



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH

October 2020

The “second” estimate of U.S. real gross domestic product (GDP) for the second quarter of 2020 plunged by 31.7 percent at an annual rate, slightly better than the advance estimate of a 32.9 percent annual contraction. The upward revision reflected smaller declines in private inventory investment and personal consumption expenditure than previously thought. Overall, the coronavirus caused the worst-ever contraction in real GDP as States imposed strict measures such as “stay-at-home” orders to contain the virus. U.S. nonfarm employment added a stronger-than-expected 1.4 million jobs in August but continued to show a slower recovery pace. The largest contribution occurred in the government sector, boosted by 238 thousand temporary jobs for the 2020 Census. The economy still needs to recoup 11.5 million jobs to return to the pre-Pandemic level. The unemployment rate declined sharply to 8.4 percent from 10.2 percent. Retail sales in July surpassed the pre-Pandemic levels and showed a ‘V-Shaped’ recovery, up by 1.2 and 2.7 percent month-over-month and year-over-year, respectively. Housing starts in July surged by 22.6 and 23.4 percent, respectively, from last month and last year, partly thanks to all-time low mortgage rates. The U.S. economic outlook, however, remains highly uncertain as the COVID-19 Pandemic continues.

Nevada continued to pick-up its economic activity based on the most recent monthly data. Seasonally adjusted statewide employment gained 14,800 jobs in July. The unemployment rate fell to 14.0 percent from 15.2 percent in June. July gaming revenue posted a strong monthly gain of 33.5 percent but remained 26.2 percent lower than last year’s level. July air passengers, however, saw a slower recovery compared to gaming revenue, with a 64.5 percent year-over-year loss. June taxable sales posted stronger-than-expected performance, down by 6.0 percent from last year, as all the counties except for Clark, Lander, and Lyon experienced year-over-year increases.

Clark County continued to post unfavorable signals in local economic activity based on annual data despite a strong monthly pick-up. Seasonally adjusted employment added 12,000 jobs in July. Notable job gains occurred in trade, transportation, and utilities, education and health services, and professional and business services. The unemployment rate in July declined to 16.3 percent but

continued to remain the highest when compared to other counties in Nevada. Total McCarran Airport passengers and visitor volume in July still displayed substantial year-over-year losses of 64.0 and 61.4 percent, respectively, despite the resumption of casino operations. July gaming revenue also continued to show a double-digit decrease of 28.9 percent from last year. June taxable sales contracted by 13.3 percent compared to a year ago. Residential housing permits/units in July posted a year-over-year decrease of 14.3 percent. Clark County sees a slower recovery compared to the rest of Nevada due to its tourism-dependent economy.

