



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH

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The “second” estimate of U.S. real gross domestic product (GDP) for the first quarter of 2021 experienced a strong gain of 6.4 percent at an annual rate, remaining unchanged from the previous estimate. Despite no change in the rate of growth, revisions occurred for the main components. That is, downward revisions in net exports and private inventory investment offset upward revisions in consumer spending and nonresidential fixed investment. Overall, the strong recovery in the first quarter was largely boosted by federal stimulus funds. U.S. nonfarm employment continued to post lower-than-expected gains, posting 559,000 jobs in May. The unemployment rate dropped from 6.1 to 5.8 percent in May. The May job gains grew the leisure and hospitality sector by an additional 292,000 jobs, benefitting from recent vaccination successes. Signals of a labor shortage emerged as average hourly earnings increased by 0.5 percent from last month. The largest gain occurred for leisure and hospitality jobs, where the average hourly wage is well below that of the average private-sector worker. Retail sales in April skyrocketed by 51.2 percent year-over-year as the U.S. economy stalled in April 2020 due to the COVID-19 outbreak. Housing starts in April decreased by 9.5 percent from last month but remained 67.3 percent higher than last year’s level. The most recent data indicate that the U.S. economy is experiencing a strong recovery, while constrained labor and materials markets and the large uptick in inflation raise some concerns about the ongoing recovery.

Nevada’s economic activity posted highly positive signals based on most recent monthly data. Seasonally adjusted statewide employment gained 8,400 jobs in April, and the unemployment rate edged down from 8.1 to 8.0 percent. April gaming revenue exhibited a strong 9.0 percent gain from April 2019 and skyrocketed from last year by 28,255.9 percent as Nevada had a lockdown in April 2020 due to COVID-19. Moreover, March taxable sales posted a record high, benefiting from federal stimulus spending, while gasoline sales (in gallons) remained lower than the pre-pandemic peak.

Clark County also displayed strong signs in its local economic activity. Seasonally adjusted employment added 8,400 jobs in April. The unemployment rate in April, however, remained unchanged at 8.9 percent. Although April gaming revenue decreased by 3.1 percent from last

month, it was robustly up by 7.0 percent from April 2019. April total McCarran Airport passengers barely budged from last month, but visitor volume soared by 14.8 percent during the same period. Despite this strong monthly pick-up, visitor volume remained 29.7 percent lower than the level from April 2019. March taxable sales jumped by 34.3 percent month-over-month, recording the second highest level, largely thanks to the federal stimulus spending. Although residential housing permits/units in April fell by 9.3 percent month-over-month, its level remained at a high level. The local economy is gaining strong momentum as the tourism sector sees high demands boosted by ongoing vaccination efforts as well as federal stimulus money.

Washoe County exhibited mixed signals in its local economic activity. The Reno-Sparks seasonally adjusted employment lost 300 jobs in April and the unemployment rate climbed to 4.9 percent from 4.4 percent in April. March taxable sales, however, were up strongly by 39.4 percent from March 2019. April gaming revenue posted a strong month-over-month gain of 5.2 percent, remaining 32.8 percent higher than the level from April 2019. April residential permits/units were only down by 0.6 percent month-over-month.

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The views expressed are those of the authors and do not necessarily represent those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.

