



March 2020 seems like a lifetime ago. In the months that followed, the entire globe dealt with a public health crisis unlike anything witnessed historically. The national recession that ensued was no different, resulting in the most unique and severe economic shock ever recorded. The Silver State was hit particularly hard given its relative dependence on travel and tourism. However, in the months that followed, Nevada began the long and challenging recovery process that continues today. With optimism on the horizon, the hope is that the worst is in the rearview mirror. Comparisons of the current economy to just a few months ago demonstrate the progress made to date.

Economic Briefing

DECEMBER 2020

ISSUE TWELVE | VOLUME FOURTEEN

Nevada's labor market maintained its gradual return heading into the final month of the year. The statewide seasonally adjusted unemployment rate fell to 10.1 percent from 11.9 percent in the previous period. This marked the seventh consecutive month that jobs were added to the labor market. Though an indication that the economy is heading in the right direction, unemployment remains 6.4 percent above its 2019 level. November also saw 32,600 unemployment insurance (UI) claims, the fewest amount submitted in a month since the pandemic began. Similarly, the monthly decline of 13.6 percent was notable progress but still left UI claims significantly higher than any period prior to the current year. At the height of the pandemic in April, the state lost 258,700 jobs in just one month, the largest decline ever recorded. As of November, 69.5 percent or 179,000 of these jobs have been recovered.

Like most industries, the housing market was dealt heavy blows from the stalled economy initially, but it ultimately held its ground. Even though development has slowed with residential permits down 12.7 percent compared to last year,

prices in the state continue to climb. According to the Federal Housing Finance Authority, Nevada's indexed housing price grew 3.7 percent moving into the third quarter, leaving them 7.0 percent higher than Q3 2019. Evictions notices surged in Southern Nevada as the Las Vegas Justice Court reported over 4,000 filings during November. This was more than double the number of evictions during the same period in 2019, and a result of the October expiration of the statewide eviction moratorium. Recently, the Governor's office issued a new statewide moratorium that will be in place until March 29, 2021.

Nevada's economic structure and overall employment mix have allowed it to thrive during periods of strong economic expansion. However, this dynamic also works in reverse during more challenging times. As a tourism-centric economy, visitation and consumer spending typically fuel the engine. Contraction in the underlying economy was partially offset with Federal stimulus in the early months of the pandemic. Total spending, though continuing to improve monthly, remains down 4.0 percent from where it stood in 2019.

MONTHLY

Employment Indicators

Nevada Employment		Nov-20
Current Period	Prev. Period	Same Period Prev. Yr.
1,329,500	1,320,500	1,438,100
GROWTH RATE	0.7% ▲	-7.6% ▼

Nevada Private Average Weekly Hours Worked		Oct-20
Current Period	Prev. Period	Same Period Prev. Yr.
34.9	34.7	34.2
GROWTH RATE	0.6% ▲	2.0% ▲

Nevada Unemployment Rate		Nov-20
Current Period	Prev. Period	Same Period Prev. Yr.
10.1%	11.9%	3.7%
GROWTH RATE	-1.8% ▼	6.4% ▲

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Nov-20
Current Period	Prev. Period	Same Period Prev. Yr.
1,313,533	1,322,583	1,416,133
GROWTH RATE	-0.7% ▼	-7.2% ▼

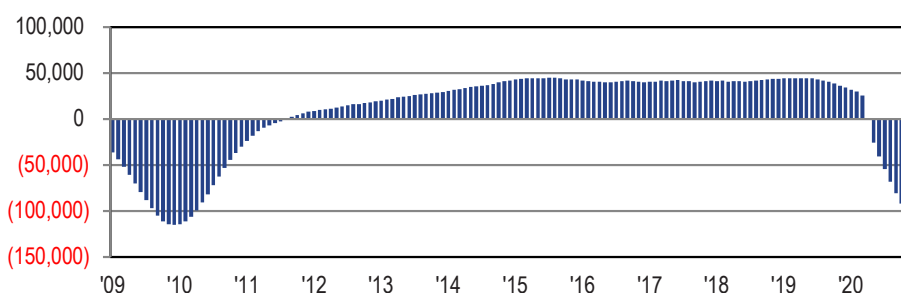
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Oct-20
Current Period	Prev. Period	Same Period Prev. Yr.
34.4	34.4	34.6
GROWTH RATE	0.2% ▲	-0.3% ▼

Nevada Unemployment Rate ⁽¹⁾		Nov-20
Current Period	Prev. Period	Same Period Prev. Yr.
12.5%	12.0%	3.9%
GROWTH RATE	0.5% ▲	8.6% ▲

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

Nov-20

Current Period	Prev. Period	Same Period Prev. Yr.
32,613	37,891	10,477
GROWTH RATE	-13.9% ▼	211.3% ▲

