



A Positive Outlook An Economic Lifeline

As the novel coronavirus raged across the globe earlier this year, our state was in trouble. With its heavy reliance on the travel and tourism industry, the Nevada economy was arguably hit harder than anywhere else in the nation. As unemployment rolls grew and economic activity slowed, Nevada was in need of a rescue.

That rescue came in late March with Congress' passage of the CARES Act, a multi-pronged federal relief program that injected \$2.2 trillion into the national economy. The stimulus package helped families stay in their homes, keep the lights on and put food on the table. It helped businesses make payroll and keep their doors open. It helped secure critical protective equipment for healthcare workers on the frontlines of the battle against the virus. It helped countless Nevadans weather the storm that threatened to capsize our state's economy.

In Nevada, stimulus funds included more than \$2.6 billion in Economic Impact Payments that sent stimulus checks to nearly 1.6 million households. They included \$2.9 billion in the form of \$600 in extra weekly unemployment benefits for Nevada's jobless workers. They included \$4.2 billion under the Paycheck Protection Program that helped businesses large and small keep valued employees on the payroll. They included \$1.25 billion for state and local governments for expenses related to COVID-19, and they included a bevy of other funds that supported coronavirus testing, health care providers, local schools and rental assistance, among many other critical needs.

All told, these federal programs sent more than \$21 billion to Nevada. That's equivalent to \$6,800 per person or roughly 12 percent of the state's pre-COVID gross product that went to households, businesses and governments that desperately needed them.

I prefer not to imagine where our state would be in absence of the federal stimulus program. Even with that assistance, our unemployment rate is still in the double digits, nearly 200,000 Nevadans are out of work and countless businesses are either struggling to keep their doors open or closing altogether. Our

economy faces a long-term recovery that relies on the tourism industry bouncing back, and that bounce back relies on a successful vaccine. While recent news on the vaccine front is promising, even the most optimistic of timetables put widespread distribution of a vaccine well into 2021. Unfortunately at present, the effects of the stimulus appear to be wearing off faster than we are getting ahead of the public health crisis.

As a nation, we don't want to get in the habit of mortgaging the financial future for the needs of today, but the reality of 2020 is that the federal stimulus provided a critical safety



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net against economic catastrophe amid a 100-year pandemic. The CARES Act wasn't perfect in its implementation by any means, as both federal and state agencies often struggled with rolling out new programs under tight deadlines, but the benefits to our state's families and businesses vastly outweighed the downsides.

This will be a critical dialog for our community and this nation in the years to come, as governments and households seem to have lost sight that spending when times are bad only works as long-run economic strategy when we first save when times are good. In the meantime, I am simply grateful to live in a nation with the capacity and conscience to provide an economic lifeline when it was needed most.

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