	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
<b>Nevada</b>								
Employment	2021M04	000s, SA	1308.6	1300.2	1112.4	0.6%	17.6%	Improved
Unemployment Rate*	2021M04	%, SA	8.0	8.1	29.5	-0.1%	-21.5%	Improved
Taxable Sales	2021M03	\$billion	6.591	4.922	4.531	33.9%	45.5%	Up Strongly
Gaming Revenue	2021M04	\$million	1039.44	1066.98	3.67	-2.6%	28255.9%	Skyrocketed From Year Ago
Air Passengers	2021M04	million persons	2.833	2.841	0.170	-0.3%	1566.9%	Strong Recovery
Gasoline Sales	2021M03	million gallons	100.02	82.06	85.24	21.9%	17.3%	Strong Recovery
<b>Clark County</b>								
Employment	2021M04	000s, SA	926.9	918.5	774.8	0.9%	19.6%	Improved
Unemployment Rate*	2021M04	%, Smoothed SA	8.9	8.9	33.5	0.0%	-24.6%	Flat Month-Over-Month
Taxable Sales	2021M03	\$billion	4.650	3.463	3.197	34.3%	45.4%	Up Strongly
Gaming Revenue	2021M04	\$million	865.46	893.24	3.74	-3.1%	23049.6%	Skyrocketed From Year Ago
Residential Permits	2021M04	units permitted	1359	1499	623	-9.3%	118.1%	Up Strongly From Year Ago
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M04	million persons	2.574	2.576	0.153	-0.1%	1585.4%	Skyrocketed From Year Ago
Gasoline Sales	2021M03	million gallons	67.22	54.76	57.31	22.8%	17.3%	Strong Recovery
Visitor Volume	2021M04	million persons	2.688	2.341	0.114	14.8%	2251.6%	Strong Recovery
<b>Washoe County</b>								
Employment**	2021M04	000s, SA	244.2	244.5	214.0	-0.1%	14.1%	Dwon Month-Over-Month
Unemployment Rate*	2021M04	%, Smoothed SA	4.9	4.4	19.8	0.5%	-14.9%	Up Month-Over-Month
Taxable Sales**	2021M03	\$billion	1.152	0.869	0.751	32.5%	53.3%	Up Strongly
Gaming Revenue	2021M04	\$million	87.43	83.12	-0.08	5.2%	110746.3%	Skyrocketed From Year Ago
Residential Permits	2021M04	units permitted	469	472	324	-0.6%	44.8%	Up Strongly From Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M04	million persons	0.247	0.253	0.017	-2.2%	1331.9%	Strong Recovery
Gasoline Sales**	2021M03	million gallons	15.43	13.34	13.46	15.7%	14.7%	Up Strongly
Visitor Volume	2021M04	million persons	0.303	0.292	0.055	3.9%	447.0%	Strong Recovery
<b>United States</b>								
Employment	2021M05	million, SA	144.894	144.335	132.994	0.4%	8.9%	Improved
Unemployment Rate*	2021M05	%, SA	5.8	6.1	13.3	-0.3%	-7.5%	Improved
Consumer Price Index	2021M04	82-84=100, SA	266.8	264.8	256.2	0.8%	4.2%	Up Strongly
Core CPI	2021M04	82-84=100, SA	273.7	271.2	265.8	0.9%	3.0%	Up Strongly
Employment Cost Index	2021Q1	05.12=100, SA	144.4	142.8	140.2	1.1%	3.0%	Up Strongly
Productivity Index	2021Q1	2012=100, SA	112.9	111.5	108.6	1.3%	4.0%	Up Strongly
Retail Sales	2021M04	\$billion, SA	619.9	619.8	409.9	0.0%	51.2%	Flat Month-Over-Month
Auto and Truck Sales	2021M04	million, SA	18.50	17.96	8.72	3.0%	112.2%	Up Strongly
Housing Starts	2021M04	million, SA	1.569	1.733	0.938	-9.5%	67.3%	Up Strongly From Year Ago
Real GDP***	2021Q1	2012\$billion, SA	19088.1	18794.4	19010.8	6.4%	0.4%	Strong Recovery
Dollar Exchange Rate	2021M05	06.01=100	111.475	112.915	122.938	-1.3%	-9.3%	Down From Year Ago
Trade Balance	2021M04	\$billion, SA	-68.899	-75.025	-52.959	-8.2%	30.1%	Year-Over-Year Deficit Increase
S and P 500	2021M05	monthly close	4204.11	4181.17	3044.31	0.5%	38.1%	Up Strongly
Real Short-term Rate*	2021M05	%, NSA	-4.58	-3.38	-3.07	-1.2%	-1.5%	Down From Year Ago
Treasury Yield Spread*	2021M05	%, NSA	1.60	1.62	0.54	-0.02%	1.1%	Up Over Year Ago

Note: NSA = Not Seasonally Adjusted, SA = Seasonally Adjusted

\*Growth data represent change in the percentage rate

\*\*Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties

\*\*\*Recent growth is an annualized rate

Sources: Nevada Department of Taxation; Nevada Department of Employment, Training, and Rehabilitation; UNR Bureau of Business and Economic Research; UNLV Center for Business and Economic Research; McCarran International Airport; Reno/Tahoe International Airport; Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority; U.S. Department of Commerce; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Federal Reserve System.