



The COVID-19 pandemic has created profound worldwide social and economic uncertainty as it has spread around the globe. Without a vaccine or herd immunity among humans, the novel coronavirus has infected 2.5 million people around the world, including nearly 4,000 in Nevada. In response to growing caseloads and lost lives, nations, states and local governments have enacted extraordinary measures to limit person-to-person contact and stem the virus's spread. These measures have been effective in protecting public health yet devastating for the economy.

# Economic Briefing

APRIL 2020

ISSUE FOUR | VOLUME FOURTEEN

Nevada's stay-at-home commitment has been among the best. State residents have been particularly successful in limiting their movements throughout the community, cutting travel to workplaces by 53 percent, retail and recreation by 45 percent, and parks by 43 percent, according to an analysis of location tracking data by Google. A similar analysis by Unacast ranked Nevada first in the nation for its reduction in nonessential visits.

The measures appear to be working. The number of COVID-19 deaths has slowed, and new modeling by scientists at the University of Texas projects Nevada to reach peak COVID-19 caseloads in April. The extraordinary efforts to stem the looming public health crisis might have been effective, but they have also triggered an unprecedented economic crash that has already left hundreds of thousands of Nevadans jobless.

Millions are losing jobs in the United States, yet Nevada is positioned to be among the hardest hit due to its reliance on an industry built on bringing people together at a time when social distancing is a must. The state's leisure and hospitality industry directly employs more than 350,000 Nevadans, or about a quarter

of the workforce, and half of the state's 20 largest employers are resort-casinos that are shuttered under Governor Sisolak's order to close nonessential business, making the state's economic heartbeat particularly vulnerable to social distancing measures.

The true extent of the expanding economic crisis is only beginning to show in official data, which typically lags the real world by a month or more. The statewide unemployment rate in March 2020 was 6.4 percent, a 2.6 percentage point jump from a month earlier and the highest mark in more than four years. Because of data collection timing, that number misses the majority of job losses that came after the statewide shutdown of nonessential businesses and the closure of all gaming properties that triggered layoffs and furloughs by operators such as Caesars Entertainment, Boyd Gaming and MGM Resorts International.

More than 92,000 Nevadans filed for unemployment insurance in the first week of the shutdown, starting a four-week run that would reach more than 302,000 initial unemployment claims. For context, during the Great Recession the highest initial unemployment claims total for a four-week period was 32,800 in January

## MONTHLY

### Employment Indicators

| Nevada Employment |              | Mar-20                |
|-------------------|--------------|-----------------------|
| Current Period    | Prev. Period | Same Period Prev. Yr. |
| 1,412,900         | 1,417,700    | 1,408,000             |
| GROWTH RATE       | -0.3% ▼      | 0.3% ▲                |

| Nevada Private Average Weekly Hours Worked |              | Feb-20                |
|--|--------------|-----------------------|
| Current Period                             | Prev. Period | Same Period Prev. Yr. |
| 34.3                                       | 34.1         | 34.5                  |
| GROWTH RATE                                | 0.6% ▲       | -0.6% ▼               |

| Nevada Unemployment Rate |              | Mar-20                |
|--------------------------|--------------|-----------------------|
| Current Period           | Prev. Period | Same Period Prev. Yr. |
| 6.4%                     | 3.8%         | 4.1%                  |
| GROWTH RATE              | 2.6% ▲       | 2.3% ▲                |

## TRAILING 12-MONTH

### Employment Indicators

| Nevada Employment <sup>(1)</sup> |              | Mar-20                |
|----------------------------------|--------------|-----------------------|
| Current Period                   | Prev. Period | Same Period Prev. Yr. |
| 1,421,433                        | 1,421,025    | 1,394,600             |
| GROWTH RATE                      | 0.0% ◆       | 1.9% ▲                |

