

ECONOMY IN BRIEF

June 2010

DETR RESEARCH & ANALYSIS BUREAU
Division of Economic and Technical Research

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

Economic Summary

Segments of Nevada's private sector showed signs of life in June, but overall, labor market weakness persisted. Reaching a new record high, Nevada's unemployment rate ticked up two-tenths of a percent to 14.2 percent, with an estimated 193,300 out of work. At the national level, the unemployment rate declined to 9.5 percent from 9.7 the previous month. This is a good sign, since a national economic rebound is a prerequisite for improvement in Nevada. But with stimulus dollars running short and private employers thus far sitting on the sidelines, expectations for near-term economic growth have dimmed somewhat.

Statewide, total employment decreased by 1,400, even though private sector employers added 3,400 jobs. Seasonal declines in state and local government offset improvement in the private sector. Employers in the trade, transportation and utilities industry, which include wholesale and retail trade, added 2,000 jobs. The previous month's unusual job contraction in the education and health services sector reversed itself in June with an over-the-month employment increase of 2,100. Preliminary data in the construction industry brought an unanticipated loss of 2,400 jobs as many participants in the survey indicated the end of specific projects as the reason for the lower employment numbers.

State and local government employers shed 4,800 jobs, but most were seasonal, and tied to the end of the school year. The temporary census hiring which fueled the previous increases in federal government

Unemployment Rate by County



employment has ended, and the positions will cease to exist in the next couple of months.

The Las Vegas-Paradise MSA total nonfarm employment decreased by 100 jobs. The employment situation in Las Vegas mirrored statewide changes. The private sector created 3,700 jobs, while the public sector shed 3,800. Employment in the Reno-Sparks MSA decreased by 1,100 as private sector hiring stalled and the public sector dropped a 1,000 jobs. Total nonfarm employment in the Carson City MSA decreased by 100.

The unemployment rate in the State's metro areas increased due to seasonal layoffs. In Las Vegas, the rate increased four-tenths to 14.5 percent. In the Reno-Sparks area, the jobless rate

Economic Indicators

| UNEMPLOYMENT RATES | JUN 2010 |
|------------------------|----------|
| NEVADA * | 14.2% |
| LAS VEGAS-PARADISE MSA | 14.5% |
| RENO-SPARKS MSA | 13.6% |
| CARSON CITY MSA | 13.4% |
| ELKO MICROPOLITAN AREA | 8.5% |
| UNITED STATES * | 9.5% |
| CALIFORNIA * | 12.3% |

* Seasonally Adjusted

JOB GROWTH (Y-O-Y)

| | |
|------------------------|-------|
| NEVADA | -2.3% |
| LAS VEGAS-PARADISE MSA | -2.9% |
| RENO-SPARKS MSA | -2.8% |
| CARSON CITY MSA | -2.7% |
| UNITED STATES | -0.1% |
| CALIFORNIA | -1.3% |

CONSUMER PRICE INDEX (Y-O-Y)

| | |
|---------------|------|
| UNITED STATES | 1.1% |
|---------------|------|

GAMING WIN (Y-O-Y)

| | |
|---------------------|-------|
| MAY 2009 - MAY 2010 | |
| NEVADA | -4.7% |
| CLARK COUNTY | -4.4% |
| WASHOE COUNTY | -7.9% |

TAXABLE SALES (Y-O-Y)

| | |
|---------------------|------|
| APR 2009 - APR 2010 | |
| NEVADA | 2.0% |
| CLARK COUNTY | 3.5% |
| WASHOE COUNTY | 7.1% |

reached 13.6 percent, an increase of three-tenths of a percent from the previous month. In Carson City, the unemployment rate ticked up to 13.4 percent from 13.2 percent in May. In the Elko micropolitan area (includes Elko and Eureka counties), the unemployment rate increased to 8.5 percent from 8.3 the previous month. (Unemployment rates for the State's metropolitan areas

Economic Summary

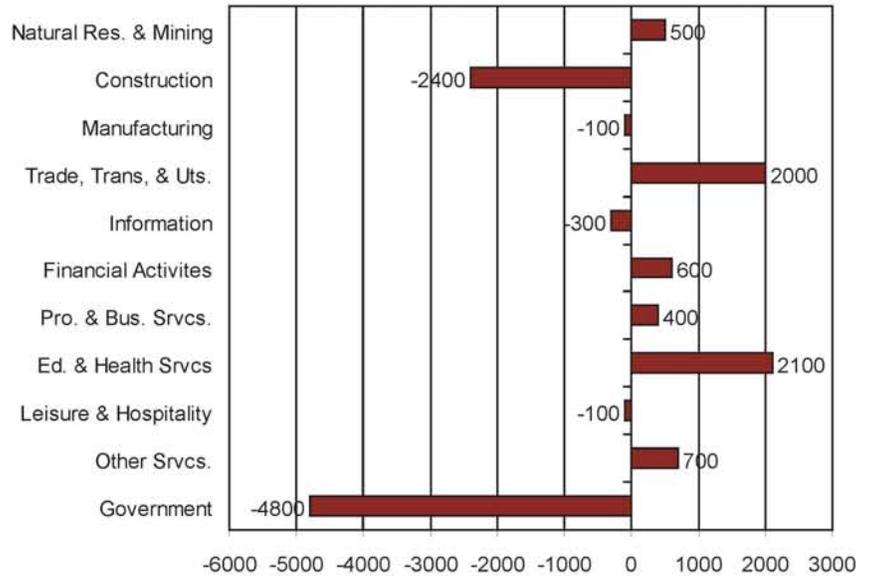
are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 14.2 percent in June, up from 13.8 percent in May.)

One thing that many Nevadans have come to realize during the current recession is that economic forces beyond our borders have the potential to significantly impact the Silver State. Along those same lines, policy decisions at the national level can potentially have significant ramifications here in Nevada. Federal unemployment benefits extensions implemented between July 2008 and November 2009 expired in June, affecting a growing number of Unemployment Insurance (UI) recipients as the number of potential weeks of unemployment benefits dropped from 99 weeks to 26 weeks. These recipients fall into three categories: those who exhausted their initial unemployment benefits and have no extensions available (Regular UI); those who were in an existing tier of federal Emergency Unemployment Compensation (EUC) benefits; and those who were receiving State Extended Benefits (SEB), which was being fully funded by the federal government on a temporary basis but triggered off with the expiration of these extensions.

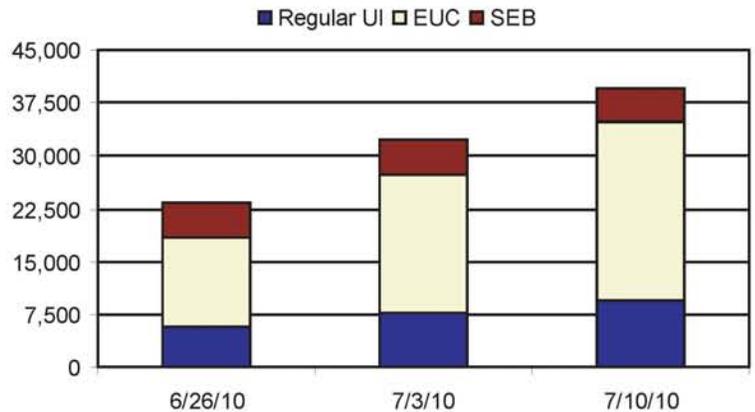
In the week ending July 10th, benefit expirations impacted approximately 7,300 additional individuals, and to date, nearly 40,000 people have exhausted UI benefit eligibility. At an average payment of around \$300, this removed almost \$12 million in federally-paid unemployment benefits from Nevada's economy in just one week.

Looking ahead, the additional impact from the expiration of the EUC program will be spread unevenly across the next four months. EUC is divided into four tiers of benefits, ranging from 6 to 20 weeks in duration, for a total of up to 53 weeks. Most claimants who were in the shortest tier of benefits when the

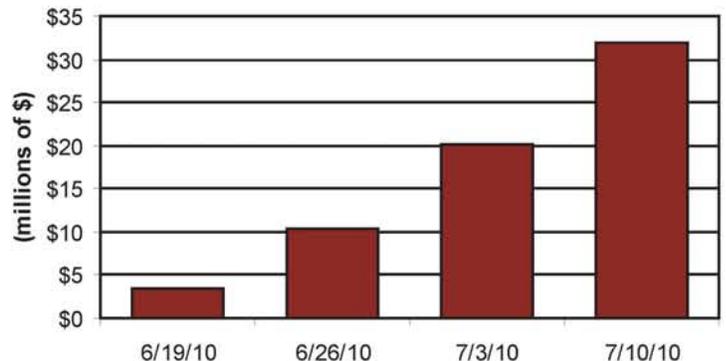
May to June Employment Change by Industry



Persons affected By The End of UI Extensions



Cumulative Effect of Expired Unemployment Extensions



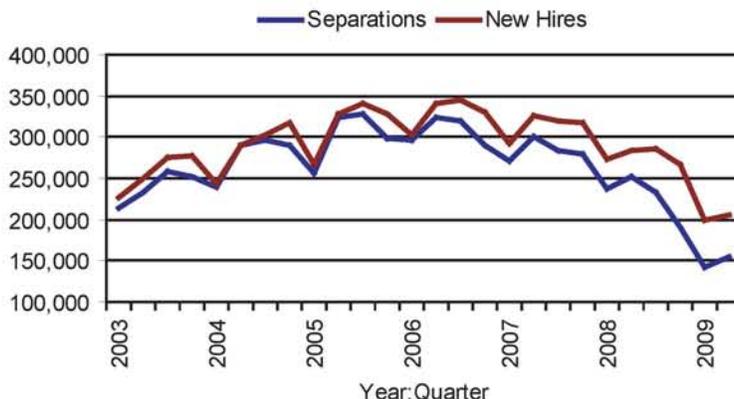
Economic Summary

program expired will have exhausted all benefits by the end of July, while those who were near the beginning of the longest tier could be eligible for continuous benefits through the end of October.

Even at the height of the recession, employees move from job to job -- sometimes at the will of the employee and sometimes the employer. "Churn" in the labor market, called employment dynamics, represents job flows in the economy. Workers transitioning from one job to another are measured as "separations" when they leave one job and "new hires" as they enter another. This type of information is available via Local Employment Dynamics (LED), a cooperative program between the U.S. Census Bureau and the Nevada Department of Employment, Training and Rehabilitation. The program merges UI administrative records with census data to track the flow of workers in the economy.

An analysis of the information, as expected, shows that the business cycle strongly influences separations and new hires, though in unexpected ways. In an economy like Nevada's, with large shares of service and construction jobs, instability is common. In fact, separations outnumber new hires most of the time. At the height of the business cycle, separations and new hires tend to surge, though the difference between the two shrinks, as was the case at the height of the business cycle, in the third quarter of 2006. At the time, separations totaled 344,622 and new hires reached 319,766, a difference of 24,856. At the depths of the recession, in the second quarter of 2009, both measures were lower overall, but the difference more than doubled. There were 204,769 separations and 153,897 new hires for a difference of 50,873. Two apparent explanations are: 1) employers are shedding a far greater number of employees than they are hiring; and 2) employees' opportunities shrink in a recession and they become

Nevada New Hires and Separations, 2003 Q:I to 2009 Q:II



Nevada New Hires by Industry, 2009 Q:II

| Industry | New Hires |
|------------------------------------|----------------|
| Total, All Industries | 153,897 |
| Leisure & Hospitality | 40,020 |
| Professional & Business Services | 30,746 |
| Trade, Transportation, & Utilities | 29,175 |
| Construction | 16,410 |
| Education & Health Services | 15,692 |
| Financial Activities | 7,073 |
| Other Services | 5,559 |
| Manufacturing | 3,052 |
| Government | 2,430 |
| Information | 2,223 |
| Natural Resources & Mining | 1,517 |

less likely to voluntarily give up a job to move to another company, where they may have less seniority and job security.

New hire and separation data is also available by industry. Many industries continue to fill vital positions even when the labor market is contracting. During the worst of the recession, top hiring industries included leisure and hospitality who added 40,020; professional and business services added 30,746 new employees; and trade, transportation and utilities hired 29,175. In all, employers hired 153,897 new employees in the second quarter of 2009. The trend shows that while competition is extremely

high, opportunities are out there, even in a declining labor market.

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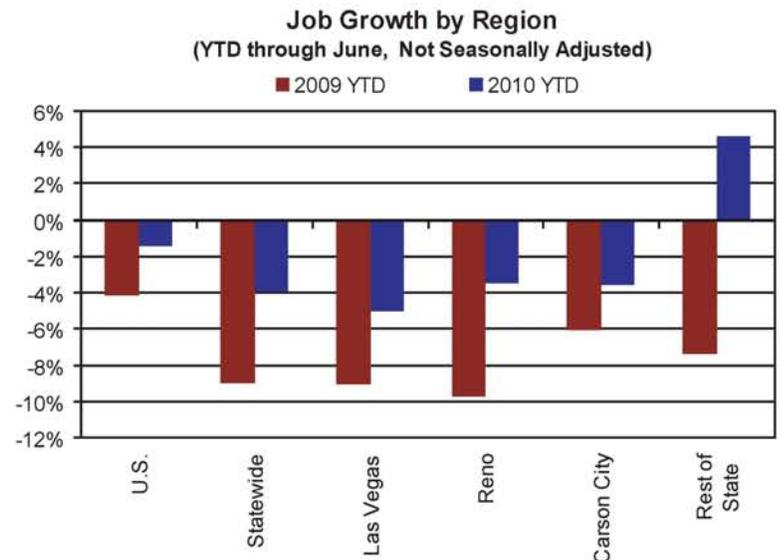
Trends at a Glance

Industrial Employment

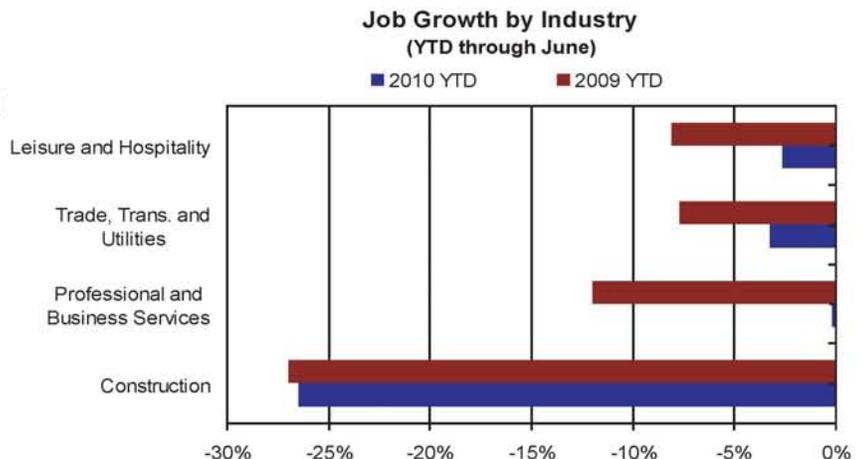
- >Industrial employment in Nevada fell 2.3 percent in June relative to a year prior, equating to a loss of 26,300 jobs.
- >June job readings were down 0.1 percent nationally relative to June 2009.



- >Job losses are moderating throughout all regions of the State. The year-to-date annual growth rates are higher than a year ago.
- >The Las Vegas MSA's job count fell 5.0 percent YTD in June relative to June 2009.
- >In the Reno MSA, YTD job readings were down 3.5 percent in June 2010.
- >In Carson City, employment fell 3.5 percent YTD from June 2009 to June 2010.
- >The non-metropolitan areas of the State saw some job growth through the first half of the year. Job growth was up 4.6 percent.



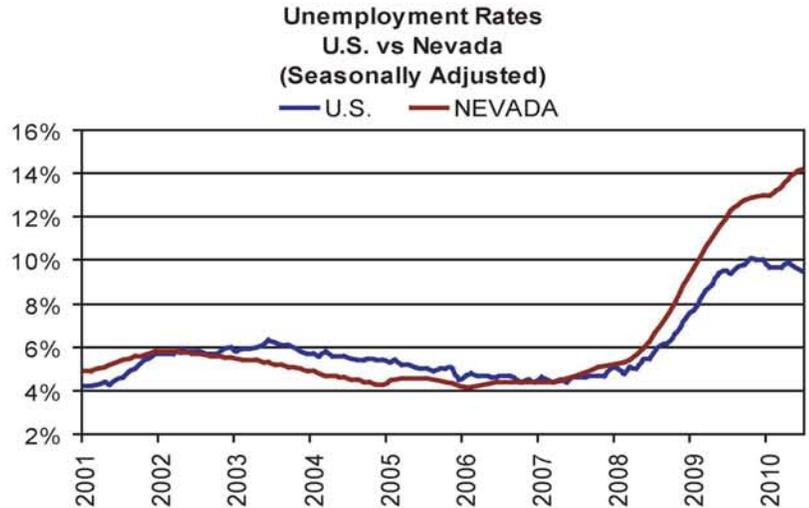
- >Approximately 23,300 jobs have been lost in the construction industry YTD through June, a 26.5 percent annual decline, though the decline softened for the second straight month. The year-to-date annual growth rate is higher than prior year for the first time since June 2005.
- >Job losses in the State's largest industry, leisure and hospitality, continues to moderate. Industry employment was down 2.7 percent YTD through June relative to a year prior. A year earlier, job losses were down 8.1 percent over the same time frame.



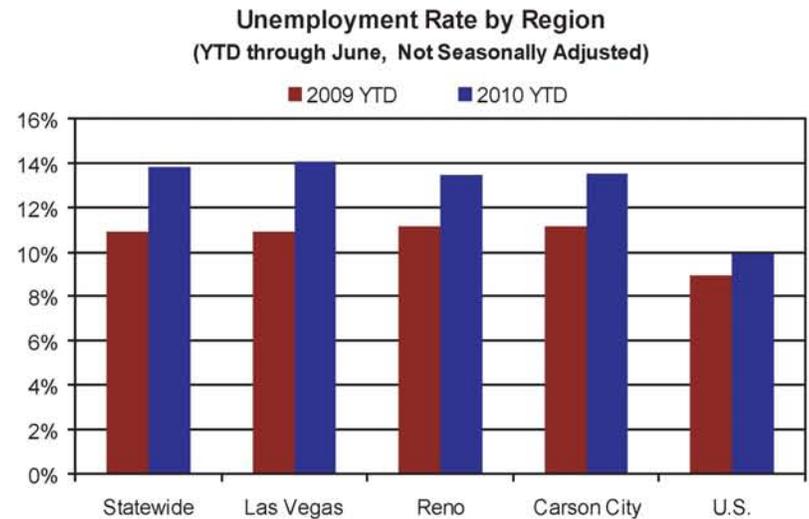
Trends at a Glance

Unemployment

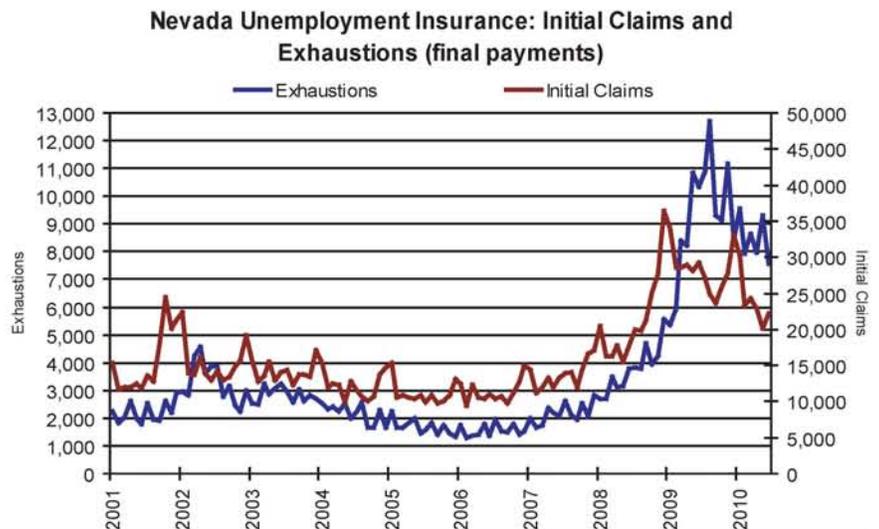
- >Nevada's seasonally adjusted unemployment rate was 14.2 percent in June. Nevada has the highest unemployment rate in the nation. The next highest is Michigan with 13.2 percent.
- >Nationally, the unemployment rate fell two-tenths of a percent to 9.5 percent in June. Nevada's jobless rate exceeded the national average by 4.7 percentage points.



