

ECONOMY IN BRIEF

DETR RESEARCH & ANALYSIS BUREAU
DEVELOPMENT, ECONOMIC & TRADING RESEARCH

July 2011

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

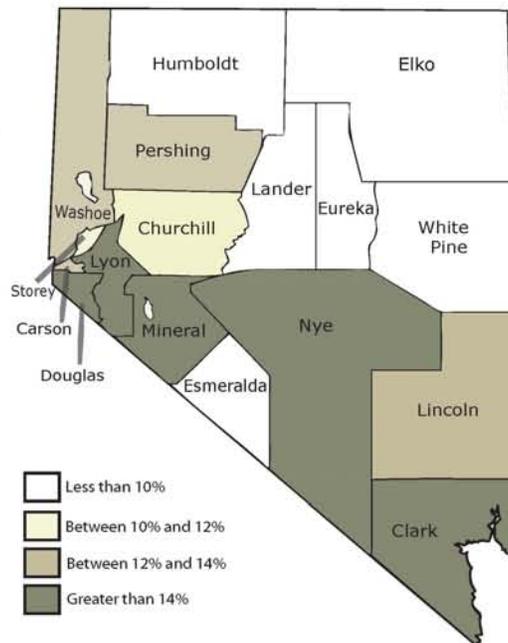
Economic Summary

Many barometers historically utilized to judge the health of Nevada's economy—taxable sales, visitor volume, and gaming win—are pointing up. Unfortunately, the good news has not translated into improvement in the health of the State's labor market as a whole. Perhaps most importantly, non-farm job levels have been essentially moving sideways through the first seven months of 2011. As a result, in the absence of any full-blown employment growth, the State's jobless rate has been quite volatile so far this year, driven largely by changes in the labor force.

For July, non-farm jobs totaled 1.11 million, down 8,800 from June. However, job readings typically decline in July. In fact, this year's decline was less than expected. Over the past five years, the average June-July decline was 12,500. As a result, job readings actually increased slightly on a seasonally adjusted basis for the month. Still, employment levels have barely budged as 2011 has unfolded. They are down 5,000 from a year ago, and measured on a seasonally adjusted basis, are just barely up from the end 2010.

Each sub region of the state suffered similar job loss in July. Total non-farm payroll was down 5,800 jobs in the Las Vegas-Paradise area from the previous month. Over-the-year employment is down 3,100, or -0.4 percent. Employment also declined in the Reno-Sparks and Carson City MSAs in July, down 1,700 and 500 jobs, respectively. The state's two northern metro areas have seen their over-the-year comparisons worsen in recent months. As of July, the

Unemployment Rate by County



Reno area is down 4,600 jobs or -2.4 percent, and Carson City is down 800 jobs or -2.7 percent relative to a year ago.

Although the much-publicized decline in the jobless rate during the first five months of the year (from 14.9 percent in December 2010 to 12.1 percent in May) was certainly encouraging news, most of the decline was the result of a declining labor force coupled with flat employment trends. In both June and July, the drop in the labor force has shown signs of leveling off, and the unemployment rate has trended up, reaching 12.4 percent in June and 12.9 percent in July.

Nevada's seasonally unadjusted unemployment rate gained two-tenths

Economic Indicators

UNEMPLOYMENT RATES	JUL 2011
NEVADA *	12.9%
LAS VEGAS-PARADISE MSA	14.0%
RENO-SPARKS MSA	13.0%
CARSON CITY MSA	12.6%
ELKO MICROPOLITAN AREA	7.4%
UNITED STATES *	9.1%
CALIFORNIA *	12.0%
* Seasonally Adjusted	
JOB GROWTH (Y-O-Y)	
NEVADA	-0.5%
LAS VEGAS-PARADISE MSA	-0.4%
RENO-SPARKS MSA	-2.4%
CARSON CITY MSA	-2.7%
UNITED STATES	0.9%
CALIFORNIA	1.0%
CONSUMER PRICE INDEX (Y-O-Y)	
UNITED STATES	3.6%
GAMING WIN (Y-O-Y)	
JUN 2010 - JUN 2011	
NEVADA	16.0%
CLARK COUNTY	19.9%
WASHOE COUNTY	-1.7%
TAXABLE SALES (Y-O-Y)	
MAY 2010 - MAY 2011	
NEVADA	7.2%
CLARK COUNTY	5.6%
WASHOE COUNTY	4.0%

of a percent to 13.7 percent in July. Unemployment in the state's major metro areas held steady for the most part, but did tick up slightly. In Las Vegas, the rate of joblessness increased two-tenths to 14.0 percent. In the Reno-Sparks and Carson City areas the unemployment rate increased by one-tenth to 13 percent

Economic Summary

and 12.6 percent, respectively.

