



Now five months into the COVID-19 pandemic, Nevada remains on a slow path to recovery after being one of the states hit the hardest by this public health crisis. While many economic indicators are beginning to exhibit positive growth trends again, they are still significantly lower relative to their benchmarks from the prior year. On August 3, Governor Sisolak introduced Nevada's long-term recovery plan. The plan shifts away from a phased reopening approach to a long-term strategy, increasing enforcement by targeting specific zip codes and individual businesses that are not compliant with COVID-19 mitigation measures. The intent of this new plan is to keep more businesses open and avoid broad closures of whole industries. With the number of positive cases still high despite a recent downward trend, state and business leaders are prioritizing containment measures in order to keep the public safe.

Economic Briefing

AUGUST 2020

ISSUE EIGHT | VOLUME FOURTEEN

Employment trends have continued to improve slightly as Nevada's labor market benefits from the re-opening of the economy, experiencing positive growth moving into August. The statewide seasonally adjusted unemployment rate fell from 15.2 percent in June to 14.0 percent in July. This is a sustained decline from the highest rate ever recorded in the state during April, more than double its current level at 30.1 percent. The most recent period's gains can be attributed to the addition of 14,800 jobs this month, 3,900 of which came from the professional and business services sector. This marks the third straight month that jobs have been added to the Nevada economy. Despite this, the unemployment rate remains 4 percentage points higher than the current national average and 10.1 percentage points higher than where it stood in July 2019.

The slower employment growth this month was also reflected in unemployment

insurance claim trends through July 2020. Initial claims totaled 66,698 in July, up 39 percent from June claims. Though an uptick, this still represents a step toward recovery as the months of March and April this year both saw initial claim totals exceed 200,000. Continued claims hovered above 300,000 for most of the month, a modest rise relative to the prior period. In addition to unemployment insurance, Governor Sisolak signed an extension of the Pandemic Unemployment Assistance (PUA) program allowing Nevadans to claim eligibility through December. The PUA program saw 12,606 initial claims filed in the week ending August 8, a decrease of 31.8 percent from the previous week's total of 18,495. This is the fewest number of PUA initial claims filed in a week since the program began.

Nevada's housing market continued to improve moderately this summer. In June, single family residential units permitted

MONTHLY

Employment Indicators

Nevada Employment		Jul-20
Current Period	Prev. Period	Same Period Prev. Yr.
1,281,100	1,266,300	1,412,500
GROWTH RATE	1.2% ▲	-9.3% ▼

Nevada Private Average Weekly Hours Worked		Jul-20
Current Period	Prev. Period	Same Period Prev. Yr.
34.5	34.6	34.4
GROWTH RATE	-0.3% ▼	0.3% ▲

Nevada Unemployment Rate		Jul-20
Current Period	Prev. Period	Same Period Prev. Yr.
14.0%	15.2%	3.9%
GROWTH RATE	-1.2% ▼	10.1% ▲

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Jul-20
Current Period	Prev. Period	Same Period Prev. Yr.
1,352,700	1,363,650	1,407,325
GROWTH RATE	-0.8% ▼	-3.9% ▼

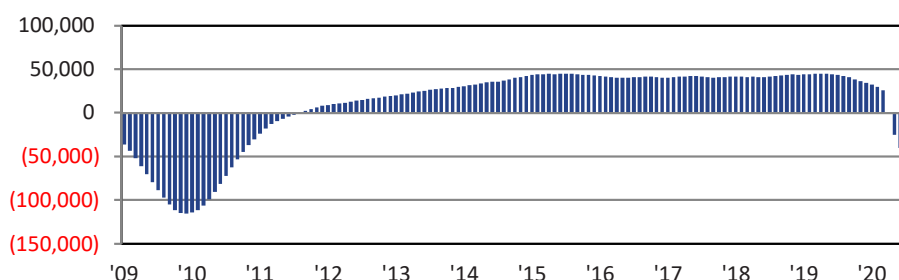
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Jul-20
Current Period	Prev. Period	Same Period Prev. Yr.
34.3	34.3	34.5
GROWTH RATE	-0.1% ▼	-0.7% ▼

Nevada Unemployment Rate ⁽¹⁾		Jul-20
Current Period	Prev. Period	Same Period Prev. Yr.
9.8%	8.9%	4.1%
GROWTH RATE	0.8% ▲	5.6% ▲

