobs. Since construction peaked in June 2006, the industry has lost 81,900 jobs or 55 percent. While short-term prospects for new construction remain bleak, some stabilization is expected this spring. Federal stimulus dollars for road improvements will begin to hit the street in a big way in the coming months. A number of major road construction

Economic Indicators

UNEMPLOYMENT RATES	FEB 2010
NEVADA *	13.2%
LAS VEGAS-PARADISE MSA	13.9%
RENO-SPARKS MSA	13.4%
CARSON CITY MSA	13.7%
ELKO MICROPOLITAN AREA	8.3%
UNITED STATES *	9.7%
CALIFORNIA *	12.5%
* Seasonally Adjusted	
JOB GROWTH (Y-O-Y)	
NEVADA	-4.6%
LAS VEGAS-PARADISE MSA	-5.9%
RENO-SPARKS MSA	-3.8%
CARSON CITY MSA	-4.7%
UNITED STATES	-2.5%
CALIFORNIA	-3.9%
CONSUMER PRICE INDEX (Y-O-Y)	
UNITED STATES	2.1%
GAMING WIN (Y-O-Y)	
JAN 2009 - JAN 2010	
NEVADA	-3.2%
CLARK COUNTY	-2.2%
WASHOE COUNTY	-8.7%
TAXABLE SALES (Y-O-Y)	
JAN 2009 - JAN 2010	
NEVADA	-8.1%
CLARK COUNTY	-8.3%
WASHOE COUNTY	-4.8%

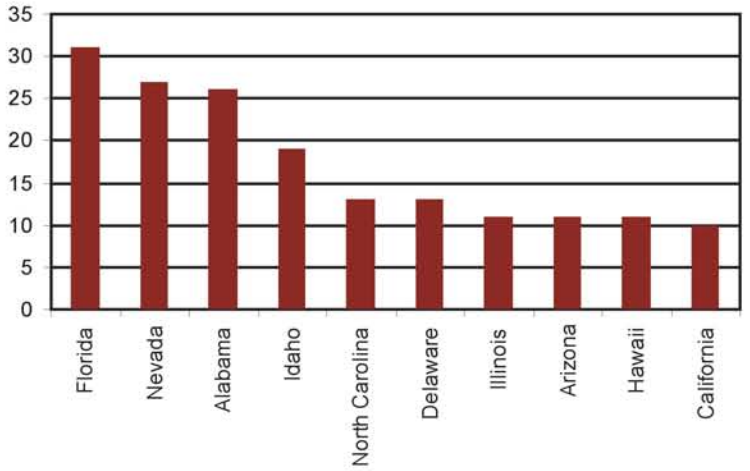
Economic Summary

projects are starting and will provide much needed job opportunities for the State's construction workers.

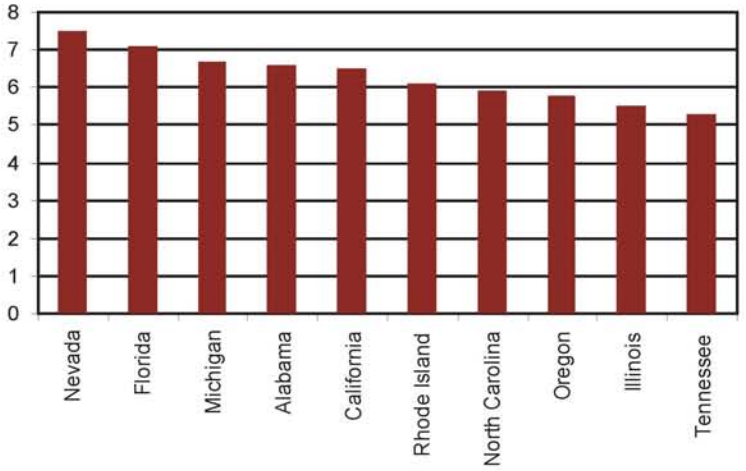
On a State by State comparison, no State's fortunes have reversed as severely as Nevada's during the recession. From 2006 to 2009, Nevada's unemployment rate increased by 7.5 percentage points, the most of any State. In 2006, Nevada had the 22nd highest unemployment rate at just 4.3 percent. By 2009, Nevada's ranking fell 27 spots to 49th, one spot ahead of Michigan. Only Florida's ranking fell further. The Sunshine State's unemployment rate increased from 3.4 percent to 10.5 percent, while its ranking fell from 10th to 41st. In contrast, States least susceptible to the downturn include Alaska, Nebraska, North Dakota and South Dakota. The unemployment rate in each State increased by less than 2 percentage points from 2006 to 2009.

A number of national indicators show signs of economic improvement, though the prospects for rapid growth this year remain tenuous at best. Job losses have eased considerably. Gross domestic product grew by 5.6 percent in the fourth quarter. Manufacturing picked up as businesses restocked their depleted inventories. Temporary help agencies have been adding employment, suggesting employers may be ready to add permanent employees. Sales of existing homes increased dramatically over the last year. But, despite these positives, there remains severe weakness in the labor force. Unemployment remains elevated at 9.7 percent despite the growing economy. Businesses have cut expenses through workforce reductions, and are discovering new ways to squeeze profit from existing capital. Given increased productivity at reduced costs, employers have little incentive to hire new employees. Significant job growth won't return until uncertainty wanes and businesses see a prolonged period of increased

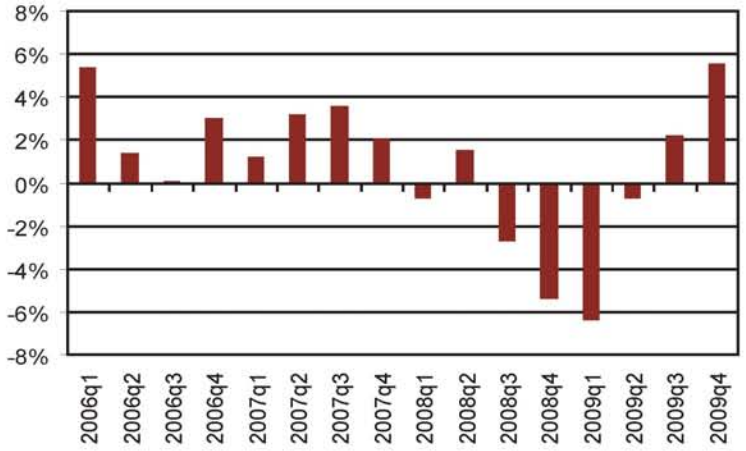
Moving Down the Unemployment Rankings, Top Ten States, 2006 to 2009



Unemployment Rate Growth, Top Ten States, 2006 to 2009



U.S. Gross Domestic Product, 2006-2009



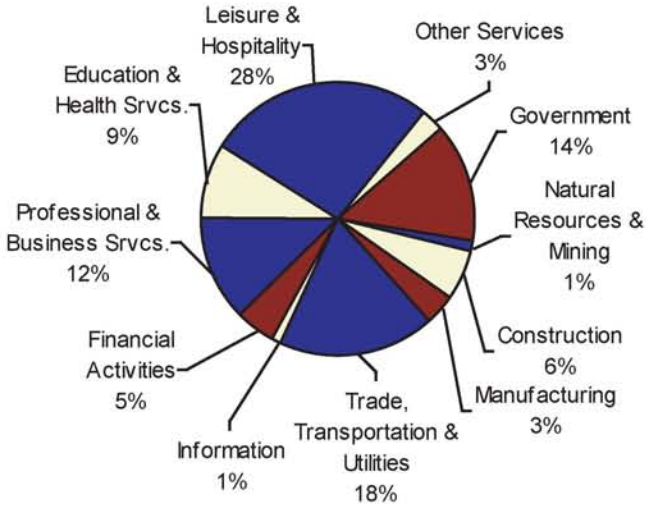
Economic Summary

demand for new production.

