

Nevada highest in foreclosures, bankruptcies, now tops US in unemployment

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A new round of attacks on wages and working conditions is being prepared in Nevada in the wake of the announcement of the latest unemployment figures on Friday.

The Nevada Department of Employment released figures showing that unemployment in Nevada reached 14 percent in May, up from 13.7 percent in April, which pushed the state's jobless rate to the highest in the country.

The rate of joblessness in Nevada now surpasses even that of Michigan, where unemployment declined marginally in May to 13.6 percent. The midwestern state has had the highest rate for the last four years.

The May figures do not reflect the layoffs of workers temporarily hired for census work or college graduates, who are now entering the workforce.

Las Vegas, the largest city in Nevada, has been particularly hard hit by the rapid downturn in the economy. The city's unemployment rate was 14.1 percent in May, while in Washoe County, around Reno, the second-largest city in Nevada, unemployment was 13.3 percent.

The rise in unemployment in Nevada is unprecedented. Since the recession began in December 2007, state joblessness has increased 8.8 percent, the biggest gain of any state in the country. A total of 180,000 jobs have disappeared, including 83,000 in the construction industry and 43,000 in leisure and hospitality.

One of the groups hardest hit in the current situation is teen workers. According to the Employment Policies Institute, a research organization that studies public policy issues surrounding entry-level employment, unemployment among teens in Nevada was 34.6 percent in April 2010. This is even higher than California, where 34.2 percent of teens were out of

work that month.

Nevada also leads the country in foreclosures, bankruptcy filings and credit card delinquency.

RealtyTrac, an online real estate site for the sale of foreclosed properties, reported that Nevada's foreclosure rate came to one in every 79 homes in May, more than five times the national average. According to the *Reno Gazette-Journal*, more than half of homes with an active mortgage in the Reno-Sparks area are worth less than the balance of the mortgage.

The speed and magnitude of the economic deterioration in Nevada has astounded economists.

Bill Anderson, chief economist with the Nevada Department of Employment, told EducationNews.org, "If you'd asked me two years ago, when Nevada had essentially been the fastest-growing state in the nation for two decades running, one couldn't have imagined that things would deteriorate this far."

Anderson has been quoted in past months as saying that the state's official figures of the unemployment rate underestimated the situation. When workers who have stopped searching for a job and people now working part-time who want full-time jobs are included, the true figure could be 75 percent higher.

Earlier this year, the *Northern Nevada Business Weekly* reported state projections that indicated utilities and healthcare would be the only sectors to see an employment increase this year. The May unemployment figures actually show a loss of 1,500 jobs in the education and health care services sector.

Larry Matheis, executive director of the Nevada State Medical Association told the *Las Vegas Review Journal*, "A lot of times what you do when you're nervous about keeping your job or without a job, is put off going to the doctor."

Friday's announcement was followed by an

intensification of the campaign waged by employers and state politicians for attacks on wages, conditions and the minimum wage.

Tom Fitzgerald, CEO of NevadaWorks, a public-private regional employment agency, told the *Reno Gazette-Journal*, “If we’re smart here in Nevada, we’ll use [the high level of unemployment] to our advantage.” According to the *Gazette*, “Fitzgerald said he thinks now is the right time to sell Nevada as a viable option for employers and businesses,” citing high vacancy rates, affordable leases, affordable housing and “an educated and underemployed work force.”

“These are bad things for individual living, but if we can turn it around in a business sense, we can show all of the assets Nevada has right now,” Fitzgerald added.

Republican governor Jim Gibbons blames the increase in unemployment on minimal taxes imposed on employers. According to Gibbons, the mere possibility of more taxes in the next state budget session, due in 2011, is preventing businesses from moving to Nevada.

The ongoing collapse of large sections of Nevada’s economy has raised the stakes in November’s senate race. Citing the unemployment figures, Harry Reid, ranking Democrat and senate majority leader, said the situation would have been even worse without the pro-business policies of the Democrats. “Through tax cuts for businesses and other incentives, we have prevented this bad situation from becoming even worse,” Reid wrote.

His challenger in a close senate race, Sharron Angle—a right-wing Republican—used the publication of the unemployment figures to advocate the phasing out Social Security for younger workers and the elimination of federal income taxes, along with the dissolution of the federal Education Department.



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