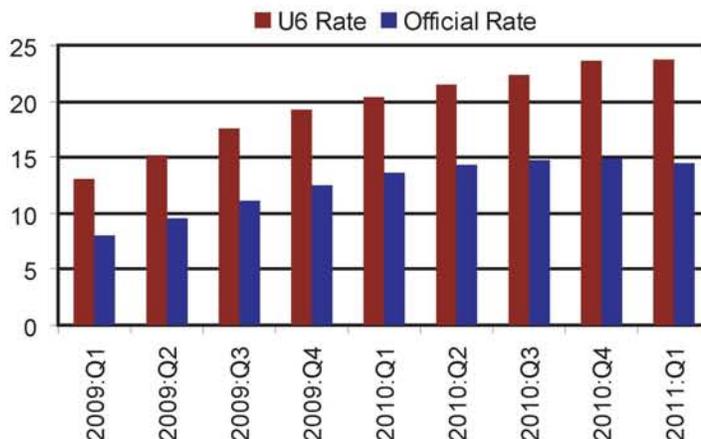
A broader measure of unemployment is estimated using the Bureau of Labor Statistic's current population survey. The most recent reading, based on a four quarter moving average through June, showed a slight improvement. The rate, which includes discouraged and partially unemployed workers who are not accounted for in the headline rate, declined from 23.7 percent in the previous period to 23.3 percent. The broader rate of unemployment compares to an announced rate of 13.9 percent over the year ending in June.

There has been some well-publicized improvement in visitor trends and gaming activity in recent months. Las Vegas visitor volume has been trending up since the second half of 2009. June brought with it a 7 percent gain relative to a year ago. Statewide gaming win grew at an annual rate of 16 percent in both May and June. Over the course of the past 11 months, double-digit gains have been recorded four times. That has translated into some positive developments on the jobs front. Through the first seven months of this year, leisure and hospitality payrolls have grown by 6,800 relative to a year ago.

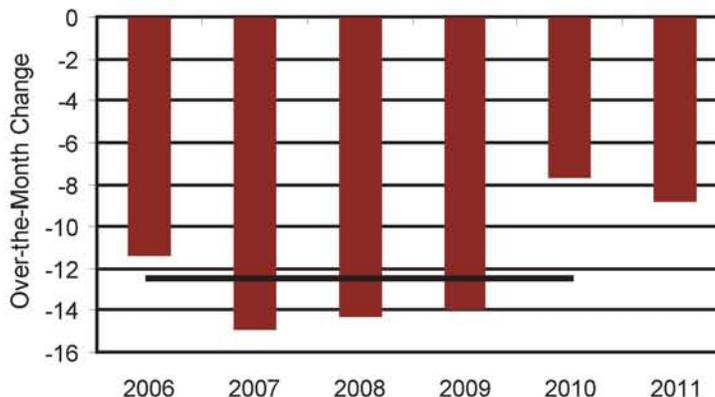
Looked at another way, so far this year, month-over-month job changes, not adjusted for seasonality, have ranged from -2,800 in January to an increase of 4,800 in March. July saw leisure and hospitality payrolls fall by 1,100 relative to June. In every month but two (May and July), job trends, as measured by monthly changes, have been more impressive than expected, in light of historical trends measured over the past ten years. As a result, seasonally adjusted job readings have grown by nearly 8,000 from year-end 2010. Despite the improvement, much ground remains to be made up: between 2007 and 2010, more than 30,000 leisure and hospitality jobs were lost.

Recent economic uncertainty pushed gold

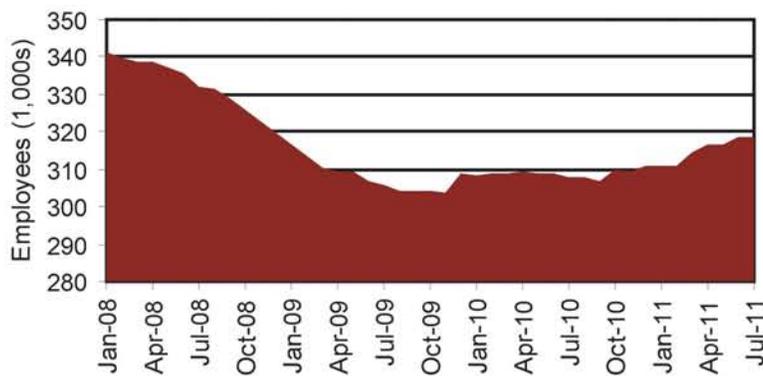
Official and Alternative Measures of Unemployment



Total Non-farm June-July Level Change



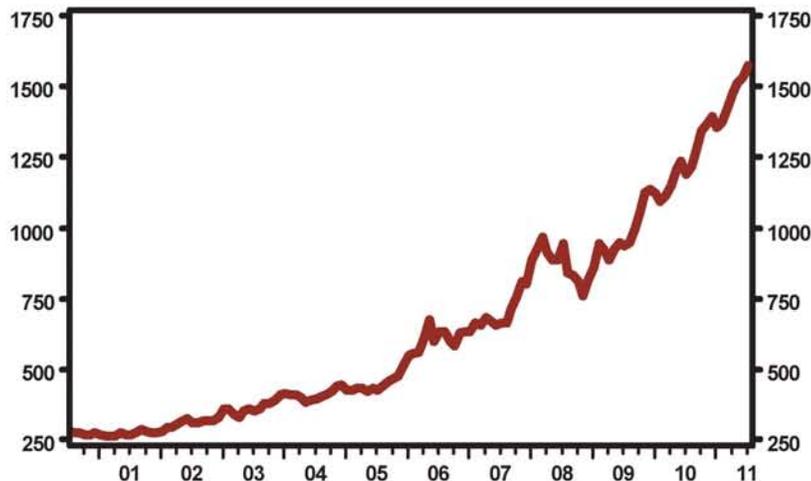
Leisure and Hospitality Employment (Seasonally Adjusted)



