



NEVADA BUSINESS CONDITIONS

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The “advance” estimate of U.S. real gross domestic product (GDP) for the fourth quarter of 2020 increased 4.0 percent at an annual rate, after a best-ever gain of 33.4 percent in the third quarter. Personal consumption expenditure and business investment, including private inventory, contributed positively to the real GDP growth, while net exports and government spending contributed negatively to growth. Despite a strong recovery for the last two quarters, real GDP shrank 3.5 percent in 2020 due to the effects of early spring government-mandated lockdowns caused by COVID-19. U.S. nonfarm employment rebounded but posted a weak gain of 49,000 jobs in January after losing 227,000 jobs in December. The virus continued to affect negatively the sectors that require face-to-face contact. For instance, the leisure and hospitality sector continued to show the largest sectoral loss of 61,000 jobs. The unemployment rate fell by 0.4 percent to 6.3 percent partly due to declined labor participation. Retail sales in December decreased for the second consecutive month but exhibited a 2.9 percent gain over last year’s level. Housing starts in December continued its robust growth, up by 5.2 percent from last year. Although the U.S. economic recovery moderated in recent months, the second and third relief bills and ongoing vaccination efforts will likely enhance the speed of recovery in the near future.

Nevada’s economic activity posted mixed signals based on the most recent monthly data. Seasonally adjusted statewide employment gained a robust 8,200 jobs in December despite a nationwide job loss amid the surge of coronavirus cases. The unemployment rate dropped sharply from 10.4 to 9.2 percent, partly reflecting fewer people searching for jobs. December air passengers and gaming revenue experienced considerable month-over-month losses due to new restrictions caused by the surge in COVID cases, producing 60.6 and 35.3 percent year-over-year decreases. November taxable sales, however, only decreased by 1.2 percent from last month, which resulted in a 4.7 percent year-over-year loss.

Clark County also displayed mixed signals in local economic activity. Seasonally adjusted employment added 6,800 jobs in December. Nonetheless, Las Vegas still saw the worst-ever decline of 10.3 percent in monthly average employment growth from 2019 to 2020 due to the pandemic. The employment excluding the leisure and hospitality sector,

however, only dropped by 5.8 percent. 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 and visitor volume in December continued to plummet year-over-year by 60.7 and 64.4 percent, respectively. December gaming revenue also showed a double-digit loss of 39.4 percent from a year ago. November taxable sales, nevertheless, only declined by 8.4 percent from last year thanks to relief spending. Residential housing permits/units in December continued its substantial gain of 101.3 percent year-over-year because of the strong housing market with all-time low mortgage rates.

Washoe County exhibited stronger pick-ups 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 and November taxable sales continued its strong year-over-year growth of 8.8 percent. November gasoline sales in gallons, nonetheless, dropped by 10.2 percent from a year ago. December residential permits/units were also down by 16.9 percent from last year.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
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	2020M11	\$billion	5.162	5.227	5.418	-1.2%	-4.7%	Down From Year Ago
Gaming Revenue	2020M12	\$million	683.73	771.16	1057.54	-11.3%	-35.3%	Down From Year Ago
Air Passengers	2020M12	million persons	1.832	1.965	4.651	-6.7%	-60.6%	Down From Year Ago
Gasoline Sales	2020M11	million gallons	89.01	99.14	100.16	-10.2%	-11.1%	Down From Year Ago
Clark County								
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	2020M11	\$billion	3.650	3.673	3.986	-0.6%	-8.4%	Down From Year Ago
Gaming Revenue	2020M12	\$million	556.96	639.78	917.54	-12.9%	-39.3%	Down From Year Ago
Residential Permits	2020M12	units permitted	1830	1461	909	25.3%	101.3%	Up Strongly
Commercial Permits	2020M12	permits	17	33	30	-48.5%	-43.3%	Low and Volatile
Air Passengers	2020M12	million persons	1.670	1.807	4.248	-7.6%	-60.7%	Down From Year Ago
Gasoline Sales	2020M11	million gallons	59.51	65.37	69.03	-9.0%	-13.8%	Down From Year Ago
Visitor Volume	2020M12	million persons	1.307	1.596	3.667	-18.1%	-64.4%	Down From Year Ago
Washoe County								
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**	2020M11	\$billion	0.874	0.895	0.804	-2.4%	8.8%	Up Strongly From Year Ago
Gaming Revenue	2020M12	\$million	63.39	66.74	71.88	-5.0%	-11.8%	Down From Year Ago
Residential Permits	2020M12	units permitted	518	378	623	37.0%	-16.9%	Down From Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2020M12	million persons	0.154	0.149	0.382	3.6%	-59.6%	Down From Year Ago
Gasoline Sales**	2020M11	million gallons	13.65	15.29	15.20	-10.7%	-10.2%	Down From Year Ago
Visitor Volume	2020M12	million persons	0.206	0.216	0.310	-4.5%	-33.5%	Down From Year Ago
United States								
Employment	2021M01	million, SA	142.631	142.582	152.234	0.03%	-6.3%	Improved
Unemployment Rate*	2021M01	%, SA	6.3	6.7	3.5	-0.4%	2.8%	Improved
Consumer Price Index	2020M12	82-84=100, SA	261.8	260.8	258.4	0.4%	1.3%	Up Over Year Ago
Core CPI	2020M12	82-84=100, SA	270.1	269.9	265.8	0.1%	1.6%	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	2020M12	\$billion, SA	540.9	544.6	525.7	-0.7%	2.9%	Up Over Year Ago
Auto and Truck Sales	2020M12	million, SA	16.27	15.65	16.81	4.0%	-3.2%	Down From Year Ago
Housing Starts	2020M12	million, SA	1.669	1.578	1.587	5.8%	5.2%	Up Robustly
Real GDP***	2020Q4	2012\$billion, SA	18780.3	18596.5	19254.0	4.0%	-2.5%	Robust Recovery
Dollar Exchange Rate	2021M01	06.01=100	111.758	112.148	115.315	-0.3%	-3.1%	Decreased
Trade Balance	2020M12	\$billion, SA	-66.613	-69.005	-45.676	-3.5%	45.8%	Year-Over-Year Deficit Increase
S and P 500	2021M01	monthly close	3714.24	3756.07	3225.52	-1.1%	15.2%	Up Strongly From Year Ago
Real Short-term Rate*	2021M01	%, NSA	-2.92	-2.41	-0.98	-0.5%	-1.9%	Down From Year Ago
Treasury Yield Spread*	2021M01	%, NSA	1.00	0.84	0.24	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.