- >At 13.8 percent, the Statewide unadjusted unemployment rate is up 2.9 percentage points YTD from 2009 to 2010.
- >The Las Vegas-Paradise MSA recorded an unemployment rate of 14.1 percent YTD through June, a 3.2 percentage point increase over-the-year.
- >The Reno-Sparks MSA's jobless rate was 13.4 percent YTD through June. On an annual basis, the rate is up 2.3 percentage points over-the-year.
- >The jobless rate in Carson City was 13.5 percent YTD in June, up 2.3 percentage points over-the-year.



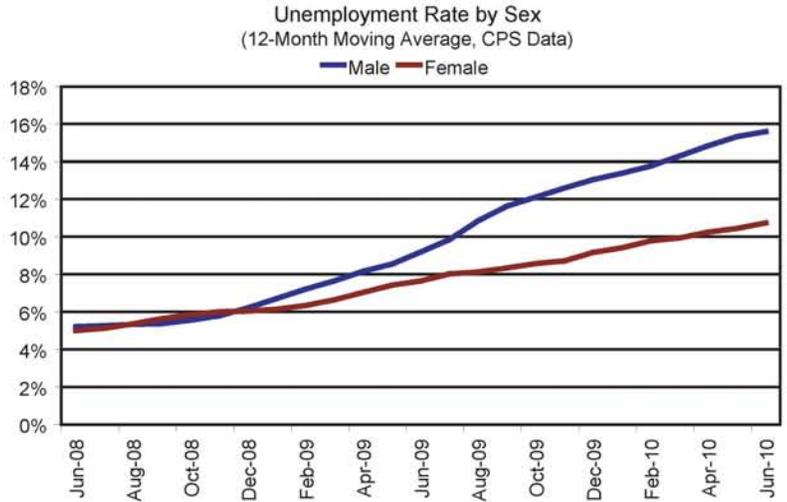
- >Initial claims for unemployment insurance increased by 2,078 in June to 22,214. Over-the-year, claims are down by 24.0 percent.
- >Final payments, signifying an exhaustion of regular State benefits, decreased in June from May by 1,740. Over the-year, final payments were down 26.6 percent.



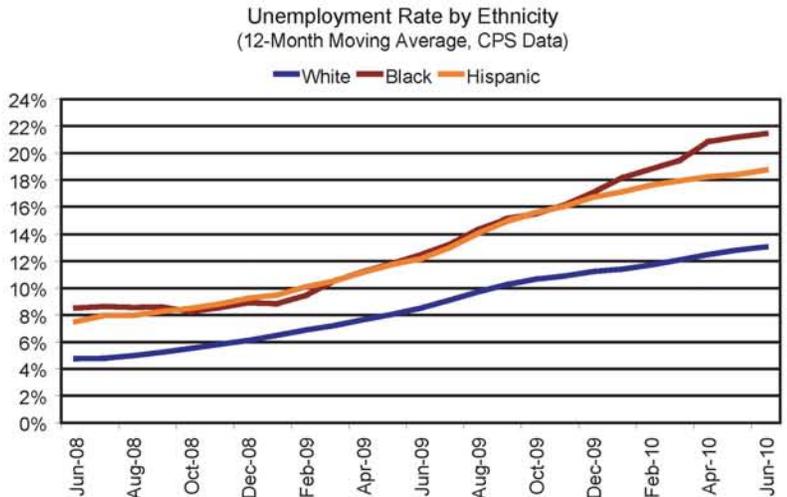
Trends at a Glance

Demographics of the Unemployed

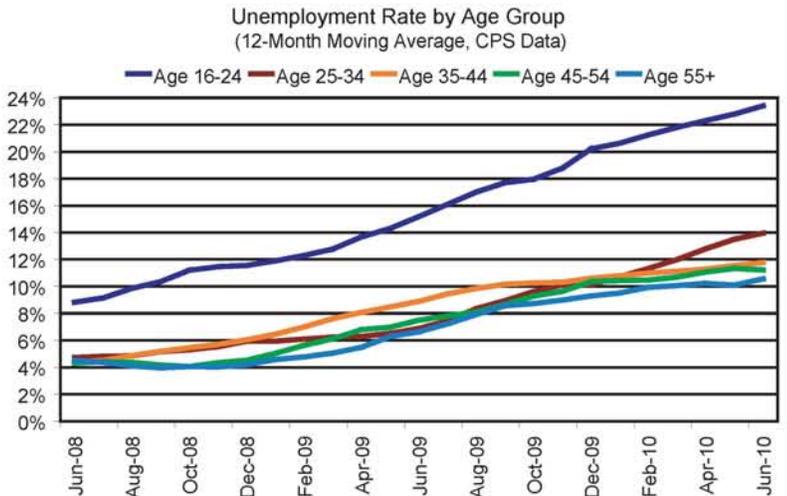
- >The male unemployment rate increased five-tenths of a percent to 14.3 percent.
- >The female unemployment rate increased one-tenth of a percent to 9.9 percent.
- >Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries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



- >The unemployment rate for Nevada's Hispanic labor force increased three-tenths of a percent to 18.7 percent in June.
- >The rate for Nevada's unemployed Black labor force increased two-tenths of a percentage point to 21.4 percent.
- >The unemployment rate for Nevada's White labor force increased three-tenths of a percentage point to 13.1 percent.



- >Nevada's youngest workers continue to bear the brunt of the recession worse than any other age group. At 23.4 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 14.0 percent.
- >The unemployment rate for Nevada's oldest workers is 10.6 percent, up five-tenths from May.

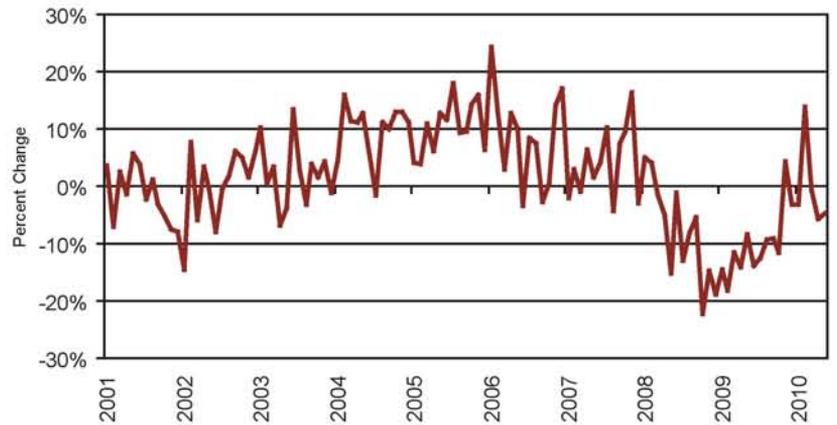


Trends at a Glance

Economic Indicators

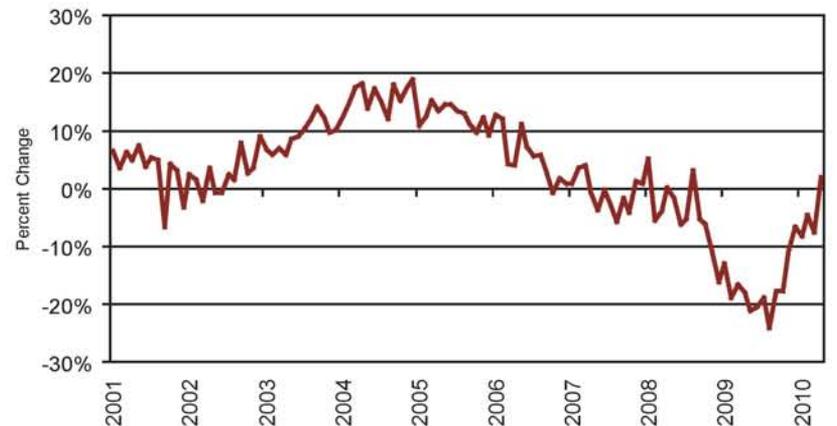
- > Nevada gaming win was down 4.7 percent in May relative to the previous year.
- > For the fiscal year, gaming win has decreased 4.1 percent year-to-date.

Nevada Gross Gaming Win
(Year-Over-Year Percentage Change)



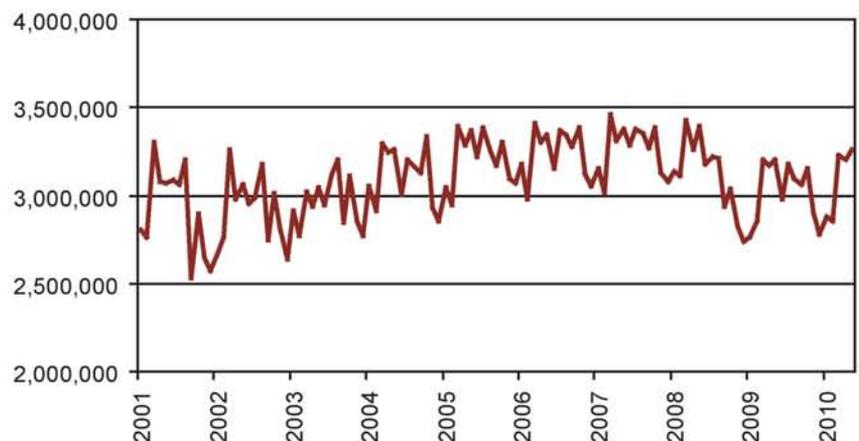
- > In April, taxable sales increased 2.0 percent, with collections totalling \$3,282,824,111.
- > For the fiscal year-to-date, taxable sales are down 11.9 percent compared to the same period in 2009.

Statewide Taxable Sales
(Year-Over-Year Percentage Change)



- > Las Vegas visitor volume increased 63,112 in May relative to a year prior, a 2.0 percent increase. Year-to-date, visitor volume is up 1.5 percent in 2010 compared to a year earlier.

Las Vegas Monthly Visitor Volume

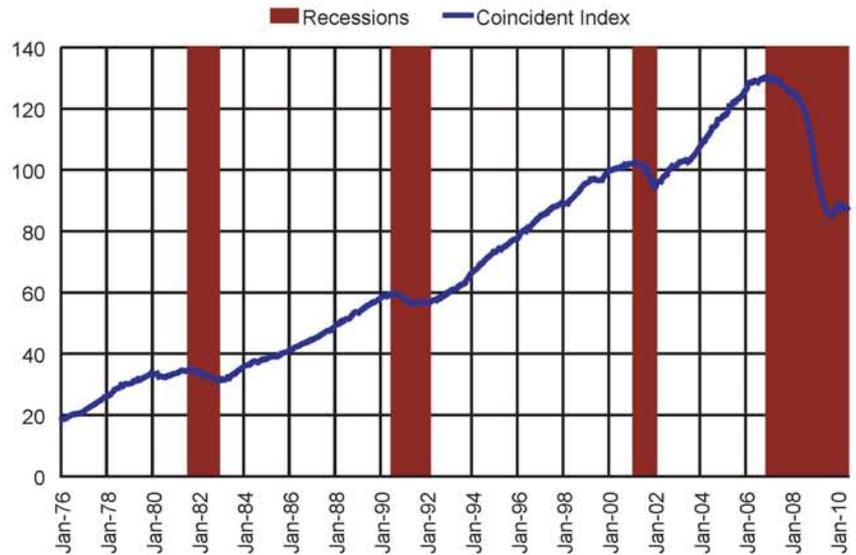


Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

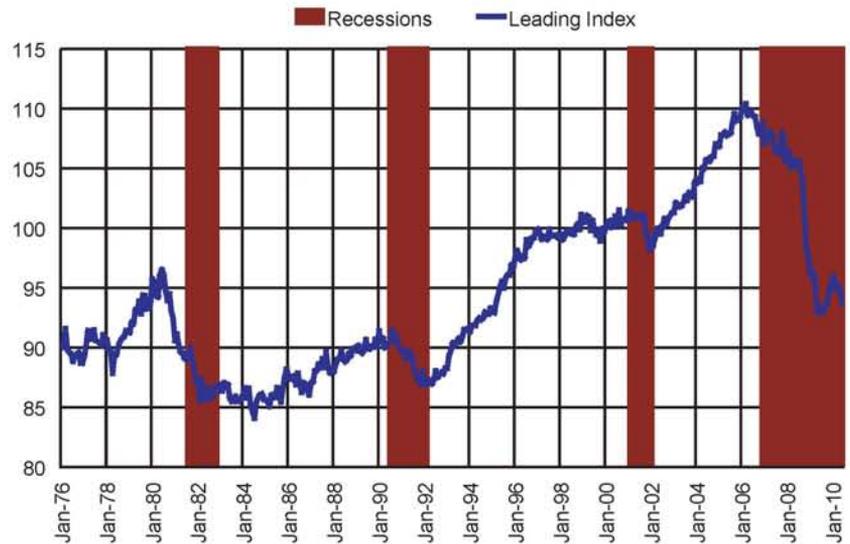
>In sum, the evidence that the current employment recession has ended gets shakier each month. Previous reports raised the question as to whether we saw a bottom to the coincident index. The chart still identifies that bottom tentatively as October 2009. But since reaching its most recent high value in January 2010, the coincident index fell each month, with the largest fall from March to April. May and June rose ever so slightly from April.

CBER-DETR Nevada Coincident Employment Index



>The Nevada leading employment index, which provides a signal about the future direction of the coincident index, showed decrease of 1.0 percent from May. In June, the components of the leading index experienced the following changes -- the short-duration unemployment rate moved in a positive direction. The remaining variables -- initial claims for unemployment insurance, commercial permits, the real Moody's Baa bond rate, housing permits, and construction employment -- moved in a negative direction. For the current employment recession, the leading index provided a clear signal by peaking in March 2006, nine months before the coincident index reached its peak. Based on current data, the leading index reached its trough in July 2009. After reaching its most recent high in January 2010, the leading index fell in four of the last five months, tracing its way back toward but not yet equaling its July 2009 low.

CBER-DETR Nevada Leading Employment Index

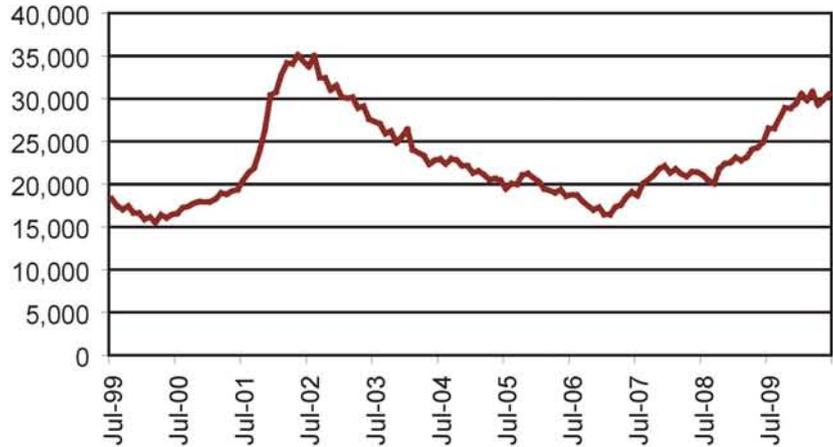


Trends at a Glance

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 maintenance 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 recipients in the program is strongly influenced by the ups and downs of the business cycle. In June, 30,498 individuals were receiving assistance. Since June 2009, the level of assistance has increased 22.3 percent or 5,556 additional recipients.

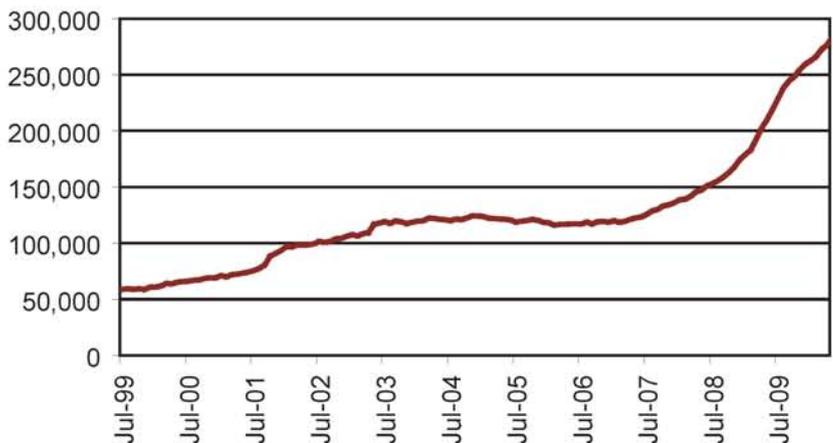
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



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. In June, 290,842 Nevadans participated in the program. Over-the-year, the number of participants receiving assistance has increased 32.7 percent.