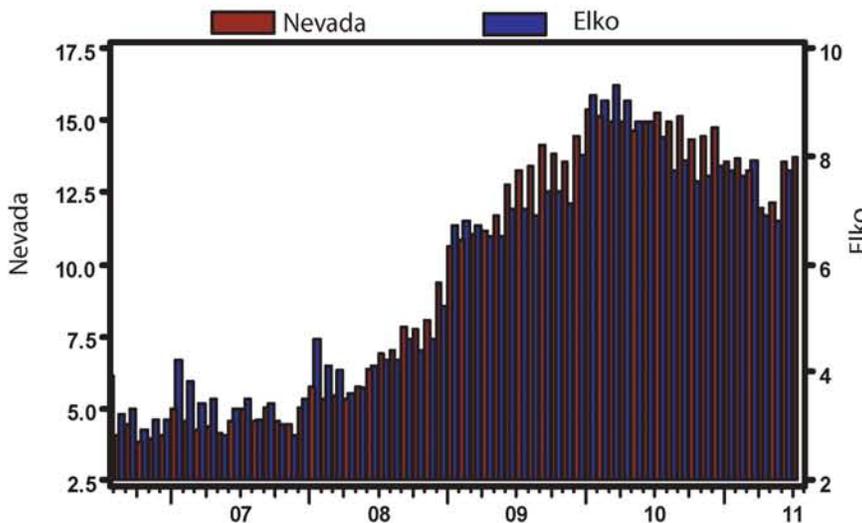
Economic Summary

prices to a new all time high in July at \$1,573 per ounce. Investors, shaken by recent tremors in national and international markets, continue to drive up demand for gold as they seek a store of wealth outside traditional investment options. While the uncertainty brought on by the current debt crisis may hurt Nevada's economy as whole, it improves prospects in the mining regions of the state, whose labor markets have fared relatively well during the recession. In July, the unemployment rate in the Elko region of the state fell three-tenths of a percent to 7.4 percent, a favorable comparison to the state's unadjusted rate of 13.7 percent. The job base continues to grow as well. Employment in Elko County increased to 21,070 in 2010 (the most current information available), up from 20,350 in 2009, a 3.5 percent increase. Statewide, employment fell by 32,700 or 2.9 percent over the same time frame. With no expected immediate solution to the travails of the international and national markets, gold prices should remain elevated for the foreseeable future. That bodes well for Nevada's mining communities, who will benefit in terms of economic prosperity and growth.

Gold: London PM Fix
US\$/Troy Oz



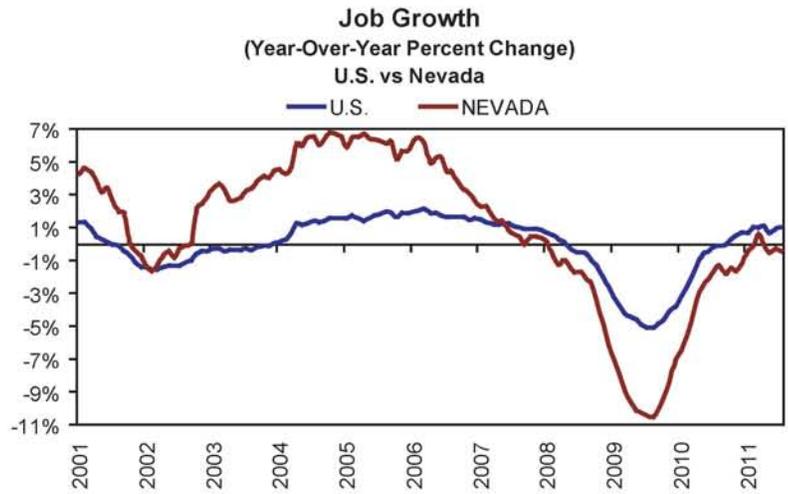
Unemployment Rates in Nevada and Elko Micro SA