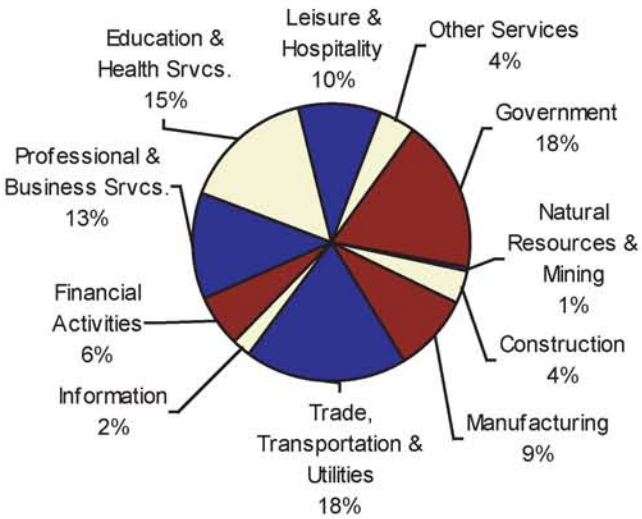
The ramifications are not good for Nevada. The longer it takes for the national economy to rebound, the longer it will take for Nevada's leisure and hospitality dependant economy to recover. Leisure and hospitality makes up 28 percent of Nevada's industry base, compared to just 10 percent nationally. Consumers are still in no mood to spend. Negative pressure on wage growth and disposable income growth will persist as long as the labor market remains soft. Workers are still uncertain about short-term prospects and are unlikely to spend on recreation and entertainment any time soon. It appears Nevada will be waiting for some time for its fortunes to improve.

The CBER-DETR Nevada Coincident and Leading Employment Indices, developed through a partnership between DETR and UNLV's Center for Business and Economic Research, measure the ups and downs of Nevada's economy. The Coincident Employment Index uses an index of four employment measures: household employment, nonfarm employment, the unemployment rate and the insured unemployment rate. The peak of the last employment cycle in Nevada occurred in November 2006. Since then, the Coincident Index regressed steadily through October 2009, but has been increasing ever since. For the current employment recession, the Leading Index provided a clear signal by peaking in May 2006, six months before the Coincident Index reached its peak. Based on current data, the Leading Index reached its trough in May or August of 2009. The bottoming of the Coincident and Leading indices suggest this employment recession may have ended, though only additional readings will ensure it.

Nevada Industry Distribution, February 2010



United States Industry Distribution, February 2010

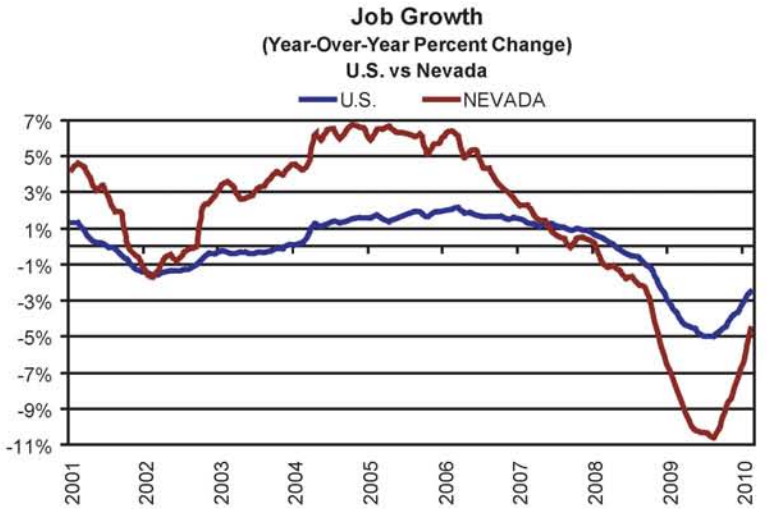


Jered McDonald
Economist
Research and Analysis Bureau

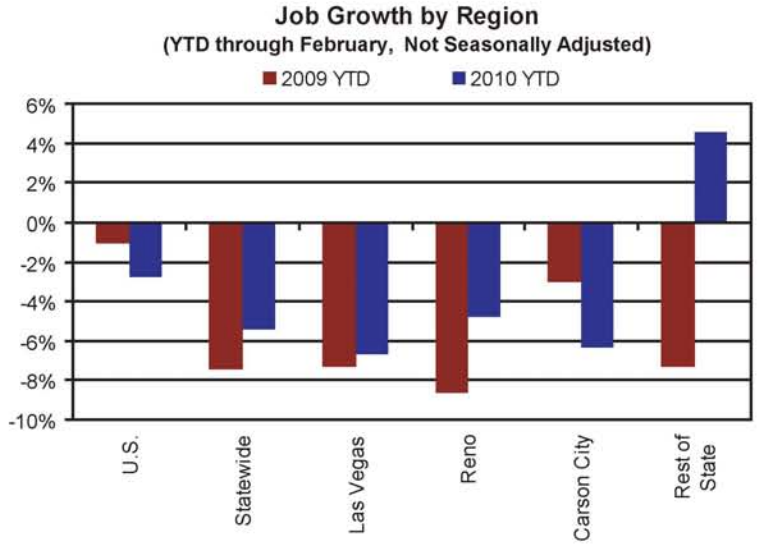
Trends at a Glance

Industrial Employment

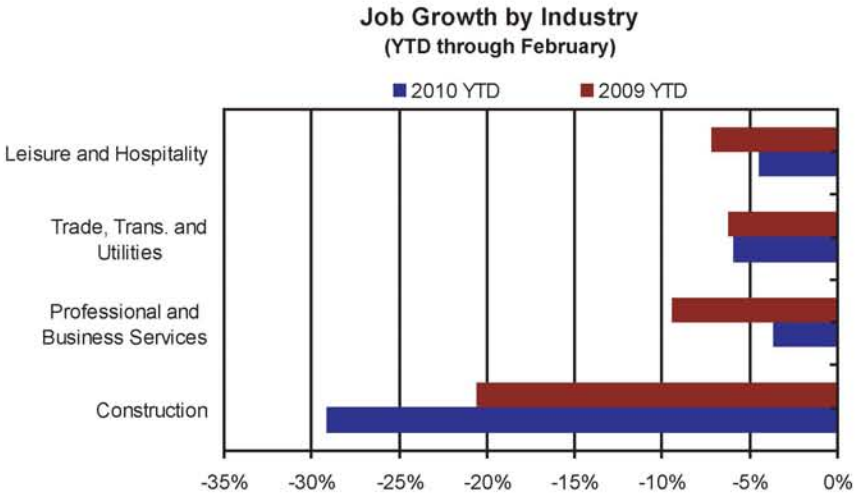
>Industrial employment in Nevada fell 4.6 percent in February relative to a year prior, equating to a loss of 54,100 jobs.
>February job readings were down 2.5 percent nationally relative to February 2009.



>Job losses are moderating in most areas of the State. Year-to-date annual growth rates are lower than a year ago. Only Carson City appears to be losing more jobs this year than last.
>The Las Vegas MSA's job count fell 6.7 percent YTD in February relative to February 2009.
>In the Reno MSA, YTD job readings were down 4.8 percent in Febraury 2010
>In Carson City, employment fell 6.4 percent YTD from February 2009 to February 2010.
>The non-metropolitan areas of the State saw some job growth through the first two montths of the year. Job growth was up 4.6 percent.



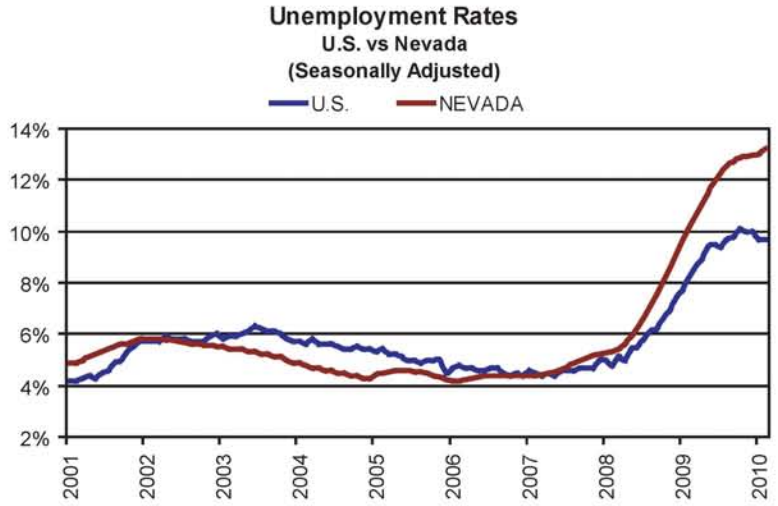
>Approximately 27,500 jobs have been lost in the construction industry YTD through February, a 29.1 percent annual decline. The sector continues to struggle given weak demand for new development, both residential and commerical.
>The State's largest industry sector, leisure and hospitality, continues to struggle. Industry employment was down 4.5 percent YTD through February, relative to a year prior.



