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COVID-19: Metro Recovery Index in the Mountain West

Vanessa Booth
University of Nevada, Las Vegas, vanessa.booth@unlv.edu

Katie M. Gilbertson
University of Nevada, Las Vegas, katelin.gilbertson@unlv.edu

Elia Del Carmen Solano-Patricio
University of Nevada, Las Vegas, eliadelcarmen.solano-patricio@unlv.edu

Caitlin J. Saladino
The Lincy Institute and Brookings Mountain West, caitlin.saladino@unlv.edu

William E. Brown Jr.
Brookings Mountain West, william.brown@unlv.edu

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COVID-19: METRO RECOVERY INDEX IN THE MOUNTAIN WEST

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Prepared by: Vanessa M. Booth, Katie M. Gilbertson, Elia Del Carmen Solano-Patricio, Caitlin J. Saladino, and William E. Brown, Jr.

PURPOSE:

Amid the COVID-19 pandemic and the economic recession that is developing as a result, researchers at the Brookings Institution created the "Metro Recovery Index dashboard,"[1] an interactive dataset that tracks changes in labor, real estate, and other economic indicators for metropolitan areas throughout the U.S. Using data from January – June 2020, this Fact Sheets highlights the impact of the COVID-19 recession on 13 Metropolitan Statistical Areas (MSAs) in 5 Mountain West states: Arizona, Colorado, Nevada, New Mexico, and Utah.

ABOUT THE DATA:

These data come from various sources, including: the Bureau of Labor Statistics' Metropolitan Area Employment and Unemployment dashboard (BLS), Economic Modeling Specialists International (Emsi), the Transportation Security Administration (TSA), Realtor.com, and Google Mobility Reports. Mountain West metros are categorized by size, according to the number of residents dwelling within the limits of the MSA. **"Very large" metros** include those with populations over 1 million; **"large metros"** have populations between 500,000 and 1 million residents; and **"midsized"** metros are those with populations between 250,000 and 500,000 residents. Indicators are categorized into three sectors: **Labor Market** (number of jobs, unemployment, and job postings), **Economic Activity** (airport passengers and work trips), and **Real Estate** (active listings and listing price).

KEY FINDINGS:

1. Nevada metros had the highest decrease in the number of jobs. Among "very large" metros, the Las Vegas-Henderson-Paradise, NV MSA lost 21.7% of jobs, while Reno, a midsized metro, lost 12.8% of jobs.
2. Among "very large" metros, Las Vegas-Henderson-Paradise, NV experienced the sharpest decrease in airport passengers (-90.6%) and work trips (-36.8%).
3. Real estate in Albuquerque, NM had a 45% drop in active home listings and a 17.9% increase in listing prices.
4. "Very large" MSAs in Arizona—Tucson and Phoenix—experienced the highest drop in job postings from February 2020 to June 2020 (-24.6% and -18.6%, respectively).

Understanding Economic Indicators:

Number of Jobs	Total full- and part-time nonfarm jobs, seasonally adjusted (Jan. - June 2020)
Job Postings	Number of unique job postings (Jan. - June 2020)
Unemployment	Share of the labor force that is unemployed, seasonally adjusted (Jan. – May 2020)

[1] Alan Berube and Sarah Crump, (July 24, 2020), "Metro Recovery Index," Brookings Institution. (www.brookings.edu/interactives/metro-recovery-index/)

Air Passengers	Number of passengers screened by TSA at airports over the month (Jan. – June 2020)
Work Trips	Average percent change in visits to workplaces from baseline period (Jan. 3 –Feb. 6, 2020)
Active listings	Number of active for-sale home listings within the metropolitan area (Jan. – June 2020)
Listing price	The median listing price of properties available on the market

Source: Alan Berube & Sarah Crump, "Metro Recovery Index," July 2020

Table 1 outlines the effect of the COVID-19 recession on "very large," "large," and "midsized" Mountain West MSAs. For each indicator, the table shows the percent change between the early months of 2020 and the month for which the latest data are available. A detailed explanation of each indicator is provided in the "understanding economic indicators" section above. Within the Labor Market, Las Vegas-Henderson-Paradise, NV and Reno, NV have the largest shares of jobs lost, the highest decreases in new job postings, and the largest increases for unemployment rates (+25.6% and +13.4% respectively). In economic activity, Ogden-Clearfield, UT was the only metro with an increase in airport passengers.