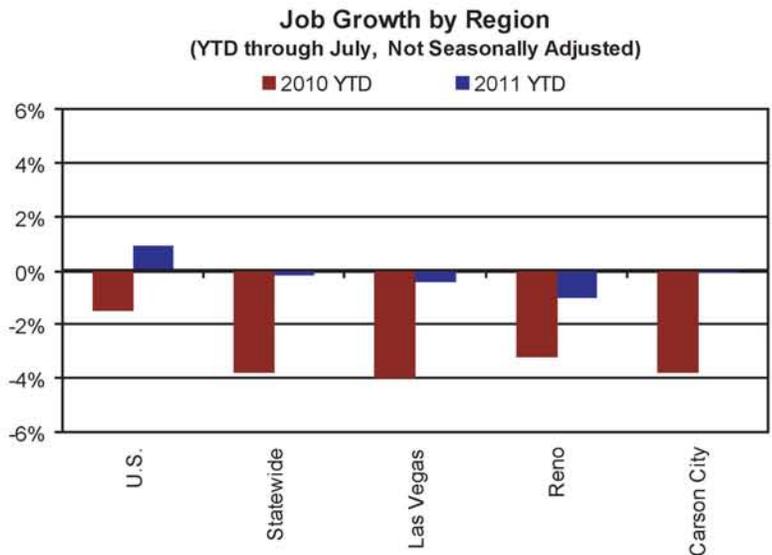
Trends at a Glance

Industrial Employment

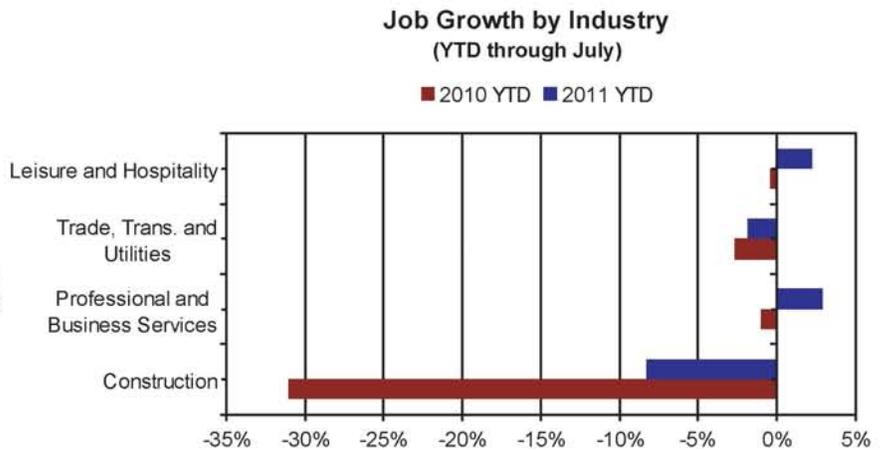
- Industrial employment in Nevada decreased 0.4 percent in July relative to a year prior, equating to a loss of 5,000 jobs.
- July readings were up 1.0 percent nationally relative to July 2010.



- The year-to-date annual growth rates remain higher than a year ago throughout all regions of the State.
- The Las Vegas MSA's job count fell 0.4 percent YTD in July relative to July 2010.
- In the Reno MSA, YTD job readings were down 1.0 percent in July 2011.
- In Carson City, employment was unchanged YTD from July 2010 to July 2011.



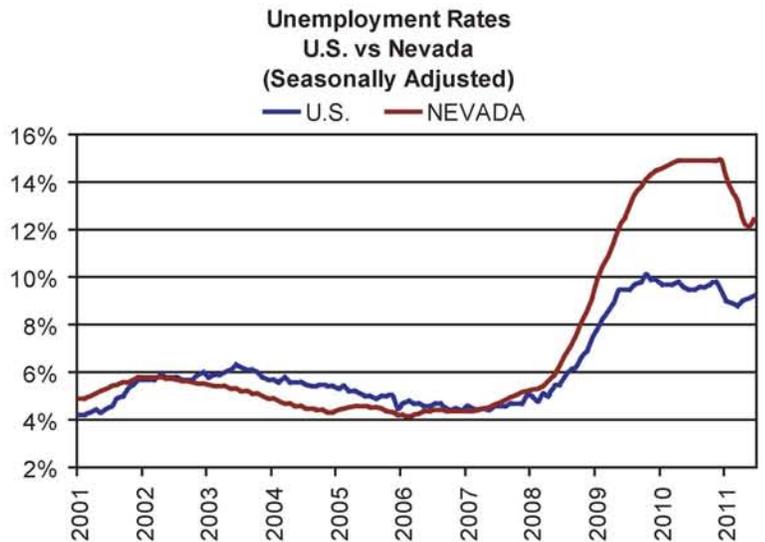
- Approximately 4,929 jobs have been lost in the construction industry over the past year, a 8.3 percent annual decline. The YTD annual growth rate in 2010 was negative 31.1 percent.
- Jobs in the State's largest industry, leisure and hospitality was up 2.2 percent YTD through July relative to a year prior. A year earlier, job losses were down 0.5 percent over the same time frame. Professional and business services increased 2.9 percent YTD through July 2011 from a year earlier.