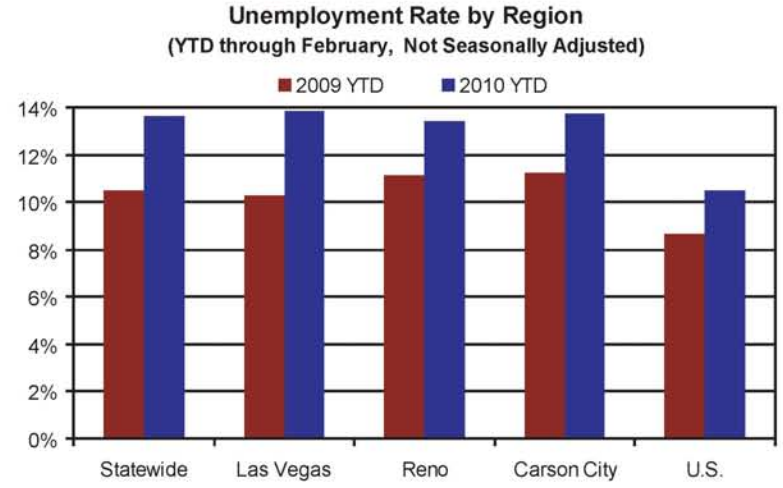
Trends at a Glance

Unemployment

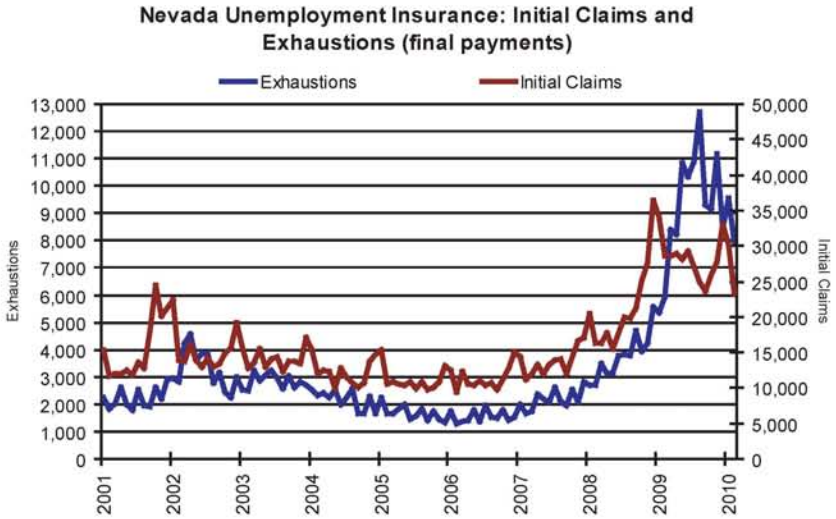
>Nevada's seasonally adjusted unemployment rate was 13.2 percent in February. Nevada has the second highest unemployment rate in the nation, trailing only Michigan with 14.2 percent.
>Nationally, the unemployment rate stood at 9.7 percent in February. Nevada's jobless rate has exceeded the national average since early-2007. Prior to that, it had been trending below the U.S. for several years.



>At 13.7 percent, the Statewide unadjusted unemployment rate is up 3.2 percentage points YTD from 2009 to 2010.
>The Las Vegas-Paradise MSA recorded an unemployment rate of 13.9 percent YTD in 2010, a 3.6 percentage point increase over-the-year.
>The Reno-Sparks MSA's jobless rate was 13.4 percent YTD in 2010. On an annual basis, the rate is up 2.3 percentage points over-the-year.
>The jobless rate in Carson City was 13.8 percent YTD in February, up 2.5 percentage points over-the-year.



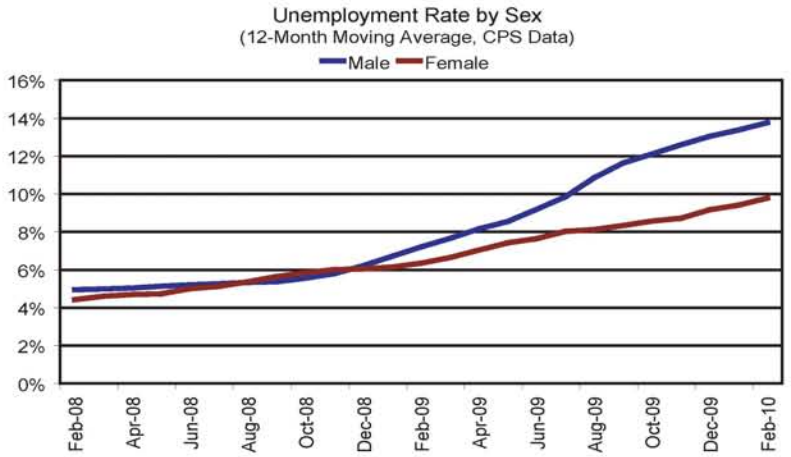
>Initial claims for unemployment insurance decreased by 6,818 in February to 23,372. Over-the-year, claims are down by 18.4 percent. It is the third consecutive month of over-the-year declines.
>Final payments, signifying an exhaustion of regular State benefits, decreased in February from January by 1,603. Over-the-year final payments were up 33.2 percent.



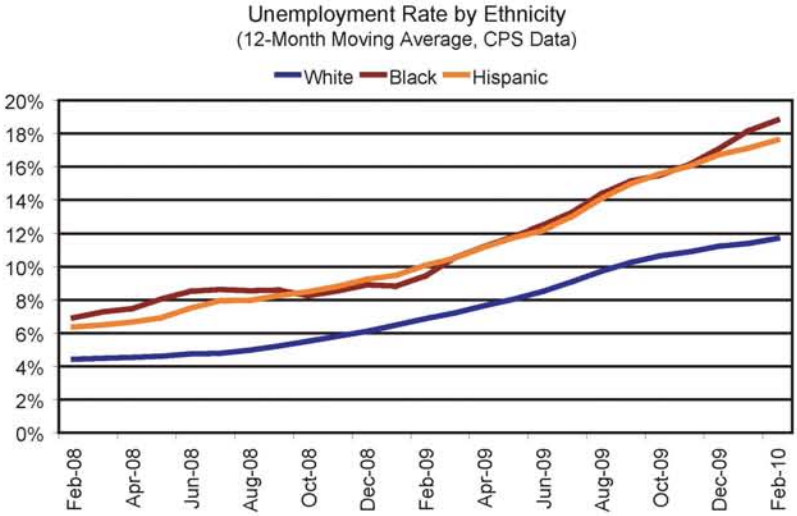
Trends at a Glance

Demographics of the Unemployed

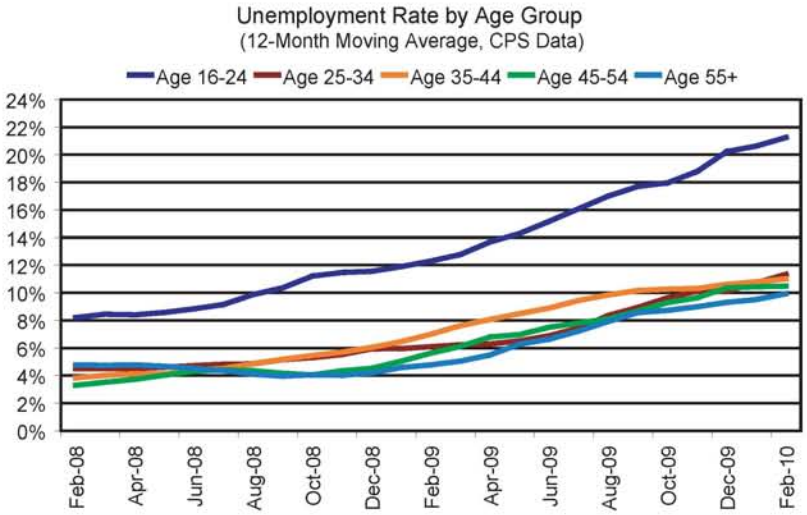
>The male unemployment rate increased four-tenths of a pecent to 13.8 pecent.
>The female unemployment rate increased four-tenths of a percent to 9.8 percent.



>The unemployment rate for Nevada's Hispanic labor force increased five-tenths of a percent to 17.6 percent in February.
>The rate for Nevada's unemployed Black labor force increased six-tenths of a percentage point to 18.8 percent.
>The unemployment rate for Nevada's White labor force increased three-tenths of a percent to 11.7 percent.