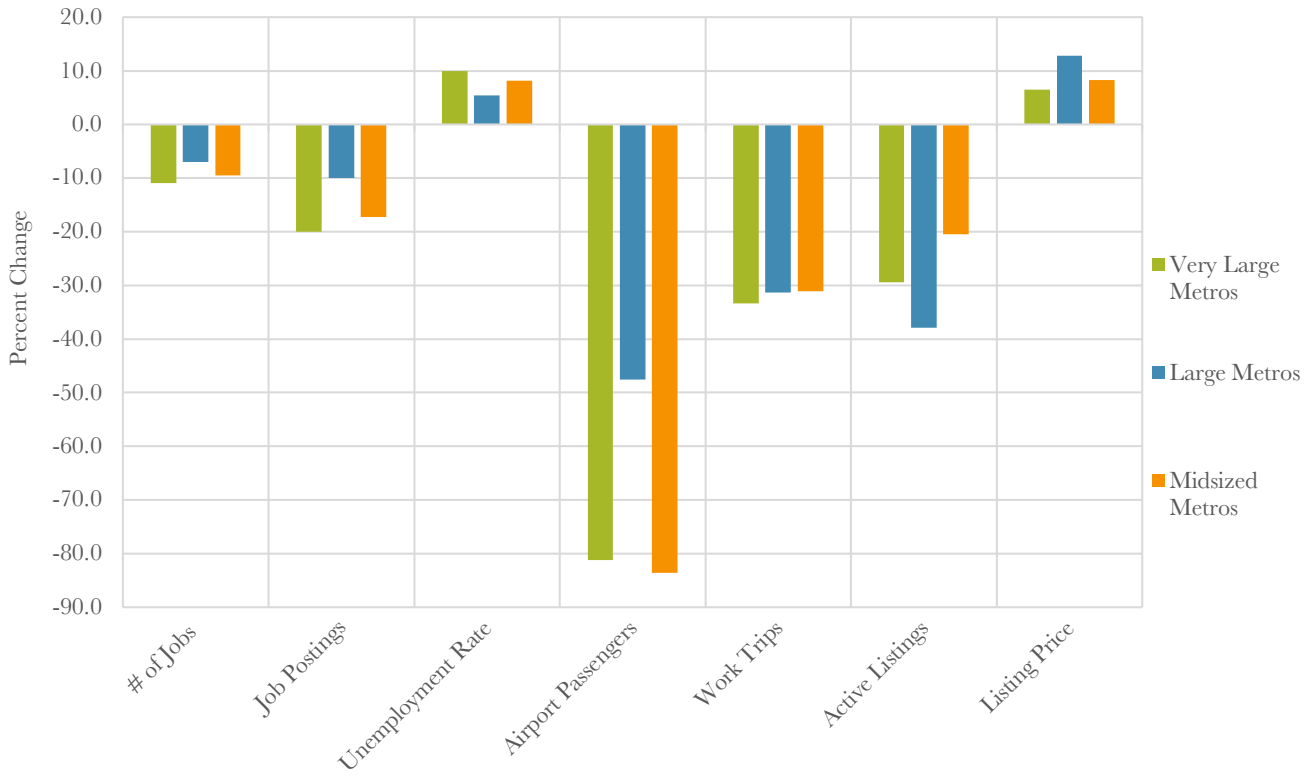
Table 1: Impact of the COVID-19 Recession on Key Economic Indicators in Mountain West Metros, January 2020 – June 2020

