



The Silver State economy is set to get a second wind as it continues its recovery a year into the COVID-19 health crisis. With passage of the new federal relief bill, aid is expected to start reaching recipients by mid-March. The \$1.9 trillion American Rescue Plan Act includes nearly \$4 billion to provide assistance to strained budgets and struggling Nevadans. The act includes tax credits, an extension of unemployment insurance and government aid for state and local budgets, as well as direct stimulus payments of \$1,400 per person for most households. The law will also allocate \$20 billion for vaccine distribution to help meet the national target of 100 million vaccine shots in the first quarter of 2021.

Economic Briefing

MARCH 2021

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Nevada has been making progress on the public health front. The COVID-19 test positivity rate hovered above 5 percent, falling closer to the World Health Organization target and a fraction of the 21.6 percent rate of a couple months ago. Since the start of the year, rates of COVID-19 cases, hospitalizations and deaths have all dropped to their lowest levels since late summer, and vaccinations in the state have been steadily rising. Over a million vaccine doses have been administered in Nevada. Nationally, more than 110 million people have received a dose, with half of that group fully vaccinated; progress is becoming increasingly visible on the immunization front, an important step in ending the pandemic and restoring the national economy.

Nevada's seven-month streak of adding jobs to the economy has come to an end as employment growth ticked down in January. The state reported 1.4 percent fewer jobs in January compared to December, which is a partial reflection of post-holiday season hiring trends. Additionally, unemployment insurance claims picked up to 43,070, an increase of 15.4 percent over the month. Both metrics have significant ground to cover before returning to pre-COVID levels. Although the statewide

unemployment rate sat at 8.1 percent after steadily falling since last summer, it remained more than double the 3.7 percent level of January 2020.

Of Nevada's metro areas, only Las Vegas saw a decrease in employment in January, losing 100 jobs over the month. Nationally, the region's 10.4 percent unemployment rate continued to rank the highest among all metropolitan areas with more than a million people. This is largely the result of the industrial mix being concentrated in leisure and hospitality, a sector that accounted for two-thirds of net job losses over the past year. This effect is further evident when comparing Southern Nevada to Northern Nevada, a region less reliant on tourism. In the Reno area, the unemployment rate dropped to 5.0 percent in December, beating the national rate of 6.5 percent.

The commercial real estate market in Southern Nevada finished 2020 appearing to have missed the brunt of the impact from the pandemic. Both the retail and industrial markets saw modest increases in vacancy rates, which were expected given the considerable amount of new product entering the market in the fourth quarter. More than

MONTHLY

Employment Indicators

Nevada Employment		Jan-21
Current Period	Prev. Period	Same Period Prev. Yr.
1,268,700	1,287,300	1,424,900
GROWTH RATE	-1.4% ▼	-11.0% ▼

Nevada Private Average Weekly Hours Worked		Jan-21
Current Period	Prev. Period	Same Period Prev. Yr.
34.7	34.5	34.1
GROWTH RATE	0.6% ▲	1.8% ▲

Nevada Unemployment Rate		Jan-21
Current Period	Prev. Period	Same Period Prev. Yr.
8.1%	8.2%	3.7%
GROWTH RATE	-0.1% ▼	4.4% ▲

TRAILING 12-MONTH

Employment Indicators

Nevada Employment ⁽¹⁾		Jan-21
Current Period	Prev. Period	Same Period Prev. Yr.
1,261,408	1,274,425	1,424,758
GROWTH RATE	-1.0% ▼	-11.5% ▼

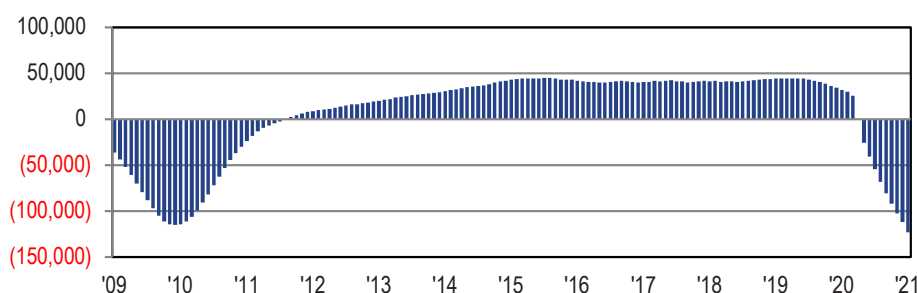
Nevada Private Average Weekly Hours Worked ⁽¹⁾		Jan-21
Current Period	Prev. Period	Same Period Prev. Yr.
34.6	34.5	34.5
GROWTH RATE	0.1% ▲	0.2% ▲

