



















RENO MSA ECONOMIC OUTLOOK – MAY 2020

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To answer the demand for economic trend insight and analysis in Northern Nevada, this report summarizes the coincident and leading indexes for the Reno MSA.

Leading Economic Index

Provides an economic outlook for the region by signaling future movements in the Reno MSA economy over a six to twelve-month period.

3.89%									
% Change	Taxable Sales	Taxable Gaming Revenue	# of SF Homes Sold	Airport Passengers	Airport Cargo	Initial Claims for Unemploy.	S&P 500 Index	M2 Money Supply	
Month to Month	4.3% 	-71.3% 	-13.6% 	163.5% 	1.8% 	-61.7% 	4.1% 	5.0% 	
-10.50%									
% Change	Taxable Sales	Taxable Gaming Revenue	# of SF Homes Sold	Airport Passengers	Airport Cargo	Initial Claims for Unemploy.	S&P 500 Index	M2 Money Supply	
Year to Year	-6.8% 	-99.6% 	-26.7% 	-86.9% 	-0.6% 	814.4% 	4.1% 	23.0% 	







Eugenia Larmore
(775) 232-7203
eugenia@ekayconsultants.com

Coincident Economic Index

May 2020

Provides historical and current trends for the Reno MSA economy.

	Nonfarm Employment	Household Employment
% Change		
Month to Month	2.33% 	3.35% 
Year to Year	-10.97% 	-25.35% 



Center For Regional Studies
College of Business
University of Nevada, Reno

Brian Bonnenfant
(775) 784-1771
bonnen@unr.edu

The Reno MSA leading economic index uses a robust econometric approach to determine variables to include in the index and a composite methodology introduced by the Bureau of Economic Analysis of the U.S. Department of Commerce to estimate weights for the selected series. The Reno MSA coincident index is created using the composite methodology introduced by the Department of Commerce and made popular by The Conference Board. All data series are monthly, many are seasonally adjusted using the moving average method, and all series reported in dollar terms are adjusted for inflation. All indexes are based on data starting January 1995, with 1995=100. The following variables are included in each index:

Leading Index

- NV Claims for Unemployment
- WC Gaming Revenue
- WC Single-Family Home Sales
- S&P 500 Index (US)
- WC Taxable Sales
- Money Supply (US)
- RTIA Passengers
- RTIA Cargo

Coincident Index

- MSA Nonfarm Employment (CES)
- MSA Household Employment (LAUS)

* MSA-Reno Metropolitan Statistical Area * NV-Nevada * WC-Washoe County * RTIA-Reno Tahoe International Airport

The initial claims for unemployment series is inversely related to economic growth. An increase in the number of new claims for unemployment would indicate a decline in the economy.

Reno MSA Leading Index

Reno MSA Leading Index¹ increased between April and May 2020, as the impact of the COVID-19 pandemic eased with the partial reopening of the economy locally and nationally.

The RLI shows a 3.89% increase between April and May 2020. The index declined by 10.50% over the same period last year (May 2019 to 2020).

The improvement in the index between April and May 2020 is due to partial reopening of the economy, including restaurants and bars, retail, and other industries.

In response, taxable sales, airport passengers, and airport cargo shipped increased and unemployment claims declined compared to April levels. Gaming



Series	Latest Period- May 2020	Prev. Period- April 2020	Change Prev. Period	Prev. Year- May 2019	Change Prev. Year
Taxable Sales (Washoe Co., SA, CPI)	412,785,986	395,887,294	4.27%	442,965,321	-6.81%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	180,314	627,270	-71.25%	43,278,709	-99.58%
# of Single Family Homes Sold (Washoe Co., SA)	482	558	-13.56%	658	-26.75%
Airport Passengers (RTIA, SA)	46,924	17,809	163.48%	357,537	-86.88%
Airport Cargo Lbs. Shipped (RTIA, SA)	12,283,739	12,064,672	1.82%	12,356,366	-0.59%
Initial Claims for Unemployment (Nevada, SA)	21,443	55,917	-61.65%	2,345	814.45%
S&P 500 Index (US, CPI)	1,752	1,684	4.07%	1,684	4.07%
M2 Money Supply (US, CPI)	10,724	10,209	5.05%	8,719	23.00%
Leading Index Result	141.00	135.72	3.89%	157.54	-10.50%

Source: US Department of Labor, Nevada Gaming Control Board, Washoe County Assessor/Center for Regional Studies (UNR), Federal Reserve Bank of St. Louis, Nevada Department of Taxation, Reno-Tahoe International Airport (RTIA).

SA-Series results are seasonally adjusted.

CPI-Series results are adjusted for inflation to 1995.

revenue showed a decline from April to May due to lags in the timing of revenue collection and reporting, additionally casinos in the State did not reopen until June 2020. Home sales declined compared to April and previous year's levels due a decline in listings and active buyers over the fears of the pandemic. While the stock market declined significantly in March 2020, it recovered quickly, exceeding last year's levels by April 2020.