		Labor Market			Economic Activity		Real Estate	
		# of Jobs	Job Postings	Unemployment	Airport Passengers	Work Trips	Active Listings	Listing Price
Very Large Metros	Denver-Aurora-Lakewood, CO	-10.5%	-0.7%	+8.2%	-83.1%	-34.6%	-23.3%	+5.4%
	Las Vegas-Henderson-Paradise, NV	-21.7%	-34.8%	+25.6%	-90.6%	-36.8%	-9.5%	+4.1%
	Phoenix-Mesa-Chandler, AZ	-7.9%	-18.6%	+4.6%	-72.9%	-33.0%	-40.1%	+4.3%
	Salt Lake City, UT	-7.9%	-21.5%	+7.1%	-80.9%	-32.3%	-35.3%	+9.2%
	Tucson, AZ	-6.4%	-24.6%	+4.3%	-78.5%	-30.1%	-39.1%	+9.6%
Large Metros	Albuquerque, NM	-10.6%	-3.3%	+5.0%	-86.9%	-31.5%	-45.0%	+17.9%
	Colorado Springs, CO	-9.4%	-12.6%	+7.0%	-84.0%	-29.3%	-25.7%	+10.7%
	Ogden-Clearfield, UT	-3.0%	-8.1%	+5.7%	+33.5%	-29.5%	-43.3%	+13.1%
	Provo-Orem, UT	-5.2%	-15.9%	+4.0%	-52.7%	-35.2%	-37.7%	+9.5%
Midsized Metros	Boulder, CO	-5.9%	-14.3%	+6.2%	N/A	-40.5%	-16.8%	+16.0%
	Fort Collins, CO	-9.5%	-14.0%	+6.6%	-85.2%	-29.4%	-10.7%	+5.2%
	Greely, CO	-9.8%	-8.3%	+6.5%	N/A	-26.3%	-19.2%	+2.7%
	Reno, NV	-12.8%	-32.4%	+13.4%	-81.9%	-28.4%	-35.1%	+9.2%

Source: Adapted from data provided by Alan Berube, "COVID-19 Metro Recovery Index," 2020

Figure 1 reveals the difference in averages between "very large," "large," and "midsized" metropolitan areas for all economic indicators. Within the Labor Activity indicators, the "very large" and "midsized" metros closely mirrored one another, while the large metros lagged for all three types of indicators. This trend also appears for the airport passengers indicator, as the "very large" and "midsized" metros experienced an average drop of over 80% in air traffic. Each metro type saw nearly the exact decrease in work trips, around 32%. Among real estate indicators, large metros witnessed the most activity, with an average drop of 38% in active listings and an average increase of 13% in median housing prices.

Figure 1: Percent Change in Key Economic Indicators across Very Large, Large, and Midsized Mountain West Metros, January – June 2020

