

Looking Forward to a Bright Future

As Nevadans work through the economic challenges posed by the COVID-19 pandemic, our current situation reminds me of my early years at Nevada State Bank. I moved to Las Vegas from Southern California to become president of the bank in September 2007, shortly before what is now known as the Great Recession. By March 2008, everyone realized this was more than the usual economic slowdown, and it took years for the economy to recover.

After the housing crash of 2008, Nevada's rate of home foreclosures peaked at 13.6 percent, the highest in the U.S. In fall 2008, there was a significant drop in the stock market. Banks began to fail across the country, including several in Nevada. In 2010, Nevada led the nation in unemployment at 14 percent, and was among the top five states in unemployment for many months.

Yet, the economy did recover, and Nevada came back stronger than ever. Then came March 2020, when COVID-19 restrictions went into effect. Nevada's unemployment rate rose from 3.6 percent in February to 6.9 percent in March and climbed to 30.1 percent in April, the highest in the nation by far. Tourism, gaming and convention business quickly dried up, and the Las Vegas Strip looked like a ghost town.

Things are gradually improving as restrictions are lifting. Nevada's September unemployment rate stood at 12.6 percent – more than three times the pre-COVID number, but a vast improvement over what it was. Despite the economic crisis, the stock market has remained at record high levels.

The Great Recession was caused by a number of market forces, including the subprime mortgage crisis, and recovery was dependent on making some complicated changes in some of our largest institutions. This time, it's easy to identify the cause of the crisis, and it should be relatively easy to restart the economy once the pandemic is under control.

I firmly believe that – although we may not see it now – we will come back from the present crisis. In some ways, things will never be the same, but we've worked through difficulties before, and I'm confident that we'll figure out ways to solve the current challenges. We may have to make permanent changes to our hygiene and social distancing guidelines, but once a COVID-19 vaccine is developed, people will start to feel comfortable about traveling again.

Nevada's branding as a worldwide resort destination has never faltered. The flights will resume, tourists and conventions will return, and our economy will rebound. Nevada's tax-friendly environment and quality of life continue to attract new residents from neighboring states, and our housing market remains strong, especially in Northern Nevada.

Nevadans are resilient, and we've pulled together to overcome many obstacles over the years. There are many reasons for optimism. Although it may be hard to see right now, I believe the future is bright.

Best Regards,

A handwritten signature in black ink, appearing to read "Dallas Haun". The signature is fluid and cursive, with the first name "Dallas" being more prominent than the last name "Haun".

Dallas Haun
Chairman, Nevada State Bank