Nevada Unemployment Rate ⁽¹⁾		Jan-21
Current Period	Prev. Period	Same Period Prev. Yr.
13.4%	13.0%	3.9%
GROWTH RATE	0.4% ▲	9.5% ▲

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

Jan-21

Current Period	Prev. Period	Same Period Prev. Yr.
43,070	37,310	10,527
GROWTH RATE	15.4% ▲	309.1% ▲

Nevada Residential Housing Units Permitted

Jan-21

Current Period	Prev. Period	Same Period Prev. Yr.
2,029	2,141	1,610
GROWTH RATE	-5.2% ▼	26.0% ▲

Nevada Taxable Retail Sales

Dec-20

Current Period	Prev. Period	Same Period Prev. Yr.
\$6,104,824,670	\$5,162,135,397	\$6,555,744,281
GROWTH RATE	18.3% ▲	-6.9% ▼

Nevada Gross Gaming Revenue

Jan-21

Current Period	Prev. Period	Same Period Prev. Yr.
\$761,847,813	\$683,731,260	\$1,037,679,865
GROWTH RATE	11.4% ▲	-26.6% ▼

Las Vegas/Reno-Tahoe Enplaned and Deplaned Passengers

Jan-21

Current Period	Prev. Period	Same Period Prev. Yr.
1,650,843	1,823,871	4,498,959
GROWTH RATE	-9.5% ▼	-63.3% ▼

Clark/Washoe County Visitor Volume

Jan-21

Current Period	Prev. Period	Same Period Prev. Yr.
1,604,907	1,512,542	4,071,326
GROWTH RATE	6.1% ▲	-60.6% ▼

Nevada New Business Creation

Q3 '20

Current Period	Prev. Period	Same Period Prev. Yr.
2,000	957	498
GROWTH RATE	109.0% ▲	301.6% ▲

Nevada Housing Price Index

(Q1 1991 = 100)

Q4 '20

Current Period	Prev. Period	Same Period Prev. Yr.
302.4	292.9	274.5
GROWTH RATE	3.2% ▲	10.2% ▲

Clark County Office Market

Vacancy Rate

Q4 '20

Current Period	Prev. Period	Same Period Prev. Yr.
16.3%	15.8%	14.4%
GROWTH RATE	0.5% ▲	1.9% ▲

Nevada Hotel/Motel Occupancy

Q3 '20

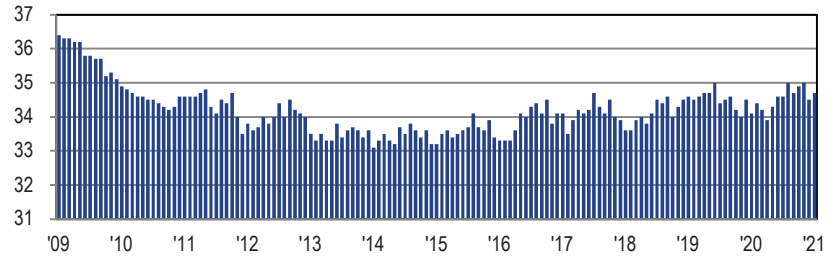
Current Period	Prev. Period	Same Period Prev. Yr.
46.4%	15.3%	85.0%
GROWTH RATE	31.1% ▲	-38.6% ▼