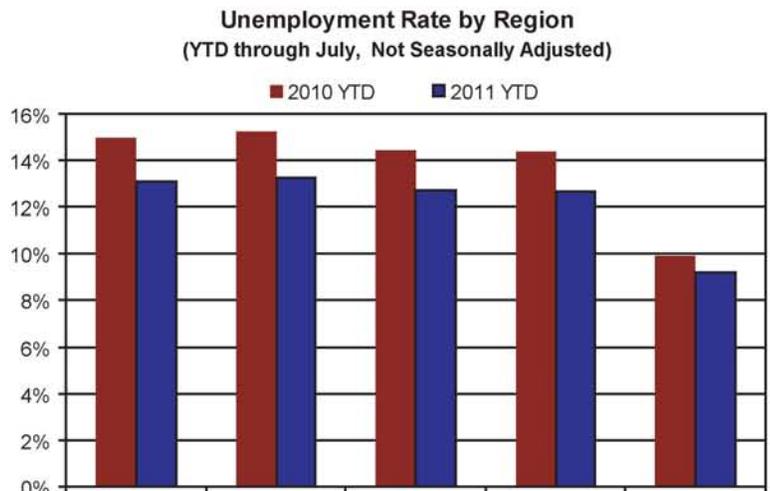
Trends at a Glance

Unemployment

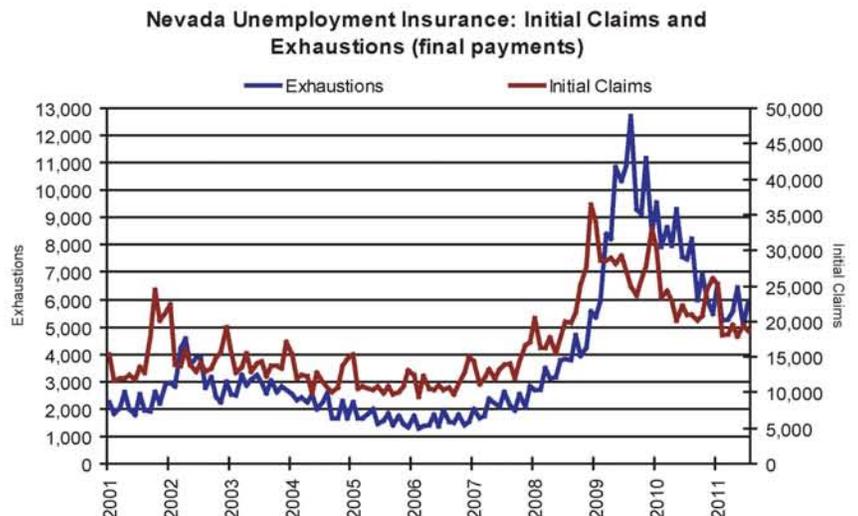
- Nevada's seasonally adjusted unemployment rate was 12.9 percent in July, up 0.5 percentage points from June.
- Nationally, the unemployment rate decreased one-tenth of a percent to 9.1 percent in July. Nevada has the highest unemployment rate in the nation, exceeding the national average by 3.8 percentage points. The next highest is California with 12.0 percent.



- At 13.1 percent, the Statewide unadjusted unemployment rate is down 1.9 percentage points YTD from 2010 to 2011.
- The Las Vegas-Paradise MSA recorded an unemployment rate of 13.3 percent YTD through July, a 2.0 percentage point decrease over-the-year.
- The Reno-Sparks MSA's jobless rate was 12.7 percent YTD through July. On an annual basis, the rate is down 1.7 percentage points over-the-year.
- The jobless rate in Carson City was 12.6 percent YTD through July, down 1.7 percentage points over-the-year.



- Initial claims for unemployment insurance decreased in July from June by 807. Over-the-year, claims are down by 11.1 percent.
- Final payments, signifying an exhaustion of regular state benefits, increased by 889 in July over-the-month. Over-the-year, final payments were down 21.1 percent.

