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COVID-19: The Impact on Small Businesses in Nevada

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COVID-19: THE IMPACT ON SMALL BUSINESSES IN NEVADA

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PURPOSE

This Fact Sheet presents data on the number of small businesses (fewer than 250 employees) considered at risk due to the COVID-19 outbreak. The data collected originates from the Brookings Institution,¹ and reports the economic effect of COVID-19 on small businesses in states and counties throughout the nation. Understanding this data can help policymakers and business owners alike make strategic decisions about navigating this crisis. This Fact Sheet focuses specifically on the State of Nevada and its 17 counties.

UNDERSTANDING THE IMPACT OF COVID-19

To prevent the proliferation of COVID-19, the federal government and individual states implemented several policies leading to the closure of small businesses, deemed “nonessential.” The length of and scope of the closures vary from state to state. As a result of industry specialization and variations between local economies, the economic impact of COVID-19 will affect each state or county at a different rate.

KEY TAKEAWAYS

1. Nearly 500,000 Nevada small business jobs are considered at risk due to the COVID-19 pandemic.
2. Among Nevada counties, Clark County has the largest total number (12,538) of small business establishments at immediate risk.
3. Within a single county, Eureka County has the largest share (70%) of its small business establishments at immediate risk.

ABOUT THE DATA

The Brookings Institution report categorizes industries into three separate categories: immediate risk, near-term risk, and long-term risk. For example, the report places industries of “amusements, gambling, and recreation” and “food services and drinking places”² in the *immediate* risk category due to this crisis. Likewise, industries focused in “heavy and civil engineering construction” and “specialty trade contractors”³ fall into the *near-term* risk category.

Tables 1 and 2 investigate the projected impact of COVID-19 for Nevada small businesses⁴ in industries with *immediate* and *near-term* risk. The data do not predict the number of jobs that will be lost; however, it provides estimations based on how concentrated small businesses are in selected sectors in Nevada. A combined 54% of Nevada small businesses are in industries with immediate and near-term risk due to the economic impacts of COVID-19. In other words, 36,104 small businesses in Nevada are at immediate or near-term risk. This represents risk to a projected 475,246 jobs – almost half a million throughout the state – due to the fallout of the COVID-19 crisis.

1 Joseph Parilla, Sifan Liu, and Brad Whitehead. “How local leaders can stave off a small business collapse from COVID-19” Brookings, April 3, 2020. www.brookings.edu/research/how-local-leaders-can-stave-off-a-small-business-collapse-from-covid-19/

2 Ibid.

3 Ibid.

4 “Small businesses” are defined as businesses that employ fewer than 250 people.

Table 1: Nevada Small Businesses in Industries with *Immediate Risk*

	Number	Percentage Share
Total small business establishments	17,412	26%
Employment in small business establishments	279,133	37%

Table 2: Nevada Small Businesses in Industries with *Near-Term Risk*

	Number	Percentage Share
Total small business establishments	18,692	28%
Employment in small business establishments	196,113	26%

Table 3 shows that Clark County has the highest number of small businesses (12,538) in industries with immediate risk. Clark County’s projected small business risk is nearly 5 times as high as Washoe County. In contrast, smaller communities may experience a greater share of potential small business loss due to the increased presence of small businesses in local economies. Although Mineral County has 7 small businesses in industries at immediate risk, these 7 businesses represent 70 percent of the county’s share of small business establishments in immediate risk

Table 3:

Nevada Small Businesses in Industries with Immediate, or Near-Term Risk, by County

County	Small Businesses in industries with <i>Immediate Risk</i>		Small Businesses in industries with <i>Near-Term Risk</i>	
	Number	Percentage Share	Number	Percentage Share
Churchill	94	26%	124	34%
Clark	12,538	28%	12,479	28%
Douglas	271	19%	473	34%
Elko	282	30%	268	29%
Eureka	4	57%	3	43%
Humboldt	103	38%	62	23%
Lander	10	37%	6	22%
Lincoln	6	20%	11	37%
Lyon	175	26%	229	34%
Mineral	7	70%	0	0%
Nye	187	34%	156	28%
Pershing	7	64%	4	36%
Storey	29	53%	11	20%
Washoe	2,817	23%	3,842	31%
White Pine	33	43%	23	30%
Carson City	386	23%	529	31%