State of Nevada Personal Income

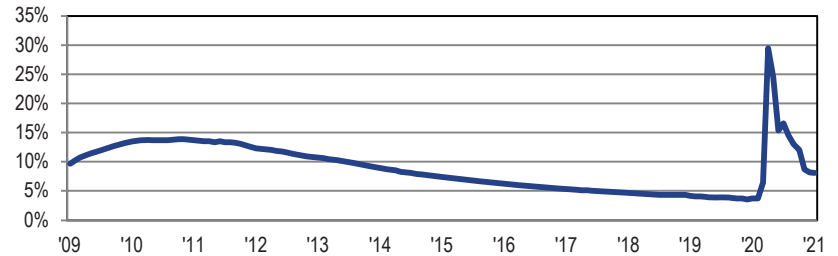
Q3 '20

Current Period	Prev. Period	Same Period Prev. Yr.
\$42,278,850,000	\$44,118,675,000	\$39,511,625,000
GROWTH RATE	-4.2% ▼	7.0% ▲

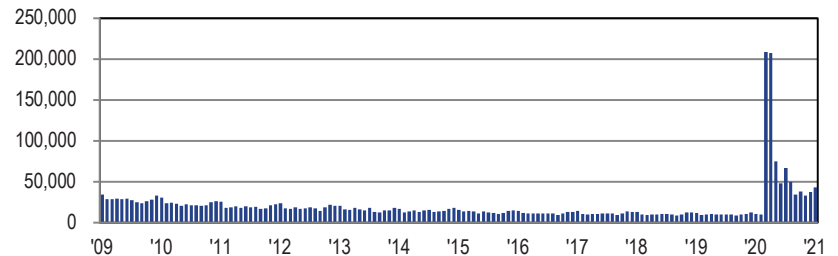
NEVADA PRIVATE AVERAGE WEEKLY HOURS WORKED
MONTHLY SERIES



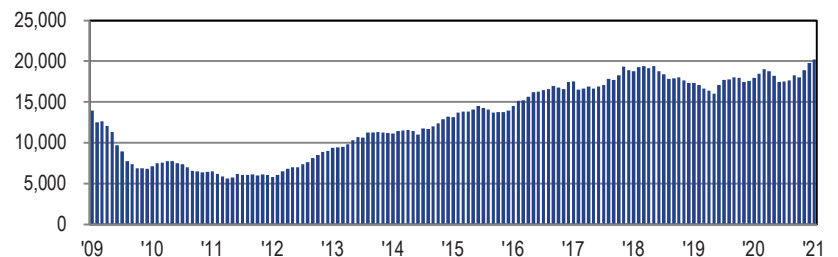
NEVADA UNEMPLOYMENT RATE
MONTHLY SERIES



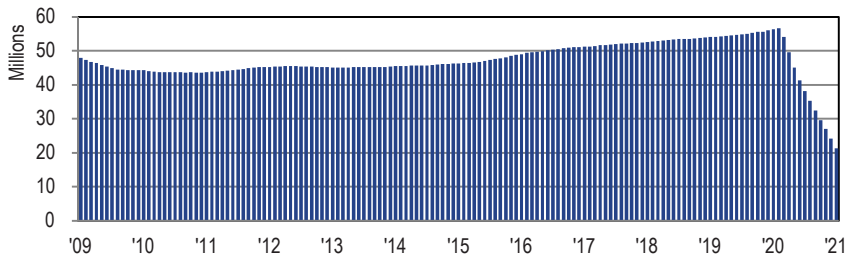
NEVADA UNEMPLOYMENT INSURANCE CLAIMS
MONTHLY SERIES



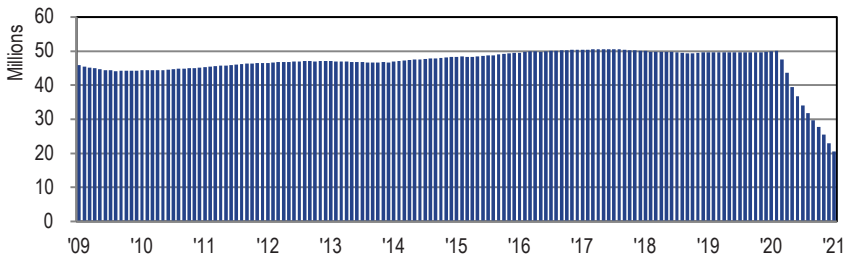
NEVADA RESIDENTIAL UNITS PERMITTED
TRAILING 12-MONTH TOTALS



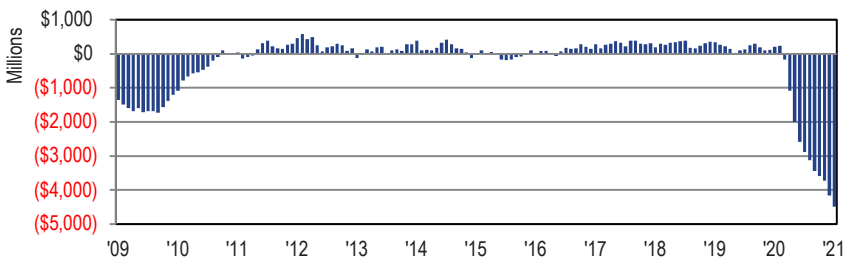
LAS VEGAS/RENO-TAHOE AIRPORT PASSENGER COUNTS
TRAILING 12-MONTH TOTALS



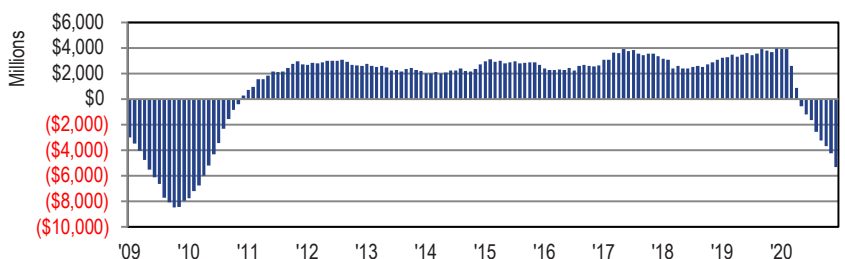
CLARK/WASHOE COUNTY VISITOR VOLUME
TRAILING 12-MONTH TOTALS



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⁾

		Jan-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
849,706	817,163	118,388	
GROWTH RATE	4.0% ▲	617.7% ▲	

Nevada Residential Housing Units Permitted ⁽²⁾

		Jan-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
20,181	19,762	17,967	
GROWTH RATE	2.1% ▲	12.3% ▲	

Nevada Taxable Retail Sales ⁽²⁾

		Dec-20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$59,525,878,138	\$59,976,797,749	\$64,842,335,291	