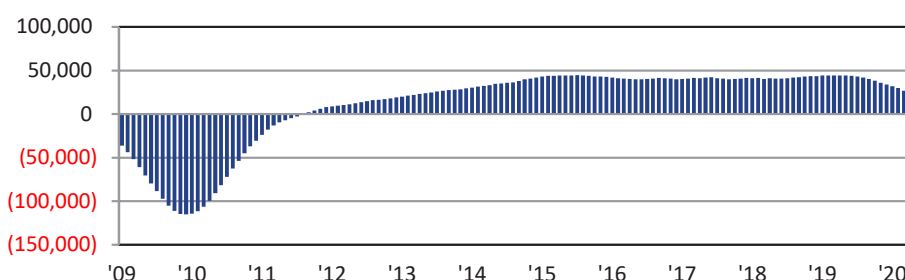
| Nevada Private Average Weekly Hours Worked <sup>(1)</sup> |              | Feb-20                |
|---|--------------|-----------------------|
| Current Period  | Prev. Period | Same Period Prev. Yr. |
| 34.5  | 34.5         | 34.3                  |
| GROWTH RATE   | 0.0% ◆       | 0.6% ▲                |

| Nevada Unemployment Rate <sup>(1)</sup> |              | Mar-20                |
|---|--------------|-----------------------|
| Current Period                          | Prev. Period | Same Period Prev. Yr. |
| 4.0%                                    | 3.8%         | 4.3%                  |
| GROWTH RATE                             | 0.2% ▲       | -0.3% ▼               |

Notes: (1) Trailing 12-month/4-quarter averages.  
(2) Trailing 12-month/4-quarter totals.

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## NEVADA EMPLOYMENT GROWTH TRAILING 12-MONTH AVERAGES



MONTHLY & QUARTERLY  
Economic Indicator Series

**Nevada Initial Unemployment Insurance Claims**

Mar-20

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 208,869        | 9,815        | 9,387                 |
| GROWTH RATE    | 2028.1% ▲    | 2125.1% ▲             |

**Nevada Residential Housing Units Permitted**

Feb-20

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 1,800          | 1,610        | 1,335                 |
| GROWTH RATE    | 11.8% ▲      | 34.8% ▲               |

**Nevada Taxable Retail Sales**

Jan-20

| Current Period  | Prev. Period    | Same Period Prev. Yr. |
|-----------------|-----------------|-----------------------|
| \$5,111,298,006 | \$6,555,744,281 | \$4,839,251,588       |
| GROWTH RATE     | -22.0% ▼        | 5.6% ▲                |

**Nevada Gross Gaming Revenue**

Feb-20

| Current Period  | Prev. Period    | Same Period Prev. Yr. |
|-----------------|-----------------|-----------------------|
| \$1,042,627,612 | \$1,037,532,116 | \$1,011,785,879       |
| GROWTH RATE     | 0.5% ▲          | 3.0% ▲                |

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers**

Feb-20

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 4,206,117      | 4,496,961    | 3,935,394             |
| GROWTH RATE    | -6.5% ▼      | 6.9% ▲                |

**Clark/Washoe County Visitor Volume**

Feb-20

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 3,652,314      | 4,071,326    | 3,707,808             |
| GROWTH RATE    | -10.3% ▼     | -1.5% ▼               |

**Nevada New Business Creation**

Q3 '19

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 1,153          | 1,038        | -77                   |
| GROWTH RATE    | 11.1% ▲      | 1597.4% ▲             |

**Nevada Housing Price Index**

(Q1 1991 = 100)

Q4 '19

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 274.2          | 274.9        | 264.3                 |
| GROWTH RATE    | -0.3% ▼      | 3.7% ▲                |

**Clark County Office Market Vacancy Rate**

Q4 '19

| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 14.5%          | 15.0%        | 16.1%                 |
| GROWTH RATE    | -0.5% ▼      | -1.6% ▼               |

