



# NEVADA BUSINESS CONDITIONS

UNLV | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
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The “third” estimate of U.S. real gross domestic product (GDP) for the second quarter of 2021 expanded 6.7 percent at an annual rate, revised up slightly by 0.1 percent from the “second” estimate of 6.6 percent. The strong growth in the second quarter largely reflected a strong surge in consumer spending, which was boosted by significant injections of federal relief money. U.S. nonfarm employment showed a disappointing gain, adding only 194,000 jobs in September. The largest job gain occurred in leisure and hospitality, adding 74,000 jobs. Government education employment posted the largest loss, down by 161,000, as the COVID-19 pandemic distorted the normal seasonal buildup and layoff patterns. The unemployment rate in September, however, dropped to 4.8 from 5.2 percent, much lower than consensus forecast of 5.1 percent. Retail sales in August posted a surprising gain of 0.7 percent month-over-month, which might be boosted by child tax credit payments. This increase in retail sales occurred despite a sharp drop of 10.7 percent in auto and truck sales. Retail sales for non-store retailers jumped by 5.3 percent over the same period, implying a change of consumer behavior due to a surge in COVID cases. The resurgence of COVID cases, higher inflation, and constrained material and labor supplies have slowed the speed of economic recovery. The Federal Reserve, nonetheless, expects to begin tapering in the end of 2021 and slowly raising rates beginning in 2022.

Nevada’s economic activity posted mixed signals amid the spread of the Delta variant based on the most recent monthly data. Seasonally adjusted statewide employment added 11,900 jobs in August. The leisure and hospitality sector added 3,900 jobs despite a decrease in the number of tourists from last month. Despite a robust recovery in employment, August unemployment rate remained unchanged. August gaming revenue plummeted by 14.3 percent from last month but increased strongly by 22.2 percent from two years ago. July taxable sales also experienced a month-over-month decrease but remained significantly higher by 24.5 percent from its level two years ago. We believe that economic recovery depends on how the pandemic plays out, which hinges on vaccination rates reaching herd immunity.

Clark County also displayed mixed signs in its local economic activity due to the Delta variant spread. Seasonally adjusted employment gained 7,000 jobs in August. The

unemployment rate in August also dropped by 1.0 percent to 8.0 percent. August gaming revenue plummeted by 14.6 percent month-over-month as the number of visitors to Clark County decreased by 9.6 percent. August gaming revenue, nonetheless, soared by 25.3 percent from August 2019, while visitor volume continued to remain 19.4 percent lower than two years ago. August total McCarran Airport passengers also experienced a large month-over-month loss of 8.3 percent. July taxable sales also declined month-over-month but rose strongly by 24.2 percent from July 2019 after hitting its record-high last month. August residential permits climbed by 50.1 percent year-over-year.

Washoe County also exhibited mixed signals in its local economic activity. The Reno-Sparks seasonally adjusted employment added 900 jobs in July, and the unemployment rate fell by 0.1 percent to 4.8 percent. July taxable sales experienced a monthly loss of 12.0 percent but increased by a substantial 31.3 percent from two years ago. August gaming revenue and visitor volume decreased by 9.5 and 5.0 percent, respectively, from last month amid the Delta variant spread. August residential permits rose by 26.7 percent from last year.