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)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|-------------------------------------|----------------|----------------|----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Nonfarm Employment | 1,121.3 | 1,147.6 | 1,122.7 | -26.3 | -1.4 | -45.8 | -2.3% | -0.1% | -3.9% |
| Goods Producing Industries | 112.6 | 132.8 | 114.6 | -20.2 | -2.0 | -25.7 | -15.2% | -1.7% | -18.3% |
| Natural Resources and Mining | 12.1 | 11.9 | 11.6 | 0.2 | 0.5 | -0.1 | 1.7% | 4.3% | -0.6% |
| Construction | 61.3 | 81.2 | 63.7 | -19.9 | -2.4 | -23.1 | -24.5% | -3.8% | -26.5% |
| Manufacturing | 39.0 | 39.7 | 39.3 | -0.7 | -0.3 | -2.5 | -1.8% | -0.8% | -6.1% |
| Service Producing Industries | 1,008.7 | 1,014.8 | 1,008.1 | -6.1 | 0.6 | -20.0 | -0.6% | 0.1% | -2.0% |
| Trade, Transportation & Utilities | 209.3 | 212.3 | 207.3 | -3.0 | 2.0 | -6.9 | -1.4% | 1.0% | -3.2% |
| Wholesale | 35.8 | 34.7 | 35.3 | 1.1 | 0.5 | -0.3 | 3.2% | 1.4% | -0.9% |
| Retail | 124.4 | 126.7 | 123.5 | -2.3 | 0.9 | -4.2 | -1.8% | 0.7% | -3.3% |
| Trans, Warehousing and Utilities | 49.1 | 50.9 | 48.5 | -1.8 | 0.6 | -2.4 | -3.5% | 1.2% | -4.7% |
| Information | 12.1 | 13.1 | 12.4 | -1.0 | -0.3 | -0.9 | -7.6% | -2.4% | -7.0% |
| Financial Activities | 53.2 | 55.9 | 52.6 | -2.7 | 0.6 | -3.2 | -4.8% | 1.1% | -5.7% |
| Finance and Insurance | 31.3 | 32.8 | 30.8 | -1.5 | 0.5 | -1.8 | -4.6% | 1.6% | -5.4% |
| Professional & Business Services | 136.5 | 134.3 | 136.1 | 2.2 | 0.4 | -0.3 | 1.6% | 0.3% | -0.2% |
| Education & Health Services | 100.1 | 97.2 | 98.0 | 2.9 | 2.1 | 3.3 | 3.0% | 2.1% | 3.4% |
| Health Care and Social Assistance | 92.4 | 89.3 | 90.2 | 3.1 | 2.2 | 3.0 | 3.5% | 2.4% | 3.4% |
| Leisure & Hospitality | 304.9 | 310.8 | 305.0 | -5.9 | -0.1 | -8.2 | -1.9% | 0.0% | -2.7% |
| Casino Hotels | 173.0 | 177.8 | 173.2 | -4.8 | -0.2 | -6.4 | -2.7% | -0.1% | -3.6% |
| Food Services and Drinking Places | 92.9 | 93.1 | 90.7 | -0.2 | 2.2 | -0.5 | -0.2% | 2.4% | -0.5% |
| Other Services | 35.1 | 34.3 | 33.2 | 0.8 | 1.9 | 0.0 | 2.3% | 5.7% | 0.1% |
| Government | 157.5 | 156.9 | 157.7 | 0.6 | -0.2 | -3.6 | 0.4% | -0.1% | -2.3% |

Labor Force and Unemployment (Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|-------------------------------|----------------|----------------|----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Labor Force | 1,359.9 | 1,375.6 | 1,366.9 | -15.7 | -7.0 | 6.3 | -1.1% | -0.5% | 0.5% |
| Unemployment | 193.3 | 166.6 | 189.2 | 26.7 | 4.1 | 40.8 | 16.0% | 2.2% | 27.4% |
| Unemployment Rate | 14.2% | 12.1% | 13.8% | * | * | * | * | * | * |
| Unemployment Rate (SA) | 14.2% | 11.9% | 14.0% | * | * | * | * | * | * |
| Total Employment | 1,166.6 | 1,209.0 | 1,177.7 | -42.4 | -11.1 | -34.5 | -3.5% | -0.9% | -2.8% |

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

| Size Class | Employees Per Worksite | Number of Worksites | Employment in Size Class | % of Total Employment |
|--------------|------------------------|---------------------|--------------------------|-----------------------|
| 9 | 1000+ | 76 | 175,895 | 18.1% |
| 8 | 500-999 | 105 | 71,900 | 7.4% |
| 7 | 250-499 | 208 | 72,656 | 7.5% |
| 6 | 100-249 | 884 | 129,648 | 13.4% |
| 5 | 50-99 | 1,727 | 118,410 | 12.2% |
| 4 | 20-49 | 5,140 | 152,712 | 15.7% |
| 3 | 10-19 | 8,354 | 113,372 | 11.7% |
| 2 | 5-9 | 11,499 | 76,838 | 7.9% |
| 1 | 0-4 | 45,513 | 59,542 | 6.1% |
| Total | | 73,506 | 970,973 | 100.0% |

Largest Private Employers - December 2009

| Employer | Employees | Industry |
|--------------------------------|--------------|---------------|
| WYNN LAS VEGAS | 8000 to 8499 | Casino Hotels |
| ARIA RESORT & CASINO LLC | 7500 to 7999 | Casino Hotels |
| MGM GRAND HOTEL CASINO | 7500 to 7999 | Casino Hotels |
| BELLAGIO LLC | 7000 to 7499 | Casino Hotels |
| MANDALAY BAY RESORT AND CASINO | 6000 to 6499 | Casino Hotels |
| CAESARS PALACE | 4500 to 4999 | Casino Hotels |
| THE VENETIAN CASINO RESORT | 4000 to 4499 | Casino Hotels |
| THE MIRAGE CASINO-HOTEL | 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 |
| RIO SUITE HOTEL & CASINO | 2500 to 2999 | Casino Hotels |
| PARIS LAS VEGAS | 2500 to 2999 | Casino Hotels |

Avg Wages By Industry - QCEW Data Fourth Quarter 2009

| Industry | Avg. Weekly Wage |
|-----------------------------------|------------------|
| Total All Industries | \$875 |
| Natural Resources and Mining | \$1,495 |
| Construction | \$1,220 |
| Manufacturing | \$1,061 |
| Trade, Transportation & Utilities | \$740 |
| Information | \$1,113 |
| Financial Activities | \$984 |
| Professional & Business Services | \$1,101 |
| Education & Health Services | \$974 |
| Leisure & Hospitality | \$592 |
| Other Services | \$640 |
| Public Administration | \$1,277 |
| Unclassified | \$1,298 |

Employment and Labor Force Summary

Las Vegas-Paradise

Employment By Industry (Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|-------------------------------------|--------------|--------------|--------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Nonfarm Employment | 800.1 | 823.9 | 800.2 | -23.8 | -0.1 | -42.3 | -2.9% | 0.0% | -5.0% |
| Goods Producing Industries | 67.2 | 84.3 | 68.9 | -17.1 | -1.7 | -22.5 | -20.3% | -2.5% | -24.5% |
| Natural Resources and Mining | 0.3 | 0.3 | 0.2 | 0.0 | 0.1 | -0.1 | 0.0% | 50.0% | -33.3% |
| Construction | 46.8 | 63.3 | 48.5 | -16.5 | -1.7 | -20.9 | -26.1% | -3.5% | -29.9% |
| Manufacturing | 20.1 | 20.7 | 20.2 | -0.6 | -0.1 | -1.6 | -2.9% | -0.5% | -7.4% |
| Service Producing Industries | 732.9 | 739.6 | 731.3 | -6.7 | 1.6 | -19.8 | -0.9% | 0.2% | -2.6% |
| Trade, Transportation & Utilities | 143.5 | 147.4 | 141.7 | -3.9 | 1.8 | -7.3 | -2.6% | 1.3% | -4.9% |
| Wholesale | 21.3 | 21.2 | 20.9 | 0.1 | 0.4 | -0.7 | 0.5% | 1.9% | -3.2% |
| Retail | 88.3 | 90.9 | 87.5 | -2.6 | 0.8 | -4.6 | -2.9% | 0.9% | -5.0% |
| Trans, Warehousing and Utilities | 33.9 | 35.3 | 33.3 | -1.4 | 0.6 | -2.1 | -4.0% | 1.8% | -5.8% |
| Information | 8.8 | 9.6 | 9.0 | -0.8 | -0.2 | -0.7 | -8.3% | -2.2% | -7.4% |
| Financial Activities | 40.3 | 43.0 | 39.6 | -2.7 | 0.7 | -3.1 | -6.3% | 1.8% | -7.0% |
| Finance and Insurance | 23.2 | 24.7 | 22.7 | -1.5 | 0.5 | -1.8 | -6.1% | 2.2% | -7.2% |
| Professional & Business Services | 100.2 | 98.5 | 99.8 | 1.7 | 0.4 | -0.7 | 1.7% | 0.4% | -0.7% |
| Education & Health Services | 69.1 | 67.5 | 67.1 | 1.6 | 2.0 | 1.8 | 2.4% | 3.0% | 2.7% |
| Health Care and Social Assistance | 63.7 | 61.7 | 61.6 | 2.0 | 2.1 | 1.9 | 3.2% | 3.4% | 3.1% |
| Leisure & Hospitality | 249.3 | 253.1 | 249.2 | -3.8 | 0.1 | -6.9 | -1.5% | 0.0% | -2.7% |
| Casino Hotels | 149.5 | 152.4 | 149.6 | -2.9 | -0.1 | -4.5 | -1.9% | -0.1% | -3.0% |
| Food Services and Drinking Places | 73.4 | 73.5 | 73.5 | -0.1 | -0.1 | -0.9 | -0.1% | -0.1% | -1.2% |
| Other Services | 24.9 | 24.0 | 24.3 | 0.9 | 0.6 | 0.2 | 3.7% | 2.5% | 1.0% |
| Government | 96.8 | 96.5 | 100.6 | 0.3 | -3.8 | -3.0 | 0.3% | -3.8% | -2.9% |

Labor Force and Unemployment (Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|--------------------------|--------------|--------------|--------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Labor Force | 974.7 | 986.4 | 979.9 | -11.7 | -5.2 | 3.1 | -1.2% | -0.5% | 0.3% |
| Unemployment | 141.5 | 122.5 | 138 | 19.0 | 3.5 | 31.1 | 15.5% | 2.5% | 29.1% |
| Unemployment Rate | 14.5% | 12.4% | 14.1% | * | * | * | * | * | * |
| Total Employment | 833.2 | 863.9 | 841.9 | -30.7 | -8.7 | -28.0 | -3.6% | -1.0% | -3.2% |

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

| Size Class | Employees Per Worksite | Number of Worksites | Employment in Size Class | % of Total Employment |
|--------------|------------------------|---------------------|--------------------------|-----------------------|
| 9 | 1000+ | 59 | 146913 | 20.6% |
| 8 | 500-999 | 86 | 59524 | 8.3% |
| 7 | 250-499 | 150 | 52183 | 7.3% |
| 6 | 100-249 | 649 | 95469 | 13.4% |
| 5 | 50-99 | 1273 | 87525 | 12.3% |
| 4 | 20-49 | 3586 | 107009 | 15.0% |
| 3 | 10-19 | 5620 | 76539 | 10.7% |
| 2 | 5-9 | 7582 | 50805 | 7.1% |
| 1 | 0-4 | 29962 | 37987 | 5.3% |
| Total | | 48,967 | 713,954 | 100.0% |

Largest Private Employers - December 2009

| Employer | Employees | Industry |
|--------------------------------|--------------|---------------|
| WYNN LAS VEGAS | 8000 to 8499 | Casino Hotels |
| ARIA RESORT & CASINO LLC | 7500 to 7999 | Casino Hotels |
| MGM GRAND HOTEL/CASINO | 7500 to 7999 | Casino Hotels |
| BELLAGIO LLC | 7000 to 7499 | Casino Hotels |
| MANDALAY BAY RESORT AND CASINO | 6000 to 6499 | Casino Hotels |
| CAESARS PALACE | 4500 to 4999 | Casino Hotels |
| THE VENETIAN CASINO RESORT | 4000 to 4499 | Casino Hotels |
| THE MIRAGE CASINO-HOTEL | 4000 to 4499 | Casino Hotels |
| THE PALAZZO CASINO RESORT | 3500 to 3999 | Casino Hotels |
| FLAMINGO LAS VEGAS OPERATING | 3000 to 3499 | Casino Hotels |
| ENCORE LAS VEGAS | 3000 to 3499 | Casino Hotels |
| RIO SUITE HOTEL & CASINO | 2500 to 2999 | Casino Hotels |
| PARIS LAS VEGAS | 2500 to 2999 | Casino Hotels |

Avg Wages By Industry - QCEW Data Fourth Quarter 2009

| Industry | Avg. Weekly Wage |
|-----------------------------------|------------------|
| Total All Industries | \$872 |
| Natural Resources and Mining | \$959 |
| Construction | \$1,284 |
| Manufacturing | \$1,039 |
| Trade, Transportation & Utilities | \$726 |
| Information | \$1,126 |
| Financial Activities | \$986 |
| Professional & Business Services | \$1,100 |
| Education & Health Services | \$987 |
| Leisure & Hospitality | \$627 |
| Other Services | \$627 |
| Public Administration | \$1,367 |
| Unclassified | \$1,159 |

Employment and Labor Force Summary

Reno-Sparks

Employment By Industry (Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|-------------------------------------|--------------|--------------|--------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Nonfarm Employment | 189.4 | 194.8 | 190.5 | -5.4 | -1.1 | -7.4 | -2.8% | -0.6% | -3.8% |
| Goods Producing Industries | 19.8 | 23.5 | 20.3 | -3.7 | -0.5 | -3.9 | -15.7% | -2.5% | -16.3% |
| Natural Resources and Mining | 0.3 | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0% | 0.0% | 0.0% |
| Construction | 8.5 | 11.8 | 8.9 | -3.3 | -0.4 | -2.6 | -28.0% | -4.5% | -22.2% |
| Manufacturing | 11.0 | 11.4 | 11.1 | -0.4 | -0.1 | -1.3 | -3.5% | -0.9% | -11.0% |
| Service Producing Industries | 169.6 | 171.3 | 170.2 | -1.7 | -0.6 | -3.6 | -1.0% | -0.4% | -2.1% |
| Trade, Transportation & Utilities | 42.7 | 43.3 | 42.5 | -0.6 | 0.2 | -1.3 | -1.4% | 0.5% | -3.1% |
| Wholesale | 9.6 | 9.4 | 9.6 | 0.2 | 0.0 | -0.2 | 2.1% | 0.0% | -2.1% |
| Retail | 21.2 | 21.8 | 21.0 | -0.6 | 0.2 | -0.7 | -2.8% | 1.0% | -3.4% |
| Trans, Warehousing and Utilities | 11.9 | 12.1 | 11.9 | -0.2 | 0.0 | -0.4 | -1.7% | 0.0% | -3.2% |
| Information | 2.3 | 2.4 | 2.3 | -0.1 | 0.0 | -0.2 | -4.2% | 0.0% | -9.2% |
| Financial Activities | 8.9 | 9.0 | 8.9 | -0.1 | 0.0 | -0.2 | -1.1% | 0.0% | -1.7% |
| Finance and Insurance | 5.6 | 5.5 | 5.5 | 0.1 | 0.1 | 0.0 | 1.8% | 1.8% | 0.3% |
| Professional & Business Services | 23.6 | 24.0 | 23.5 | -0.4 | 0.1 | -0.5 | -1.7% | 0.4% | -2.1% |
| Education & Health Services | 22.1 | 21.3 | 22.0 | 0.8 | 0.1 | 0.6 | 3.8% | 0.5% | 2.8% |
| Leisure & Hospitality | 33.5 | 34.8 | 33.5 | -1.3 | 0.0 | -1.0 | -3.7% | 0.0% | -2.9% |
| Casino Hotels | 14.9 | 15.8 | 14.9 | -0.9 | 0.0 | -0.9 | -5.7% | 0.0% | -5.5% |
| Food Services and Drinking Places | 12.6 | 12.5 | 12.6 | 0.1 | 0.0 | 0.0 | 0.8% | 0.0% | 0.1% |
| Other Services | 7.0 | 6.9 | 7.0 | 0.1 | 0.0 | 0.0 | 1.4% | 0.0% | 0.6% |
| Government | 29.5 | 29.6 | 30.5 | -0.1 | -1.0 | -1.0 | -0.3% | -3.3% | -3.2% |

Labor Force and Unemployment (Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|--------------------------|--------------|--------------|--------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Labor Force | 224.6 | 227.0 | 227 | -2.4 | -2.4 | 2.1 | -1.1% | -1.1% | 0.9% |
| Unemployment | 30.6 | 26.3 | 30.3 | 4.3 | 0.3 | 5.4 | 16.3% | 1.0% | 21.4% |
| Unemployment Rate | 13.6% | 11.6% | 13.3% | * | * | * | * | * | * |
| Total Employment | 194.0 | 200.7 | 196.7 | -6.7 | -2.7 | -3.3 | -3.3% | -1.4% | -1.6% |

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

| Size Class | Employees Per Worksite | Number of Worksites | Employment in Size Class | % of Total Employment |
|--------------|------------------------|---------------------|--------------------------|-----------------------|
| 9 | 1000+ | 13 | 22968 | 14.4% |
| 8 | 500-999 | 5 | 3343 | 2.1% |
| 7 | 250-499 | 33 | 12135 | 7.6% |
| 6 | 100-249 | 150 | 22065 | 13.8% |
| 5 | 50-99 | 295 | 20019 | 12.5% |
| 4 | 20-49 | 987 | 29152 | 18.3% |
| 3 | 10-19 | 1686 | 22916 | 14.4% |
| 2 | 5-9 | 2248 | 14964 | 9.4% |
| 1 | 0-4 | 8643 | 12002 | 7.5% |
| Total | | 14,060 | 159,564 | 100.0% |

Largest Private Employers - December 2009

| Employer | Employees | Industry |
|----------------------------------|--------------|----------------|
| INTEGRITY STAFFING SOLUTIONS | 3000 to 3499 | Temp.Help Svcs |
| 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 |
| ST. MARYS | 1500 to 1999 | Hospitals |
| ATLANTIS CASINO RESORT | 1500 to 1999 | Casino Hotels |
| GRAND SIERRA RESORT AND CASINO | 1500 to 1999 | Casino Hotels |
| ELDORADO HOTEL & CASINO | 1000 to 1499 | Casino Hotels |
| UNITED PARCEL SERVICE | 1000 to 1499 | Couriers |
| CIRCUS CIRCUS CASINOS INC - RENO | 1000 to 1499 | Casino Hotels |
| SPARKS NUGGET INC. | 1000 to 1499 | Casino Hotels |
| HARRAH'S RENO | 1000 to 1499 | Casino Hotels |

Avg Wages By Industry - QCEW Data Fourth Quarter 2009

| Industry | Avg. Weekly Wage |
|-----------------------------------|------------------|
| Total All Industries | \$868 |
| Natural Resources and Mining | \$1,686 |
| Construction | \$980 |
| Manufacturing | \$1,147 |
| Trade, Transportation & Utilities | \$761 |
| Information | \$1,051 |
| Financial Activities | \$1,046 |
| Professional & Business Services | \$1,059 |
| Education & Health Services | \$1,007 |
| Leisure & Hospitality | \$433 |
| Other Services | \$663 |
| Public Administration | \$1,240 |
| Unclassified | \$1,795 |

Employment and Labor Force Summary

Carson City

Employment By Industry

(Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | | |
|-------------------------------------|-------------|-------------|-------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|--|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD | |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | |
| Total Nonfarm Employment | 29.2 | 30.0 | 29.3 | | | | | | | |
| Goods Producing Industries | 3.4 | 3.9 | 3.4 | -0.5 | 0.0 | -0.6 | -12.8% | 0.0% | -14.3% | |
| Manufacturing | 2.5 | 2.6 | 2.4 | -0.1 | 0.1 | -0.3 | -3.8% | 4.2% | -9.4% | |
| Service Producing Industries | 25.8 | 26.1 | 25.9 | -0.3 | -0.1 | -0.5 | -1.1% | -0.4% | -1.9% | |
| Trade, Transportation & Utilities | 3.8 | 4.1 | 3.8 | -0.3 | 0.0 | -0.3 | -7.3% | 0.0% | -6.2% | |
| 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 | 3.4 | 3.5 | 3.4 | -0.1 | 0.0 | -0.1 | -2.9% | 0.0% | -3.4% | |
| Government | 11.7 | 11.6 | 11.9 | 0.1 | -0.2 | 0.0 | 0.9% | -1.7% | 0.1% | |

Labor Force and Unemployment

(Estimates in Thousands)

| | Jun10 | Jun09 | May10 | Nominal Change | | | % Change | | |
|--------------------------|--------------|--------------|--------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | | | | Annual | Monthly | YTD | Annual | Monthly | YTD |
| | | | | Jun09- Jun10 | May10- Jun10 | 2009- 2010 | Jun09- Jun10 | May10- Jun10 | 2009- 2010 |
| Total Labor Force | 28.7 | 29.5 | 28.9 | -0.8 | -0.2 | -0.3 | -2.7% | -0.7% | -1.0% |
| Unemployment | 3.8 | 3.4 | 3.8 | 0.4 | 0.0 | 0.7 | 11.8% | 0.0% | 20.0% |
| Unemployment Rate | 13.4% | 11.5% | 13.2% | * | * | | * | * | |
| Total Employment | 24.9 | 26.1 | 25.1 | -1.2 | -0.2 | -0.9 | -4.6% | -0.8% | -3.6% |

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

| Size Class | Employees Per Worksite | Number of Worksites | Employment in Size Class | % of Total Employment |
|--------------|------------------------|---------------------|--------------------------|-----------------------|
| 9 | 1000+ | 0 | 0 | 0.0% |
| 8 | 500-999 | 0 | 0 | 0.0% |
| 7 | 250-499 | 5 | 1759 | 10.2% |
| 6 | 100-249 | 15 | 2245 | 13.0% |
| 5 | 50-99 | 33 | 2256 | 13.1% |
| 4 | 20-49 | 133 | 3911 | 22.7% |
| 3 | 10-19 | 219 | 2862 | 16.6% |
| 2 | 5-9 | 345 | 2299 | 13.3% |
| 1 | 0-4 | 1341 | 1898 | 11.0% |
| Total | | 2,091 | 17,230 | 100.0% |

Largest Private Employers - December 2009

| Employer | Employees | Industry |
|----------------------------|------------|---------------|
| CHROMALLOY NEVADA | 400 to 499 | Manufacturing |
| WAL-MART SUPERCENTER | 300 to 399 | Retail |
| CASINO FANDANGO | 301 to 399 | Manufacturing |
| CARSON CITY NUGGET | 200 to 299 | 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 Fourth Quarter 2009

| Industry | Avg. Weekly Wage |
|-----------------------------------|------------------|
| Total All Industries | \$922 |
| Natural Resources and Mining | * |
| Construction | \$1,148 |
| Manufacturing | \$1,001 |
| Trade, Transportation & Utilities | \$756 |
| Information | \$1,281 |
| Financial Activities | \$847 |
| Professional & Business Services | \$951 |
| Education & Health Services | \$957 |
| Leisure & Hospitality | \$384 |
| Other Services | \$685 |
| Public Administration | \$1,177 |
| Unclassified | \$2,127 |

Macroeconomic Fundamentals

Employment

National employment growth continues at a slow and uneven pace. Uncertainty about future price expectations and possibly deflation appear to be muting any recovery. Businesses won't hire if products they sell are going down in value. Creditors won't lend to businesses if the return on investment is in jeopardy. Consumers won't buy if the goods they are purchasing can be gotten later at a lower price. The end result is a negative spiral, where employers see little incentive to hire new workers. Almost one million people dropped out of the labor force in May and June. Surveys reveal that small businesses, the traditional employment growth sector, are expressing little confidence in the economic outlook. It appears that government stimulus had a significant effect on employment expectations and this is now being phased out. The fourth quarter inventory shot to GDP was a false positive in the big picture of overall economic trends. The private sector will not respond with hiring until demand warrants increased production. The demand is not currently materializing because consumers' wealth level and income streams are readjusting to a new lower normal. We can probably expect positive yet very subdued national employment growth thru the end of 2010.

