Experts: Feds can help, but not save Nevada's economy

By Erin Kelly, Gannett News Service

WASHINGTON — While U.S. Senate Majority Leader Harry Reid, D-Nev., and Republican U.S. Senate challenger Sharron Angle, a former assemblywoman, debate whether the federal government has helped or hurt Nevada, economists say there's little doubt the state would be in even worse shape without aid from Washington.

Money from the feds — including about $3.2 billion in stimulus funds awarded to the state from the American Recovery and Reinvestment Act stimulus bill — has helped prevent layoffs of state workers and extend unemployment benefits for the jobless, experts say.

The role the federal government should play in boosting Nevada's economy has been a constant source of friction between Reid and Angle. Reid has touted his efforts to bring more money to his home state, while Angle has denounced the spending as "reckless" and said it has not helped Nevada.

Nevada's unemployment rate reached 14.2 percent in June, the highest in the nation. The state also suffered the highest home-foreclosure rates in the U.S. during the first half of this year.

"Without federal aid, we could be talking Great Depression levels of unemployment in Nevada," said Elliott Parker, professor and chairman of the economics department at the University of Nevada, Reno. Unemployment rates reached as high as 25 percent at the peak of the Depression.

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