GROWTH RATE	-0.8% ▼	-8.2% ▼	

Nevada Gross Gaming Revenue ⁽²⁾

		Jan-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$7,597,525,319	\$7,873,357,371	\$12,085,137,435	
GROWTH RATE	-3.5% ▼	-37.1% ▼	

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

		Jan-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
21,359,783	24,207,899	56,254,925	
GROWTH RATE	-11.8% ▼	-62.0% ▼	

Clark/Washoe County Visitor Volume ⁽²⁾

		Jan-21	
Current Period	Prev. Period	Same Period	Prev. Yr.
20,557,924	23,024,343	49,891,660	
GROWTH RATE	-10.7% ▼	-58.8% ▼	

Nevada New Business Creation ⁽²⁾

		Q3 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
4,702	4,286	4,990	
GROWTH RATE	9.7% ▲	-5.8% ▼	

Nevada Housing Price Index ⁽¹⁾

(Q1 1991 = 100)

		Q4 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
289.7	282.7	272.1	
GROWTH RATE	2.5% ▲	6.5% ▲	

Clark County Office Market Vacancy Rate ⁽¹⁾

		Q4 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
15.4%	14.9%	15.1%	
GROWTH RATE	0.5% ▲	0.3% ▲	

Nevada Hotel/Motel Occupancy ⁽¹⁾

		Q3 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
52.4%	62.1%	83.0%	
GROWTH RATE	-9.7% ▲	-30.6% ▼	

State of Nevada Personal Income ⁽²⁾

		Q3 '20	
Current Period	Prev. Period	Same Period	Prev. Yr.
\$169,115,400,000	\$176,474,700,000	\$158,046,500,000	
GROWTH RATE	-4.2% ▼	7.0% ▲	

