

# Jobless rate remains at record pace

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Nevada's jobless rate reached a record for the 14th straight month in August, and observers say even the coming holiday season probably won't yield significant hiring activity in the state.

Unemployment in the Silver State rose to an all-time high of 14.4 percent, up from 14.3 percent in July, according to numbers Monday from the state Department of Employment, Training & Rehabilitation. In the Las Vegas Valley, joblessness edged down slightly, to 14.7 percent, after hitting a record 14.8 percent in July. Include discouraged workers who've quit looking for jobs and underemployed part-timers who would rather work full time, and both state and local jobless rates surge past 20 percent, economists say.

Nevada has led the nation in joblessness since May, when it ousted Michigan from the top spot. The nation's jobless rate was 9.6 percent in August.

"For all intents and purposes, we've been bouncing around the bottom for the past few months," said Bill Anderson, chief economist for the employment department. "I don't see anything on the horizon that will serve as a catalyst to get us back onto a growth trajectory. I think the best we can hope for is a sideways movement."

Added Brian Gordon, a principal in local research and consulting firm Applied Analysis: "The economic climate in Nevada and Southern Nevada remains challenged. There's no question business activity is strained, and the environment is a difficult one to maneuver."

Nevadans shouldn't expect the traditionally brisk hiring months of October and November to spur big improvements in the hiring climate, observers said.

The bad news took its place as a continuing subtext in the U.S. Senate race, with

Republican Sharron Angle renewing her criticism of Democratic Sen. Harry Reid on the economy.

"Harry Reid is a failed leader," Angle said of the Senate majority leader. "Harry Reid can try to shirk responsibility, but he is in charge. Nothing Harry Reid is doing is working, and his own state is paying the heaviest price."

Reid expressed frustration with the economy "and how long it's taking for things to turn around." He said bills by Democrats, such as the small-business lending fund the Senate passed last week, will create jobs.

"While some may cheer a bad economy in an effort to score cheap political points, Nevadans are fighters who have no patience for that," Reid said. "I will keep fighting with them to create jobs and get our economy back on track, and I won't stop until every Nevadan who wants a job has one."

The newest numbers show evidence of weaker-than-normal hiring through most of 2010. Adjusted seasonally for the first eight months of 2010, employment in the leisure and hospitality sector has fallen by 1,300 jobs, which means 2010's seasonal increase runs below normal, the employment department's numbers show.

And despite the National Bureau of Economic Research's declaration Monday that the recession ended in June 2009, Anderson said, don't expect shoppers to boost retailers' fortunes noticeably in November and December.

"We'll see an uptick in seasonal hiring, as we almost always do, but we just don't see the strength on the consumer side to make this a really positive holiday shopping season," he said. "What uptick we do see in hiring will be constrained."

Besides, the most robust seasonal hiring couldn't single-handedly overcome Nevada's recession-era job losses.

Sure, the construction sector added 700 jobs statewide in August, while professional and business services such as law and accounting firms created 500 positions in the month. But the 700 posts generated in the restaurant sector? A matching 700 cuts inside hotel-casinos canceled out that hiring activity. In all, private companies added 2,300 jobs year over year in August, but the public sector slashed 3,000 jobs, including 1,900 Census positions, in the same period.

Overall, Nevada's employers pared 7,000 jobs from July to August and 45,000 jobs year over year in August. Since Nevada's employment peaked in May 2007, the Silver State has shed 123,300 jobs, including 92,600 positions in Las Vegas.

Statewide, 57,300 Nevadans lacked jobs and were seeking work in May 2007, compared with 192,000 jobless Nevadans in August. In Las Vegas, 40,600 were unemployed in spring 2007, while 142,000 locals were looking for work in August.

The state's economic climate remains weak enough that a smaller labor force couldn't nudge state jobless numbers downward in August.

More than 10,000 Nevadans abandoned the state's labor force from July to August, either because they were too discouraged to continue seeking work or because they decamped Nevada for greener pastures in other states. Year over year, Nevada lost 25,200 workers, or 1.8 percent of its work force. Nearly 13,000 of those workers lived in Las Vegas. And while a shrinking labor force can sometimes reduce unemployment rates, that didn't happen in August, as job losses remained high enough to counterbalance much of the labor flight, Anderson said.

Gordon said he expects the unemployment rate to remain in a "relatively tight range" through the holidays. News of the recession's ending won't make a big difference in hiring confidence among local business owners and managers, he said because that announcement "is just one data point of many."

"It doesn't have a correlation to day-to-day operations for businesses throughout the state," Gordon added. "For many business owners in Southern Nevada, the environment hasn't changed much over the past couple of years. They're still dealing with reduced consumer-spending levels, and people continue to tighten their wallets overall."

What's more, even if companies add seasonal positions, workers might re-enter the labor force in larger numbers to snap up those jobs, Gordon said. More workers chasing those jobs could push up unemployment, or at least keep jobless rates from declining.

Some of Nevada's biggest employers, including MGM Resorts International and Harrah's Entertainment, didn't respond to a request for comments on their seasonal hiring plans.

But at least one local staffing executive predicted a solid holiday-jobs market in Southern Nevada.

Donna Lattanzio, president of Millenium Staffing Services in Las Vegas, said orders for the temporary workers her company places have jumped in recent weeks, especially for convention-related labor and skilled tradesmen such as

plumbers, carpenters and painters. Based on the increased activity, Lattanzio said, seasonal hiring will run a little above average and will easily best 2009's performance.

But here's the rub: That hiring activity won't focus on permanent workers.

"Many companies are reluctant to take on full-time, permanent staff, so they will be using temporary employees," she said.

Should the upcoming hiring season turn in a lackluster performance, don't fret: Experts said the worst is past, and though noticeable job growth isn't likely before mid-2011, the employment market in Nevada shouldn't continue to deteriorate at eyebrow-raising levels.

The officials who compile Nevada's jobless data point out that the downward spiral of the state's labor market has eased substantially over a year ago. Employment statewide is down 1.8 percent from August 2009, a significantly smaller decline than the 10.6 percent falloff the state experienced from 2008 to 2009. Still, they said, a weak economic outlook will likely hamper any major improvements in the Nevada job market for the foreseeable future.

Anderson said the employment department forecasts peak unemployment statewide of 14.5 percent to 15 percent in the coming months.

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