Consumption & Income

The great recession is a ways from concluding. Price adjustments, including wages as an input of production are bound to continue well into 2011. The good news for wage earners is that inflation is nonexistent. Many consumers, as well as businesses, are reevaluating their expected income streams. Consumer sentiment surveys are expressing a negative outlook for the

next six months. This is affecting spending patterns and reinforcing the prolonged extension of insufficient demand. Consumers are vacillating among appropriate levels of spending and saving. The positive hopes of earlier GDP reports tweaked by the inventory correction and government stimulus are colliding with the reality of final wealth and income expectations. With a current ratio of unemployed to job openings running at greater than 4 to 1, expectations are naturally diminished. Businesses are reading the sentiment of consumers and not hiring the unemployed. The consumer segment of the population itself is decreasing. Along with underemployment comes a larger inventory of available workers and this will drive down the average wage level. Spending then takes a hit and the negative cycle goes on.

Manufacturing

The inventory correction that took place last winter is now generally complete and manufacturing has rebounded to a lower level consistent with current demand. Demand is emerging at levels considerably below what's expected for this phase of the business cycle. Growth rates were impressive for a while as inventories readjusted, but final output levels fell short and momentum never really materialized. With incomes and wealth readjusting across the field of consumers, the demand equation is now altered and manufacturers must adjust product lines to a new level of quality and price. Banks providing credit to manufacturers are naturally wary of returns on investment in this uncertain environment. Credit remains scarce, even for profitable operations. Large corporate manufacturers appear to be cash rich but risk averse. Smaller outfits appear to be as reluctant to borrow as banks are to lend. Manufacturers may necessarily need to plan with a very different mix of input providers and final

purchasers as the great recession plays out.

Housing

As if housing and commercial construction weren't hit enough by a very deep recession, a new dynamic has entered the equation: strategic defaults. Strategic defaults occur when financially capable owners choose to stop paying for property that has dramatically declined in value. Under this circumstance, the stigma of being foreclosed on is not as powerful a motivator as in the past. What their neighbors might think is less important in these troubling times. The expected time duration property values are underwater is currently exceeding the expected length of the negative credit ramifications from foreclosure. It's considered an entirely sound business decision to walk away from a losing proposition. Inventories are therefore increasing and prices continue to drop. There is also reason to believe the worst is yet to come in the commercial sector. What little new construction there is has a limit. Aside from excessive maintenance costs on current productive structures, obsolescence, or the desire for something new, there is little speculative incentive to invest in new structures.

International

There is an undeniable economic slow down in Europe, and the conditions are fundamentally similar to the US recession. The magnitude varies across countries and includes the United Kingdom to a significant extent. Policy debate between stimulus and austerity is occurring in many countries. On the other side of the world, China is also facing a self imposed slowdown. Equity prices have been falling for some time.

Macroeconomic Fundamentals

Perhaps investors are fretting over valuations or prudently hedging bets on impending government action. Credit is marginally being restricted by the government to dampen the white hot real estate sector in anticipation of a suspected crash. The success of China's economic actions has global consequences and US interests are certainly in play. Exports are critical in the global economy and United State's interests are increasingly tied to the Far East. News of energy related trade agreements continue to emerge sporadically between China and developing nations. Chinese corporations, fundamentally backed by the government, also have exclusive trade agreements with US mines producing base metals. In spite of the trade agreements, the recession has counteracted energy demand trends. The cost per barrel of oil has been contained--at least for now.

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ECONOMY IN BRIEF



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

ECONOMY IN BRIEF

May 2010

DETR RESEARCH & ANALYSIS BUREAU

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

Economic Summary

Nevada's seasonally adjusted unemployment rate jumped three-tenths of a percentage point to 14 percent in May. The increase not only sets a new all-time high for the State, it also means Nevada now carries the notable distinction of having the highest unemployment rate in the nation. Nevada surpassed Michigan, whose rate fell from 14 to 13.6 percent, in May. Michigan's manufacturing based economy has been in decline for years, leaving the Wolverine state with the highest unemployment rate for 50 consecutive months – until now. In just three years, Nevada's economy has fallen from one of the strongest performing to possibly the weakest. Since the start of the recession, in December 2007, the unemployment rate has increased 8.8 percentage points, the largest increase of any state in the nation. In May, Nevada's unemployment rate was 4.3 percentage points higher than the national average.

Nevada's employers added 4,800 jobs in May, but most of the increase was seasonal or temporary census hiring. The seasonal increase is an improvement over last year, when employers cut payrolls by 2,400 from April to May. Over the long term though, the increase is less than the 20 year average April to May increase of 7,800. On a positive note, over-the-year employment decline has moderated considerably. In May 2009, employment estimates were down 10.2 percent from the previous year. This May, over-the-year job loss is down just 2.8 percent.

All regional labor markets benefited from a seasonal increase and the

Unemployment Rate by County



addition of temporary census workers. Las Vegas-Paradise area employers added 3,000 jobs in May. While, employers in the Reno-Sparks area increased payrolls by 1,200, and Carson City employers added 100 jobs.

May's job report brought a mixed bag of seasonal improvement and an unexpected decline in one industry. In preparation for seasonal tourism, employers in the leisure and hospitality sector added 1,300 jobs. Preliminary signs of a much anticipated up-tick in construction employment seem to be materializing with the addition of 500 new jobs. In a somewhat alarming reversal of recent trends, the education and health services sector lost 1,500 jobs. Most of the losses came from training providers in vocational and technical schools and small private

Economic Indicators

| UNEMPLOYMENT RATES | MAY 2010 |
|------------------------|----------|
| NEVADA * | 14.0% |
| LAS VEGAS-PARADISE MSA | 14.1% |
| RENO-SPARKS MSA | 13.3% |
| CARSON CITY MSA | 13.2% |
| ELKO MICROPOLITAN AREA | 8.3% |
| UNITED STATES * | 9.7% |
| CALIFORNIA * | 12.4% |

* Seasonally Adjusted

JOB GROWTH (Y-O-Y)

| | |
|------------------------|-------|
| NEVADA | -2.8% |
| LAS VEGAS-PARADISE MSA | -3.7% |
| RENO-SPARKS MSA | -2.5% |
| CARSON CITY MSA | -2.7% |
| UNITED STATES | -0.4% |
| CALIFORNIA | -1.7% |

CONSUMER PRICE INDEX (Y-O-Y)

| | |
|---------------|------|
| UNITED STATES | 2.0% |
|---------------|------|

GAMING WIN (Y-O-Y)

| APR 2009 - APR 2010 | |
|---------------------|-------|
| NEVADA | -5.7% |
| CLARK COUNTY | -6.1% |
| WASHOE COUNTY | -1.7% |

TAXABLE SALES (Y-O-Y)

| MAR 2009 - MAR 2010 | |
|---------------------|-------|
| NEVADA | -7.4% |
| CLARK COUNTY | -9.4% |
| WASHOE COUNTY | 1.9% |

practice medical and dental offices. In the public sector, state and local governments continue to shed jobs. New fiscal year budgets start July 1, and due to large budget shortfalls, public sector employment will continue to contract in the near future as previously announced layoffs go into effect. The federal government, via the census, provided the lion's share of this month's employ-

Economic Summary

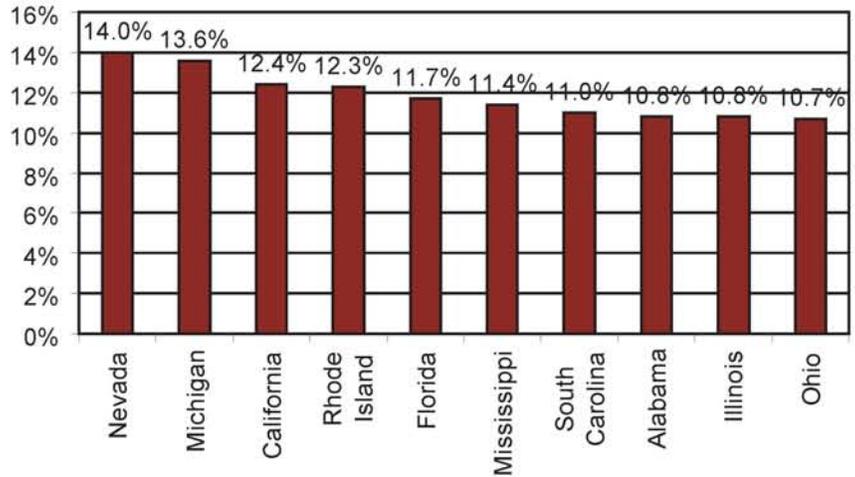
ment increase, however these temporary positions are expected to end within months.

Unemployment in each region of the State declined in May, due to seasonal improvements. In the Las Vegas-Paradise area, the unemployment rate decreased from 14.2 to 14.1 percent. The unemployment rate in the Reno-Sparks region fell two-tenths to 13.3 percent. In Carson City, the unemployment rate fell to 13.2 percent from 13.5 percent the previous month. (Unemployment rates for the State's metropolitan areas are not adjusted for seasonality. For comparison purposes, the State's unadjusted unemployment rate was 13.8 percent in May, down from 14.0 percent in April.)

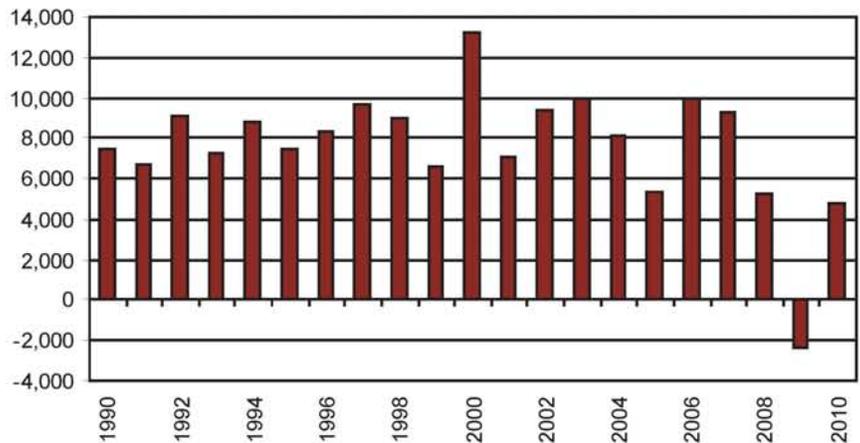
Nevada has been hit extremely hard as the recession has spread throughout the economy. In fact, the State's jobless rate has increased to the point that it is the highest in the nation. During the early-2000s, Nevada's unemployment rate was fairly similar to Michigan's. However, by the middle part of the decade, the Silver State's jobless rate was 2.6 percentage points below Michigan's. In the last year, conditions have deteriorated markedly in Nevada, while Michigan has seen some improvement. In May 2009, Michigan's unemployment rate was at a seasonally adjusted 13.6 percent, 2.1 points higher than Nevada's. However, as of May 2010, Nevada's rate has jumped 2.5 percentage points, while Michigan's has begun to subside, falling from a peak of 14.5 percent in December to 13.6 percent. Clearly, with its historical reliance on gaming and construction as engines of growth, Nevada has been at the epicenter of the current economic downturn, as these two sectors have each felt the brunt of negative economic forces.

There are a number of factors contributing to the run-up in the State's unem-

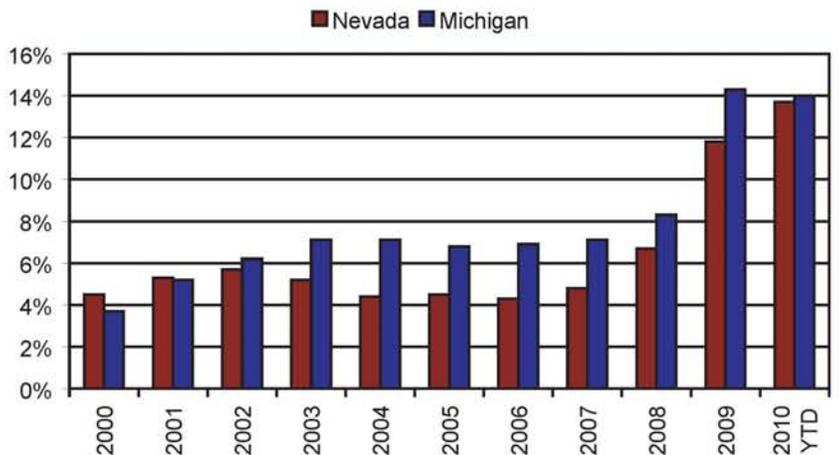
Top Ten Unemployment Rates by State



Historical April to May Over-the-Month Employment Change



Nevada vs. Michigan: Unemployment Rates During the Business Cycle



Economic Summary

ployment rate. However, looking at it in as straight-forward manner as possible, a couple of trends stand out. As the State's employment base continues to erode, upward pressure is placed on joblessness. Household employment, which differs from the employer-based measure of employment which is typically the focus of our monthly analyses, has declined by more than five percent since the beginning of 2007 (Household employment is based on a survey of households, while non-farm, or industrial employment is based on a survey of employers.) By itself, this accounts for some of the increase in joblessness. At the same time, the State's labor force has continued to expand as the recession has unfolded, and more Nevadans have entered the job market looking for work. Specifically, the labor force has expanded by 5.5 percent since January 2007. In essence, there are more Nevadans in a labor market with fewer jobs.

Nevada's mining region, centered in Elko County, has fared relatively well compared to the rest of the State in the recession. High gold prices and resurgence in commodity prices has brought stability to the region's mining-based economy. Gold recently sold at an all time high of \$1,246 per ounce, and copper prices have rebounded despite the deep recession. Demand for copper from emerging economies such as China and India have pushed copper prices to near pre-recession levels at over \$3 per pound. Though there has been some spillover from the downturn in the broader economy, the recession's affect on the mining region has been comparatively mild. For instance, Elko County's unemployment reading in May is 5.5 percentage points lower than the Statewide average, 13.8 percent (not-seasonally adjusted.) Taxable sales figures, a gauge of economic activity and consumer sentiment have held up pretty well in Elko compared to the rest of the State. In calendar year 2009, taxable

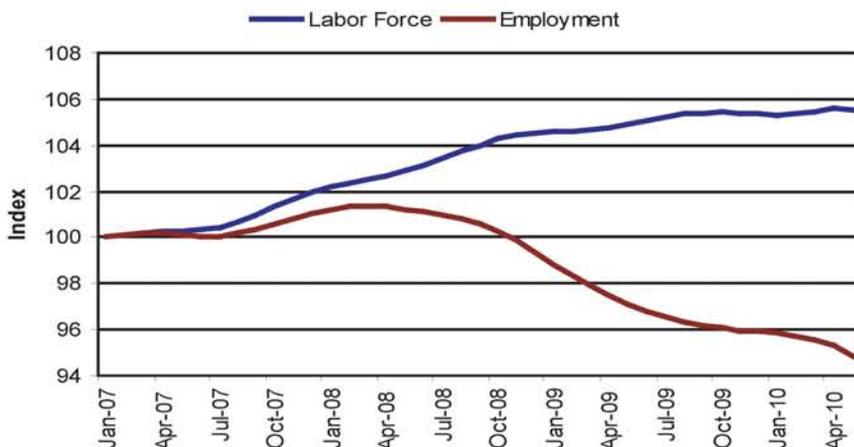
sales were down just five percent over-the-year, while Statewide taxable sales were down 17 percent. Employment has held up well, too. From the start of the recession through September 2009 (the most recent figure available), employment fell by just 620 jobs, a three percent decline, compared to a Statewide drop of 159,900 or 14 percent over the same time frame. While things look positive now for Nevada's miners, it's important to note that gold prices tend to run counter cyclical to the business cycle and have

seen many ups and downs in the past. With a national economic recovery likely, gold prices are bound to decline in the years ahead.

