



NEVADA BUSINESS CONDITIONS

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The “advance” estimate of U.S. real gross domestic product (GDP) for the second quarter of 2021 grew strongly, but lower-than-expected, at an annual rate of 6.5 percent. As a result, the real GDP has now fully recovered from the COVID-19 pandemic recession and surpassed its pre-pandemic peak. The strong growth largely reflected a 11.8 percent surge in consumer spending, which was boosted by significant injections of federal relief money. U.S. nonfarm employment continued to exhibit strong gains, adding 943,000 jobs in July. The largest contribution of job gain continued to occur in the leisure and hospitality sector with an additional 380,000 jobs. The public and private education employment continued to post an unusual gain of 261,000 after seasonal adjustment as the COVID-19 pandemic distorted the normal seasonal buildup and layoff patterns, resulting in fewer layoffs than expected. The unemployment rate declined sharply to 5.4 from 5.9 percent in July with a record drop of 560,000 in the unemployed for 27 weeks or more. Average hourly earnings continue to climb by 0.4 percent from last month, signaling a continued labor shortage. Retail sales in June posted a surprising monthly gain of 0.6 percent. June personal income also increased by 0.1 percent from last month, driven by increases in wages despite reduced government social benefits. The most recent data indicate that the U.S. economy continues to experience a stronger-than-expected recovery, but economic uncertainty remains due to constrained labor and material supplies, an uptick in inflation, and the spread of the Delta variant globally.

Nevada’s economic activity posted highly positive signals based on the most recent monthly data. Seasonally adjusted statewide employment added 15,400 jobs in June, with a notable gain of 10,300 jobs in the leisure and hospitality sector. The unemployment rate, however, remained unchanged at 7.8 percent, suggesting more workers returning to the labor force. June gaming revenue declined by 3.0 percent month-over-month after hitting a record high last month but rose substantially by 14.6 percent from two years ago. May taxable sales slightly fell from last month but remained a 15.9 percent higher than the level from May 2019. The gaming and taxable sales numbers alter their recent monthly increases. Did the recent spread of Delta variant slow the speed of recovery? Watch this column in future months as we monitor the data. We believe

that economic recovery depends on how the pandemic plays out, which hinges on increased vaccination rates both here and abroad.

Clark County also displayed robust signs in its local economic activity. Seasonally adjusted employment gained 6,500 jobs in June. The unemployment rate in June, nonetheless, slightly climbed by 0.1 percent to 9.0 percent. June gaming revenue increased significantly by 12.0 percent from June 2019, although June visitor volume still experienced a loss of 20.6 percent over the same period. May taxable sales rose strongly by 12.6 percent from two years ago and skyrocketed by 54.3 percent from last year due to the lockdown caused by the COVID-19 pandemic in May 2020. Residential housing permits/units in June also climbed 3.0 and 22.1 percent, respectively, month-over-month and year-over-year. The local tourism sector returned with pent-up demands thanks to the vaccine rollouts and federal relief money.

Washoe County also exhibited strong signals in its local economic activity. The Reno-Sparks seasonally adjusted employment added 800 jobs in June, but the unemployment rate remained at 4.8 percent. May taxable sales declined 8.1 percent from last month but gained strongly by 23.0 percent from May 2019. June gaming revenue also posted a strong increase of 26.7 percent from June 2019. June visitor volume recovered strongly, up by 17.1 percent from last month, and only remained 1.5 percent lower than the level from June 2019.