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

Jul-20

Current Period	Prev. Period	Same Period Prev. Yr.
66,698	47,859	9,872
GROWTH RATE	39.4% ▲	575.6% ▲

Nevada Residential Housing Units Permitted

Jun-20

Current Period	Prev. Period	Same Period Prev. Yr.
1,437	1,122	2,230
GROWTH RATE	28.1% ▲	-35.6% ▼

Nevada Taxable Retail Sales

May-20

Current Period	Prev. Period	Same Period Prev. Yr.
\$4,404,511,559	\$3,670,368,962	\$5,435,985,733
GROWTH RATE	20.0% ▲	-19.0% ▼

Nevada Gross Gaming Revenue

Jun-20

Current Period	Prev. Period	Same Period Prev. Yr.
\$566,806,791	\$5,807,667	\$1,040,978,076
GROWTH RATE	9659.6% ▲	-45.6% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jun-20

Current Period	Prev. Period	Same Period Prev. Yr.
1,140,442	437,727	4,841,474
GROWTH RATE	160.5% ▲	-76.4% ▼

Clark/Washoe County Visitor Volume

Jun-20

Current Period	Prev. Period	Same Period Prev. Yr.
1,442,144	246,409	4,267,874
GROWTH RATE	485.3% ▲	-66.2% ▼

Nevada New Business Creation

Q1 '20

Current Period	Prev. Period	Same Period Prev. Yr.
566	1,247	-2,098
GROWTH RATE	-54.6% ▼	127.0% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q1 '20

Current Period	Prev. Period	Same Period Prev. Yr.
282.3	275.4	271.2
GROWTH RATE	2.5% ▲	4.1% ▲

Clark County Office Market Vacancy Rate

Q2 '20

Current Period	Prev. Period	Same Period Prev. Yr.
14.8%	14.4%	15.4%
GROWTH RATE	0.4% ▲	-0.6% ▼

Nevada Hotel/Motel Occupancy

Q1 '20

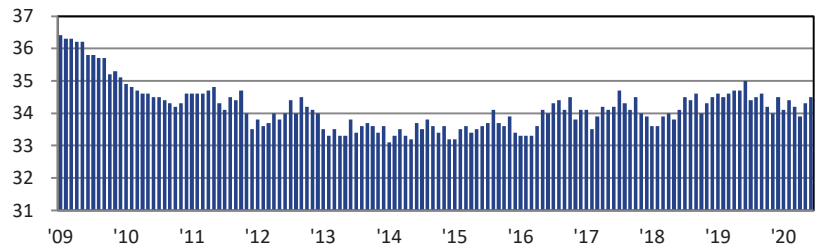
Current Period	Prev. Period	Same Period Prev. Yr.
66.8%	81.3%	81.2%
GROWTH RATE	-14.5% ▼	-14.4% ▼

State of Nevada Personal Income

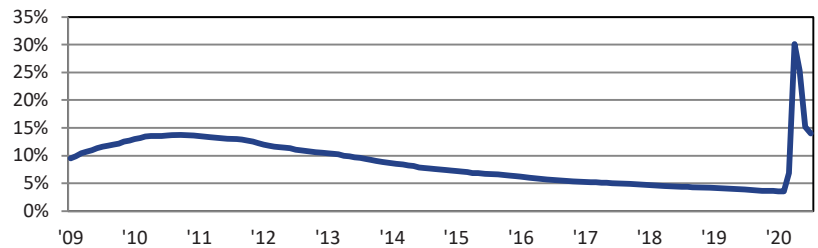
Q1 '20

Current Period	Prev. Period	Same Period Prev. Yr.
\$39,969,400,000	\$39,871,525,000	\$38,571,575,000
GROWTH RATE	0.2% ▲	3.6% ▲

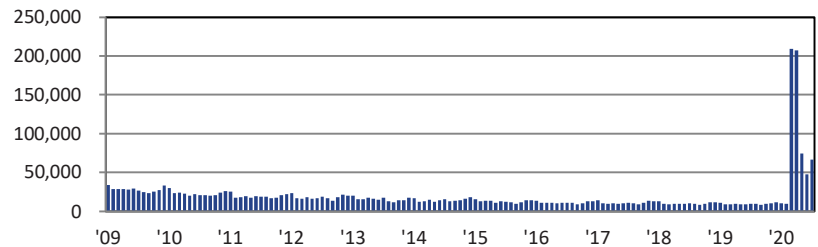
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