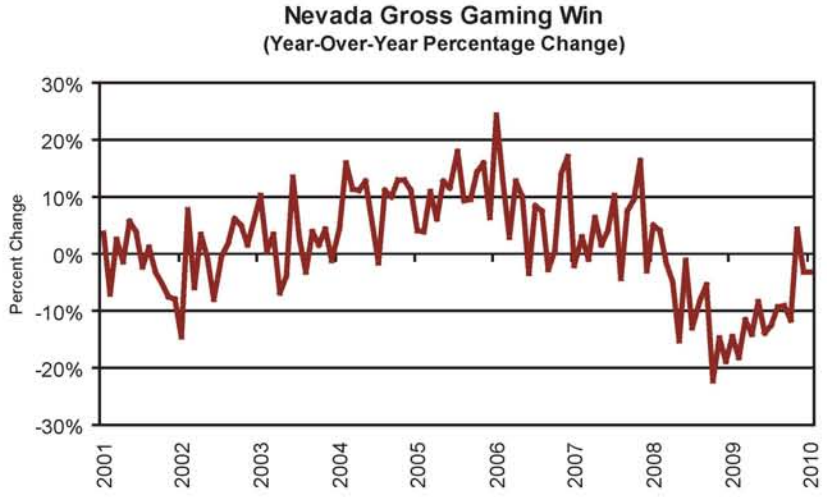
>Nevada's youngest workers are bearing the brunt of the recession worse than any other age group. At 21.3 percent, the unemployment rate for workers age 16-24 is nearly twice the rate of other groups.
>The unemployment rate for workers age 25-34 increased six-tenths to 11.3 percent.
>The unemployment rate for Nevada's oldest workers is 9.9 percent, up four-tenths from January.



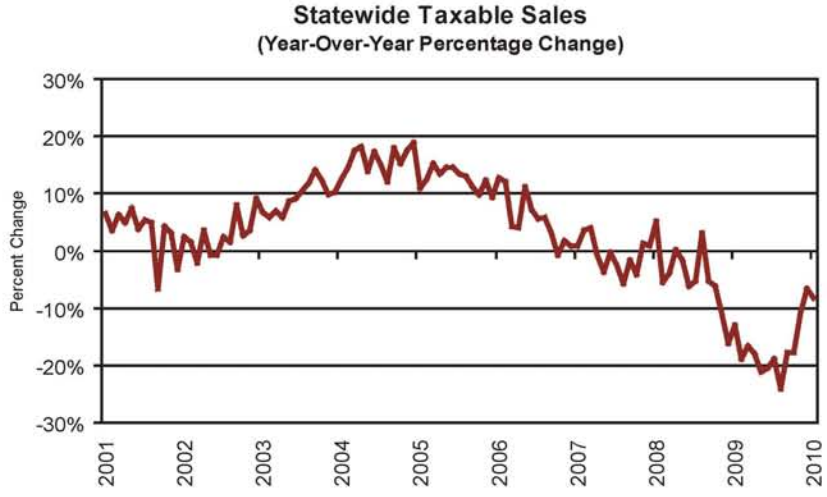
Trends at a Glance

Economic Indicators

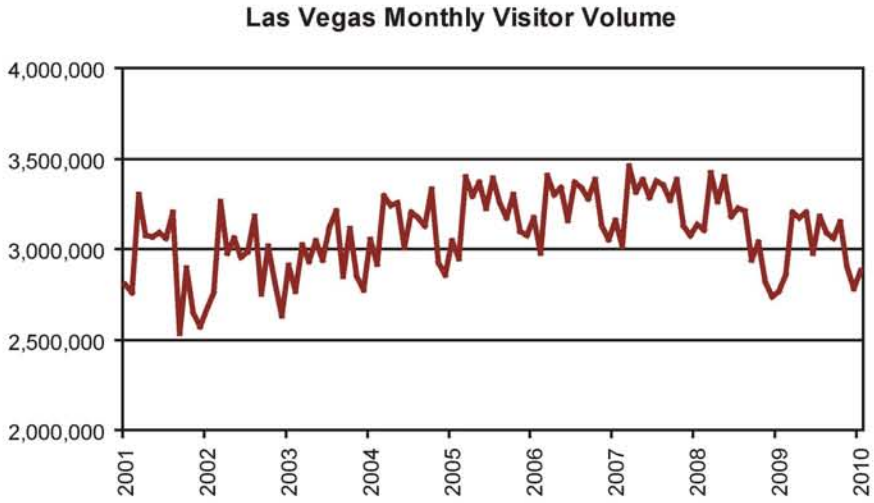
>Nevada gaming win was down 3.2 percent in January relative to the previous year.
>For the fiscal year, gaming win has decreased 6.6 percent year-to-date.



>In January, taxable sales fell 8.1 percent, with collections totalling $2,822,563,108.
>Through the first seven months of the fiscal year, taxable sales are down 15.2 percent compared to the same period in fiscal year 2009.



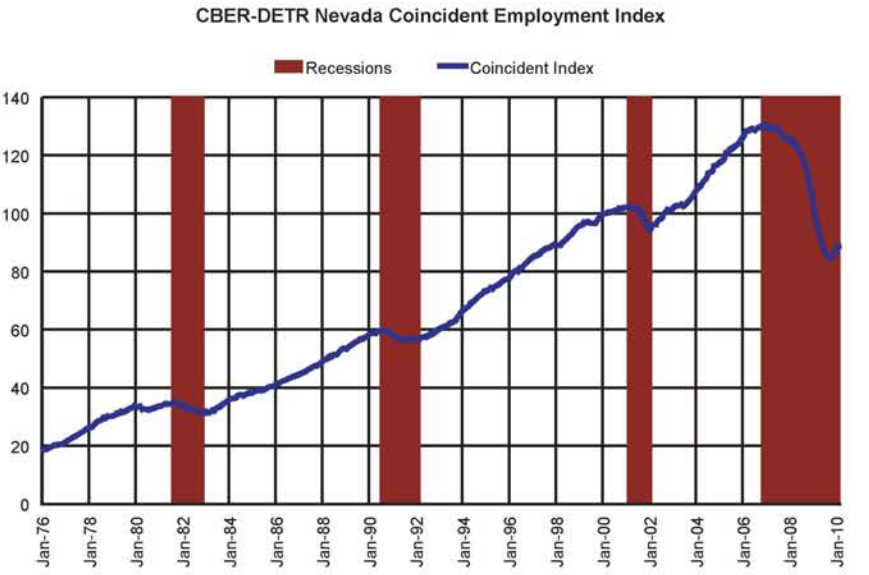
>Las Vegas visitor volume increased 111,800 in January relative to a year prior, a 4.0 percent increase. Year-over-year, visitor volume has increased five consecutive months.



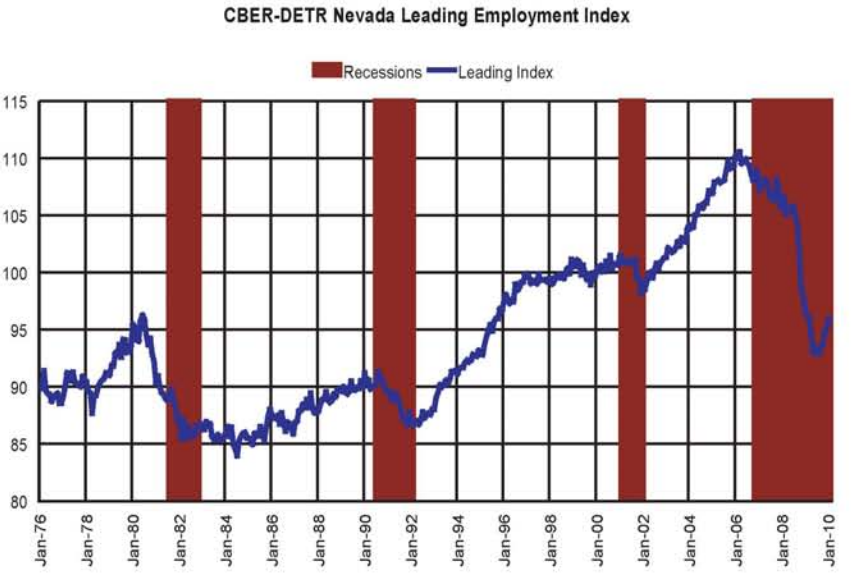
Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

>The employment recession may have ended in October, though only future data releases will ensure improvement. Based on seasonally adjusted data, the insured unemployment rate, household employment, and nonfarm employment moved in a positive direction. The remaining variable -- the unemployment rate – moved in a negative direction. Nonetheless, the coincident rose continuously from a trough in October.



>The Nevada leading employment index, which provides a signal about the future direction of the coincident index, showed a slight decrease of 0.2 percent from January. In February, the components of the leading index experienced the following changes -- initial claims for unemployment insurance, housing permits, the real Moody's Baa bond rate, commercial permits, and construction employment moved in a negative direction. The remaining variable -- the short-duration unemployment rate – moved in a positive direction. Thus, the leading index fell by a small amount between January and February 2010. Overall, the leading index moved slightly higher in five of the last six months and exceeds its level in April 2009.