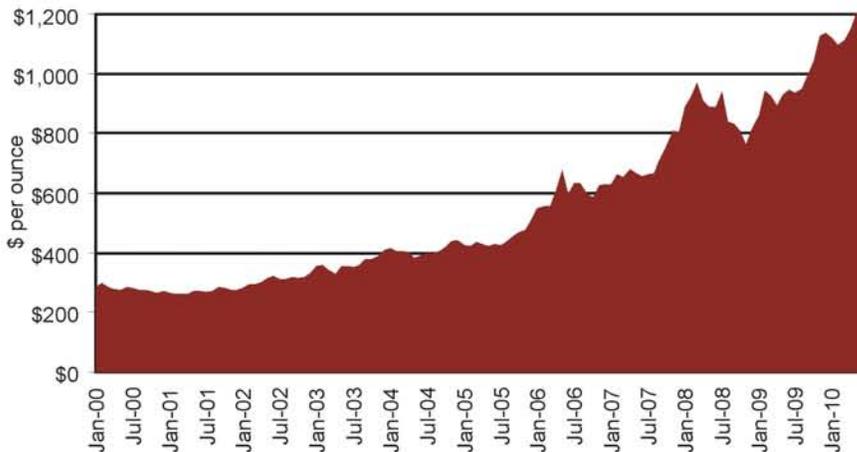
Jered McDonald
Economist
Research and Analysis Bureau

Bill Anderson
Chief Economist
Research and Analysis Bureau

Index of Nevada Labor Force and Employment
January 2007 = 100



Average Gold Price
January 2000 to Present
(Through June 18, 2010)

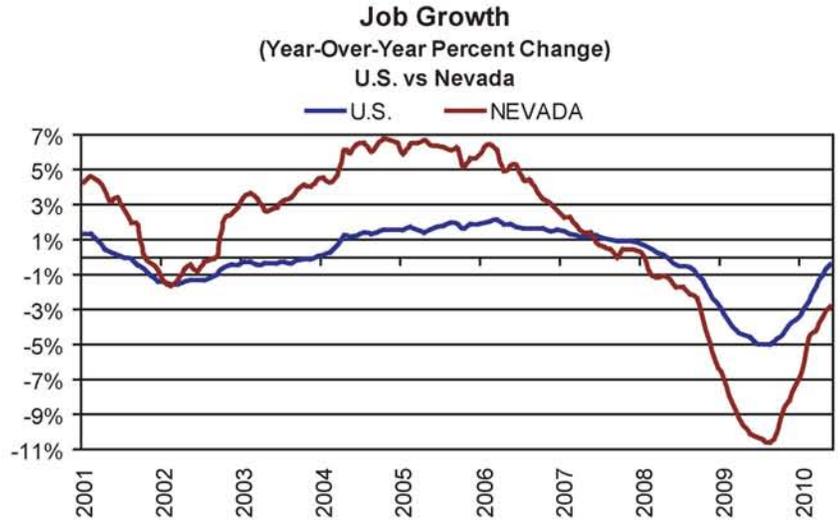


Source: Kitco.com

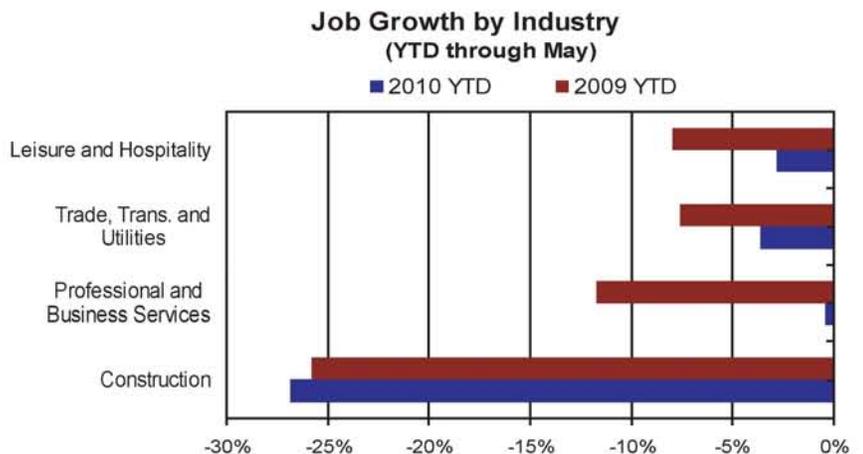
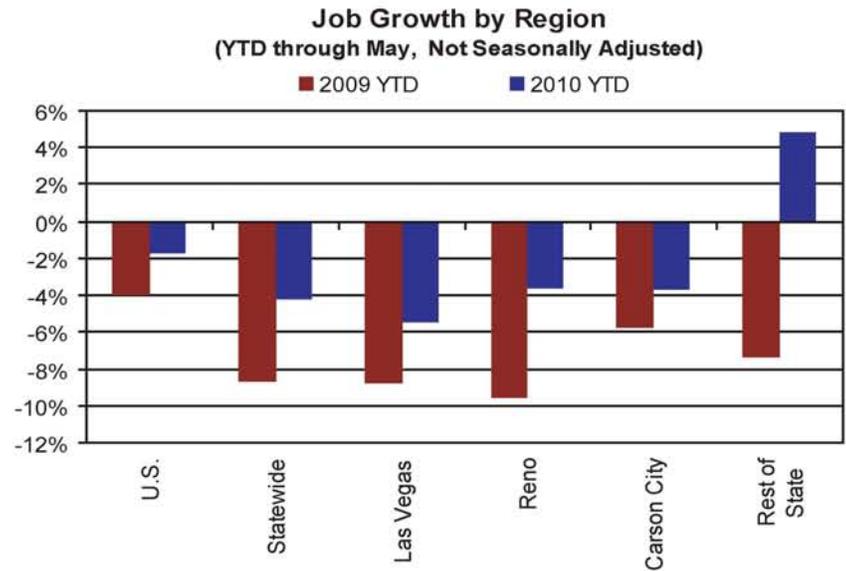
Trends at a Glance

Industrial Employment

- >Industrial employment in Nevada fell 2.8 percent in May relative to a year prior, equating to a loss of 31,900 jobs.
- >May job readings were down 0.4 percent nationally relative to May 2009.



- >Job losses are moderating throughout all regions of the State. Year-to-date annual growth rates are higher than a year ago.
- >The Las Vegas MSA's job count fell 3.7 percent YTD in May 2010 relative to May 2009.
- >In the Reno MSA, YTD job readings were down 2.5 percent in May 2010
- >In Carson City, employment fell 2.7 percent YTD from May 2009 to May 2010.
- >Job growth was up 4.8 percent in non-metro areas of the State.

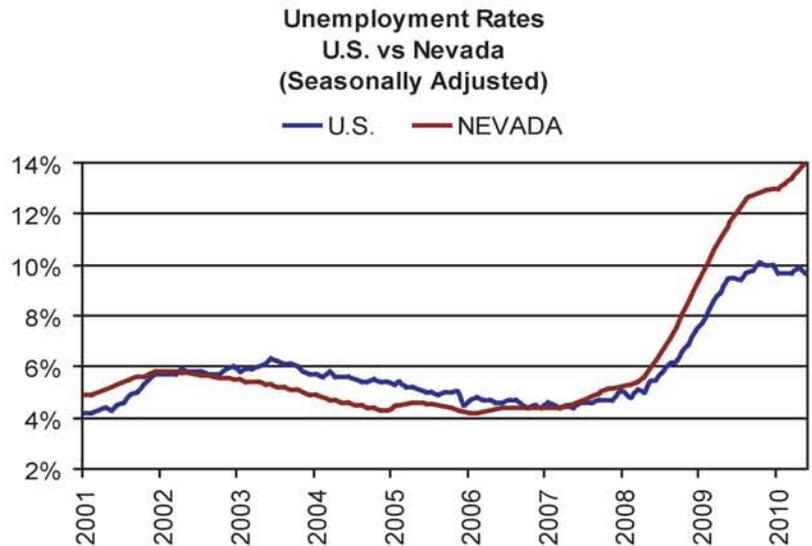


- >Approximately 23,800 jobs have been lost in the construction industry YTD through May, a 26.9 percent annual decline. The sector continues to struggle given weak demand for new development in both residential and commercial markets.
- >Job losses in the State's largest industry, leisure and hospitality, are beginning to moderate. Industry employment was down 2.8 percent YTD through May relative to a year prior. A year earlier, job losses were down 8.0 percent over the same time frame.

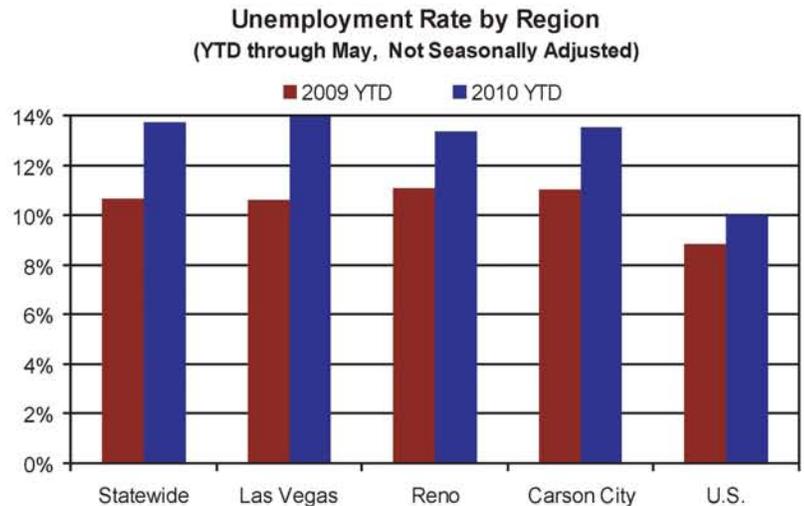
Trends at a Glance

Unemployment

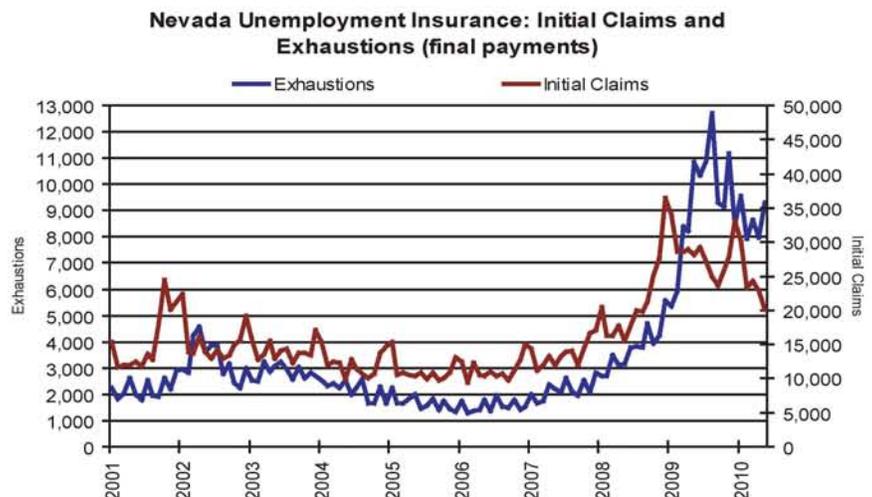
- >Nevada's seasonally adjusted unemployment rate was 14.0 percent in May. Nevada has the highest unemployment rate in the nation, surpassing Michigan with 13.6 percent.
- >Nationally, the unemployment rate stood at 9.7 percent in May. Nevada's jobless rate has exceeded the national average since early-2007. In recent months, Nevada's unemployment rate continued to increase, while the nation's leveled off.



- >At 13.7 percent, the Statewide unadjusted unemployment rate is up 3.0 percentage points YTD from 2009 to 2010.
- >The Las Vegas-Paradise MSA recorded an unemployment rate of 14.0 percent YTD through May, a 3.4 percentage point increase over-the-year.
- >The Reno-Sparks MSA's jobless rate was 13.4 percent YTD through May. On an annual basis, the rate is up 2.2 percentage points over-the-year.
- >The jobless rate in Carson City was 13.5 percent YTD in May, up 2.5 percentage points over-the-year.



- >Initial claims for unemployment insurance decreased by 2,700 in May to 20,136. Over-the-year, claims are down by 28.4 percent.
- >Final payments, signifying an exhaustion of regular State benefits, increased in May from April by 1,330. Over-the-year, final payments were down 13.9 percent. The decline marks the largest over-the-year drop since August 2006.

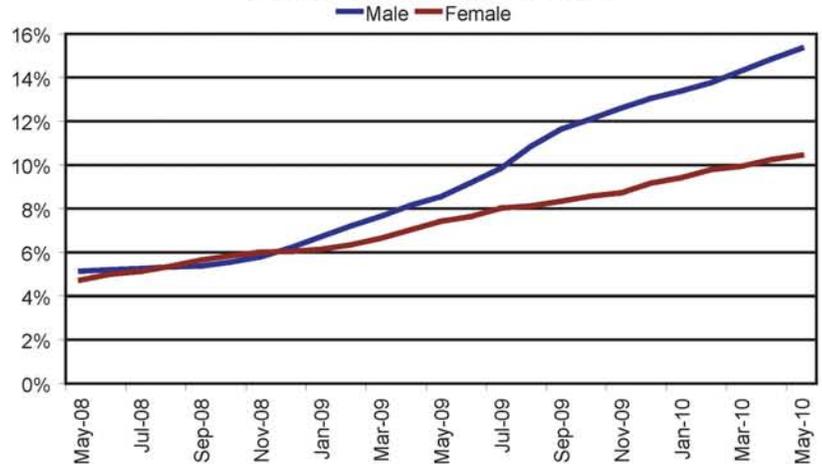


Trends at a Glance

Demographics of the Unemployed

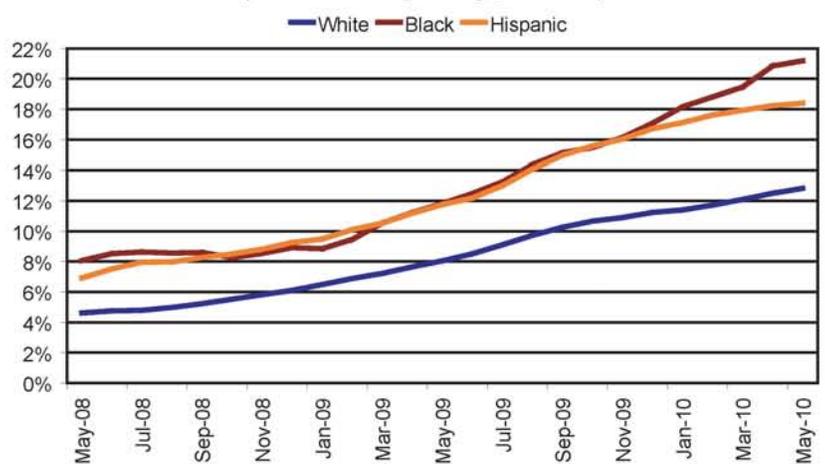
- >The male unemployment rate increased five-tenths of a percent to 15.0 percent.
- >The female unemployment rate increased two-tenths of a percent to 10.4 percent.
- >Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries have fared better overall.

Unemployment Rate by Sex
(12-Month Moving Average, CPS Data)



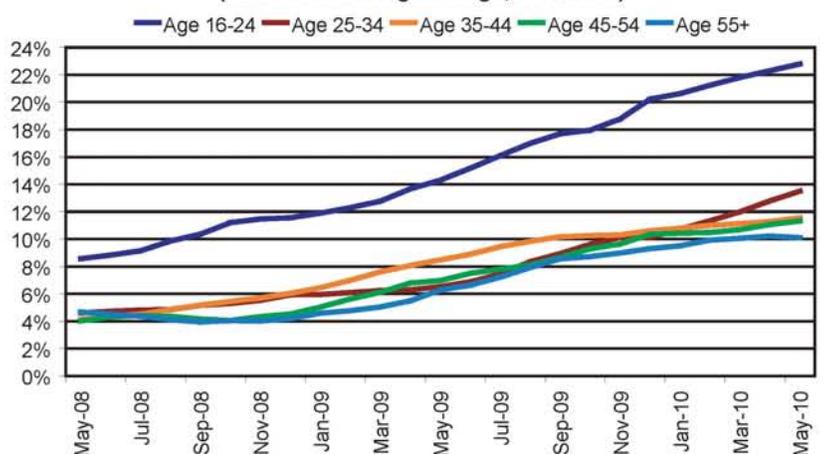
- >The unemployment rate for Nevada's Hispanic labor force increased two-tenths of a percent to 18.4 percent in May.
- >The rate for Nevada's unemployed Black labor force increased 0.4 percentage points to 21.2 percent.
- >The unemployment rate for Nevada's White labor force increased three-tenths of a percent point to 12.8 percent.

Unemployment Rate by Ethnicity
(12-Month Moving Average, CPS Data)



- >Nevada's youngest workers are bearing the brunt of the recession worse than any other age group. At 22.8 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 13.5 percent.
- >The unemployment rate for Nevada's oldest workers is 10.1 percent, down one-tenth from April.

Unemployment Rate by Age Group
(12-Month Moving Average, CPS Data)

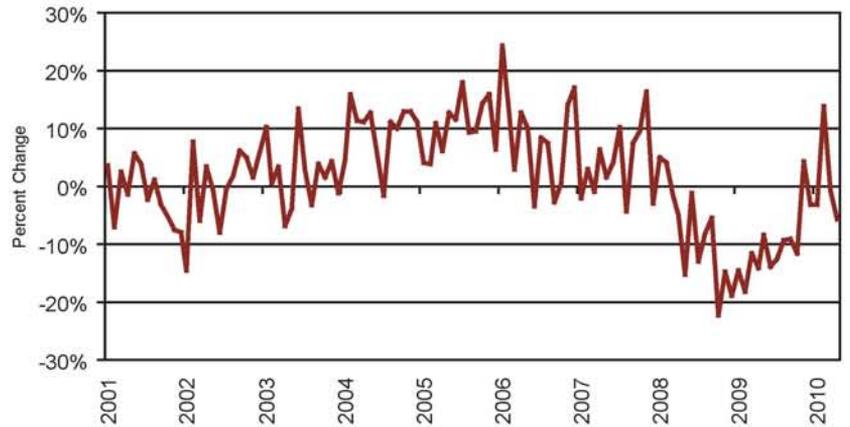


Trends at a Glance

Economic Indicators

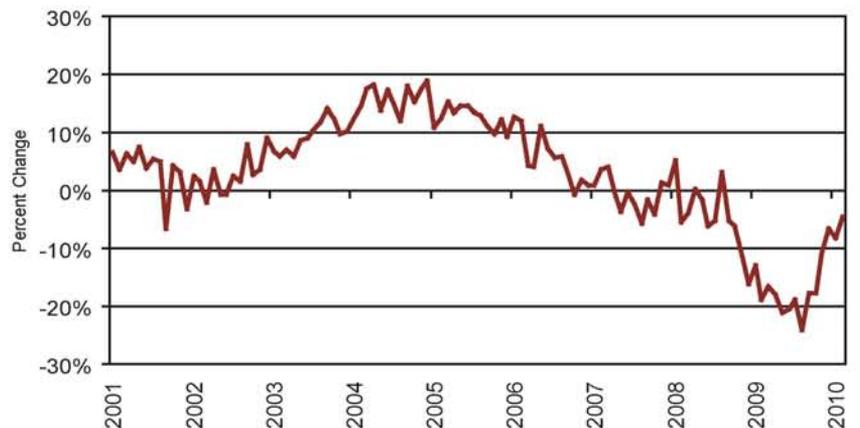
- > Nevada gaming win was down 5.7 percent in April relative to the previous year.
- > For the fiscal year, gaming win has decreased 4.1 percent year-to-date.

Nevada Gross Gaming Win
(Year-Over-Year Percentage Change)



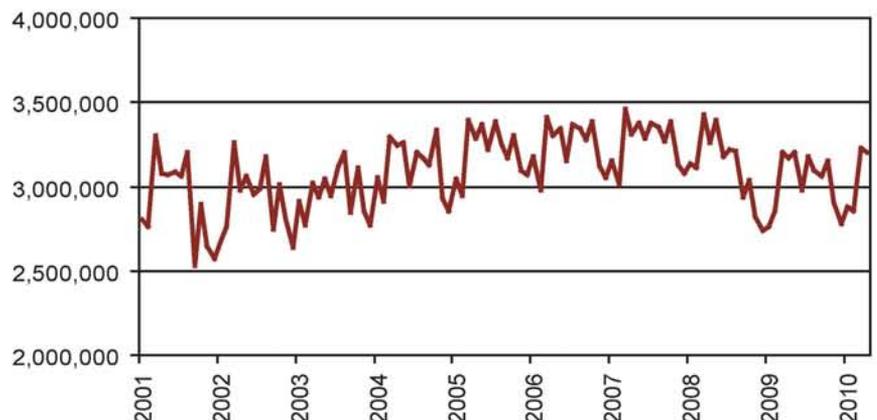
- > In March, taxable sales fell 7.4 percent, with collections totalling \$3,329,192,855.
- > Through the first nine months of the fiscal year, taxable sales are down 13.3 percent compared to the same period in fiscal year 2009.

