



NEVADA BUSINESS CONDITIONS

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The “second” estimate of U.S. real gross domestic product (GDP) for the third quarter of 2020 grew 33.1 percent at an annual rate, unchanged from the previous estimate. Although the rate of the growth remained the same, revisions occurred for several components. That is, upward revisions to non-residential fixed investment and residential investment were offset by downward revisions to consumer spending, state and local government spending, private inventory investment, and net exports. Overall, a best-ever gain in real GDP reflected strong recovery in both consumer spending and business investment, boosted by the CARES Act and the Fed’s unlimited Quantitative Easing. U.S. nonfarm employment added 245,000 jobs in November amid a surge in COVID-19 cases. The labor market will likely show further moderation in hiring next month as new coronavirus cases continue to climb. The unemployment rate fell slightly to 6.7 percent from 6.9 percent, partly due to a decline in labor force participation. Retail sales in October continued its robust year-over-year gain at 5.7 percent. Housing starts in October also rose strongly by 14.2 percent year-over-year, mainly reflecting record-high single-family starts since the Great Recession. The U.S. economic recovery is currently losing momentum due to new business restrictions caused by the surge in coronavirus cases. A potential second COVID-19 relief package and a COVID-19 vaccine rollout, however, could reinvigorate the economy in the near future.

Nevada’s economic activity continued to improve based on the most recent monthly data. Seasonally adjusted statewide employment gained 3,600 jobs in October, and the unemployment rate dropped to 12.0 percent. October air passengers and gaming revenue continued to experience double-digit year-over-year losses of 56.8 and 19.5 percent, respectively. September taxable sales, however, only contracted by 4.0 percent from a year ago, thanks to increased personal income due to the CARES Act.

Clark County also posted improved signals in local economic activity. Seasonally adjusted employment added 8,100 jobs in October, which mainly reflected 7,000 job gains in the leisure and hospitality sector. The unemployment rate in October declined to 13.9 percent from 14.5 percent but remained the highest among large

metropolitan areas. Total McCarran Airport passengers and visitor volume in October experienced strong month-over-month gains but remained at a much lower level compared to last year, down by 57.0 and 50.0 percent, respectively. October gaming revenue also improved from last month, declining by 23.6 percent from last year. September taxable sales, however, only decreased by 6.6 percent year-over-year despite the large loss in visitor volume. Residential housing permits/units in October were down by 17.2 percent year-over-year after a substantial rise last month. Despite strong improvement in the recent economic readings, new stricter restrictions related to COVID-19 could slow the speed of the local economic recovery as the Clark County economy largely depends on the tourism sector.

