

RENO MSA ECONOMIC OUTLOOK – DECEMBER 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 December 2020

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

	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	-3.9% ↓	1.1% ↑	3.4% ↑	-3.6% ↓	0.6% ↑	-5.6% ↓	2.9% ↑	0.4% ↑
	0.03% ↑							
Year to Year	7.1% ↑	-0.6% ↓	12.0% ↑	-55.6% ↓	-2.3% ↓	183.7% ↑	14.6% ↑	23.6% ↑
	4.22% ↑							

Coincident Economic Index December 2020

Provides historical and current trends for the Reno MSA economy.

	Nonfarm Employment	Household Employment
Month to Month	1.54% ↑	-0.25% ↓
	0.53% ↑	
Year to Year	-3.41% ↓	-8.48% ↓
	-6.26% ↓	



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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

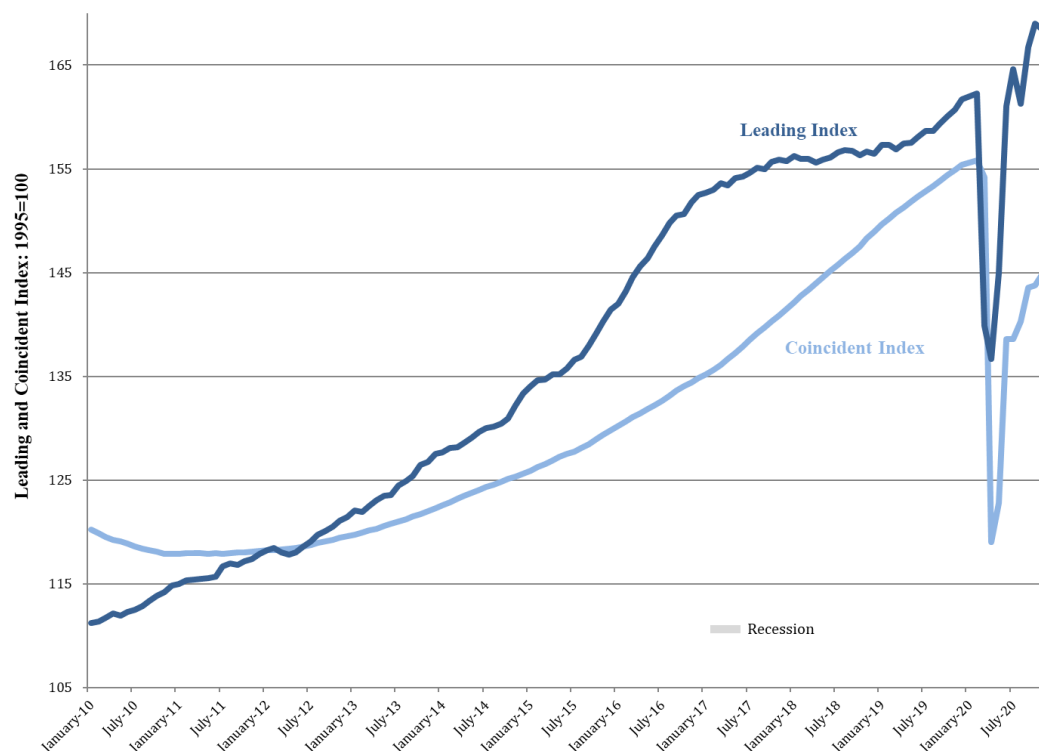
The initial claims for unemployment series is inversely related to economic growth. An increase in the number of new claims for unemployment would indicate a decline in the economy.

Reno MSA Leading Index

Reno MSA Leading Index¹ increased between November and December 2020, with the index now exceeding pre-pandemic levels.

The RLI shows a 0.03% increase between November and December 2020. The index increased by 4.22% over the same period last year (December 2019 to 2020). The index exceeded its pre-pandemic levels starting September 2020.