Statewide Taxable Sales
(Year-Over-Year Percentage Change)



- > Las Vegas visitor volume increased 28,498 in April relative to a year prior, a 0.9 percent increase.
- > Year-to-date, visitor volume is up 1.3 percent in 2010 compared to a year earlier.

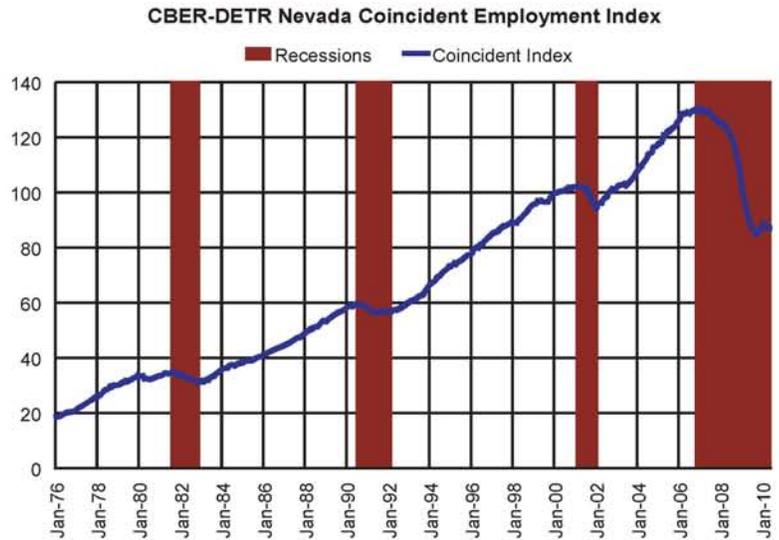
Las Vegas Monthly Visitor Volume



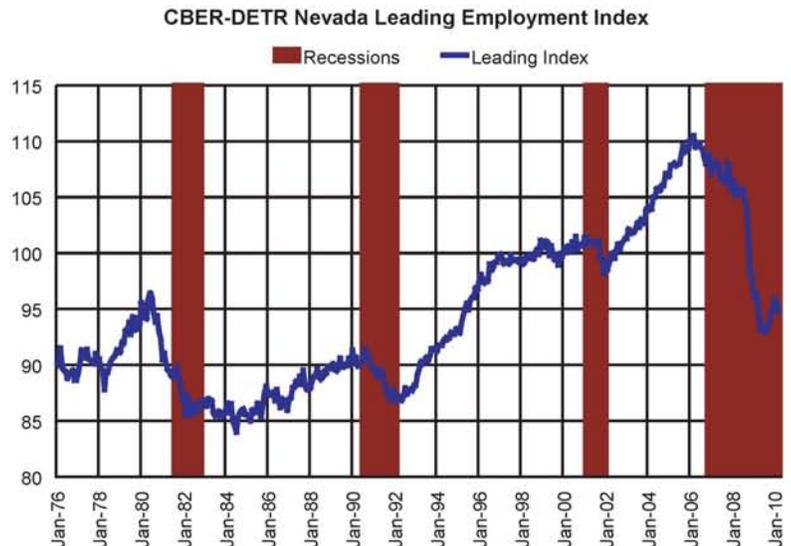
Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

>The peak of the last employment cycle in Nevada occurred in December 2006. Since then, the coincident index regressed steadily through October 2009. Previous reports raised the question as to whether we saw a bottom to the coincident index. The chart still identifies that bottom tentatively as October 2009. But since reaching its most recent high value in January 2010, the coincident index fell each month with the largest fall from March to April. In May, the index dropped just slightly.



>The Nevada leading employment index provides a signal about the future direction of the coincident index. For the current employment recession, the leading index provided a clear signal by peaking in March 2006, nine months before the coincident index reached its peak. Based on current data, the leading index reached its trough in May 2009. The leading index showed decreases in February and March of 2010 after reaching its high value in January. In May, the index dropped three-tenths of a percentage point to 94.8. Over all, the leading index moved slightly higher in six of the last nine months and exceeds its current bottom in May 2009.

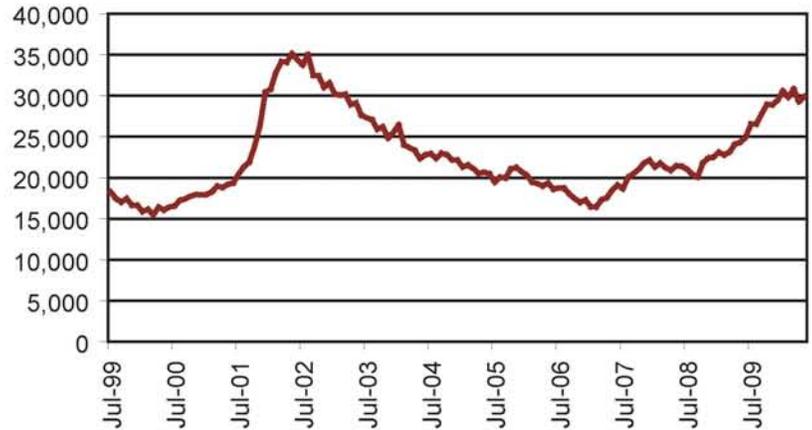


Trends at a Glance

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 maintenance 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 recipients in the program is strongly influenced by the ups and downs of the business cycle. In May, 29,888 individuals were receiving assistance. Since May 2009, the level of assistance has increased 22.9 percent or 5,565 additional recipients.

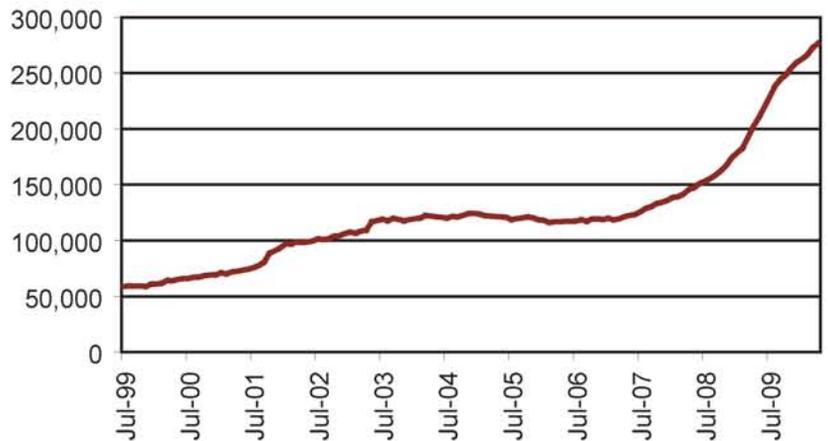
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



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. In April, 276,523 Nevadans participated in the program. Over-the-year, the number of participants receiving assistance has increased 36.7 percent.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



Source: Nevada Department of Health and Human Services

Special Topics

Nevada Personal Income Report: 2009

One of the broader measures of the health of Nevada's economy and the financial well-being of its citizens is personal income. This information is reported on a quarterly basis by the Bureau of Economic Analysis in the U.S. Department of Commerce. Data are released with approximately a three-month lag.

With the release of income results for all of 2009, per capita personal income information is made available. All told, income totaled \$38,578 per Nevadan in 2009 (Figure 1). During nine of the previous ten years (1999-2008), Nevada per capita personal income was higher than in the nation as a whole. However, in 2009, U.S. per capita income, at \$39,138, stands \$560 above that for Nevada. This is consistent with other measures of economic activity (employment, unemployment, housing, etc.) and provides additional evidence suggesting that the Silver State has been hit relatively hard by the recession which "officially" began in late-2007.

Despite the State's economic difficulties of late, total personal income readings have nearly doubled in the past decade (Table 1), a reflection of the State's solid economic performance during much of the period prior to the onset of the current recession. For all of 2009, personal income totaled \$102 billion, a 4.8 percent decline from the prior year (Figure 2). This translates into the most pronounced decline amongst all states and is nearly three times the rate of decline (-1.7 percent) in the nation as a whole. Personal income information is readily available from 1969 forward. 2009 marked the first year during the period that personal income actually declined in Nevada (Figure 3). In fact, growth had only been below five percent in two years during the

Figure 1 Nevada Per Capita Personal Income vs. the U.S.

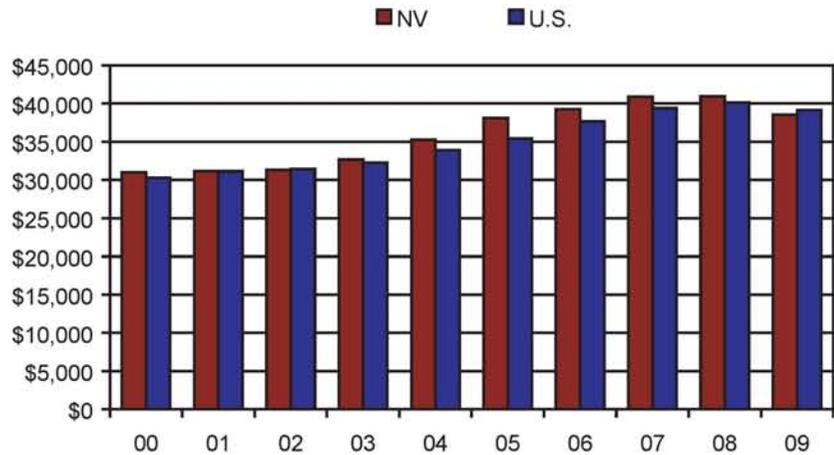


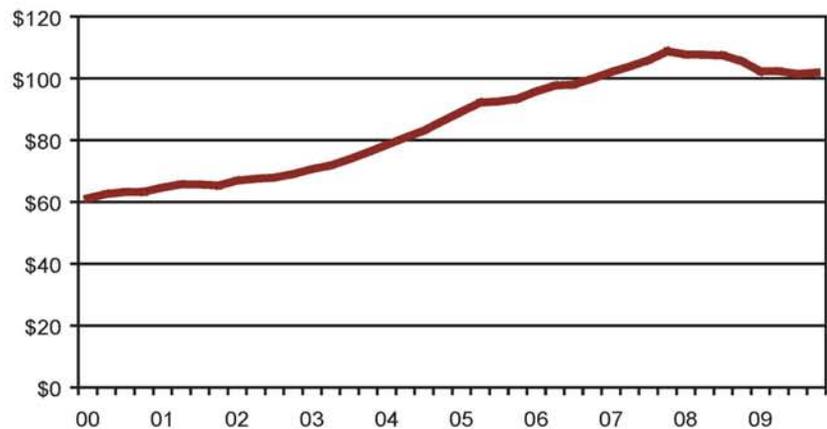
Table 1 Nevada Personal Income

(billions of \$; seasonally adjusted at annual rates)

| | IQ | IIQ | IIIQ | IVQ | Annual Average |
|------------------|---------|---------|---------|---------|----------------|
| 2000 | \$61.1 | \$62.5 | \$63.2 | \$63.3 | \$62.5 |
| 2001 | \$64.6 | \$65.7 | \$65.6 | \$65.3 | \$65.3 |
| 2002 | \$66.9 | \$67.5 | \$67.9 | \$69.0 | \$67.8 |
| 2003 | \$70.6 | \$71.8 | \$73.8 | \$76.1 | \$73.1 |
| 2004 | \$78.5 | \$80.8 | \$83.1 | \$86.2 | \$82.1 |
| 2005 | \$89.2 | \$92.1 | \$92.5 | \$93.4 | \$91.8 |
| 2006 | \$95.8 | \$97.6 | \$98.0 | \$99.9 | \$97.8 |
| 2007 | \$102.0 | \$103.8 | \$105.9 | \$108.7 | \$105.1 |
| 2008 | \$107.8 | \$107.6 | \$107.4 | \$105.6 | \$107.1 |
| 2009 | \$102.3 | \$102.3 | \$101.4 | \$101.9 | \$102.0 |
| 2008-2009 Change | -5.1% | -4.9% | -5.6% | -3.5% | -4.8% |

Figure 2 Nevada Personal Income

(billions of \$; seasonally adjusted at annual rates)



Special Topics

period—2001 and 2002. As recently as 2004 and 2005, income growth was in the double-digits in Nevada.

Perhaps the lone (tentatively) encouraging trend of note concerns year-end developments. Fourth quarter personal income was off “just” 3.5 percent relative to a year ago, the smallest decline recorded as 2009 unfolded (Figure 4).

The largest component of personal income is net earnings, accounting for approximately two-thirds of total income. In 2009, net earnings fell 7.6 percent.

As recently as 2006, net earnings growth was in excess of five percent. These general earnings trends are consistent with information from the Quarterly Census of Employment and Wages (QCEW), a cooperative program between the U.S. Bureau of Labor Statistics and the Research and Analysis Bureau, which generates a variety of information concerning employers and employees covered by unemployment insurance laws. Recent QCEW information points to an economy-wide average weekly wage decline of 0.5 percent in 2009.

Although the current recession has impacted all sectors of the Nevada economy, the construction industry has been extremely hard-hit. In 2009, 35,000 construction jobs were lost in Nevada. Total wage and salary disbursements fell by more than one-quarter (Figure 6). Wage and salary disbursements were down approximately ten percent in three other relatively large sectors—accommodation/food services, professional/scientific/technical services, and retail trade. One sector that did show some growth in 2009 (albeit, less than five percent), as measured by wage and salaries, was health care/social assistance.

Although a relatively small component of total personal income, there has been considerable growth in government

Figure 3 Nevada Annual Personal Income Growth

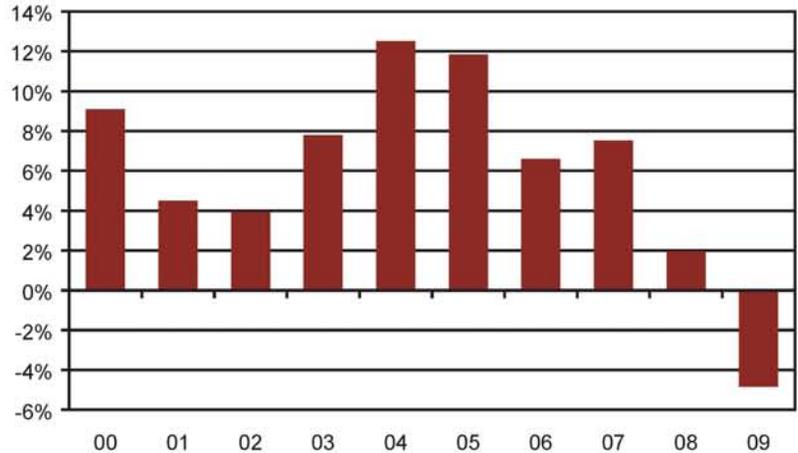


Figure 4 Nevada Quarterly Personal Income Growth

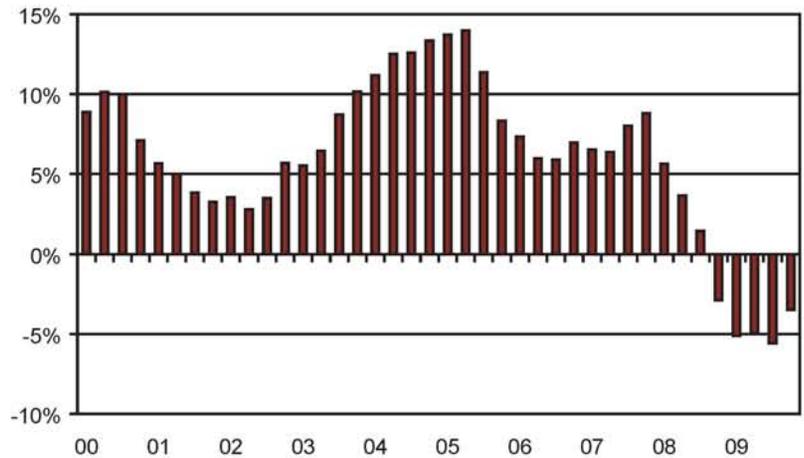
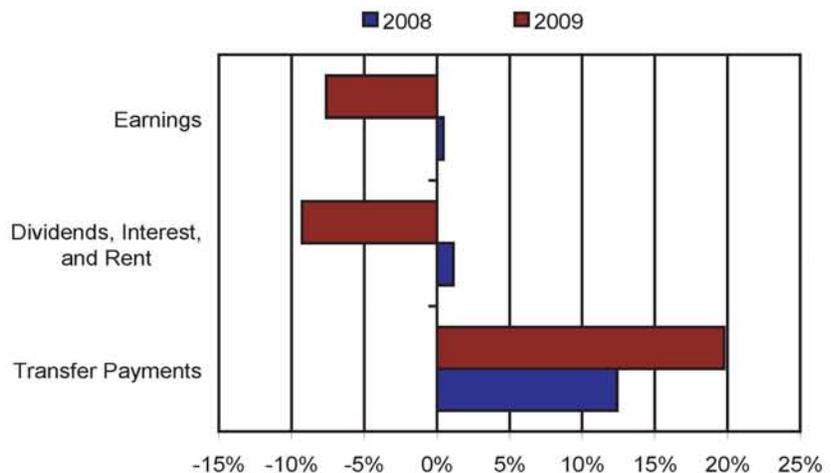


Figure 5 Components of Nevada Personal Income Growth



Special Topics

transfer payments, many of which are structured to function in a counter-cyclical fashion (e.g., unemployment insurance benefits). Transfer payment income has increased by nearly 50 percent over the course of the past three years.

As mentioned earlier, recent personal income trends provide further evidence of the disproportionate impacts this recession has had on the Silver State. This is due, in large part, to the fact that this downturn has had significant impacts on two main engines of growth in Nevada—construction and consumer spending. Historically, income growth in Nevada has exceeded that for the nation as a whole (Figure 7). During the 2002-2005 period, income gains in Nevada were roughly double the rate of growth in the U.S. However, since then, the State's fortunes have turned. In three of the past four years, income growth at the national level has been stronger than in Nevada. Specifically for 2009, Nevada's 4.8 percent income decline was nearly three times the 1.7 percent decline in the nation as a whole.

Looking forward, the best that can be said at this time is that the worst may be behind us. For the broader economy as a whole, expectations are for labor markets, construction activity, and discretionary consumer spending to remain fairly weak. Hence, at this time, it appears that the best that can be hoped for is a moderation in the pace of income declines as 2010 unfolds.