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	
Nevada								
Employment	2021M06	000s, SA	1336.0	1320.6	1197.3	1.2%	11.6%	Improved
Unemployment Rate*	2021M06	%, SA	7.8	7.8	15.4	0.0%	-7.6%	Flat Month-Over-Month
Taxable Sales	2021M05	\$billion	6.299	6.341	4.405	-0.7%	43.0%	Up Strongly From Year Ago
Gaming Revenue	2021M06	\$million	1193.43	1230.17	566.93	-3.0%	110.5%	Skyrocketed From Year Ago
Air Passengers	2021M06	million persons	4.223	3.838	1.148	10.0%	267.9%	Strong Recovery
Gasoline Sales	2021M05	million gallons	107.34	103.36	79.26	3.8%	35.4%	Up Strongly
Clark County								
Employment	2021M06	000s, SA	948.6	942.1	849.4	0.7%	11.7%	Improved
Unemployment Rate*	2021M06	%, Smoothed SA	9.0	8.9	17.9	0.1%	-8.9%	Recent Increase
Taxable Sales	2021M05	\$billion	4.545	4.532	2.945	0.3%	54.3%	Up Strongly From Year Ago
Gaming Revenue	2021M06	\$million	1015.47	1052.68	440.99	-3.5%	130.3%	Skyrocketed From Year Ago
Residential Permits	2021M06	units permitted	1203	1168	985	3.0%	22.1%	Up Strongly
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M06	million persons	3.809	3.521	1.042	8.2%	265.6%	Strong Recovery
Gasoline Sales	2021M05	million gallons	72.53	69.78	52.04	3.9%	39.4%	Strong Recovery
Visitor Volume	2021M06	million persons	3.083	2.996	1.224	2.9%	152.0%	Strong Recovery
Washoe County								
Employment**	2021M06	000s, SA	246.4	245.6	226.9	0.3%	8.6%	Improved
Unemployment Rate*	2021M06	%, Smoothed SA	4.8	4.8	8.6	0.0%	-3.8%	Flat Month-Over-Month
Taxable Sales**	2021M05	\$billion	0.978	1.064	0.782	-8.1%	25.1%	Up Strongly From Year Ago
Gaming Revenue	2021M06	\$million	88.43	91.98	65.06	-3.9%	35.9%	Up Strongly From Year Ago
Residential Permits	2021M06	units permitted	399	430	348	-7.2%	14.7%	Up Over Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M06	million persons	0.398	0.302	0.099	31.6%	303.5%	Strong Recovery
Gasoline Sales**	2021M05	million gallons	16.18	15.59	12.52	3.8%	29.3%	Up Strongly
Visitor Volume	2021M06	million persons	0.378	0.323	0.219	17.1%	72.8%	Strong Recovery
United States								
Employment	2021M07	million, SA	146.821	145.878	139.566	0.6%	5.2%	Improved
Unemployment Rate*	2021M07	%, SA	5.4	5.9	10.2	-0.5%	-4.8%	Improved
Consumer Price Index	2021M06	82-84=100, SA	271.0	268.6	257.3	0.9%	5.3%	Up Strongly
Core CPI	2021M06	82-84=100, SA	278.1	275.7	266.3	0.9%	4.5%	Up Strongly
Employment Cost Index	2021Q2	05.12=100, SA	145.8	144.4	140.8	1.0%	3.6%	Up Strongly
Productivity Index	2021Q2	2012=100, SA	113.0	112.3	110.7	0.7%	2.1%	Up Over Year Ago
Retail Sales	2021M06	\$billion, SA	621.3	617.9	526.7	0.6%	18.0%	Up Strongly
Auto and Truck Sales	2021M06	million, SA	15.39	17.02	13.10	-9.6%	17.5%	Up Strongly From Year Ago
Housing Starts	2021M06	million, SA	1.643	1.546	1.273	6.3%	29.1%	Up Strongly
Real GDP***	2021Q2	2012\$billion, SA	19358.2	19055.7	17258.2	6.5%	12.2%	Strong Growth
Dollar Exchange Rate	2021M07	06.01=100	113.345	111.853	118.949	1.3%	-4.7%	Down From Year Ago
Trade Balance	2021M06	\$billion, SA	-75.749	-70.994	-50.675	6.7%	49.5%	Year-Over-Year Deficit Increase
S and P 500	2021M07	monthly close	4395.26	4297.50	3271.12	2.3%	34.4%	Up Strongly
Real Short-term Rate*	2021M07	%, NSA	-4.65	-4.16	-2.87	-0.5%	-1.8%	Down From Year Ago
Treasury Yield Spread*	2021M07	%, NSA	1.27	1.48	0.49	-0.2%	0.8%	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.