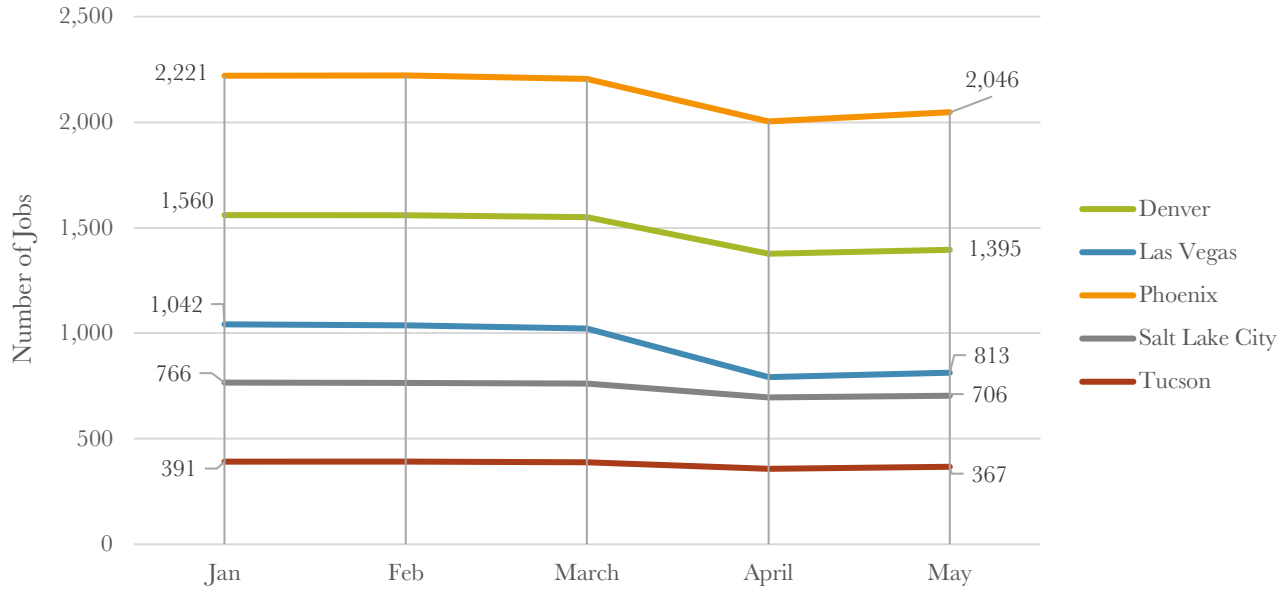


Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020

"Very Large" Mountain West MSAs:

The figures that follow compare the 5 "very large" metros in the Mountain West: Denver, Las Vegas, Phoenix, Salt Lake City, and Tucson. Figure 2 illustrates the decline in job availability from January 2020 to May 2020 for "very large" Mountain West metros. Unlike other metropolitan areas, Tucson and Salt Lake City maintained a steady trend in the availability of jobs. Meanwhile metropolitan areas like Phoenix, Denver and Las Vegas experienced a greater decrease in the number of jobs available.

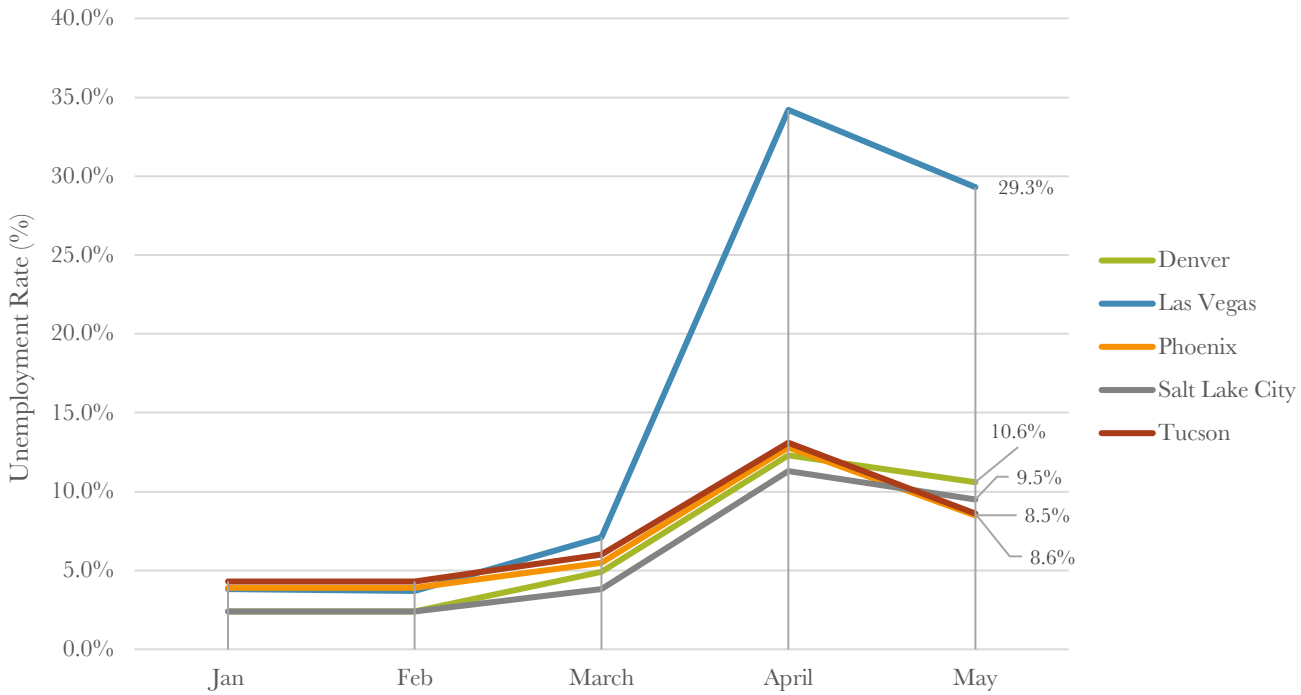
Figure 2: Number of Jobs in Very Large Mountain West Metros, January - May 2020



Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020

Figure 3 displays the unemployment rate for "very large" Mountain West metros from January 2020 to May 2020. Las Vegas experienced the highest unemployment rates in the Mountain West, peaking in April at 34.2% unemployment and 29.3% unemployment in May.