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

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Phone: (775) 684-0450
Fax: (775) 684-0342
E-mail: detrlmi@nvdetr.org

Websites:
www.nevadaworkforce.com
www.nevadajobconnect.com
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January 2010

NEVADA'S PREMIER SOURCE OF WORKFORCE & ECONOMIC INFORMATION AND ANALYSIS

Economic Summary

As usual, in January, employers made seasonal cuts to employment, though this year's decline was not as drastic as last. In January 2009, job losses broke from long-term trend when employers cut 40,300 jobs in response to both seasonal and recessionary pressures. This year's job loss is more in line with typical seasonal layoffs. Nevada employers shed 25,300 jobs, just 450 more than the average decline over the past ten years. In response, the seasonally adjusted unemployment rate remained unchanged at 13.0 percent, with an estimated 187,700 Nevadans unemployed and actively seeking work.

Unemployment in the State's metropolitan areas increased as well, largely due to seasonal forces. The unemployment rate in the State's largest metropolitan area, Las Vegas, increased eight-tenths of a percent to 13.8 percent. The unemployment rate in the Reno-Sparks and Carson City areas increased one full percentage point each to 13.5 percent and 13.8 percent, respectively. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.7 percent in January.)

Industry employment trends followed their typical seasonal pattern. The elimination of temporary holiday positions caused Statewide retail trade employment to fall by 4,600 from December to January. The over-the-month change was the smallest during the past ten years, as fewer workers were needed to staff Nevada's retail establishments. State government decreased 5,100 in response to the

break the university system takes between semesters. Construction employment, which traditionally shrinks in January due to weather conditions, was down 3,200. Overall, the year-over-year employment decrease of 6.2 percent still shows significant job loss and aligns with the expectation that Nevada employers will struggle to maintain job levels in the year ahead.

In keeping with the Statewide trend, total non-farm employment in all three metropolitan statistical areas showed decreased employment levels. The magnitude of these over-the-month changes were not outside pre-recession patterns, but were significant none-the-less in light of an already struggling workforce. The Las Vegas area lost 17,100 jobs, Reno-Sparks lost 7,100, and Carson City lost 900.

Economic Indicators

UNEMPLOYMENT RATES	JAN 2009
NEVADA *	13.0%
LAS VEGAS-PARADISE MSA	13.8%
RENO-SPARKS MSA	13.5%
CARSON CITY MSA	13.8%
ELKO MICROPOLITAN AREA	8.1%
UNITED STATES *	9.7%
CALIFORNIA *	12.5%
* Seasonally Adjusted	
JOB GROWTH (Y-O-Y)	
NEVADA	-6.2%
LAS VEGAS-PARADISE MSA	-7.3%
RENO-SPARKS MSA	-6.3%
CARSON CITY MSA	-5.0%
UNITED STATES	-3.0%
CALIFORNIA	-4.8%
CONSUMER PRICE INDEX (Y-O-Y)	
UNITED STATES	2.6%
GAMING WIN (Y-O-Y)	
DEC 2008 - DEC 2009	
NEVADA	-3.2%
CLARK COUNTY	-2.4%
WASHOE COUNTY	-10.8%
TAXABLE SALES (Y-O-Y)	
DEC 2008 - DEC 2009	
NEVADA	-6.6%
CLARK COUNTY	-8.4%
WASHOE COUNTY	-8.9%

On a percentage basis, this year's benchmark (our annual revision process) of Nevada's 2009 employment was the largest in the history of the Current Employment Statistics program. The new employment levels show that Nevada lost 39,000 more jobs in 2009 than originally estimated. Instead of losing 76,100 jobs from 2008 to 2009,

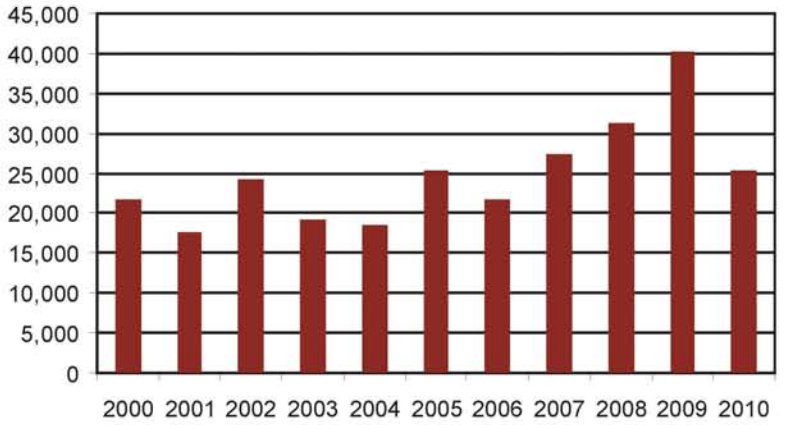
Economic Summary

Nevada actually lost 115,100 jobs, or 9.1 percent. Nevada's private sector lost 38,800 more jobs than originally estimated, resulting in a 10.1 percent loss over-the-year. The large variation is directly attributable to known shortcomings in the Bureau of Labor Statistic's (BLS) methodology. By limiting local analyst input, relying on weak sample response and applying inflated business birth-death factors, the estimate process failed to gauge the true extent of the employment downturn. Despite these concerns, the Research and Analysis Bureau will continue to cooperate with the BLS and strive to provide Nevadans with the highest quality employment estimates possible.

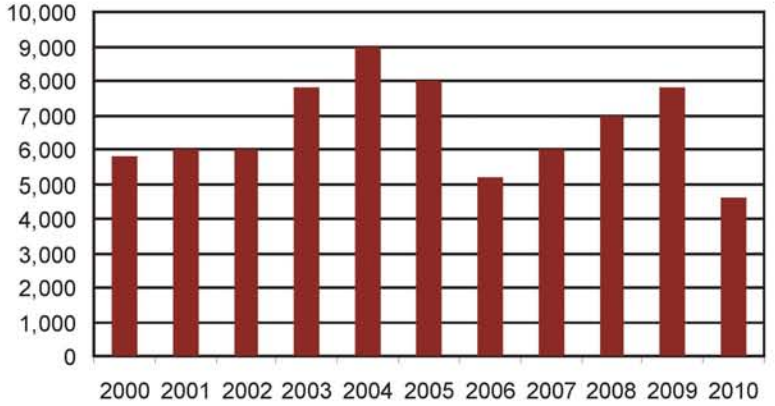
Based on results from the monthly Current Population Survey (CPS - a monthly Census Bureau survey encompassing approximately 50,000 households in the nation, about 1,000 of which are in Nevada) the recession continues to impact Nevada's population differently based on demographics. Due to the nature of the recession, particularly the negative effect on the construction sector, a traditionally male-dominated industry, some have come to term the downturn as a "mancession". The CPS numbers appear to bear this out. The unemployment rate for the State's male population averaged about 13.4 percent in the 12 months ending in January. The female unemployment rate over the same period is 9.4 percent, a four percentage point difference. Just one year ago, the male and female unemployment rates were roughly equal.

Race and ethnicity also appears to affect the likelihood that an individual is unemployed. The unemployment rate for the State's Black population was 18.2 percent on average in the 12 months ending in January. The unemployment rate for the State's Hispanic population was roughly 17.0 percent, and the unemployment rate for the State's White population was 11.4 percent over the same period.