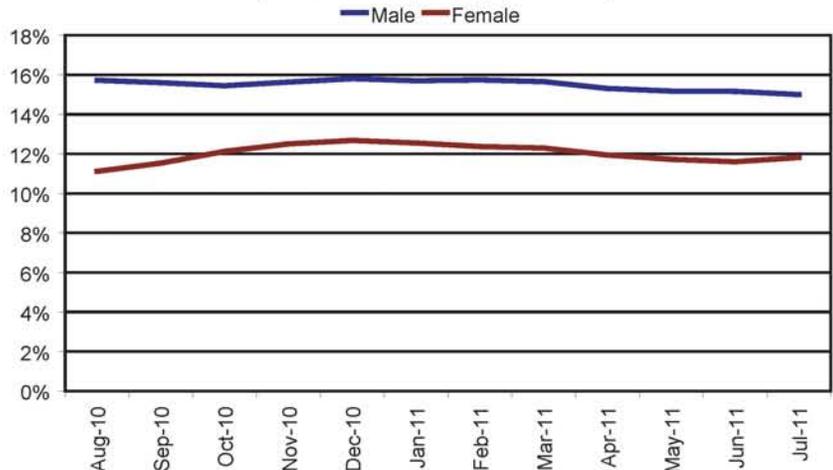


Trends at a Glance

Demographics of the Unemployed

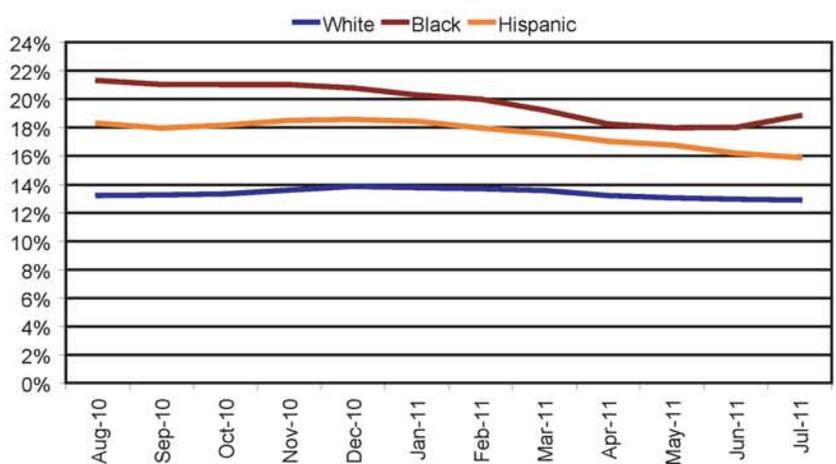
- The male unemployment rate decreased by two-tenths to 15.0 percent.
- The female unemployment rate increased by two-tenths to 11.8 percent.
- Traditionally male dominated industries, such as construction have lost the most jobs during the recession, while female dominated industries have fared better overall.

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



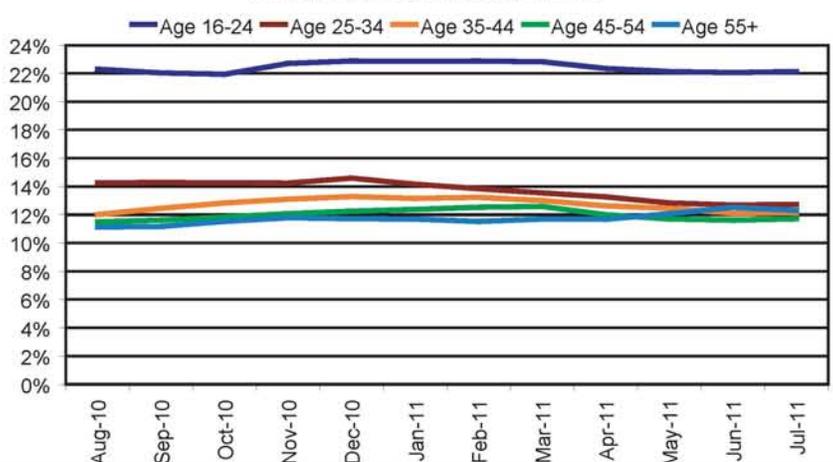
- The unemployment rate for Nevada's Hispanic labor force decreased three-tenths of a percent to 15.9 percent in July.
- The rate for Nevada's unemployed Black labor force increased eight-tenths of a percent to 18.8 percent.
- The unemployment rate for Nevada's White labor force decreased one-tenth in July to 12.9 percent.

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



- At 22.1 percent, the unemployment rate for Nevada's youngest workers age 16-24 continued to trend higher than any other age group.
- The unemployment rate for workers age 25-34 was unchanged from June at 12.7 percent.
- The unemployment rate for Nevada's oldest workers is 12.3 percent, down two-tenths from June.

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

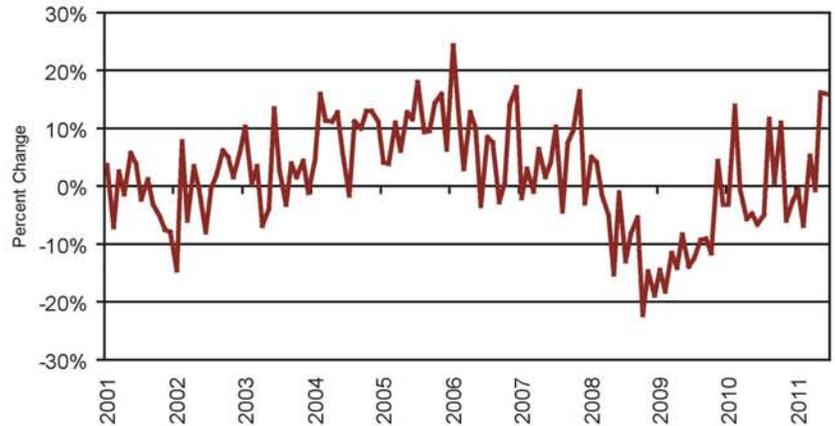


Trends at a Glance

Economic Indicators

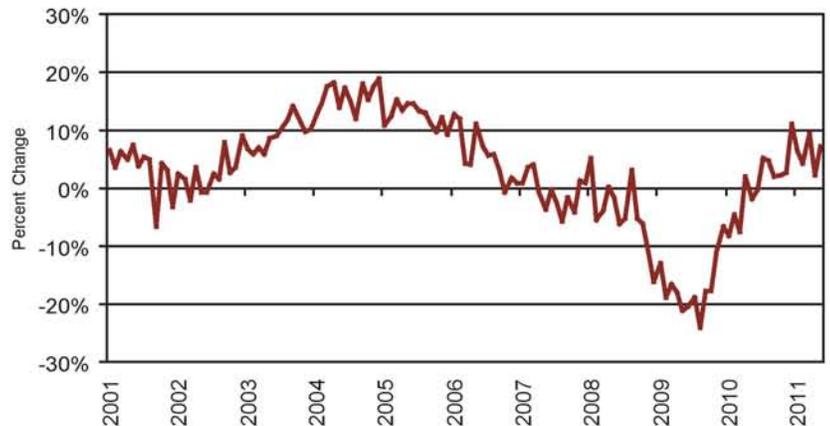
- Nevada gaming win was up 16.0 percent in June relative to the previous year.
- For the fiscal year, gaming win has increased 3.0 percent year-to-date.