**Nevada Hotel/Motel Occupancy**

Q4 '19

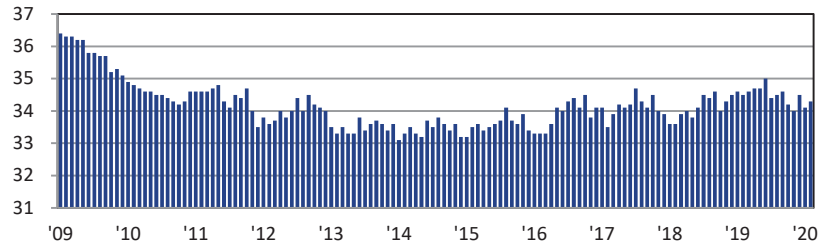
| Current Period | Prev. Period | Same Period Prev. Yr. |
|----------------|--------------|-----------------------|
| 81.3%          | 85.0%        | 80.2%                 |
| GROWTH RATE    | -3.7% ▼      | 1.1% ▲                |

**State of Nevada Personal Income**

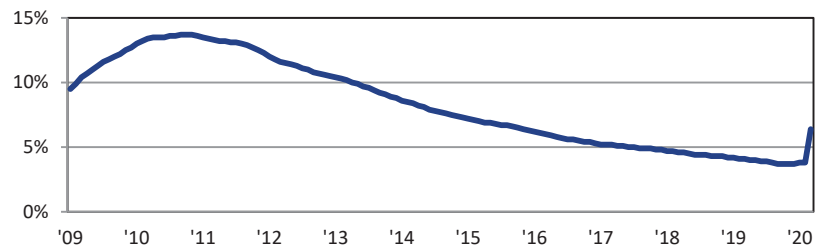
Q4 '19

| Current Period   | Prev. Period     | Same Period Prev. Yr. |
|------------------|------------------|-----------------------|
| \$39,767,775,000 | \$39,366,550,000 | \$38,135,875,000      |
| GROWTH RATE      | 1.0% ▲           | 4.3% ▲                |

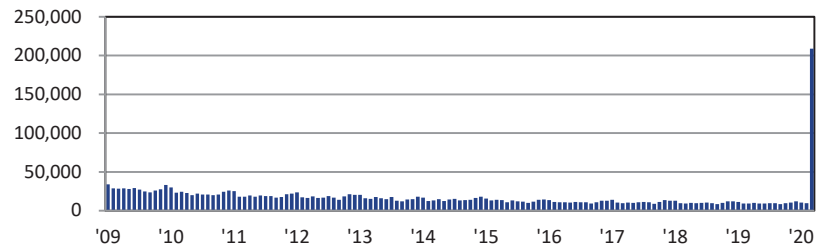
**NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED**  
MONTHLY SERIES



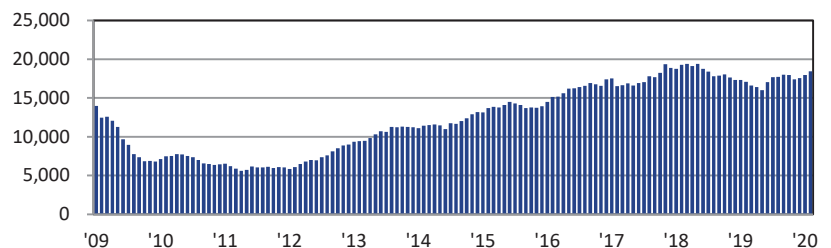
**NEVADA UNEMPLOYMENT RATE**  
MONTHLY SERIES



