



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
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The “second” estimate of U.S. real gross domestic product (GDP) for the fourth quarter of 2020 climbed 4.1 percent at an annual rate, revised up by 0.1 percent from the previous estimate. This reflected upward revisions to residential fixed investment, private inventory investment, and state and local government spending, which were partly offset by a downward revision to consumer spending. Overall, the increase in real GDP benefitted from robust recovery in consumer spending and business investment, while net exports and government spending contributed negatively to growth. U.S. nonfarm employment posted a stronger-than-expected gain of 379,000 jobs in February. The largest gain occurred in the leisure-and-hospitality sector, adding 355,000 jobs as the COVID-19 related restrictions eased. The unemployment rate, however, only fell by 0.1 percent to 6.2 percent. Retail sales in January rose strongly by 5.3 and 7.4 percent, respectively, month-over-month and year-over-year likely due to the second relief checks. Housing starts in January, however, declined by 2.3 percent from last year, after four consecutive months of strong year-over-year gains. The most recent data indicate that the U.S. economy is gaining momentum, boosted by the second relief checks and ongoing vaccination efforts. Rising interest rates could create headwinds, however. Nonetheless, the \$1.9 trillion COVID relief bill is expected to further promote the speed of economic recovery.

Nevada’s economic activity posted positive signals based on the most recent monthly data. Seasonally adjusted statewide employment gained a robust 8,200 jobs in December. The unemployment rate dropped sharply from 10.4 to 9.2 percent, partly reflecting fewer people searching for jobs. January gaming revenue improved from last month but remained 26.6 percent lower than last year’s level. December taxable sales also showed a strong 18.3 percent month-over-month rise but a 6.9 percent year-over-year decrease.

Clark County also displayed improved signals in local economic activity. Seasonally adjusted employment added 6,800 jobs in December. The unemployment rate in December declined from 12.0 to 10.5 percent but remained the highest among large metropolitan areas. Total McCarran Airport passengers in January contracted month-over-month, while visitor volume gained 5.4 percent over the same period. Nevertheless, visitor volume still experienced

a significant year-over-year decline of 63.6 percent due to COVID-19 related restrictions. January gaming revenue improved month-over-month likely due to the second relief checks but still down by 31.7 percent year-over-year. December taxable sales, nevertheless, only decreased by 12.9 percent from last year as local spending remained robust with COVID-19 relief benefits. Residential housing permits/units in January continued its noticeable gain of 59.5 percent year-over-year because of the strong housing market with low mortgage rates.

Washoe County exhibited stronger signals in local economic activity compared to Clark County due to its more diversified economy. The Reno-Sparks seasonally adjusted employment gained 4,400 jobs in December and remained only 3.7 percent lower than last year’s level. The unemployment rate fell to 5.6 percent, lower than the national average. December taxable sales continued its strong year-over-year growth of 12.7 percent, while gasoline sales in gallons dropped by 7.4 percent over the same period. January residential permits/units were up by 19.5 percent from last year. January gaming revenue also climbed by 4.9 percent from a year ago.

Stephen M. Miller, Director  
Jinju Lee, Economic Analyst  
UNLV Center for Business and Economic Research