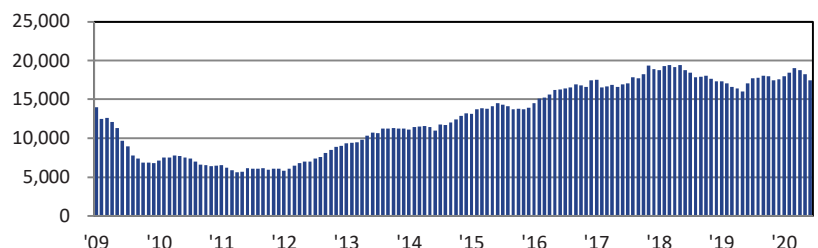
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



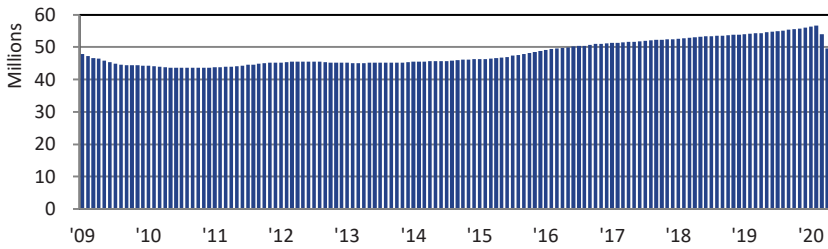
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



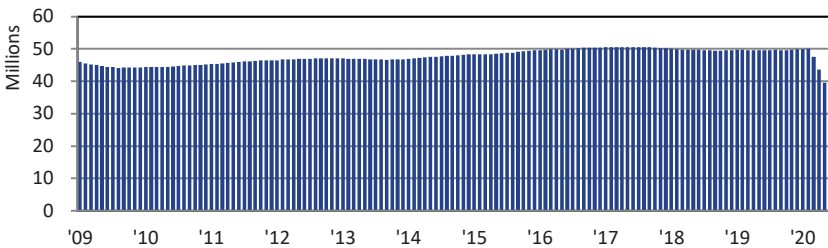
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



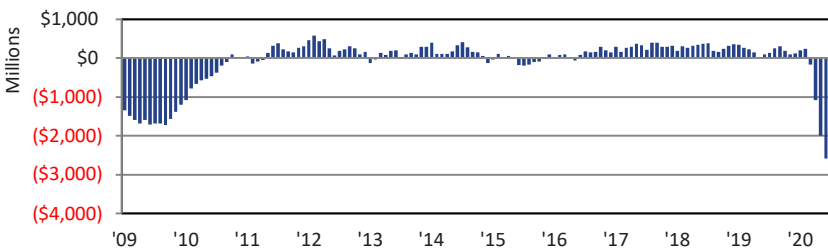
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



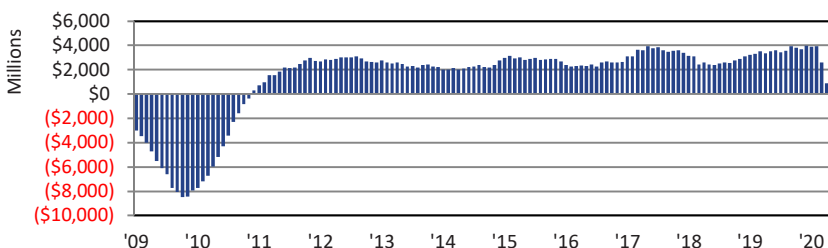
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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 ⁽²⁾

		Jul-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
675,728	618,902	120,568	
GROWTH RATE	9.2% ▲	460.5% ▲	

Nevada Residential Housing Units Permitted ⁽²⁾

		Jun-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
17,422	18,215	17,066	
GROWTH RATE	-4.4% ▼	2.1% ▲	

Nevada Taxable Retail Sales ⁽²⁾

		May-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$61,701,922,298	\$62,733,396,472	\$62,241,569,207	
GROWTH RATE	-1.6% ▼	-0.9% ▼	

Nevada Gross Gaming Revenue ⁽²⁾

		Jun-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$8,303,121,091	\$9,327,964,932	\$11,937,744,913	
GROWTH RATE	-11.0% ▼	-30.4% ▼	

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers ⁽²⁾

		Jun-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
36,407,675	41,346,961	54,815,751	
GROWTH RATE	-11.9% ▼	-33.6% ▼	