*Bill Anderson
Chief Economist
Research and Analysis Bureau*

Figure 6 Nevada Private Sector Wage and Salary Disbursements Growth by Industry

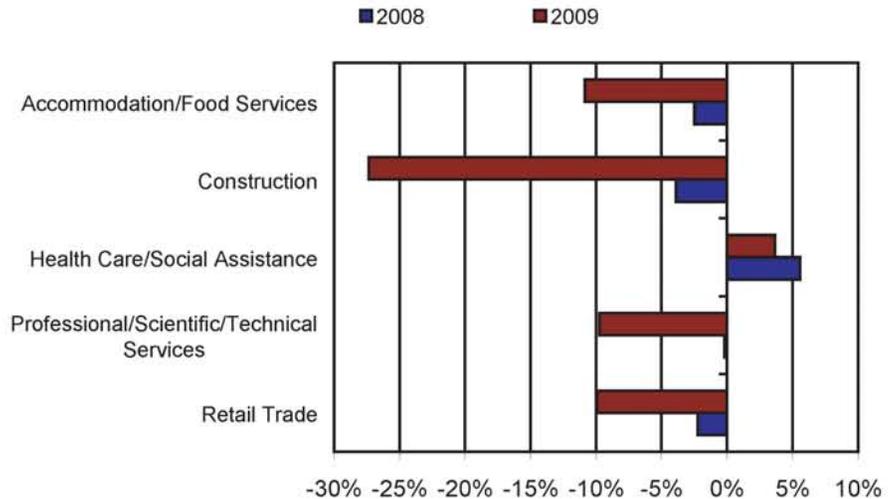
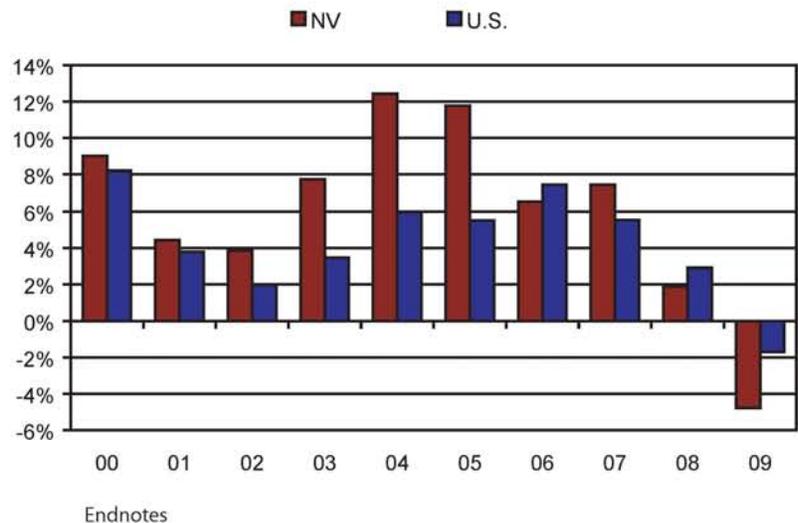


Figure 7 Nevada Personal Income Growth vs. the U.S.



1 Personal income is the income received by all persons from all sources. Personal income is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and personal current transfer receipts. Net earnings is earnings by place of work (the sum of wage and salary disbursements (payrolls), supplements to wages and salaries, and proprietors' income) less contributions for government social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes). Additional information is available at: <http://www.bea.gov/regional/index.htm#state>.

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ECONOMY IN BRIEF



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

ECONOMY IN BRIEF



RESEARCH &
ANALYSIS BUREAU

April 2010

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

Economic Summary

The worst of the recession may be in the rearview mirror, but in April, Nevada continued down a long and bumpy road to economic recovery. Slow seasonal hiring drove employment slightly higher, while the unemployment rate topped the previous record high, again. The labor force has increased every month this year, as workers entered the job market either out of necessity or renewed optimism in potential job prospects. Over-the-year job loss is moderating, but a surge in permanent hiring remains elusive. Without an economic driver resulting in substantial new job creation, Nevada will continue to wait for the construction and leisure and hospitality industries to shake the effects of the Great Recession.

Nevada employers added 2,500 jobs in April with most of the increase coming from seasonal hiring in retail trade, and leisure and hospitality. The retail trade sector added 1,300 jobs, driven by increases in garden/hardware and sporting goods stores. The start of pool season in Las Vegas, combined with outdoor recreation, contributed to an increase in employment of 1,500 in leisure and hospitality. Unfortunately, losses in construction have yet to subside, with employment sliding 700 jobs. Construction employment has fallen to a level not seen since April 1995. Since the height of the housing boom in June 2006, construction has fallen from 148,800 to 62,700, a loss of 86,100 jobs.

Across the State, each region benefited slightly from the turning of the season. Employers in the Las Vegas-Paradise area added 1,300 jobs. Total

Unemployment Rate by County



nonfarm employment in the Reno-Sparks area increased by 1,200 and Carson City employers added 200 jobs. Over-the-year job losses have moderated significantly this spring. In Las Vegas, employment is down 4.6 percent, compared to a 9.7 percent decline a year ago. Reno was down 2.9 percent from a year earlier, and Carson City was down 3.0 percent. In April 2009, Reno was down 10.4 percent, and Carson City was down 6.2 percent. While the labor market is still deteriorating, the rate of decline is waning.

Nevada's seasonally adjusted unemployment rate increased three-tenths of percentage point to 13.7 percent in April, with an estimated 193,000 unemployed workers. Both labor force and unemployment increased, suggesting workers entering the labor market struggled to

Economic Indicators

| UNEMPLOYMENT RATES | APR 2010 |
|-------------------------------------|----------|
| NEVADA * | 13.7% |
| LAS VEGAS-PARADISE MSA | 14.2% |
| RENO-SPARKS MSA | 13.5% |
| CARSON CITY MSA | 13.4% |
| ELKO MICROPOLITAN AREA | 8.5% |
| UNITED STATES * | 9.9% |
| CALIFORNIA * | 12.6% |
| * Seasonally Adjusted | |
| JOB GROWTH (Y-O-Y) | |
| NEVADA | -3.5% |
| LAS VEGAS-PARADISE MSA | -4.6% |
| RENO-SPARKS MSA | -2.9% |
| CARSON CITY MSA | -3.0% |
| UNITED STATES | -1.0% |
| CALIFORNIA | -2.3% |
| CONSUMER PRICE INDEX (Y-O-Y) | |
| UNITED STATES | 2.2% |
| GAMING WIN (Y-O-Y) | |
| MAR 2009 - MAR 2010 | |
| NEVADA | -0.7% |
| CLARK COUNTY | -0.9% |
| WASHOE COUNTY | 1.6% |
| TAXABLE SALES (Y-O-Y) | |
| FEB 2009 - FEB 2010 | |
| NEVADA | -4.5% |
| CLARK COUNTY | -4.9% |
| WASHOE COUNTY | -4.5% |

find suitable employment. Joblessness in the State's regional labor markets increased as well. In Las Vegas, the unemployment rate jumped from 13.8 percent to 14.2 percent. In the Reno-Sparks area, the unemployment rate increased two-tenths of a percentage point to 13.5 percent. The unemployment rate in the Carson City and Elko regions held steady at 13.4 percent and

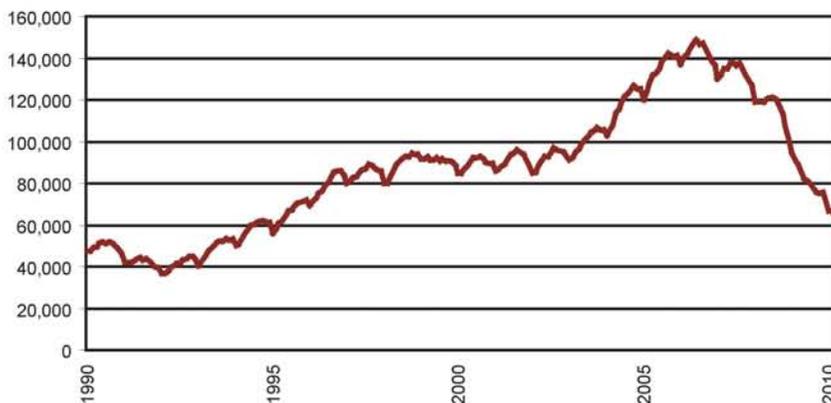
Economic Summary

8.5 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 14.0 percent in April, up from 13.6 percent in March.)

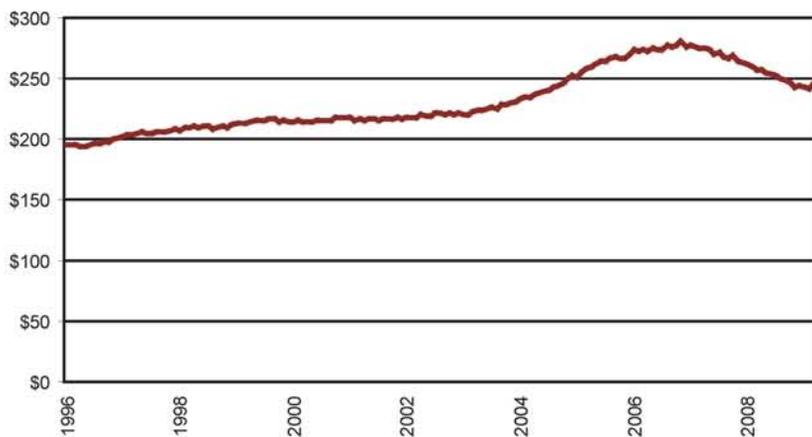
The casino hotel and gaming industry in Clark County may have reached or be nearing the bottom of the downturn. While still weak compared to just a few years ago, a number of indicators have been improving. Employment has increased each month this year, gaming win is leveling out and visitor volume has improved six out of the last seven months. Even hotel occupancy, while still low by historical standards, has improved, despite a perceived over supply of rooms. Gaming win per visitor is on the upswing, too. Using a twelve-month moving average, win per visitor peaked in October 2007 at \$281, and has declined steadily ever since. In December 2009, win per visitor appears to have reached a bottom at \$242. In the first two months of 2010, win per visitor increased to \$245, marking the first significant increase since the start of the recession. The improvement may turn out to be just a blip, or it may mark a turning point in the industry's fortunes – only time will tell.

In what may be another shoe to drop in the recession, the public sector, particularly local government, is beginning to see large decreases in employment. Despite numerous wage concessions and other cutbacks, many local governments are being forced to lay off employees. In the last year, local government employers shed 5,500 jobs, or 5.2 percent. Employment slid by 1,000 in April alone. Job losses will likely increase in the coming months as municipalities adjust to lower budgets set to begin July 1st. Offsetting local government job losses, at least temporarily, the federal government via the Census has provided work to a total of

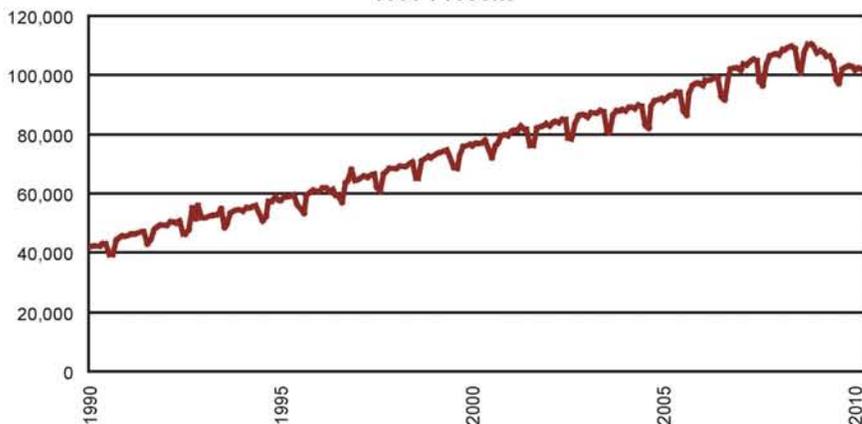
Construction Employment, 1990-Present



Gaming Revenue Per Visitor in Clark County, Twelve-Month Moving Average



Local Government Employment, 1990-Present



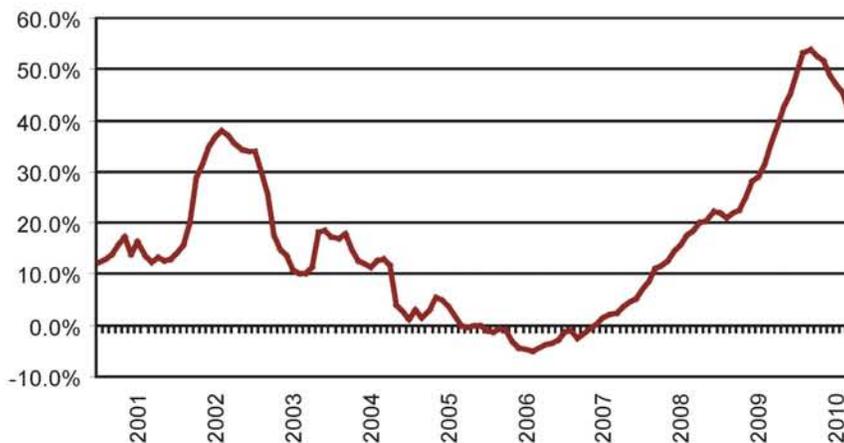
Economic Summary

1,150 workers, 460 of whom were added in April. Census employment is expected to peak in May or June, and then begin to taper off into the fall.

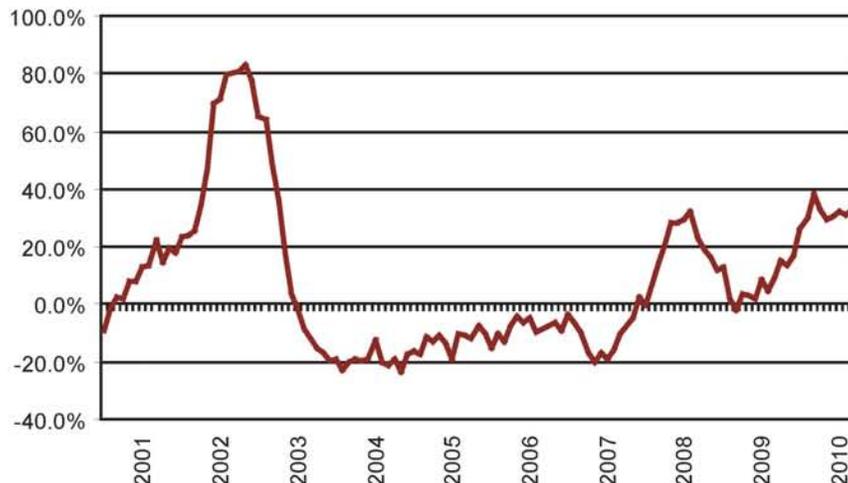
The effects of the recession go beyond job loss and wage reductions and into the overall quality of life in Nevada. Beyond unemployment insurance (UI) for jobless and underutilized workers, the social safety net extends to services provided by public and non-profit agencies. One such agency is the Nevada Department of Health and Human Services, which administers both the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and Temporary Assistance for Needy Families (TANF). TANF provides temporary cash assistance to low-income families with children. As economic indicators, SNAP and TANF service levels provide additional information on the relative economic well-being of Nevada's low income families. Since the start of recession, service levels for both programs have grown dramatically. The number of Nevadans participating in SNAP and TANF increased by 100 percent and 39 percent, respectively. In the last year alone, the number of SNAP participants increased by 80,149 or 41.7 percent, while the number of TANF participants increased by 7,640 or 33 percent. Given the expectations of continued economic contraction and additional future UI exhaustions, the level of SNAP and TANF recipients will likely grow for the foreseeable future.

Jered McDonald
Economist
Research and Analysis Bureau

Supplemental Nutrition Assistance Program,
Number of Participating Nevadans
(Year-Over-Year Percentage Change)



Temporary Assistance for Needy Families in Nevada,
Number of Cash Recipients
(Year-Over-Year Percentage Change)



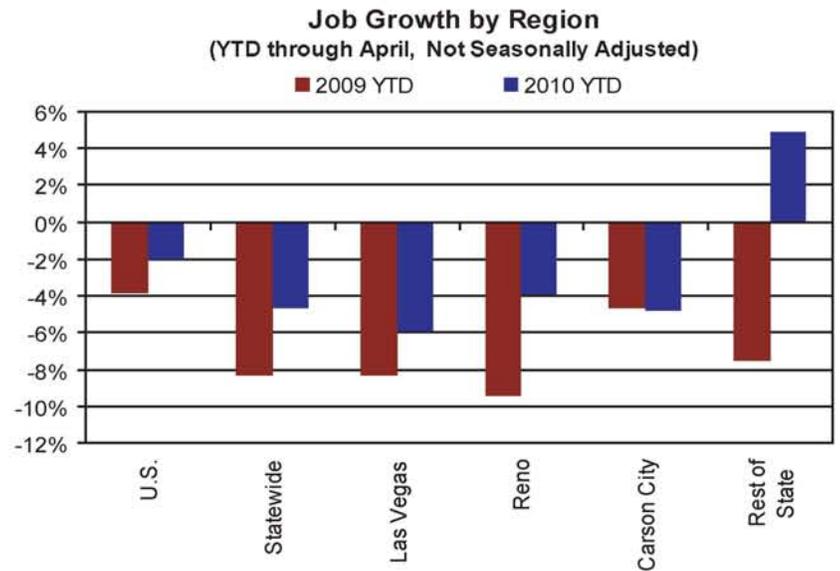
Trends at a Glance

Industrial Employment

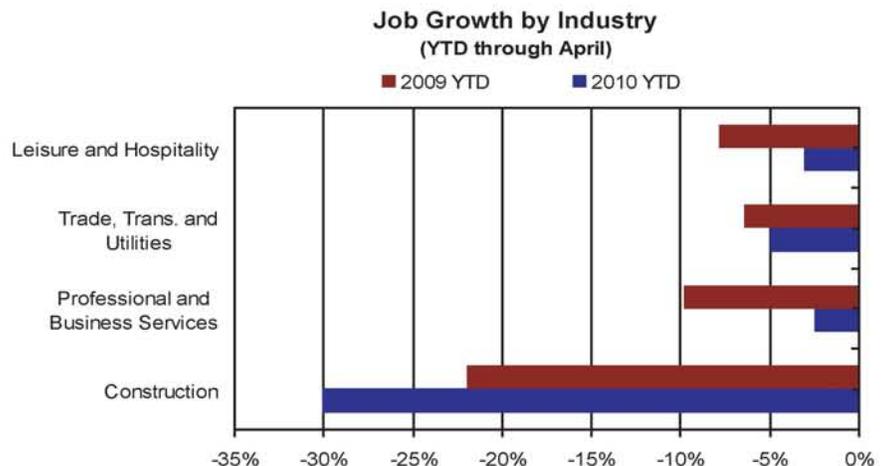
- >Industrial employment in Nevada fell 3.5 percent in April relative to a year prior, equating to a loss of 40,500 jobs.
- >April job readings were down 1.0 percent nationally relative to April 2009.



- >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 4.6 percent YTD in April 2010 relative to April 2009.
- >In the Reno MSA, YTD job readings were down 3.9 percent in April 2010
- >In Carson City, employment fell 4.8 percent YTD from April 2009 to April 2010.
- >Job growth was up 4.9 percent in non-metro areas of the State.



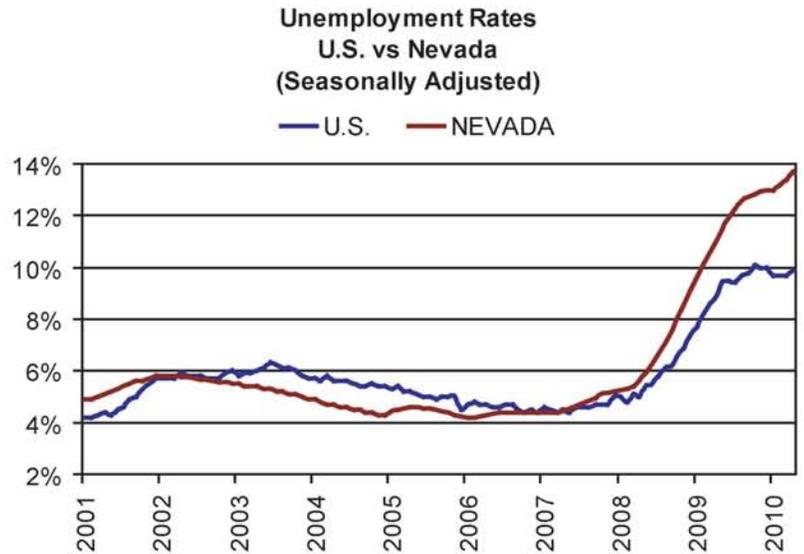
- >Approximately 28,000 jobs have been lost in the construction industry YTD through April, a 30.1 percent annual decline. The sector continues to struggle given weak demand for new development in both residential and commercial markets.
- >Job losses in the State's largest industry, leisure and hospitality, are beginning to moderate. Industry employment was down 3.1 percent YTD through April relative to a year prior. A year earlier, job losses were down 7.8 percent over the same time frame.