Washoe County also exhibited monthly and annual gains in local economic activity. The Reno-Sparks seasonally adjusted employment gained 200 jobs in October and remained only 6.0 percent lower than a year earlier. The unemployment rate edged down to 7.0 percent. September taxable sales decreased by 6.1 percent year-over-year. October gaming revenue, however, rose strongly by 6.1 percent from last year, while visitor volume declined by 21.0 percent during the same period. October residential permits/units did not budge much from a year ago, down slightly by 0.5 percent.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2020M10	000s, SA	1305.3	1301.7	1422.5	0.3%	-8.2%	Improved
Unemployment Rate*	2020M10	%, SA	12.0	12.5	3.7	-0.5%	8.3%	Improved
Taxable Sales	2020M09	\$billion	5.346	4.877	5.566	9.6%	-4.0%	Improved
Gaming Revenue	2020M10	\$million	822.68	821.04	1021.97	0.2%	-19.5%	Down From Year Ago
Air Passengers	2020M10	million persons	2.169	1.882	5.026	15.2%	-56.8%	Improved
Gasoline Sales	2020M09	million gallons	96.42	100.50	105.05	-4.1%	-8.2%	Down From Year Ago
Clark County								
Employment	2020M10	000s, SA	928.8	920.7	1040.4	0.9%	-10.7%	Improved
Unemployment Rate*	2020M10	%, Smoothed SA	13.9	14.5	3.8	-0.6%	10.1%	Improved
Taxable Sales	2020M09	\$billion	3.709	3.359	3.970	10.4%	-6.6%	Improved
Gaming Revenue	2020M10	\$million	671.84	666.70	879.05	0.8%	-23.6%	Down From Year Ago
Residential Permits	2020M10	units permitted	979	1548	1183	-36.8%	-17.2%	Down From Year Ago
Commercial Permits	2020M09	permits	38	31	30	22.6%	26.7%	Low and Volatile
Air Passengers	2020M10	million persons	1.981	1.706	4.609	16.2%	-57.0%	Up Strongly From Month Ago
Gasoline Sales	2020M09	million gallons	63.48	65.90	71.00	-3.7%	-10.6%	Down From Year Ago
Visitor Volume	2020M10	million persons	1.968	1.815	3.934	8.4%	-50.0%	Improved
Washoe County								
Employment**	2020M10	000s, SA	234.2	234.0	249.2	0.1%	-6.0%	Improved
Unemployment Rate*	2020M10	%, Smoothed SA	7.0	7.2	3.1	-0.2%	3.9%	Improved
Taxable Sales**	2020M09	\$billion	0.911	0.875	0.971	4.2%	-6.1%	Down From Year Ago
Gaming Revenue	2020M10	\$million	78.15	78.82	73.64	-0.8%	6.1%	Up Strongly From Year Ago
Residential Permits	2020M10	units permitted	421	378	423	11.4%	-0.5%	Down From Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2020M10	million persons	0.174	0.164	0.381	5.8%	-54.4%	Improved
Gasoline Sales**	2020M09	million gallons	14.90	16.06	15.91	-7.2%	-6.4%	Down From Year Ago
Visitor Volume	2020M10	million persons	0.276	0.279	0.350	-1.0%	-21.0%	Down From Year Ago
United States								
Employment	2020M11	million, SA	142.629	142.384	151.814	0.2%	-6.1%	Improved
Unemployment Rate*	2020M11	%, SA	6.7	6.9	3.5	-0.2%	3.2%	Improved
Consumer Price Index	2020M10	82-84=100, SA	260.3	260.2	257.2	0.0%	1.2%	Up Over Year Ago
Core CPI	2020M10	82-84=100, SA	269.3	269.3	265.0	0.0%	1.6%	Up Over Year Ago
Employment Cost Index	2020Q3	05.12=100, SA	141.5	140.8	137.9	0.5%	2.6%	Up Over Year Ago
Productivity Index	2020Q3	2012=100, SA	112.9	111.2	108.3	1.6%	4.3%	Up Over Year Ago
Retail Sales	2020M10	\$billion, SA	553.3	551.9	523.6	0.3%	5.7%	Up Over Year Ago
Auto and Truck Sales	2020M10	million, SA	16.21	16.29	16.76	-0.5%	-3.3%	Down From Year Ago
Housing Starts	2020M10	million, SA	1.53	1.459	1.340	4.9%	14.2%	Up Strongly
Real GDP***	2020Q3	2012\$billion, SA	18583.5	17302.5	19141.7	33.1%	-2.9%	Strong Rebound
Dollar Exchange Rate	2020M11	06.01=100	114.435	116.167	116.588	-1.5%	-1.8%	Decreased
Trade Balance	2020M10	\$billion, SA	-63.123	-62.083	-43.029	1.7%	46.7%	Year-Over-Year Deficit Increase
S and P 500	2020M11	monthly close	3621.63	3269.96	3140.98	10.8%	15.3%	Up Strongly
Real Short-term Rate*	2020M11	%, NSA	-2.71	-2.50	-0.96	-0.2%	-1.8%	Down From Year Ago
Treasury Yield Spread*	2020M11	%, NSA	0.78	0.69	0.27	0.1%	0.5%	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.