Clark/Washoe County Visitor Volume ⁽²⁾

		Jun-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
36,682,298	39,508,028	49,626,171	
GROWTH RATE	-7.2% ▼	-26.1% ▼	

Nevada New Business Creation ⁽²⁾

		Q1 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
5,058	2,394	1,213	
GROWTH RATE	111.3% ▲	317.0% ▲	

Nevada Housing Price Index ⁽¹⁾

		Q1 '20	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
277.8	273.6	263.2	
GROWTH RATE	1.5% ▲	5.6% ▲	

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q2 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
14.7%	14.8%	15.9%	
GROWTH RATE	-0.1% ▼	-1.2% ▼	

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q1 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
79.7%	83.3%	83.0%	
GROWTH RATE	-3.6% ▼	-3.3% ▼	

State of Nevada Personal Income ⁽²⁾

		Q1 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$159,877,600,000	\$159,486,100,000	\$154,286,300,000	
GROWTH RATE	0.2% ▲	3.6% ▲	

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

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were 65.3 percent higher than the previous month while multi-family units permitted experienced a decline of 14.8 percent over the same period. Permits for both single and multi-family units are down relative to the same period last year. In the first quarter of 2020, housing prices rose 2.5 percent from the prior quarter, and 4.1 percent from the same quarter last year while the state's foreclosure inventory also fell 8.0 percent.

Nevada continues to be highly vulnerable in the current economic climate. Being a state that is largely dependent on tourism comes with additional implications. The general uncertainty surrounding public health will serve as a deterrent to travel for the foreseeable future. Consequently, it will be a long time until tourism returns to pre-COVID levels. Gaming revenue has started to recover, jumping nearly 10,000 percent from May to June 2020 as casinos in Nevada were allowed to reopen. Despite the increase, gaming revenue is still 45.6 percent below the same period last year. Similarly, visitor volume grew by more than a million visitors in June but remains 66.2 percent below the June 2019 level. With hotel occupancy down 14.5% in the first quarter of 2020, navigating a feasible and safe approach to welcoming guests back to Nevada will prove imperative. Ultimately, the economy will continue to reflect the changing public health landscape and will likely recover as the health risk associated with travel and large events begins to subside.

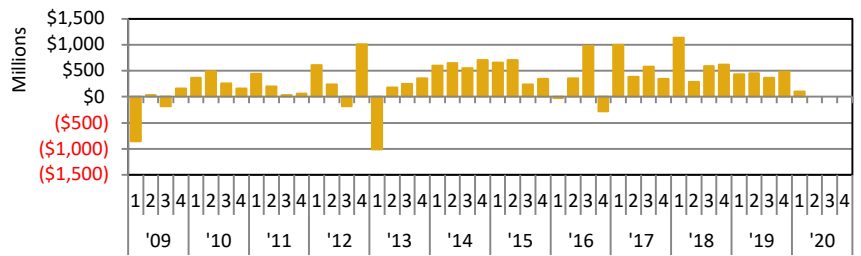
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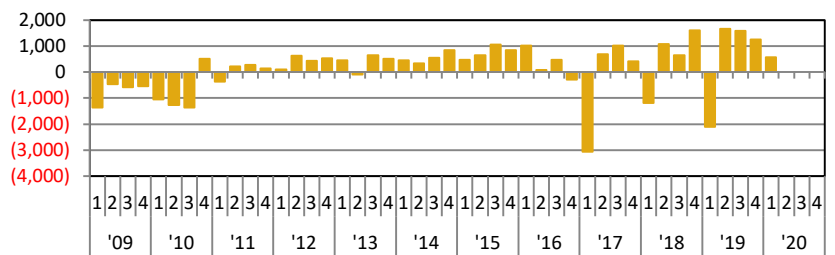
appliedanalysis.com

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.

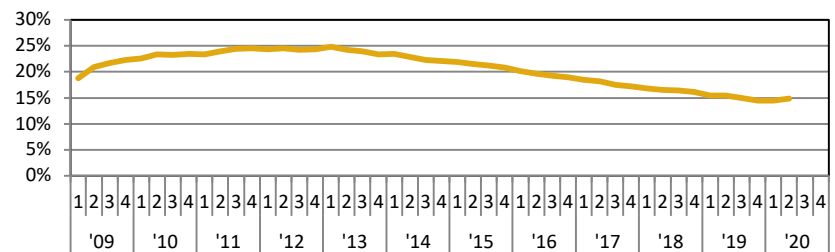
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES