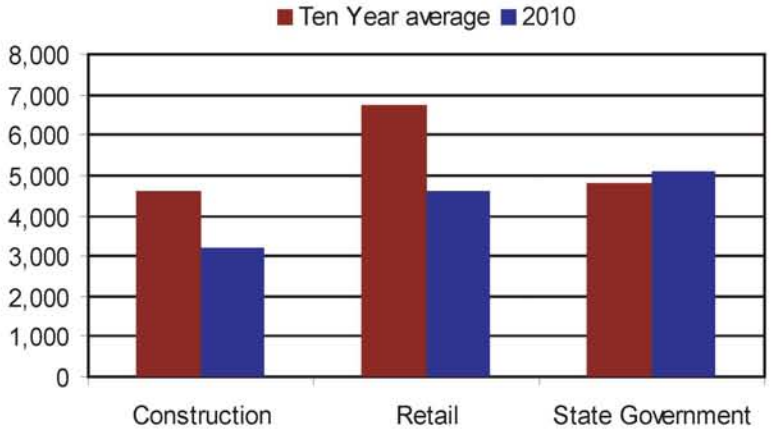
Nevada Seasonal Job Loss
(Dec-Jan seasonal layoffs)



Retail Industry Seasonal Job Loss
(Dec-Jan layoffs)



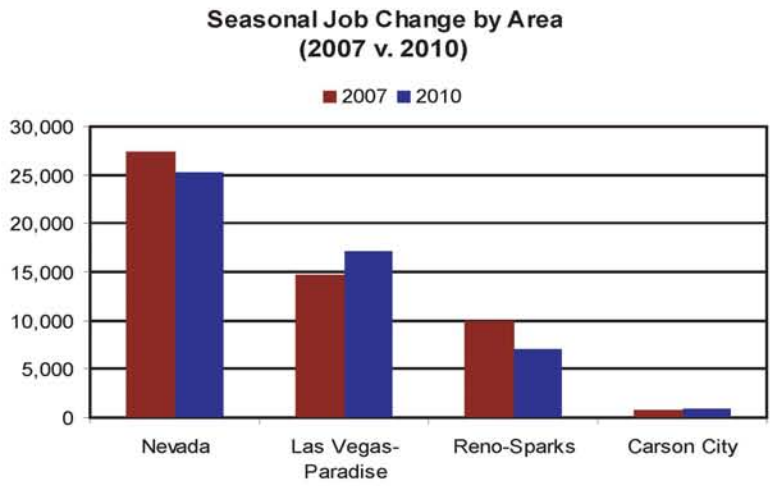
Seasonal Job Change by Industry
(Ten year average v. 2010 Dec-Jan)

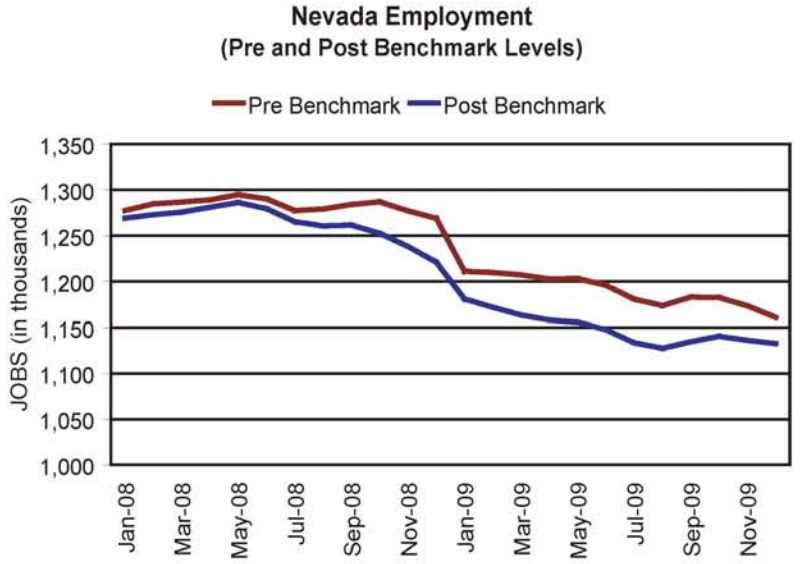


Economic Summary

DETR recently released new wage information for the third quarter of 2009. Analyses of recent trends highlight the disparate effects the recession has had on Nevada's industry sectors. At the height of the business cycle (third quarter 2006), Nevadans were averaging $751 per week. The figure grew by $58 per week in 2008, but fell by $4 per week to $805 over the year in the third quarter of 2009. By industry, over-the-year changes were mixed. The biggest improvement came in the natural resources and mining industry where wages grew by $59 per week. Improvements were also seen in the education and health services sector, up $21 per week, and the manufacturing and public administration sectors, where average weekly wages were $18 per week higher in 2009:QIII than in 2008:QIII. Conversely, declining sectors include leisure and hospitality where average weekly wage fell $15, followed by financial activities, down $11 per week, and trade, transportation and utilities whose average weekly wage fell by $4 per week. Despite the over-the-year losses, average weekly wages across all industries are still $54 higher than the third quarter of 2006. The only industry with lower wages in 2009 than in 2006 is the financial activities sector where wages have fallen by $3 per week since the height of the business cycle.

Jered McDonald
Economist
Research and Analysis Bureau





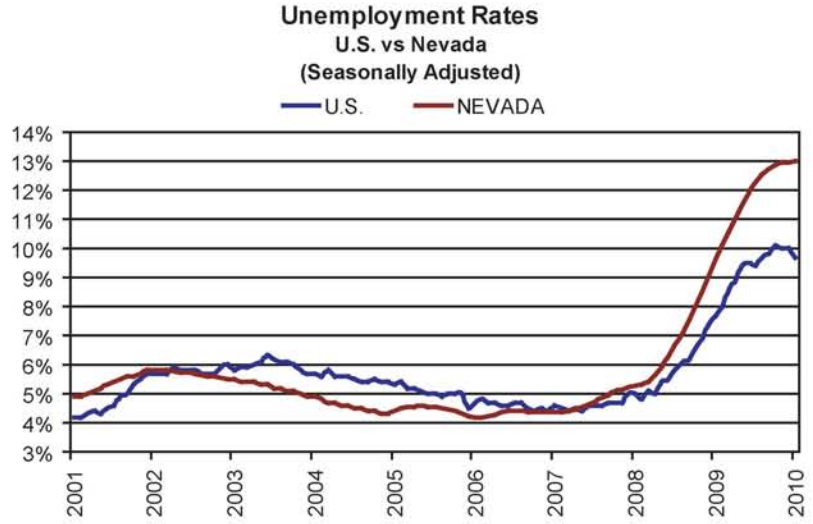
Quarterly Wages by Industry -- Peak Versus Current

Industry	2006 Q3	2008 Q3	2009 Q3	Over The Year	Since Peak
Total, All Industries	**$751**	**$809**	**$805**	**-$4**	**$54**
Natural Resources & Mining	1,120	1,213	1,272	59	152
Construction	892	1,092	1,103	11	211
Manufacturing	829	903	921	18	92
Trade, Trans. & Utilities	678	697	693	-4	15
Information	929	991	998	7	69
Financial Activities	901	909	898	-11	-3
Professional & Business Srvcs.	850	942	959	17	109
Education & Health Srvcs.	858	907	928	21	70
Leisure & Hospitality	539	568	553	-15	14
Other Services	571	595	603	8	32
Public Administration	1,073	1,169	1,187	18	114
Unclassified	908	1,097	1,015	-82	107

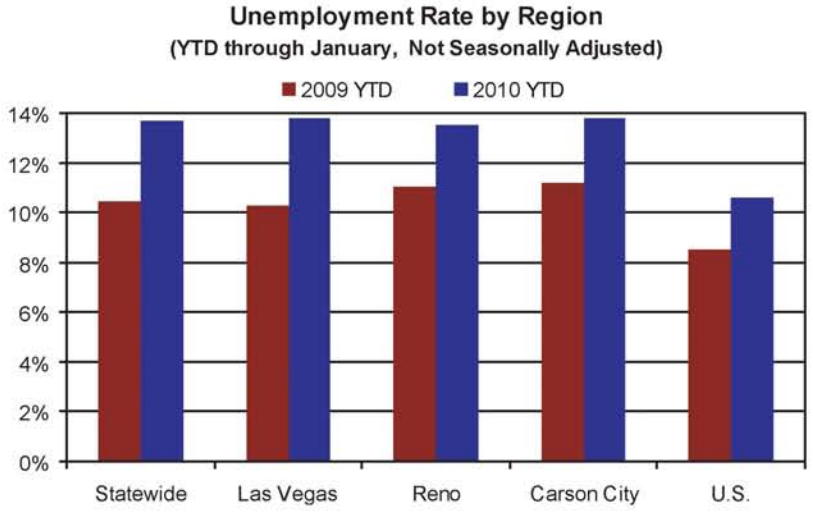
Trends at a Glance

Unemployment

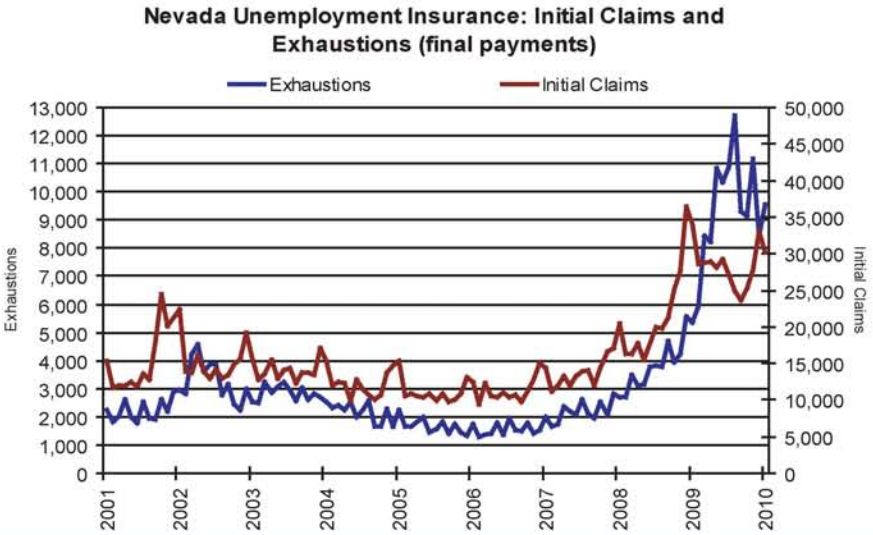
>Nevada's seasonally adjusted unemployment rate was 13.0 percent in January, unchanged from December. As of December 2009, Nevada has the second highest unemployment rate in the nation, trailing only Michigan.
>Nationally, the unemployment rate stood at 9.7 percent in January. Nevada's jobless rate has exceeded the national average since early-2007. Prior to that, it had been trending below the U.S. for several years.