Nevada Residential Housing Units Permitted

Oct-20

Current Period	Prev. Period	Same Period Prev. Yr.
1,483	2,006	1,699
GROWTH RATE	-26.1% ▼	-12.7% ▼

Nevada Taxable Retail Sales

Sep-20

Current Period	Prev. Period	Same Period Prev. Yr.
\$5,345,750,808	\$4,877,175,697	\$5,566,410,959
GROWTH RATE	9.6% ▲	-4.0% ▼

Nevada Gross Gaming Revenue

Oct-20

Current Period	Prev. Period	Same Period Prev. Yr.
\$822,676,544	\$821,038,167	\$1,021,966,875
GROWTH RATE	0.2% ▲	-19.5% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Oct-20

Current Period	Prev. Period	Same Period Prev. Yr.
2,154,992	1,869,916	4,990,197
GROWTH RATE	15.2% ▲	-56.8% ▼

Clark/Washoe County Visitor Volume

Oct-20

Current Period	Prev. Period	Same Period Prev. Yr.
2,244,091	2,093,817	4,283,421
GROWTH RATE	7.2% ▲	-47.6% ▼

Nevada New Business Creation

Q2 '20

Current Period	Prev. Period	Same Period Prev. Yr.
620	498	1,661
GROWTH RATE	24.5% ▲	-62.7% ▼

Nevada Housing Price Index

(Q1 1991 = 100)

Q3 '20

Current Period	Prev. Period	Same Period Prev. Yr.
292.9	282.5	273.7
GROWTH RATE	3.7% ▲	7.0% ▲

Clark County Office Market

Vacancy Rate

Q3 '20

Current Period	Prev. Period	Same Period Prev. Yr.
15.8%	14.8%	15.0%
GROWTH RATE	1.0% ▲	0.8% ▲

Nevada Hotel/Motel Occupancy

Q2 '20

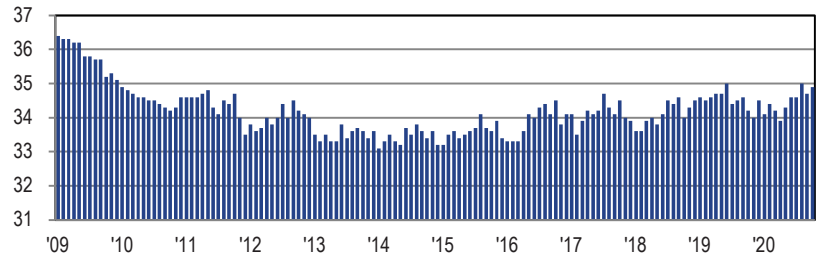
Current Period	Prev. Period	Same Period Prev. Yr.
15.3%	66.8%	85.6%
GROWTH RATE	-51.5% ▼	-70.3% ▼

State of Nevada Personal Income

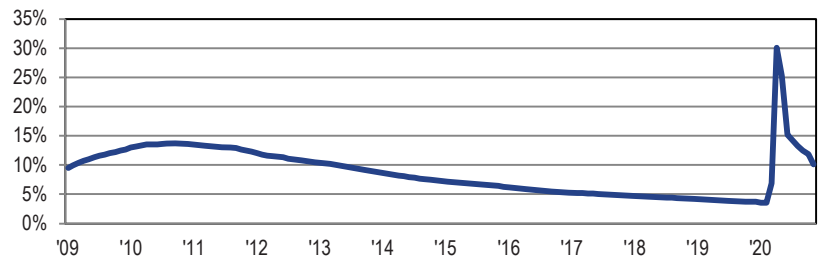
Q2 '20

Current Period	Prev. Period	Same Period Prev. Yr.
\$45,333,400,000	\$40,505,850,000	\$39,219,425,000
GROWTH RATE	11.9% ▲	15.6% ▲

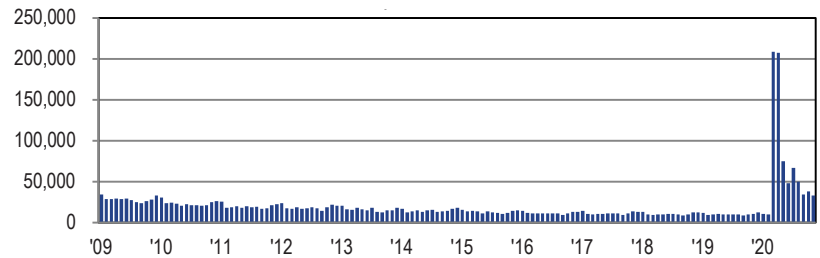
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