**NEVADA UNEMPLOYMENT INSURANCE CLAIMS**  
MONTHLY SERIES

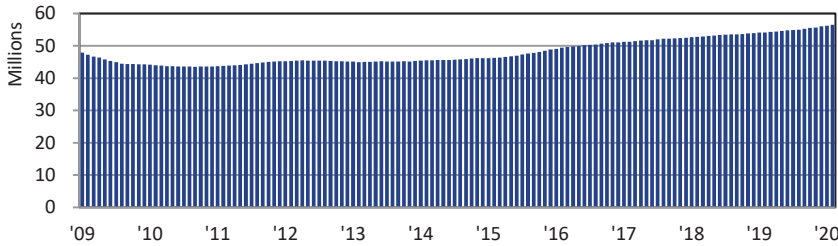


**NEVADA RESIDENTIAL UNITS PERMITTED**  
TRAILING 12-MONTH TOTALS



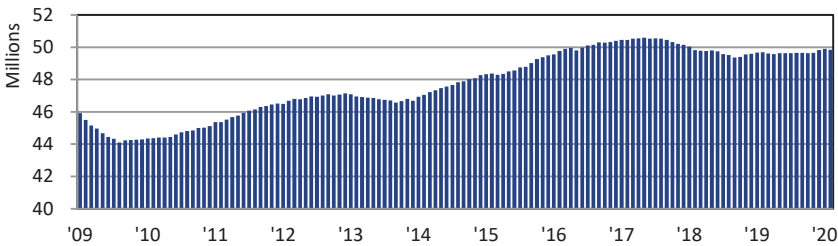
**LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS**

TRAILING 12-MONTH TOTALS



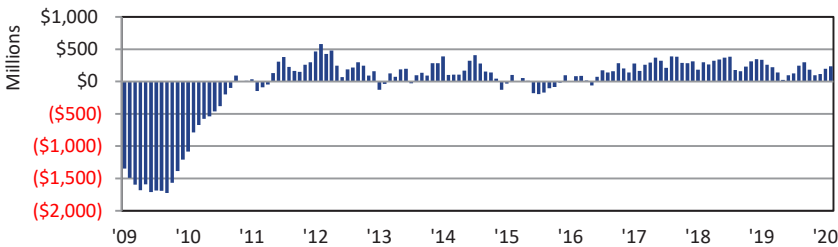
**CLARK/WASHOE COUNTY VISITOR VOLUME**

TRAILING 12-MONTH TOTALS



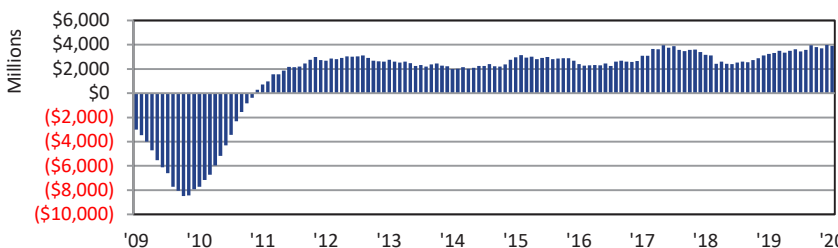
**GROWTH IN NEVADA GROSS GAMING REVENUE**

TRAILING 12-MONTH TOTALS



**GROWTH IN NEVADA TAXABLE RETAIL SALES**

TRAILING 12-MONTH TOTALS



*TRAILING 12-MONTH*

Economic Indicator Series

**Nevada Initial Unemployment**

| Insurance Claims <sup>(2)</sup> |              | Mar-20      |           |
|---------------------------------|--------------|-------------|-----------|
| Current Period                  | Prev. Period | Same Period | Prev. Yr. |
| 318,395                         | 118,913      | 122,053     |           |
| GROWTH RATE                     | 167.8% ▲     | 160.9% ▲    |           |

**Nevada Residential Housing**

| Units Permitted <sup>(2)</sup> |              | Feb-20      |           |
|--------------------------------|--------------|-------------|-----------|
| Current Period                 | Prev. Period | Same Period | Prev. Yr. |
| 18,432                         | 17,967       | 17,083      |           |
| GROWTH RATE                    | 2.6% ▲       | 7.9% ▲      |           |

**Nevada Taxable Retail Sales <sup>(2)</sup>**

|                  |                  | Jan-20           |           |
|------------------|------------------|------------------|-----------|
| Current Period   | Prev. Period     | Same Period      | Prev. Yr. |
| \$65,114,381,709 | \$64,842,335,291 | \$61,202,518,264 |           |
| GROWTH RATE      | 0.4% ▲           | 6.4% ▲           |           |