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



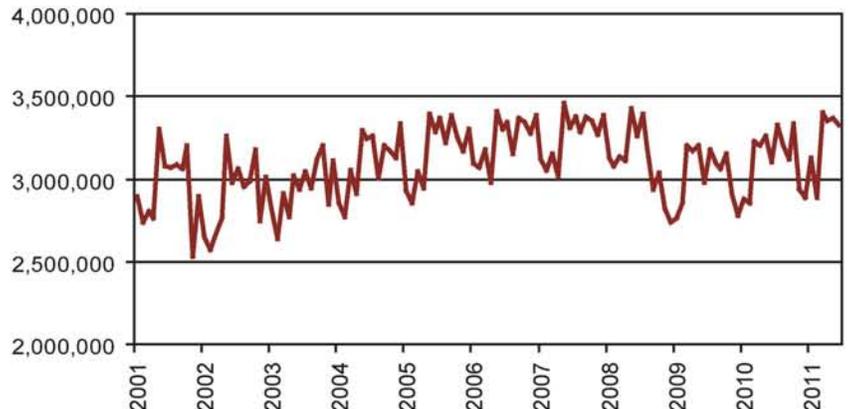
- In May, taxable sales increased 7.2 percent over May 2010, with collections totalling 3,360,785,231.
- For the fiscal year-to-date, taxable sales are up 5.4 percent compared to the same period in 2010.

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



- Las Vegas visitor volume increased 217,325 in June relative to a year prior, a 7.0 percent increase. Year-to-date, visitor volume is up 5.1 percent in 2011 compared to a year earlier.

Las Vegas Monthly Visitor Volume

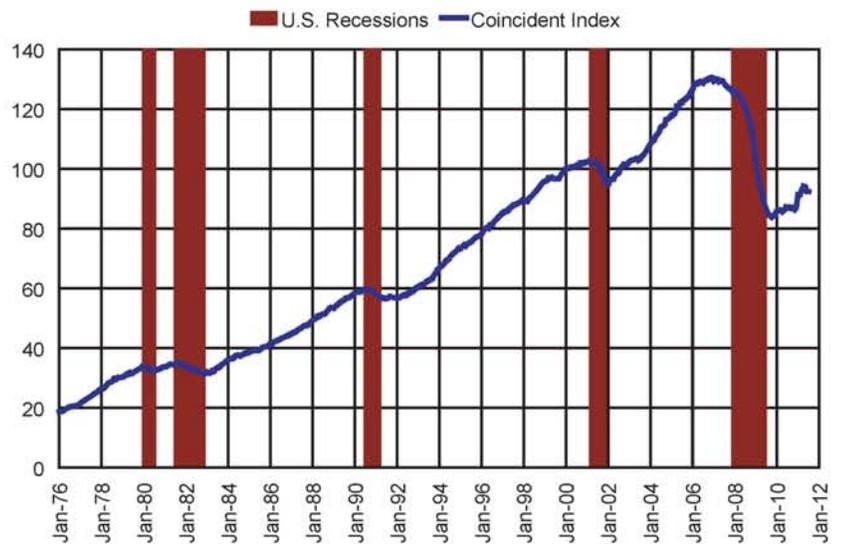


Trends at a Glance

CBER-DETR Nevada Coincident and Leading Employment Indices

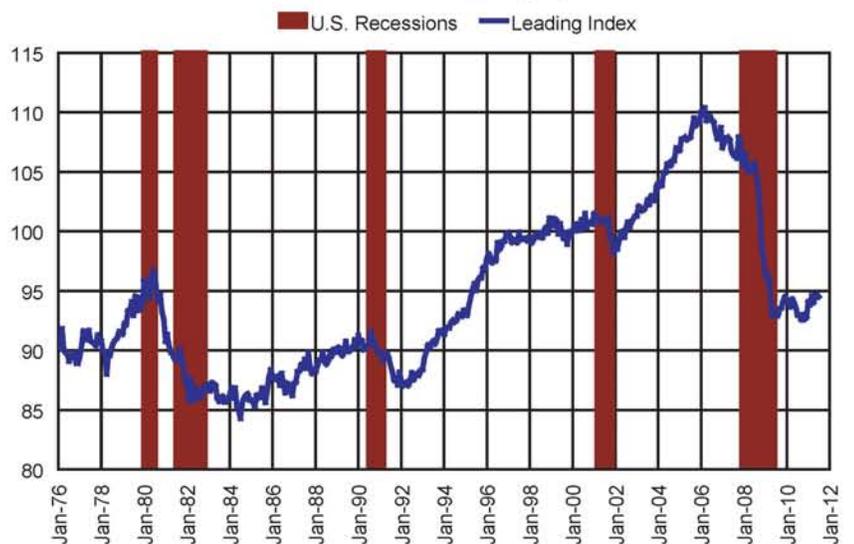
- The peak of the last employment cycle in Nevada occurred in December 2006. The coincident index then regressed steadily through October 2009, where the coincident index appears to have reached a bottom. The coincident index, after rising in the first four months in 2011, fell slightly in May, June and now July.