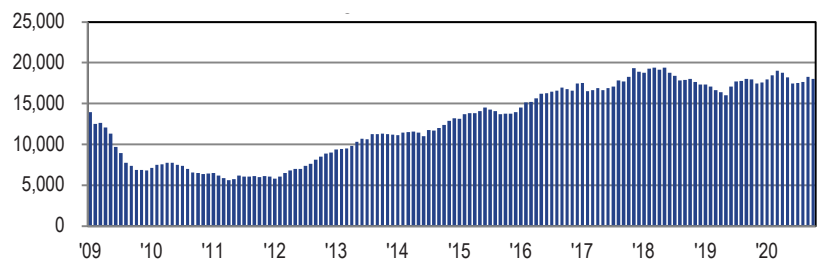
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



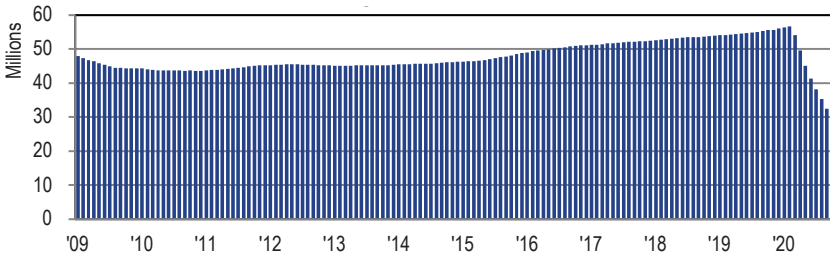
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



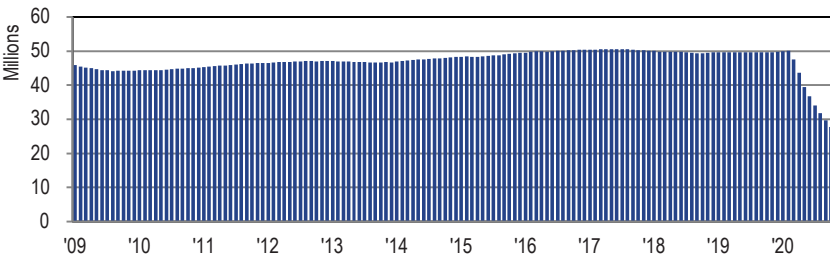
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



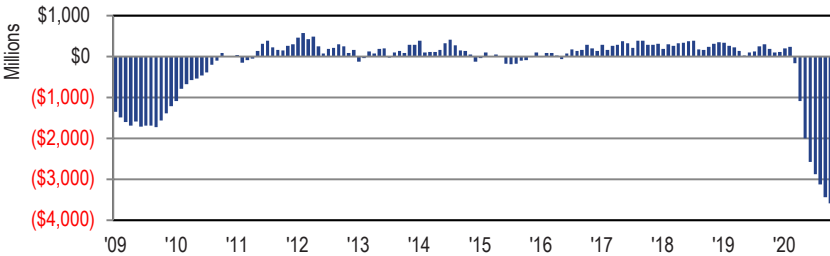
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



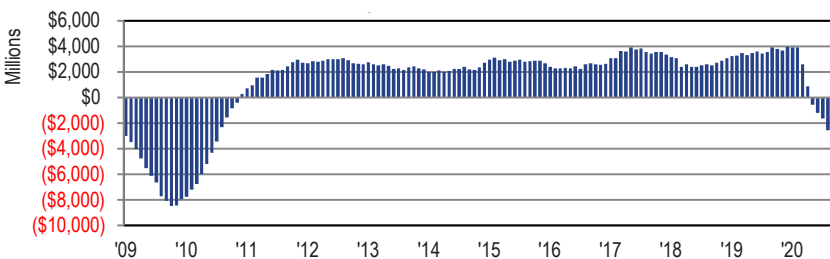
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Nov-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
791,859	769,723		119,193
GROWTH RATE	2.9% ▲	564.4% ▲	

Nevada Residential Housing Units Permitted⁽²⁾

		Oct-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
18,041	18,257		17,970
GROWTH RATE	-1.2% ▲	0.4% ▲	

Nevada Taxable Retail Sales⁽²⁾

		Sep-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$60,381,797,691	\$60,602,457,842		\$63,623,691,768
GROWTH RATE	-0.4% ▼	-5.1% ▼	

Nevada Gross Gaming Revenue⁽²⁾

		Oct-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$8,413,476,872	\$8,612,767,202		\$12,003,687,167
GROWTH RATE	-2.3% ▼	-29.9% ▼	

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

		Oct-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
29,555,720	32,390,925		55,498,636
GROWTH RATE	-8.8% ▼	-46.7% ▼	