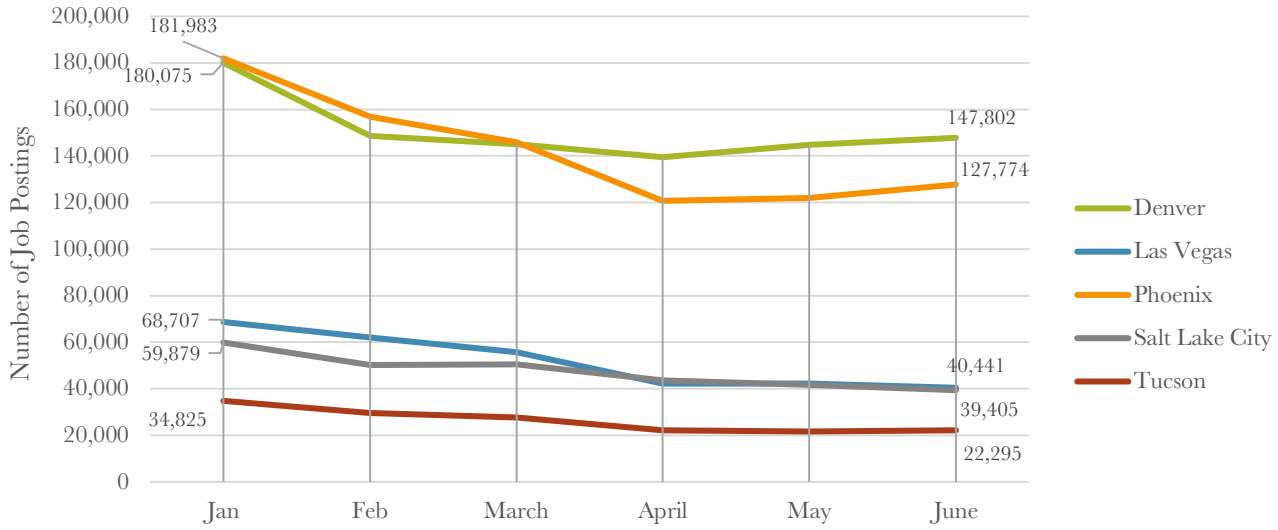
Figure 3: Unemployment Rate in Very Large Mountain West Metros, January - May 2020



Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020

Figure 4 displays the job postings between January 2020 and June 2020 among "very large" Mountain West metros, all of which experienced a decline in job postings. The Denver and Phoenix MSAs have larger job markets in comparison to other "very large" Mountain West metros; both experienced a steep decline in job postings with a subtle increase in June.