Washoe County exhibited a stronger monthly and annual pick-up in local economic activity compared to Clark County, benefitting from its more diversified economy. The Reno-Sparks seasonally adjusted employment gained 1,500 jobs in July and remained only 6.6 percent lower than the previous year. The unemployment rate fell to 8.2 percent. June taxable sales surprisingly surged by 15.0 percent from last year amid the COVID-19 pandemic, while gasoline sales (in gallons) fell by 9.0 percent during the same period. July residential housing permits/units also gained strongly by 27.2 percent year-over-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	2020M07	000s, SA	1281.1	1266.3	1419.8	1.2%	-9.8%	Improved
Unemployment Rate*	2020M07	%, SA	14.0	15.2	3.9	-1.2%	10.1%	Improved
Taxable Sales	2020M06	\$billion	5.302	4.405	5.638	20.4%	-6.0%	Strong Rebound
Gaming Revenue	2020M07	\$million	756.79	566.82	1024.83	33.5%	-26.2%	Improved
Air Passengers	2020M07	million persons	1.767	1.142	4.973	54.7%	-64.5%	Improved
Gasoline Sales	2020M06	million gallons	92.46	79.26	105.06	16.6%	-12.0%	Improved
<b>Clark County</b>								
Employment	2020M07	000s, SA	903.7	891.7	1035.8	1.3%	-12.8%	Improved
Unemployment Rate*	2020M07	%, Smoothed SA	16.3	17.7	4.1	-1.4%	12.2%	Improved
Taxable Sales	2020M06	\$billion	3.572	2.945	4.121	21.3%	-13.3%	Strong Rebound
Gaming Revenue	2020M07	\$million	612.85	441.06	861.42	39.0%	-28.9%	Improved
Residential Permits	2020M07	units permitted	1424	1002	1662	42.1%	-14.3%	Down From Year Ago
Commercial Permits	2020M07	permits	25	26	39	-3.8%	-35.9%	Low and Volatile
Air Passengers	2020M07	million persons	1.623	1.042	4.507	55.8%	-64.0%	Improved
Gasoline Sales	2020M06	million gallons	60.72	52.04	70.63	16.7%	-14.0%	Improved
Visitor Volume	2020M07	million persons	1.534	1.224	3.976	25.3%	-61.4%	Improved
<b>Washoe County</b>								
Employment**	2020M07	000s, SA	230.9	229.4	247.3	0.7%	-6.6%	Improved
Unemployment Rate*	2020M07	%, Smoothed SA	8.2	8.8	3.2	-0.6%	5.0%	Improved
Taxable Sales**	2020M06	\$billion	1.018	0.782	0.885	30.2%	15.0%	Up Strongly
Gaming Revenue	2020M07	\$million	72.26	65.04	78.09	11.1%	-7.5%	Down From Year Ago
Residential Permits	2020M07	units permitted	467	348	367	34.2%	27.2%	Up Strongly
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2020M07	million persons	0.141	0.099	0.432	43.0%	-67.4%	Improved
Gasoline Sales**	2020M06	million gallons	14.47	12.52	15.90	15.6%	-9.0%	Improved
Visitor Volume	2020M07	million persons	0.266	0.219	0.401	21.5%	-33.8%	Improved
<b>United States</b>								
Employment	2020M08	million, SA	140.914	139.543	151.160	1.0%	-6.8%	Improved
Unemployment Rate*	2020M08	%, SA	8.4	10.2	3.7	-1.8%	4.7%	Improved
Consumer Price Index	2020M07	82-84=100, SA	258.7	257.2	256.1	0.6%	1.0%	Up Over Year Ago
Core CPI	2020M07	82-84=100, SA	267.7	266.1	263.6	0.6%	1.6%	Up Over Year Ago
Employment Cost Index	2020Q2	05.12=100, SA	140.8	140.3	136.8	0.4%	2.9%	Up Over Year Ago
Productivity Index	2020Q2	2012=100, SA	111.0	108.7	108.3	2.2%	2.5%	Up Strongly
Retail Sales	2020M07	\$billion, SA	536.0	529.4	521.7	1.2%	2.7%	Strong Increase
Auto and Truck Sales	2020M08	million, SA	15.19	14.63	17.07	3.9%	-11.0%	Down Significantly From Year Ago
Housing Starts	2020M07	million, SA	1.496	1.220	1.212	22.6%	23.4%	Strong Increase
Real GDP***	2020Q2	2012\$billion, SA	17282.2	19010.8	19020.6	-31.7%	-9.1%	Large Decline due to COVID-19
Dollar Exchange Rate	2020M08	06.01=100	117.387	119.059	117.138	-1.4%	0.2%	Up Slightly From Year Ago
Trade Balance	2020M07	\$billion, SA	-63.556	-53.461	-51.041	18.9%	24.5%	Year-Over-Year Deficit Increase
S and P 500	2020M08	monthly close	3500.31	3271.12	2926.46	7.0%	19.6%	Up Strongly
Real Short-term Rate*	2020M08	%, NSA	-3.00	-2.87	-0.75	-0.1%	-2.3%	Down From Year Ago
Treasury Yield Spread*	2020M08	%, NSA	0.55	0.49	-0.32	0.1%	0.9%	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.