**Nevada Gross Gaming Revenue <sup>(2)</sup>**

|                  |                  | Feb-20           |           |
|------------------|------------------|------------------|-----------|
| Current Period   | Prev. Period     | Same Period      | Prev. Yr. |
| \$12,115,622,782 | \$12,084,781,049 | \$11,880,408,924 |           |
| GROWTH RATE      | 0.3% ▲           | 2.0% ▲           |           |

**Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers <sup>(2)</sup>**

|                |              | Feb-20      |           |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 56,523,650     | 56,252,927   | 54,142,548  |           |
| GROWTH RATE    | 0.5% ▲       | 4.4% ▲      |           |

**Clark/Washoe County Visitor Volume <sup>(2)</sup>**

|                |              | Feb-20      |           |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 49,836,166     | 49,891,660   | 49,688,346  |           |
| GROWTH RATE    | -0.1% ▼      | 0.3% ▲      |           |

**Nevada New Business Creation <sup>(2)</sup>**

|                |              | Q3 '19      |           |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 2,654          | 1,424        | 621         |           |
| GROWTH RATE    | 86.4% ▲      | 327.4% ▲    |           |

**Nevada Housing Price Index <sup>(1)</sup>**

|                        |              | Q4 '19      |           |
|------------------------|--------------|-------------|-----------|
| <i>(Q1 1991 = 100)</i> |              |             |           |
| Current Period         | Prev. Period | Same Period | Prev. Yr. |
| 273.6                  | 271.2        | 256.6       |           |
| GROWTH RATE            | 0.9% ▲       | 6.6% ▲      |           |

**Clark County Office Market Vacancy Rate <sup>(1)</sup>**

|                |              | Q4 '19      |           |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 15.1%          | 15.5%        | 16.4%       |           |
| GROWTH RATE    | -0.4% ▼      | -1.3% ▼     |           |

**Nevada Hotel/Motel Occupancy <sup>(1)</sup>**

|                |              | Q4 '19      |           |
|----------------|--------------|-------------|-----------|
| Current Period | Prev. Period | Same Period | Prev. Yr. |
| 83.3%          | 83.0%        | 83.1%       |           |
| GROWTH RATE    | 0.3% ▲       | 0.2% ▲      |           |

**State of Nevada Personal Income <sup>(2)</sup>**

|                   |                   | Q4 '19            |           |
|-------------------|-------------------|-------------------|-----------|
| Current Period    | Prev. Period      | Same Period       | Prev. Yr. |
| \$159,071,100,000 | \$157,466,200,000 | \$152,543,500,000 |           |
| GROWTH RATE       | 1.0% ▲            | 4.3% ▲            |           |

Notes: (1) Trailing 12-month/4-quarter averages. (2) Trailing 12-month/4-quarter totals.

« Continued From Cover

2009. The scope of unemployment will become clearer with new data releases, but the staggering trends in unemployment insurance claims suggest the statewide unemployment rate has already topped 20 percent.

To help offset the damage to the national economy, the federal government passed the Coronavirus Aid, Relief and Economic Security (CARES) Act in late March. The act provided \$2.2 trillion in federal grants, loans and other aid to assist individuals, businesses and state and local governments in weathering the economic upheaval. Programs include Economic Impact Payments that provide \$1,200 per adult and \$500 per child under 17, the Paycheck Protection Program intended to help small businesses retain employees, \$1.25 billion from the Coronavirus Relief Fund to help Nevada’s state and local governments cover expenses related to the outbreak, and several emergency unemployment insurance programs that include an additional \$600 per week through July 25, 2020. In total, CARES Act programs are projected to direct at least \$14 billion to Nevada, and a new legislation under consideration is expected to augment programs and funding streams to boost the nation’s fiscal response to the economic fallout.

COVID-19 has brought the global economy to a standstill, and an uncertain future remains. In the U.S., elected leaders, scientists and health experts are working in concert to control the virus’s spread and eventually restart the limping economy. What form or fashion that takes in Nevada is as unclear as the timeframe for people feeling safe enough to return to their pre-COVID-19 lifestyles. In the meantime, scientists are working on treatments and vaccines to make that happen as soon as possible, and when it does, Nevada will be waiting with open arms.