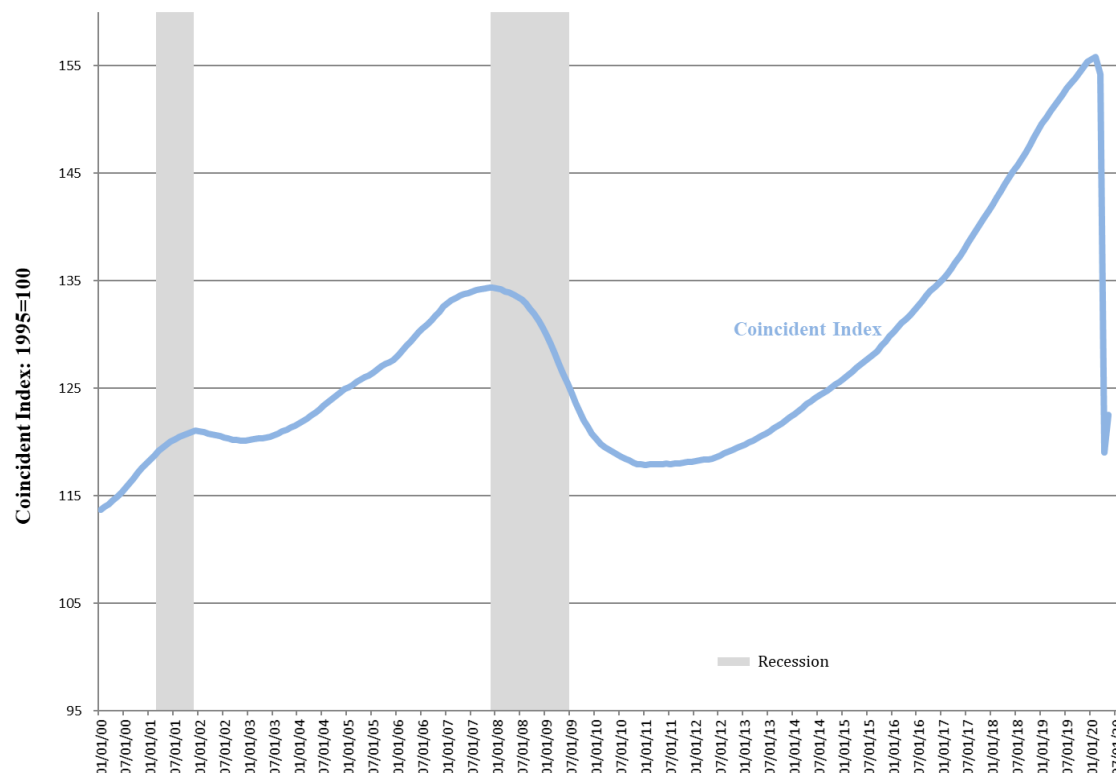
¹ Reno MSA Leading Economic Index (RLI) predicts future changes in the region's economy by "leading" current economic activity, represented by the coincident index. The Leading Index is based on eight local, regional, and national data series aggregated using a combination of composite and econometric techniques. Due to lags in data availability, taxable sales data are projected for the month ahead and updated when actual data becomes available.

Reno MSA Coincident Index

Reno MSA Coincident Index increased between April and May 2020 in response to the partial reopening of the local and national economies.

The Reno MSA Coincident Index, which reflects current economic conditions in the region, is based on two indicators: Washoe and Storey County employment from the Current Employment Statistics (CES) series and Local Area Unemployment Statistics (LAUS) series.² Both series are administered by the Bureau of Labor Statistics (BLS).

The index shows a 2.90% increase between April and May 2020. This increase is the result of the partial reopening of the economy following COVID-19 quarantine measures in March and April 2020.



Series	Latest Period- May 2020	Prev. Period- April 2020	Change Prev. Period	Prev. Year- May 2019	Change Prev. Year
Reno MSA Employment (CES, SA)	218,729	213,752	2.33%	245,683	-10.97%
Reno MSA Employment (LAUS, SA)	185,851	179,819	3.35%	248,973	-25.35%
Coincident Index Result	122.52	119.07	2.90%	151.83	-19.30%

Source: Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics.
SA-Series results are seasonally adjusted.

The index declined by 19.30% between May 2019 and 2020 as some businesses remain closed or open with restrictions and some employees are choosing to postpone their return to work.

² The CES series is based on the establishment-level data, estimates jobs by place of work, and does not include agricultural or self-employed workers. The LAUS series is based on household-level data, estimates employed persons by place of residence, and includes agricultural and self-employed workers. A combination of the two series provides a more accurate picture of the employment situation in the region.