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	2020M12	000s, SA	1328.3	1320.1	1425.2	0.6%	-6.8%	Improved
Unemployment Rate*	2020M12	%, SA	9.2	10.4	3.7	-1.2%	5.5%	Improved
Taxable Sales	2020M12	\$billion	6.105	5.162	6.556	18.3%	-6.9%	Down From Year Ago
Gaming Revenue	2021M01	\$million	761.85	683.73	1037.68	11.4%	-26.6%	Down From Year Ago
Air Passengers	2021M01	million persons	1.505	1.670	4.154	-9.8%	-63.8%	Down From Year Ago
Gasoline Sales	2020M12	million gallons	89.34	89.01	103.11	0.4%	-13.4%	Down From Year Ago
<b>Clark County</b>								
Employment	2020M12	000s, SA	942.4	935.6	1041.5	0.7%	-9.5%	Improved
Unemployment Rate*	2020M12	%, Smoothed SA	10.5	12.0	3.7	-1.5%	6.8%	Improved
Taxable Sales	2020M12	\$billion	4.188	3.650	4.806	14.7%	-12.9%	Down From Year Ago
Gaming Revenue	2021M01	\$million	617.29	556.96	904.02	10.8%	-31.7%	Down From Year Ago
Residential Permits	2021M01	units permitted	1935	1830	1213	5.7%	59.5%	Up Strongly
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M01	million persons	1.505	1.670	4.154	-9.8%	-63.8%	Down From Year Ago
Gasoline Sales	2020M12	million gallons	59.23	59.51	71.87	-0.5%	-17.6%	Down From Year Ago
Visitor Volume	2021M01	million persons	1.377	1.307	3.779	5.4%	-63.6%	Down From Year Ago
<b>Washoe County</b>								
Employment**	2020M12	000s, SA	241.0	236.6	250.3	1.9%	-3.7%	Improved
Unemployment Rate*	2020M12	%, Smoothed SA	5.6	6.3	3.0	-0.7%	2.6%	Improved
Taxable Sales**	2020M12	\$billion	1.162	0.874	1.030	32.9%	12.7%	Up Strongly
Gaming Revenue	2021M01	\$million	68.73	63.39	65.51	8.4%	4.9%	Up Strongly
Residential Permits	2021M01	units permitted	410	518	343	-20.8%	19.5%	Up Over Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M01	million persons	0.145	0.154	0.343	-5.6%	-57.6%	Down From Year Ago
Gasoline Sales**	2020M12	million gallons	14.33	13.65	15.47	5.0%	-7.4%	Down From Year Ago
Visitor Volume	2021M01	million persons	0.228	0.206	0.292	10.4%	-22.2%	Down From Year Ago
<b>United States</b>								
Employment	2021M02	million, SA	143.048	142.669	152.523	0.3%	-6.2%	Improved
Unemployment Rate*	2021M02	%, SA	6.2	6.3	3.5	-0.1%	2.7%	Improved
Consumer Price Index	2021M01	82-84=100, SA	262.2	261.6	258.7	0.3%	1.4%	Up Over Year Ago
Core CPI	2021M01	82-84=100, SA	270.0	269.9	266.3	0.0%	1.4%	Up Over Year Ago
Employment Cost Index	2020Q4	05.12=100, SA	142.8	141.5	138.9	0.9%	2.8%	Up Over Year Ago
Productivity Index	2020Q4	2012=100, SA	111.4	112.9	108.7	-1.4%	2.5%	Up Over Year Ago
Retail Sales	2021M01	\$billion, SA	568.2	539.7	528.9	5.3%	7.4%	Up Strongly
Auto and Truck Sales	2021M01	million, SA	16.63	16.23	16.87	2.5%	-1.4%	Down From Year Ago
Housing Starts	2021M01	million, SA	1.580	1.680	1.617	-6.0%	-2.3%	Down From Year Ago
Real GDP***	2020Q4	2012\$billion, SA	18783.9	18596.5	19254.0	4.1%	-2.4%	Robust Recovery
Dollar Exchange Rate	2021M02	06.01=100	112.314	111.758	116.748	0.5%	-3.8%	Down From Year Ago
Trade Balance	2020M12	\$billion, SA	-66.613	-69.005	-45.676	-3.5%	45.8%	Year-Over-Year Deficit Increase
S and P 500	2021M02	monthly close	3811.15	3714.24	2954.22	2.6%	29.0%	Up Strongly From Year Ago
Real Short-term Rate*	2021M02	%, NSA	-3.26	-2.92	-0.88	-0.3%	-2.4%	Down From Year Ago
Treasury Yield Spread*	2021M02	%, NSA	1.22	1.00	-0.02	0.2%	1.2%	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.