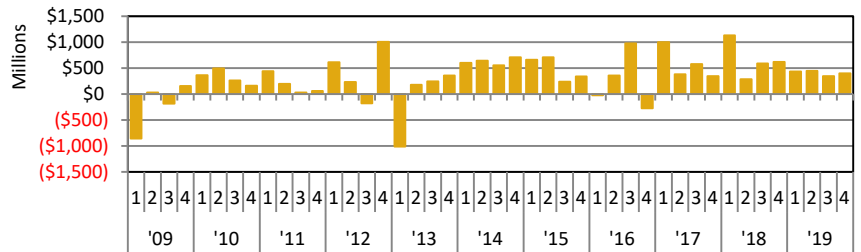
Prepared by:



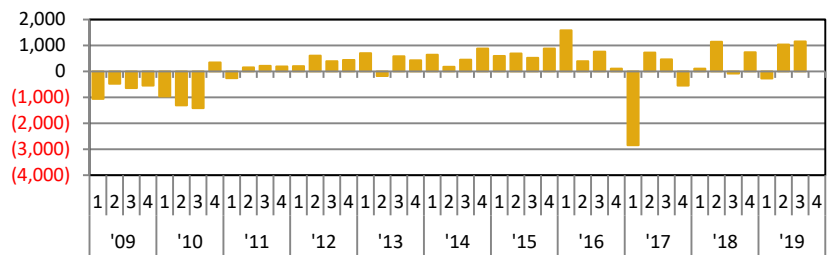
appliedanalysis.com

**Methodology:** Applied Analysis (“AA”) was retained by Nevada State Bank to summarize and analyze a series of key economic indicators on a recurring basis. Relevant data were obtained from AA’s internal databases as well as national, regional and local data providers, including, without limitation, state and local governments. While we have no reason to doubt the accuracy of any of the data reported, we have not performed an audit or assurance procedures on these data, and as such, we cannot attest to their completeness. Generally speaking, data reported are for Nevada, Clark County, Washoe County, or the metropolitan areas therein. Please note that these geographies may differ slightly between data providers.

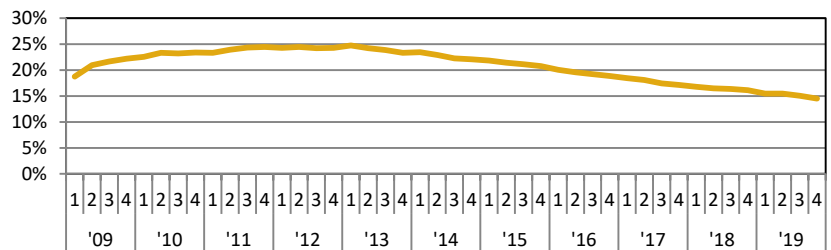
**NEVADA PERSONAL INCOME GROWTH**  
QUARTER-OVER-QUARTER



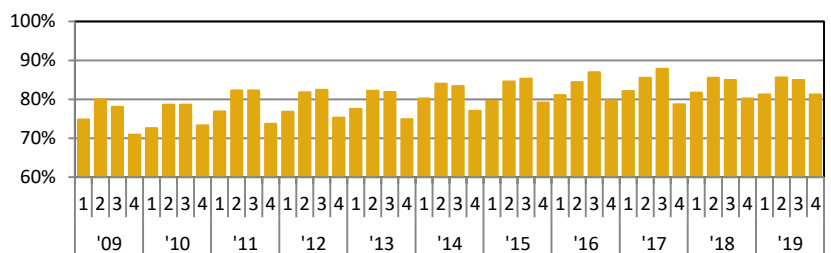
**NEVADA NEW BUSINESS CREATION**  
QUARTER-OVER-QUARTER



**LAS VEGAS OFFICE MARKET VACANCY RATE**  
QUARTERLY SERIES



**NEVADA HOTEL/MOTEL OCCUPANCY**  
QUARTERLY SERIES



**NEVADA STATE BANK**  
THE DOOR TO YOUR FUTURE