>At 13.7 percent, the Statewide unadjusted unemployment rate is up 3.3 percentage points YTD from 2009 to 2010.
>The Las Vegas-Paradise MSA recorded an unemployment rate of 13.8 percent YTD in 2010, a 3.5 percentage point increase over-the-year.
>The Reno-Sparks MSA's jobless rate was 13.5 percent YTD in 2010. On an annual basis, the rate is up 2.5 percentage points over-the-year.
>The jobless rate in Carson City was 13.8 percent YTD in January, up 2.6 percentage points over-the-year.



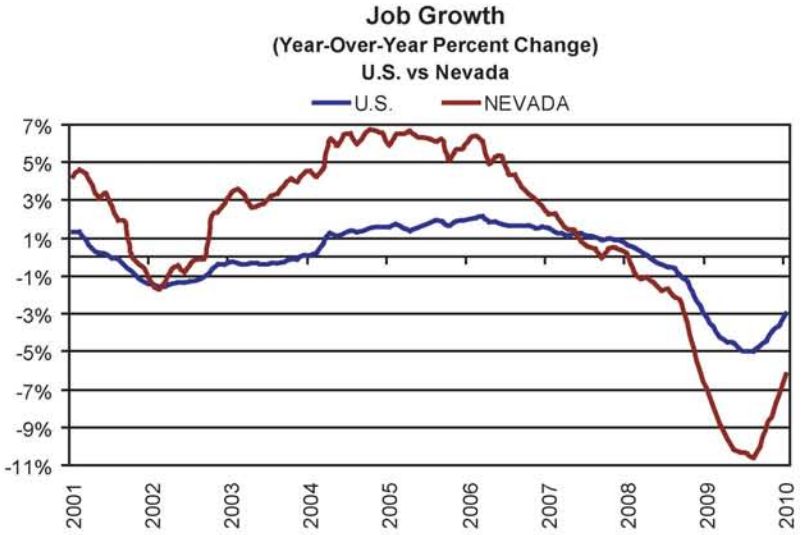
>Initial claims for unemployment insurance decreased by 2,831 in January to 30,190. Over-the-year, claims are down by 11.2 percent. It is the second consecutive month of over-the-year declines.
>Final payments, signifying an exhaustion of regular State benefits, increased in January from December by 1,113. Over-the-year final payments were up 77.6 percent.



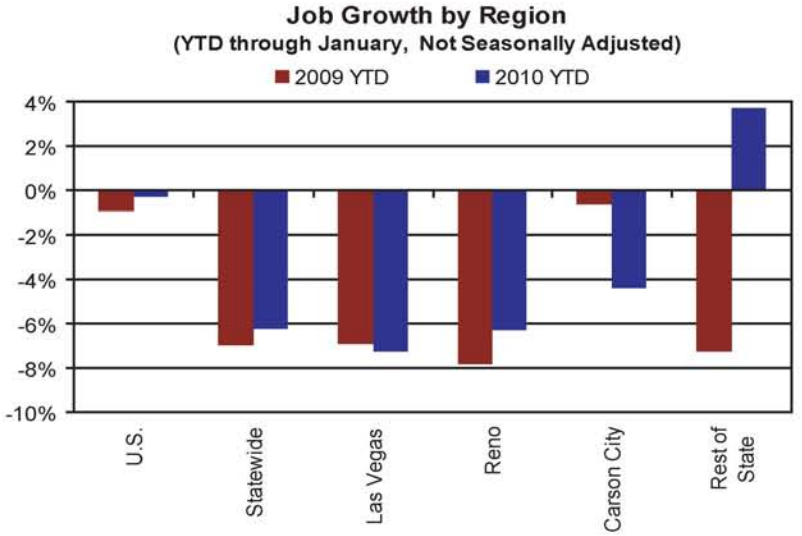
Trends at a Glance

Industrial Employment

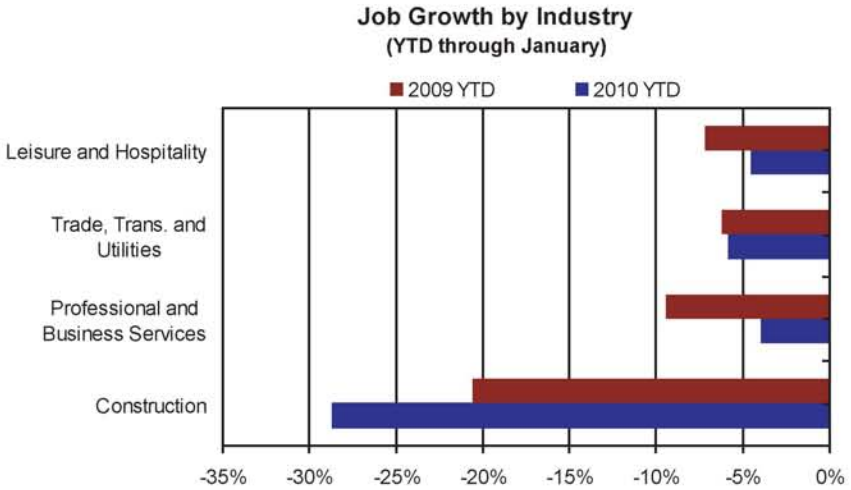
>Industrial employment in Nevada fell 6.2 percent in January relative to a year prior, equating to a loss of 73,500 jobs.
>January job readings were down 3.0 percent nationally relative to January 2009.



>Employment levels in January were lower than year-ago levels throughout all regions of the State, except in the non-metro area combined.
>The Las Vegas MSA's job count fell 7.3 percent YTD in 2010 relative to 2009.
>In the Reno MSA, YTD job readings were down 6.3 percent in 2010 relative to 2009.
>In Carson City, employment fell 5.0 percent YTD from 2009 to 2010.
>The non-metropolitan areas of the State saw some job growth through the firt montth of the year. Job growth was up 3.7 percent.



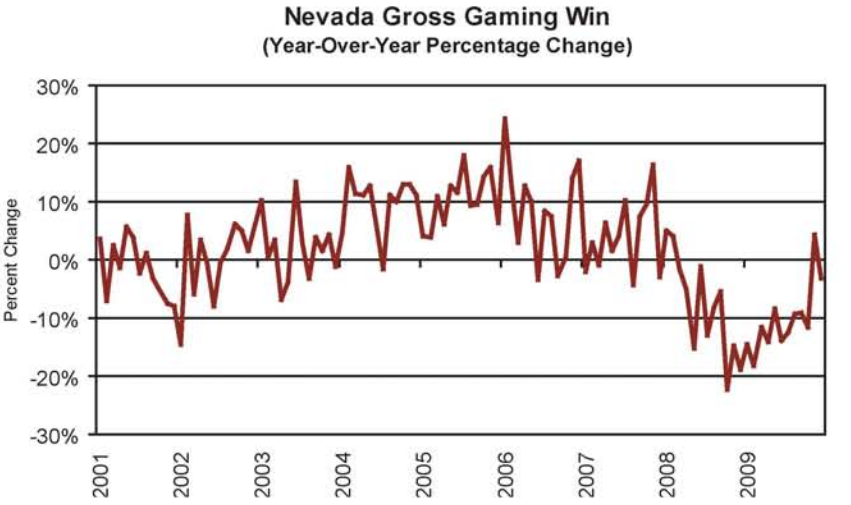
>Approximately 27,100 jobs have been lost in the construction industry through through the first month of the year, a 23.0 percent annual decline. The sector continues to struggle given constrained lending and weak demand for new development -- residential and commerical.
>The State's largest industry sector, leisure and hospitality, continues to struggle. Industry employment was down 6.5 percent in through January 2010 relative to a year prior.



