



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
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The “advance” estimate of U.S. real gross domestic product (GDP) for the first quarter of 2020 experienced a strong gain of 6.4 percent at an annual rate, bringing the gap from the pre-pandemic peak to within one percent. This strong recovery was boosted by a surge in consumer spending that probably incorporated the second and third stimulus checks. In addition, government spending jumped due to the vaccination rollout as well as the \$1.9 trillion stimulus package in March. Overall, all the main components except for net exports and private inventory investment contributed positively to real GDP growth. U.S. nonfarm employment posted a disappointing gain of 266,000 jobs in April despite a recent strong economic recovery. The employment recovery is slower than expected as finding and retaining workers is a huge problem. The unemployment rate rose slightly from 6.0 percent to 6.1 percent. Retail sales in March were up strongly by 9.7 percent month-over-month. Retail sales also skyrocketed by 27.9 percent year-over-year as the U.S. economy stalled in March 2020 due to the COVID-19 outbreak. Housing starts in March rebounded substantially, up by 19.4 and 37.0 percent, respectively, from last month and last year. The most recent data indicate that the U.S. economy shows signs of stronger-than-expected improvement benefiting from the \$1.9 trillion relief package and ongoing vaccination efforts. The recent uptick in inflation and slowing vaccinations could lead to headwinds for the ongoing recovery.

Nevada’s economic activity posted highly positive signals based on the most recent monthly data. Seasonally adjusted statewide employment gained 4,700 jobs in March, and the unemployment rate fell from 8.4 to 8.1 percent. March gaming revenue exhibited a surprising monthly gain of 38.1 percent thanks to March Madness and the federal stimulus checks. As a result, March gaming revenue recorded the highest level since February 2013. Moreover, February taxable sales rebounded after 11 consecutive months of year-over-year declines, up 1.7 percent. Air passengers, however, still have not recovered, down by 41.2 percent from March 2019 despite substantial month-over-month and year-over-year gains.

Clark County also displayed strong signs in its local economic activity. Seasonally adjusted employment added 4,400 jobs in March. The unemployment rate in March, however, remained unchanged at 9.1 percent. March

gaming revenue jumped significantly by 41.4 and 63.4 percent, respectively, from a month and a year ago and is 1.2 percent higher than the level from March 2019. Total McCarran Airport passengers and visitor volume in March also soared both month-over-month and year-over-year but remained lower than pre-pandemic levels, decreasing by 41.5 percent from March 2019. February taxable sales recovered strongly, exhibiting only 0.9 percent lower than its level from last year. Residential housing permits/units in March also continued its sturdy year-over-year gain of 22.9 percent. The local economy is gaining strong momentum, boosted by ongoing vaccination efforts as well as the federal stimulus money. Potential viral mutations may provide a significant headwind, however, as the Clark County economy largely depends on tourism.

Washoe County exhibited favorable signals in its local economic activity. The Reno-Sparks seasonally adjusted employment gained 700 jobs in March and remained only 1.9 percent lower than last year’s level. The unemployment rate edged down to 4.6 percent. February taxable sales were up strongly by 15.0 percent year-over-year. March gaming revenue climbed substantially by 19.0 percent from March 2019. March residential permits/units rose strongly by 21.6 percent from last year.