Taxable sales in December 2020 were lower than in November of the same year, adjusted for seasonality. Sales levels, however, exceeded December 2019 numbers, even adjusted for inflation. Airport passenger amounts also declined, adjusted for seasonality, and remain below last year’s levels, as the



Series	Latest Period- December 2020	Prev. Period- November 2020	Change Prev. Period	Prev. Year- December 2019	Change Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	486,331,655	506,128,485	-3.91%	453,955,740	7.13%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	42,353,044	41,891,525	1.10%	42,613,625	-0.61%
# of Single Family Homes Sold (Washoe Co., SA)	738	714	3.38%	658	12.04%
Airport Passengers (RTIA, SA)	164,670	170,824	-3.60%	370,889	-55.60%
Airport Cargo Lbs. Shipped (RTIA, SA)	11,963,067	11,890,529	0.61%	12,241,641	-2.28%
Initial Claims for Unemployment (Nevada, SA)	6,518	6,904	-5.60%	2,298	183.67%
S&P 500 Index (US, CPI)	2,177	2,116	2.87%	1,899	14.63%
M2 Money Supply (US, CPI)	11,226	11,176	0.44%	9,084	23.58%
Leading Index Result	168.51	168.46	0.03%	161.69	4.22%

travel industry continues to be impacted by the pandemic.

All other variables increased (or decreased in the case of unemployment claims), showing continued growth in the region.

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.

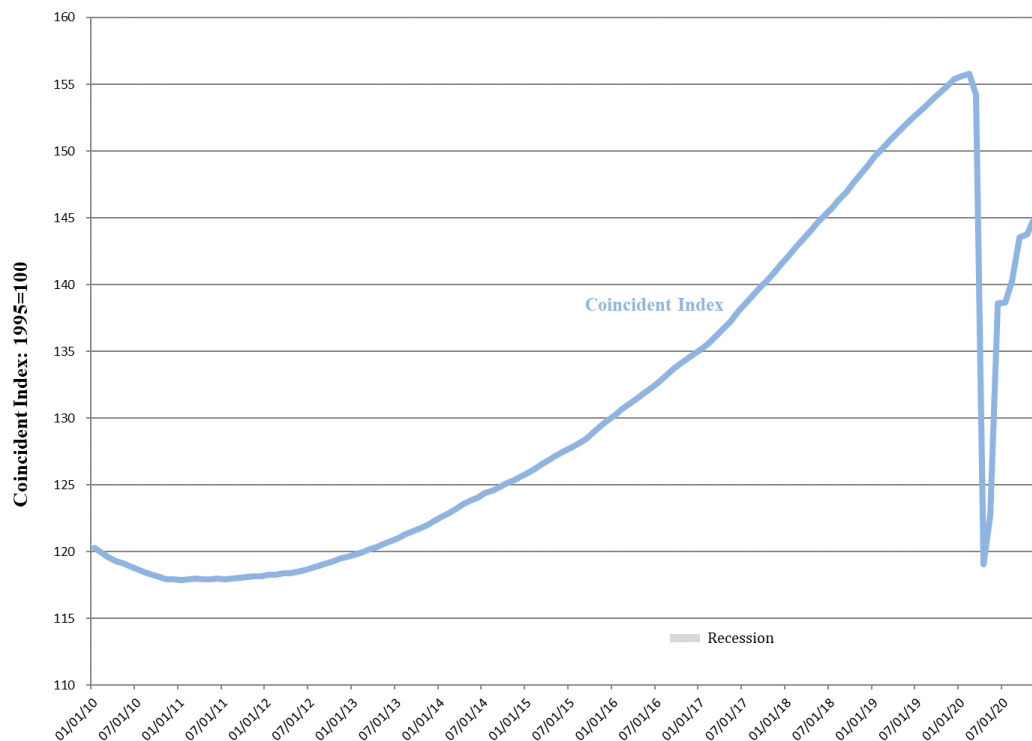
¹ Reno MSA Leading Economic Index (RLI) predicts future changes in the region’s economy by “leading” current economic activity, represented by the coincident index. The Leading Index is based on eight local, regional, and national data series aggregated using a combination of composite and econometric 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 November and December 2020, the eighth month of growth in this index since the economic closures in March and April 2020.

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 0.53% increase between November and December 2020. This increase is the result of the partial reopening of the economy following COVID-19 quarantine measures in March and April 2020.



The index declined by 6.26% compared to December 2019 levels as some businesses remain closed or open with restrictions and some employees are choosing to postpone their return to work.

Series	Latest Period- December 2020	Prev. Period- November 2020	Change Prev. Period	Prev. Year- December 2019	Change Prev. Year
Reno MSA Employment (CES, SA)	239,417	235,777	1.54%	247,875	-3.41%
Reno MSA Employment (LAUS, SA)	235,784	236,379	-0.25%	257,641	-8.48%
Coincident Index Result	145.65	144.88	0.53%	155.37	-6.26%

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

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.