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	2021M08	000s, SA	1350.4	1338.5	1247.1	0.9%	8.3%	Improved
Unemployment Rate*	2021M08	%, SA	7.7	7.7	14.5	0.0%	-6.8%	Flat Month-Over-Month
Taxable Sales	2021M07	\$billion	6.513	6.932	5.003	-6.0%	30.2%	Down Month-Over-Month
Gaming Revenue	2021M08	\$million	1165.80	1359.88	742.97	-14.3%	56.9%	Down Month-Over-Month
Air Passengers	2021M07	million persons	4.607	4.224	1.773	9.1%	159.9%	Strong Recovery
Gasoline Sales	2021M07	million gallons	113.02	107.68	99.05	5.0%	14.1%	Up Strongly
<b>Clark County</b>								
Employment	2021M08	000s, SA	965.4	958.4	886.7	0.7%	8.9%	Improved
Unemployment Rate*	2021M08	%, Smoothed SA	8.0	9.0	16.7	-1.0%	-8.7%	Improved
Taxable Sales	2021M07	\$billion	4.676	4.881	3.428	-4.2%	36.4%	Down Month-Over-Month
Gaming Revenue	2021M08	\$million	993.43	1162.60	593.90	-14.6%	67.3%	Down Month-Over-Month
Residential Permits	2021M08	units permitted	1588	1171	1058	35.6%	50.1%	Up Strongly
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M08	million persons	3.806	4.151	1.738	-8.3%	119.0%	Down Month-Over-Month
Gasoline Sales	2021M07	million gallons	75.73	71.67	64.65	5.7%	17.1%	Up Strongly
Visitor Volume	2021M08	million persons	3.094	3.422	1.643	-9.6%	88.3%	Down Month-Over-Month
<b>Washoe County</b>								
Employment**	2021M08	000s, SA	247.5	246.6	233.9	0.4%	5.8%	Improved
Unemployment Rate*	2021M08	%, Smoothed SA	4.8	4.9	8.1	-0.1%	-3.3%	Improved
Taxable Sales**	2021M07	\$billion	1.103	1.254	0.886	-12.0%	24.6%	Down Month-Over-Month
Gaming Revenue	2021M08	\$million	90.50	100.04	76.27	-9.5%	18.7%	Down Month-Over-Month
Residential Permits	2021M08	units permitted	465	487	367	-4.5%	26.7%	Up Over Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M07	million persons	0.438	0.398	0.141	10.1%	210.8%	Up Strongly
Gasoline Sales**	2021M07	million gallons	17.16	16.41	15.74	4.6%	9.0%	Up Strongly
Visitor Volume	2021M08	million persons	0.363	0.382	0.278	-5.0%	30.8%	Down From Month Ago
<b>United States</b>								
Employment	2021M09	million, SA	147.553	147.359	141.865	0.1%	4.0%	Improved
Unemployment Rate*	2021M09	%, SA	4.8	5.2	7.8	-0.4%	-3.0%	Improved
Consumer Price Index	2021M08	82-84=100, SA	273.0	272.3	259.5	0.3%	5.2%	Up Over Year Ago
Core CPI	2021M08	82-84=100, SA	279.3	279.1	268.7	0.1%	4.0%	Up Over Year Ago
Employment Cost Index	2021Q2	05.12=100, SA	145.8	144.4	140.8	1.0%	3.6%	Up Over Year Ago
Productivity Index	2021Q2	2012=100, SA	112.9	112.3	110.7	0.6%	2.0%	Up Over Year Ago
Retail Sales	2021M08	\$billion, SA	618.7	614.3	537.7	0.7%	15.1%	Up Strongly
Auto and Truck Sales	2021M08	million, SA	13.06	14.62	15.25	-10.7%	-14.4%	Down Significantly
Housing Starts	2021M08	million, SA	1.615	1.554	1.376	3.9%	17.4%	Up Strongly
Real GDP***	2021Q2	2012\$billion, SA	19368.3	19055.7	17258.2	6.7%	12.2%	Strong Growth
Dollar Exchange Rate	2021M09	06.01=100	113.752	113.693	116.614	0.1%	-2.5%	Down From Year Ago
Trade Balance	2021M08	\$billion, SA	-73.252	-70.303	-63.733	4.2%	14.9%	Year-Over-Year Deficit Increase
S and P 500	2021M09	monthly close	4307.54	4522.68	3363.00	-4.8%	28.1%	Down Month-Over-Month
Real Short-term Rate*	2021M09	%, NSA	-4.56	-4.55	-2.49	0.0%	-2.1%	Down From Year Ago
Treasury Yield Spread*	2021M09	%, NSA	1.33	1.23	0.57	0.1%	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.