CBER-DETR Nevada Coincident Employment Index



- The Nevada Leading Employment Index, which provides a signal about the future direction of the coincident index, showed a decrease of 0.1 percent in July. Based on seasonally adjusted data, insured unemployment rate and household employment moved in a positive direction while nonfarm employment and the unemployment rate moved in a negative direction. The same release also shows mixed evidence for the leading index. Initial claims for unemployment insurance, the real Moody's Baa bond rate, construction employment, and commercial permits moved in a positive direction, whereas housing permits and the short-duration unemployment rate moved in a negative direction.

CBER-DETR Nevada Leading Employment Index

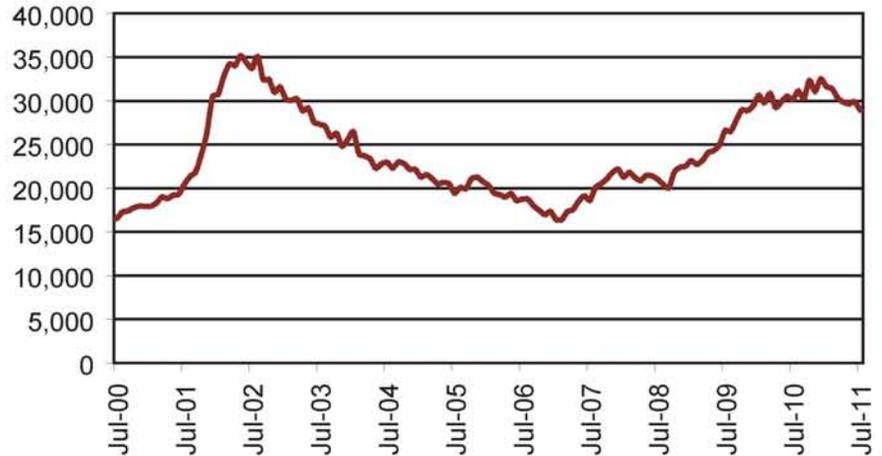


Trends at a Glance

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 July, 28,985 individuals were receiving assistance. Since July 2010, the level of assistance has decreased 3.9 percent or 1,175 less recipients.

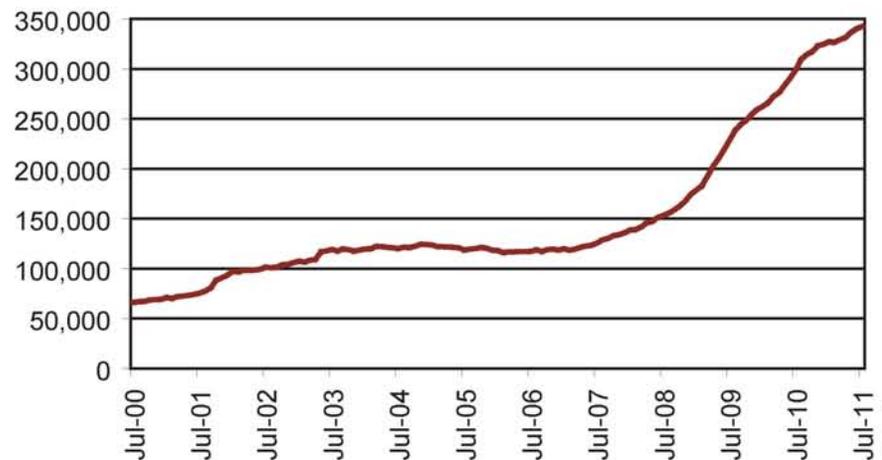
Temporary Assistance for Needy Families in Nevada, Number of Cash Recipients



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 July, 342,462 Nevadans participated in the program, setting a new all-time high. Over-the-year, the number of participants receiving assistance has increased 14.5 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
Research & Analysis Bureau
500 E. Third Street
Carson City, NV 89713-0001

The Nevada Economy in Brief provides a wealth of Nevada workforce and economic information and is published monthly by the Nevada Department of Employment, Training and Rehabilitation / Research and Analysis Bureau. Material contained in this publication is produced in cooperation with the U.S. Department of Labor (the Bureau of Labor Statistics and the Employment and Training Administration) and may be reproduced without permission. Please credit the Nevada Department of Employment, Training and Rehabilitation. For additional workforce or other economic information, a free subscription to the Nevada Economy in Brief, or to change your e-mail address, please contact the Research and Analysis Bureau.

Phone: (775) 684-0450

Fax: (775) 684-0342

E-mail: detrlmi@nvdetr.org



Websites:

www.nevadaworkforce.com

www.nevadajobconnect.com

www.nvdetr.org

www.nvcis.intocareers.org



ECONOMY IN BRIEF



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