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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	2021M03	000s, SA	1296.2	1291.5	1431.0	0.4%	-9.4%	Improved
Unemployment Rate*	2021M03	%, SA	8.1	8.4	6.4	-0.3%	1.7%	Improved
Taxable Sales	2021M02	\$billion	4.922	4.899	4.786	0.5%	2.8%	Up Strongly
Gaming Revenue	2021M03	\$million	1066.98	772.41	618.19	38.1%	72.6%	Up Strongly
Air Passengers	2021M03	million persons	2.841	1.784	2.264	59.2%	25.5%	Strong Recovery
Gasoline Sales	2021M02	million gallons	82.06	88.35	96.22	-7.1%	-14.7%	Down From Year Ago
<b>Clark County</b>								
Employment	2021M03	000s, SA	916.1	911.7	1042.3	0.5%	-12.1%	Improved
Unemployment Rate*	2021M03	%, Smoothed SA	9.1	9.1	7.1	0.0%	2.0%	Flat Month-Over-Month
Taxable Sales	2021M02	\$billion	3.463	3.444	3.495	0.5%	-0.9%	Strong Recovery
Gaming Revenue	2021M03	\$million	893.24	631.55	546.53	41.4%	63.4%	Up Strongly
Residential Permits	2021M03	units permitted	1499	1605	1220	-6.6%	22.9%	Up Strongly From Year Ago
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M03	million persons	2.576	1.614	2.064	59.6%	24.8%	Strong Recovery
Gasoline Sales	2021M02	million gallons	54.76	59.32	66.63	-7.7%	-17.8%	Down From Year Ago
Visitor Volume	2021M03	million persons	2.341	1.629	1.655	43.8%	41.5%	Strong Recovery
<b>Washoe County</b>								
Employment**	2021M03	000s, SA	244.7	244.0	249.5	0.3%	-1.9%	Improved
Unemployment Rate*	2021M03	%, Smoothed SA	4.6	4.8	5.4	-0.2%	-0.8%	Improved
Taxable Sales**	2021M02	\$billion	0.869	0.867	0.756	0.2%	15.0%	Up Strongly
Gaming Revenue	2021M03	\$million	83.12	70.47	32.91	18.0%	152.5%	Up Strongly
Residential Permits	2021M03	units permitted	472	421	388	12.1%	21.6%	Up Strongly
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M03	million persons	0.253	0.162	0.195	56.0%	29.8%	Strong Recovery
Gasoline Sales**	2021M02	million gallons	13.34	13.98	14.99	-4.6%	-11.0%	Down From Year Ago
Visitor Volume	2021M03	million persons	0.292	0.235	0.174	24.0%	67.5%	Strong Recovery
<b>United States</b>								
Employment	2021M04	million, SA	144.308	144.042	130.161	0.2%	10.9%	Improved
Unemployment Rate*	2021M04	%, SA	6.1	6.0	14.8	0.1%	-8.7%	Improved
Consumer Price Index	2021M03	82-84=100, SA	264.8	263.2	258.0	0.6%	2.6%	Up Over Year Ago
Core CPI	2021M03	82-84=100, SA	271.2	270.3	266.8	0.3%	1.6%	Up Over Year Ago
Employment Cost Index	2021Q1	05.12=100, SA	144.4	142.8	140.2	1.1%	3.0%	Up Over Year Ago
Productivity Index	2021Q1	2012=100, SA	113.0	111.5	108.6	1.3%	4.0%	Up Over Year Ago
Retail Sales	2021M03	\$billion, SA	614.4	559.9	480.6	9.7%	27.9%	Up Strongly
Auto and Truck Sales	2021M04	million, SA	18.51	17.96	8.72	3.1%	112.2%	Up Strongly
Housing Starts	2021M03	million, SA	1.739	1.457	1.269	19.4%	37.0%	Up Strongly
Real GDP***	2021Q1	2012\$billion, SA	19087.6	18794.4	19010.8	6.4%	0.4%	Strong Recovery
Dollar Exchange Rate	2021M04	06.01=100	112.915	113.626	123.604	-0.6%	-8.6%	Down From Year Ago
Trade Balance	2021M03	\$billion, SA	-74.448	-70.518	-47.243	5.6%	57.6%	Year-Over-Year Deficit Increase
S and P 500	2021M04	monthly close	4181.17	3972.89	2912.43	5.2%	43.6%	Up Strongly
Real Short-term Rate*	2021M04	%, NSA	-3.38	-3.07	-1.96	-0.3%	-1.4%	Down From Year Ago
Treasury Yield Spread*	2021M04	%, NSA	1.62	1.58	0.52	0.04%	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.