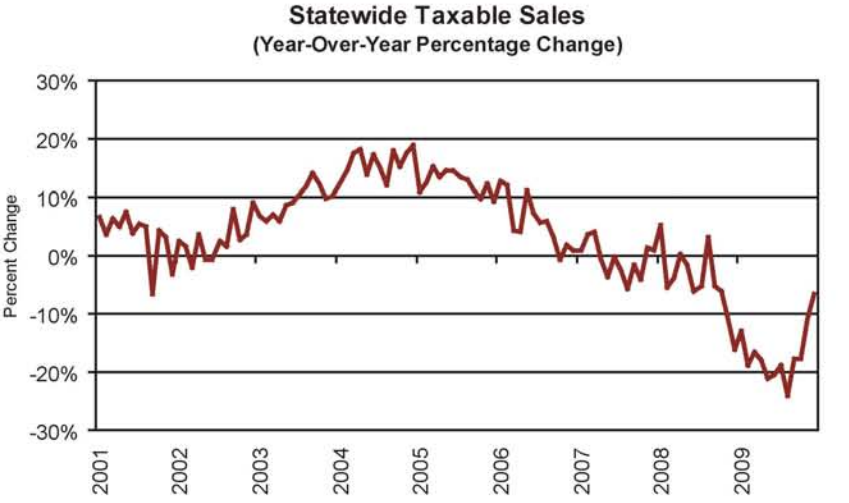
Trends at a Glance

Economic Indicators

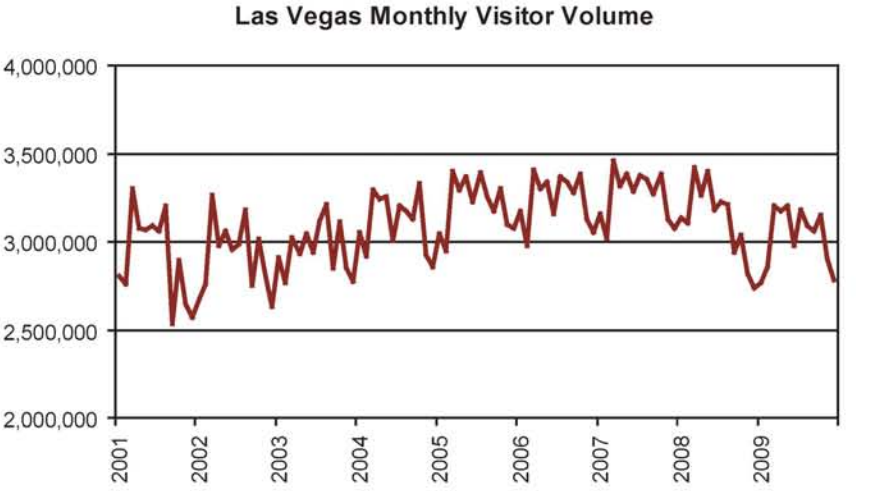
>Nevada gaming win was down 3.2 percent in December relative to the previous year.



>In December, taxable sales fell 6.6 percent, with collections totalling $3,655,570,733. It is the fist single digit decline since October 2008 (6.2 percent).
>Through the first six months of the fiscal year, taxable sales are down 16.1 percent compared to the same period in 2010.



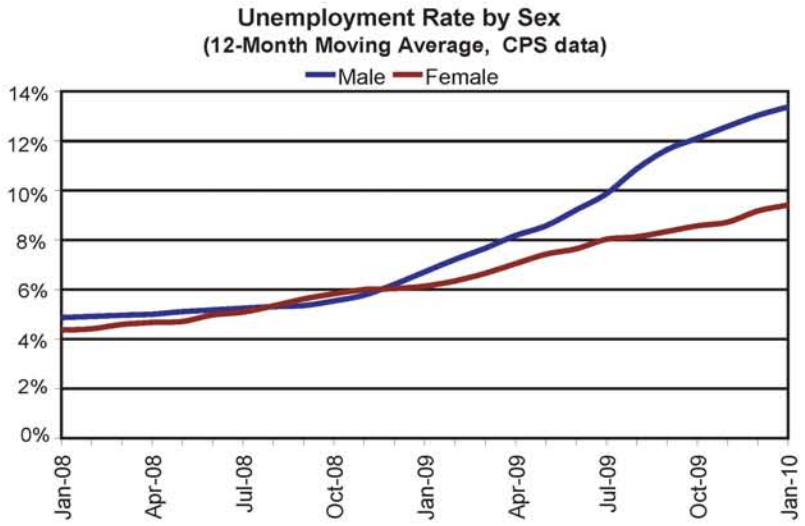
>Las Vegas visitor volume increased 40,949 in Decmber relative to a year prior, a 1.5 percent increase. Visitor volume has increased four consecutive months.



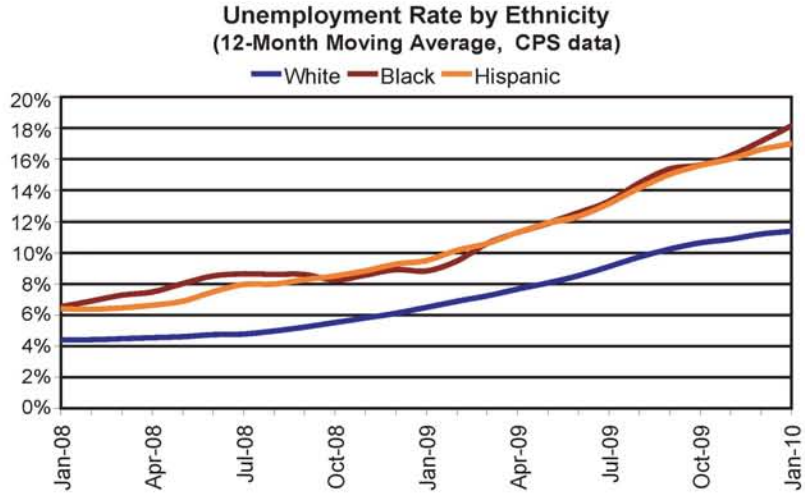
Trends at a Glance

Demographics of the Unemployed

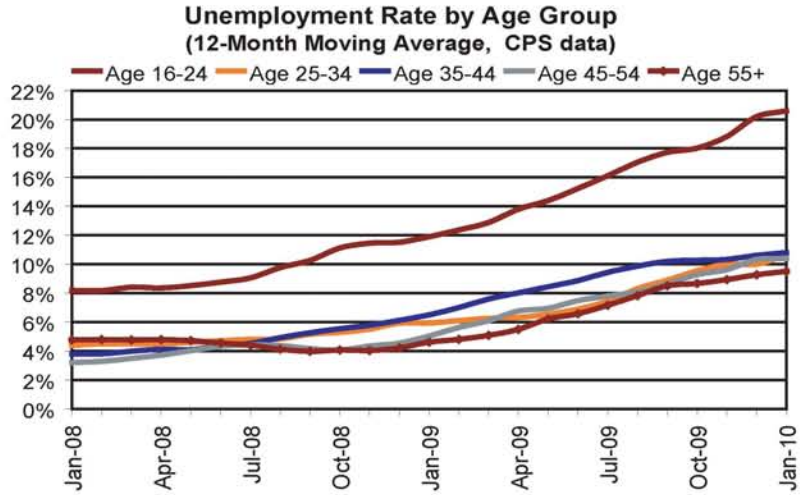
>The male unemployment rate increased four-tenths of a pecent to 13.4 pecent.
>The female unemployment rate increased two-tenths of a percent to 9.4 percent.



>The unemployment rate for Nevada's Hispanic labor force increased two-tenths of a percent to 16.9 percent in January.
>The rate for Nevada's Black labor force increased one percent to 17.2 percent.
>The unemployment rate for Nevada's White labor force increased two-tenths of a percent to 11.4 percent.



>Nevada's younger workers are bearing the brunt of the recession worse than any other age group. At 20.6 percent, the unemployment rate for workers age 16-24 is nearly twice the rate of other groups.
>The unemployment rate for workers age 25-34 increased two-tenths to 10.8 percent.
>The unemployment rate for Nevada's oldest workers is 9.5 percent, up two-tenths from December.



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

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Phone: (775) 684-0450
Fax: (775) 684-0342
E-mail: detrlmi@nvdetr.org

Websites:
www.nevadaworkforce.com
www.nevadajobconnect.com
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