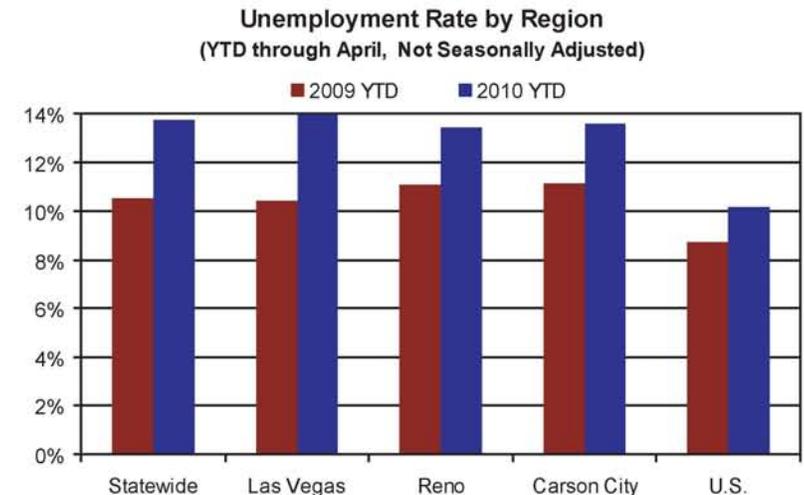
Trends at a Glance

Unemployment

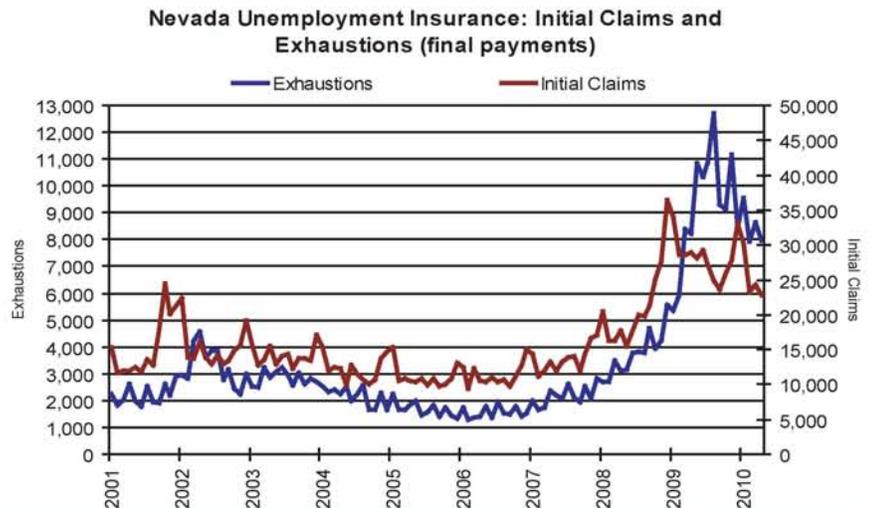
- >Nevada's seasonally adjusted unemployment rate was 13.7 percent in April. Nevada has the second highest unemployment rate in the nation, trailing only Michigan with 14.0 percent.
- >Nationally, the unemployment rate stood at 9.9 percent in April. Nevada's jobless rate has exceeded the national average since early-2007. In recent months, Nevada's unemployment rate continued to increase, while the nation's leveled off.



- >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 through April, a 3.5 percentage point increase over-the-year.
- >The Reno-Sparks MSA's jobless rate was 13.4 percent YTD through April. On an annual basis, the rate is up 2.7 percentage points over-the-year.
- >The jobless rate in Carson City was 13.6 percent YTD in April, up 2.7 percentage points over-the-year.



- >Initial claims for unemployment insurance decreased by 1,464 in April to 22,836. Over-the-year, claims are down by 21.0 percent.
- >Final payments, signifying an exhaustion of regular State benefits, decreased in April from March by 643. Over-the-year, final payments were down 2.9 percent. The decline marks the first over-the-year drop since November 2006.



Trends at a Glance

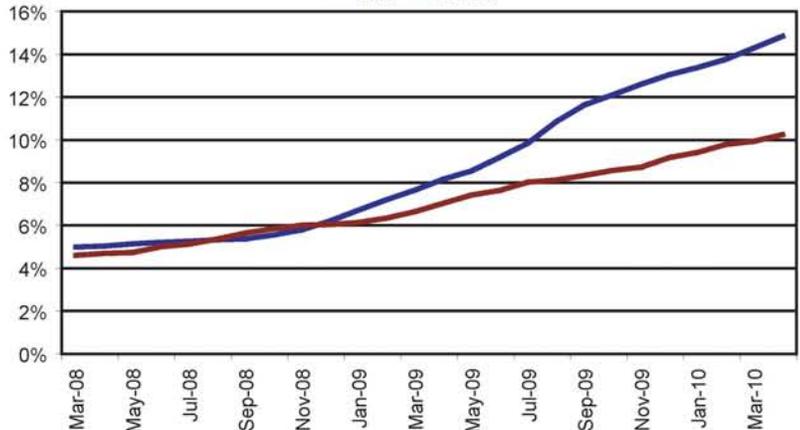
Demographics of the Unemployed

- >The male unemployment rate increased six-tenths of a percent to 14.6 percent.
- >The female unemployment rate increased three-tenths of a percent to 10.2 percent.
- >Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries have fared better overall.

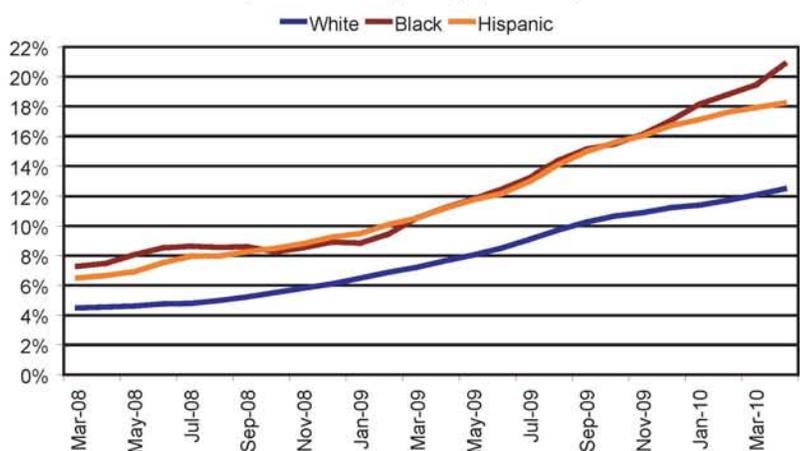
- >The unemployment rate for Nevada's Hispanic labor force increased three-tenths of a percent to 18.2 percent in April.
- >The rate for Nevada's unemployed Black labor force increased 1.3 percentage points to 20.8 percent.
- >The unemployment rate for Nevada's White labor force increased four-tenths of a percent point to 12.5 percent.

- >Nevada's youngest workers are bearing the brunt of the recession worse than any other age group. At 22.3 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 eight-tenths to 12.8 percent.
- >The unemployment rate for Nevada's oldest workers is 10.2 percent, up one-tenth from March.

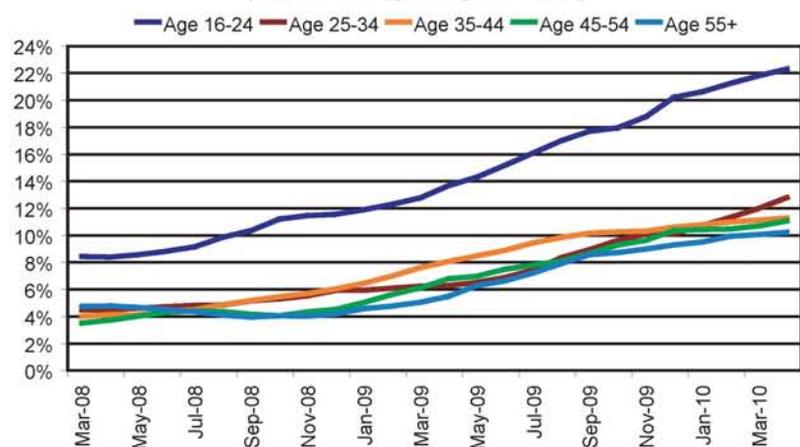
Unemployment Rate by Sex
(12-Month Moving Average, CPS Data)



Unemployment Rate by Ethnicity
(12-Month Moving Average, CPS Data)



Unemployment Rate by Age Group
(12-Month Moving Average, CPS Data)

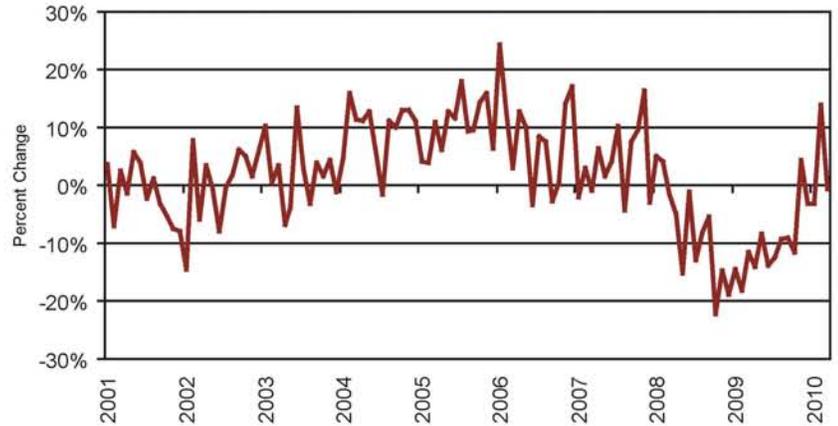


Trends at a Glance

Economic Indicators

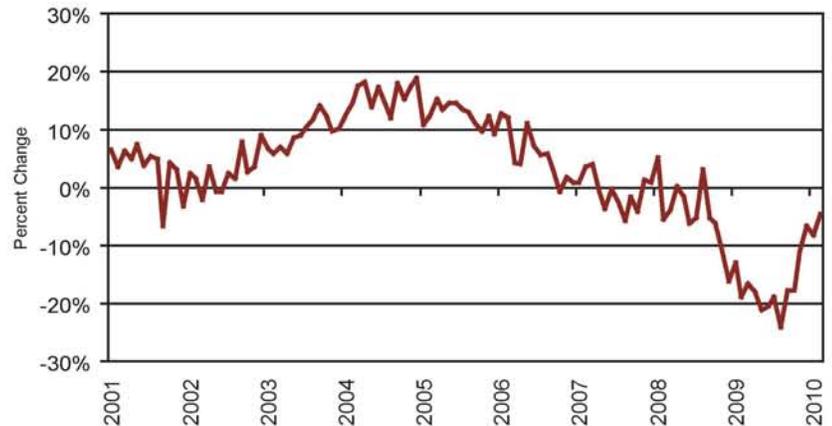
- > Nevada gaming win was down 0.66 percent in March relative to the previous year.
- > For the fiscal year, gaming win has decreased 3.9 percent year-to-date.

Nevada Gross Gaming Win
(Year-Over-Year Percentage Change)



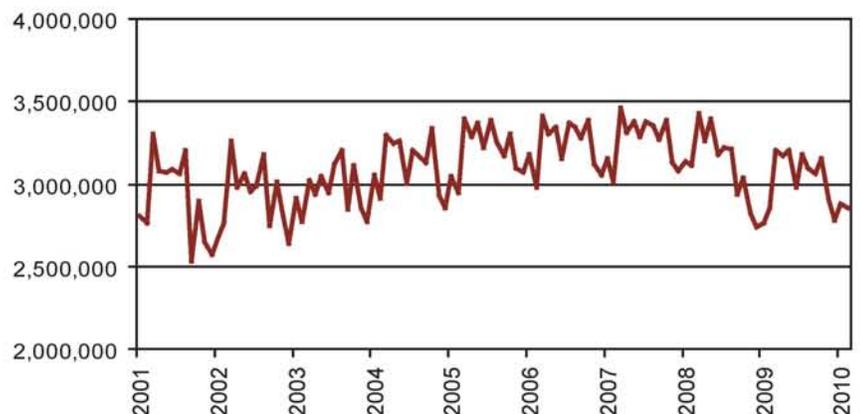
- > In February, taxable sales fell 4.5 percent, with collections totalling \$2,803,795,540.
- > Through the first eight months of the fiscal year, taxable sales are down 14.1 percent compared to the same period in fiscal year 2009.

Statewide Taxable Sales
(Year-Over-Year Percentage Change)



- > Las Vegas visitor volume increased 22,353 in March relative to a year prior, a 0.7 percent increase.
- > Year-to-date, visitor volume is up 1.5 percent in 2010 compared to a year earlier.

Las Vegas Monthly Visitor Volume

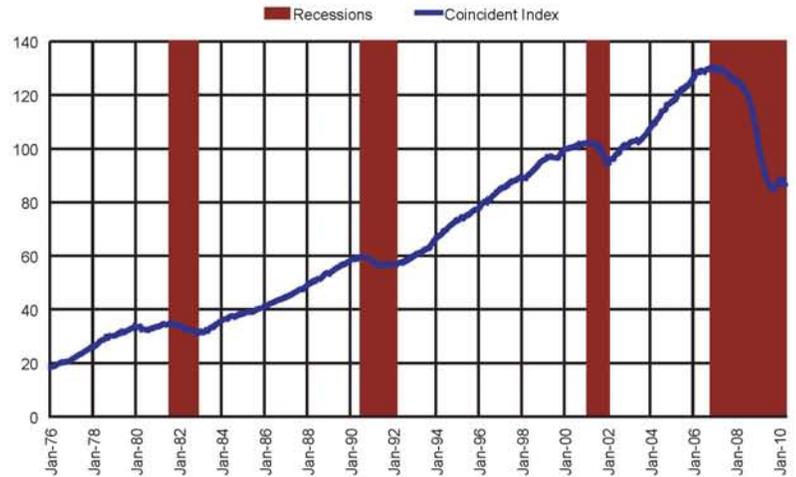


Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

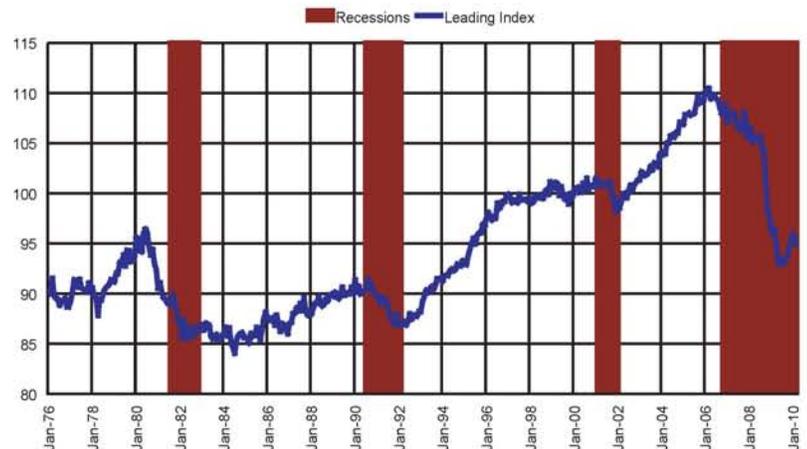
>The employment recession may still have ended, but releases of the last four months show a definite pause in the recovery. The coincident index fell ever so slightly in February and March 2010, and then by a much larger amount in April. Based on seasonally adjusted data, the unemployment rate, the insured unemployment rate, household employment, and nonfarm employment moved in a negative direction with the April release. No component moved in a positive direction. Even though the coincident index fell the last three months, it still remains above its current bottom in October 2009.

CBER-DETR Nevada Coincident Employment Index



>The Nevada leading employment index provides a signal about the future direction of the coincident index. In April, the components of the leading index experienced the following changes -- initial claims for unemployment insurance, commercial permits, the real Moody's Baa bond rate, and the short-duration unemployment rate moved in a positive direction. The remaining variables -- housing permits and construction employment -- moved in a negative direction. Thus, the leading index rose between March and April 2010. Overall, the leading indexed moved slightly higher in six of the last eight months and exceeds its current bottom in August 2009.

CBER-DETR Nevada Leading Employment Index

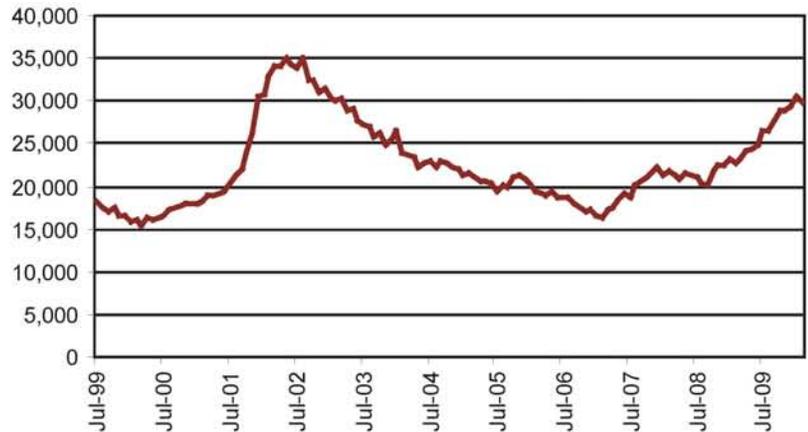


Trends at a Glance

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 maintenance 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 recipients in the program is strongly influenced by the ups and downs of the business cycle. In March, 30,810 individuals were receiving assistance. Since March 2009, the level of assistance has increased 33 percent or 7,640 additional recipients.

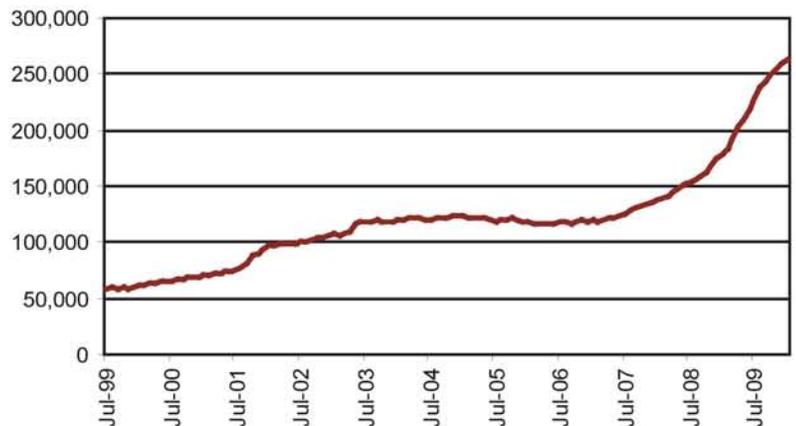
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



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. In March, 272,425 Nevadans participated in the program. Over-the-year, the number of participants receiving assistance has increased 42 percent.

Supplemental Nutrition Assistance Program, Number of Participating Nevadans



Source: Nevada Department of Health and Human Services

State of Nevada
Department of Employment, Training & Rehabilitation
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ECONOMY IN BRIEF



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