Clark/Washoe County Visitor Volume⁽²⁾

		Oct-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
27,731,416	29,770,746		49,622,940
GROWTH RATE	-6.9% ▼	-44.1% ▼	

Nevada New Business Creation⁽²⁾

		Q2 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
3,519	2,983		1,805
GROWTH RATE	18.0% ▲	95.0% ▲	

Nevada Housing Price Index⁽¹⁾

		Q3 '20	
<i>(Q1 1991 = 100)</i>			
Current Period	Prev. Period	Same Period	Prev. Yr.
283.0	278.2		270.0
GROWTH RATE	1.7% ▲	4.8% ▲	

Clark County Office Market Vacancy Rate⁽¹⁾

		Q3 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
14.9%	14.7%		15.5%
GROWTH RATE	0.2% ▲	-0.6% ▼	

Nevada Hotel/Motel Occupancy⁽¹⁾

		Q2 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
62.1%	79.7%		83.0%
GROWTH RATE	-17.6% ▼	-20.9% ▼	

State of Nevada Personal Income⁽²⁾

		Q2 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$181,333,600,000	\$162,023,400,000		\$156,877,700,000
GROWTH RATE	11.9% ▲	15.6% ▲	

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

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With businesses adapting to new health and safety measures, consumers are also adjusting their behavior accordingly. It comes as no surprise that there has been a major migration of retail sales to online purchases. As a result, non-store retailers posted their strongest performance in 2020 with sales in the last period exceeding \$360 billion. This was more than double their benchmark last year, which now accounts for the fifth largest source of taxable retail sales. Given the latest health-related restrictions, consumers are expected to have their purchases dominated by online activity during the holiday season.

Overcoming the challenges posed this year has required the cooperation of businesses, consumers and government. The ability to adapt to the changing public health landscape has proven difficult, particularly while trying to keep the economic engine running. Vaccines to address the health crisis gained approval this month, which may signal the beginning of the end of COVID-19. That said, the economic recovery will last well beyond the spring or summer of 2021. Returning to pre-pandemic levels will require not only a safe operating environment, but consumer confidence to return to normalized operations and activities. In many ways, 2021 will be a year of transition. The hope is that the state's tourism industry finds itself on solid footing from which future progress can be measured.

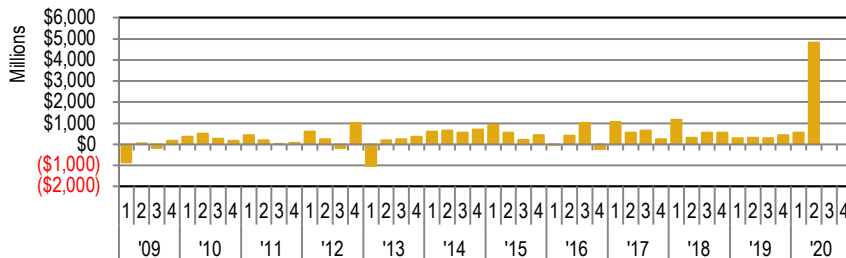
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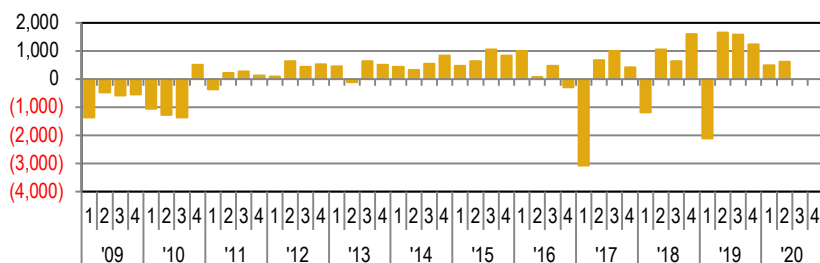
appliedanalysis.com

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.

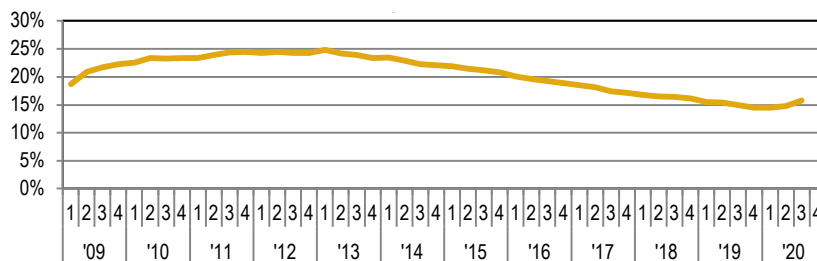
NEVADA PERSONAL INCOME GROWTH QUARTER-OVER-QUARTER



NEVADA NEW BUSINESS CREATION QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY QUARTERLY SERIES