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

◀ Continued From Cover

3.3 million square feet of combined leasable space was added between these two segments in the fourth quarter, the overwhelming majority being concentrated in industrial. In retail, the direct vacancy rate edged up from 7.1 percent to 7.2 percent over the quarter. The industrial market continued to benefit from increased demand for distribution product amid the e-commerce boom during the pandemic. Although the vacancy rate rose to 7.3 percent from 6.7 percent the prior period, the final quarter of 2020 saw 1.8 million square feet of positive net absorption, demonstrating the valley's appeal in this domain. This was the largest number of move-ins since the second quarter of 2018. The effects of the public health crisis were most clearly realized by the office market, which saw 260,000 square feet in net move-outs. Moreover, the fourth quarter vacancy rate stood at 16.3 percent, 1.9 percentage points above its benchmark in the prior year. This increase demonstrates the effect on business activity and changing workplace dynamics since the pandemic began. Underlying economic conditions are likely to dictate the demand side of the equation in the office market over the longer run.

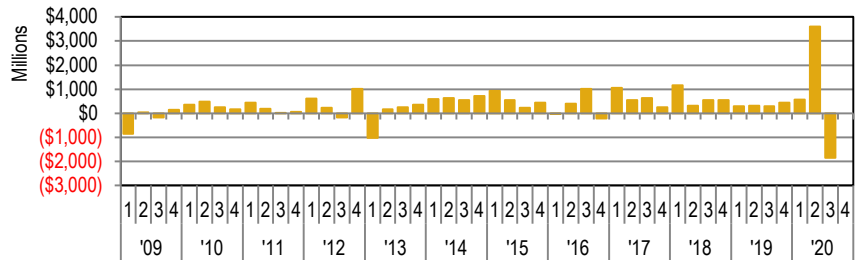
The economic landscape remains fluid. As restrictions gradually adjust, new practices are rapidly emerging. Examples of this include cashless payment systems and other touchless technologies, which have surged in popularity in recent months. Businesses and consumers alike will continue to adapt as they navigate new territory. Importantly, vaccine-eligible groups recently expanded and include food service and leisure and hospitality workers. Additional groups are expected to become eligible in the coming weeks should vaccination supplies and rates continue current trends. As the public health crisis eases in the state, across the nation and around the world, Nevada's tourism-dependent economy and its workers stand to be direct beneficiaries.

Prepared by:

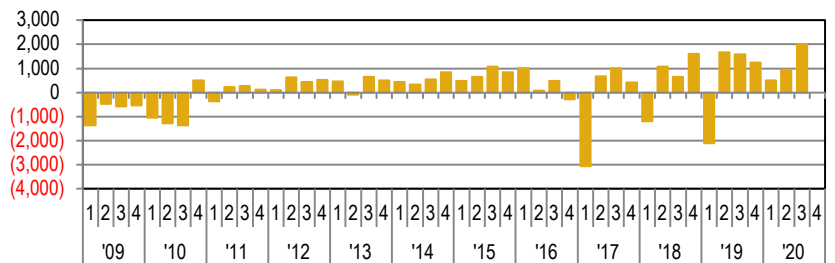


Methodology: Applied Analysis ("AA") was retained by Nevada State Bank to summarize and analyze a series of key economic indicators on a recurring basis. Relevant data were obtained from AA's internal databases as well as national, regional and local data providers, including, without limitation, state 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.

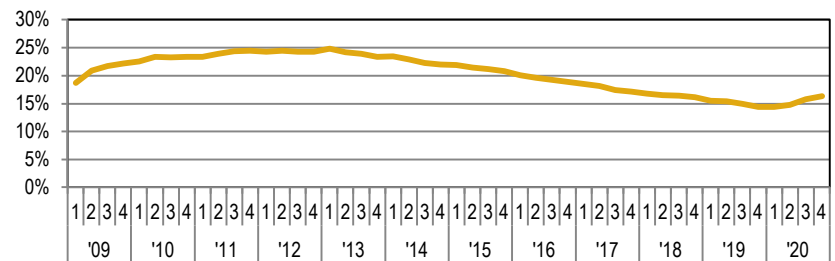
NEVADA PERSONAL INCOME GROWTH
QUARTER-OVER-QUARTER



NEVADA NEW BUSINESS CREATION
QUARTER-OVER-QUARTER



LAS VEGAS OFFICE MARKET VACANCY RATE
QUARTERLY SERIES



NEVADA HOTEL/MOTEL OCCUPANCY
QUARTERLY SERIES