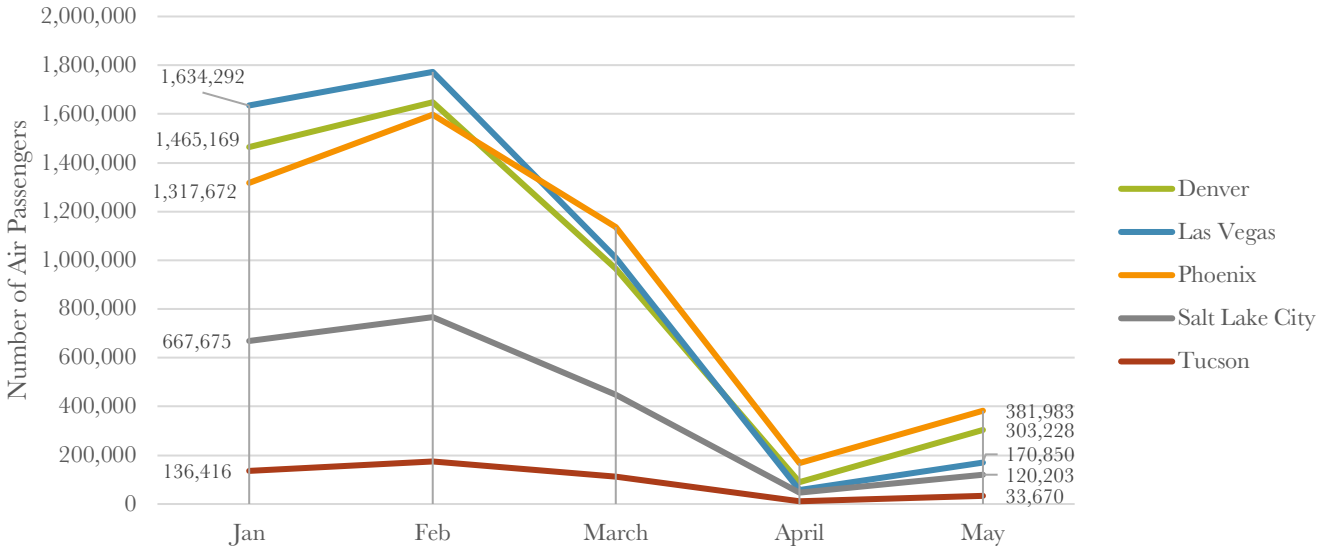
Figure 4: Job Postings in Very Large Mountain West Metros, January – June 2020



Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020

Figure 5 shows the number of air passengers screened by TSA in "very large" Mountain West metro airports during the period between January 2020 and May 2020. Las Vegas, Denver, and Phoenix experienced significant decreases in air passengers whereas Salt Lake City and Tucson experienced similar, yet smaller decreases.

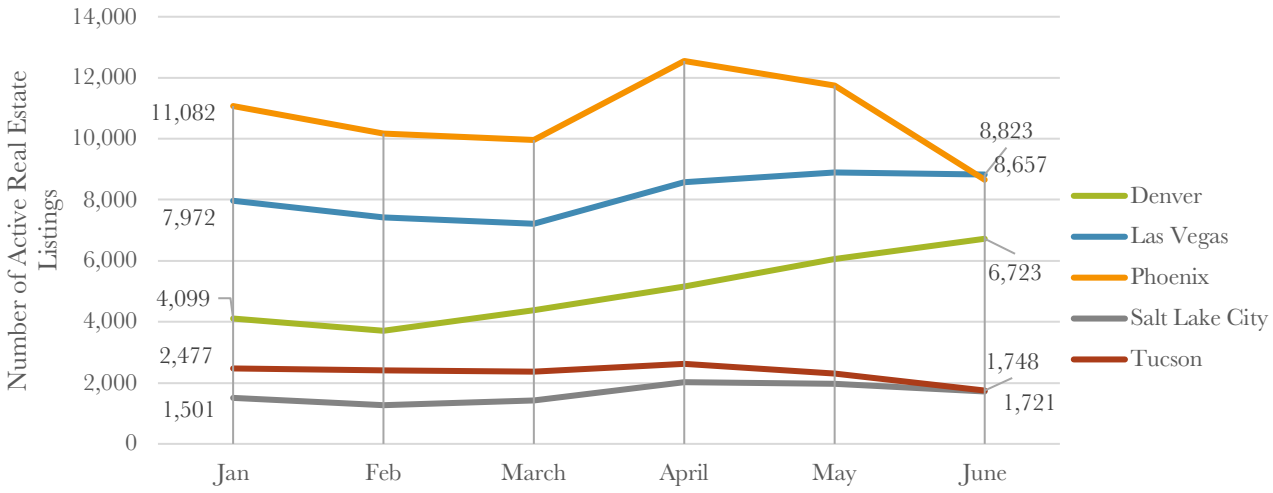
Figure 5: Air Passengers in Very Large Mountain West Metros, January – May 2020



Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020

Figure 6 displays the number of active real estate listings for the "very large" Mountain West metropolitan areas from January 2020 through June 2020. Phoenix had the most active listings and experienced the steepest drop in listings from April to June, decreasing by nearly 5,000 listings. Both Las Vegas and Denver saw a rise in the overall number of active real estate listings between January and June.

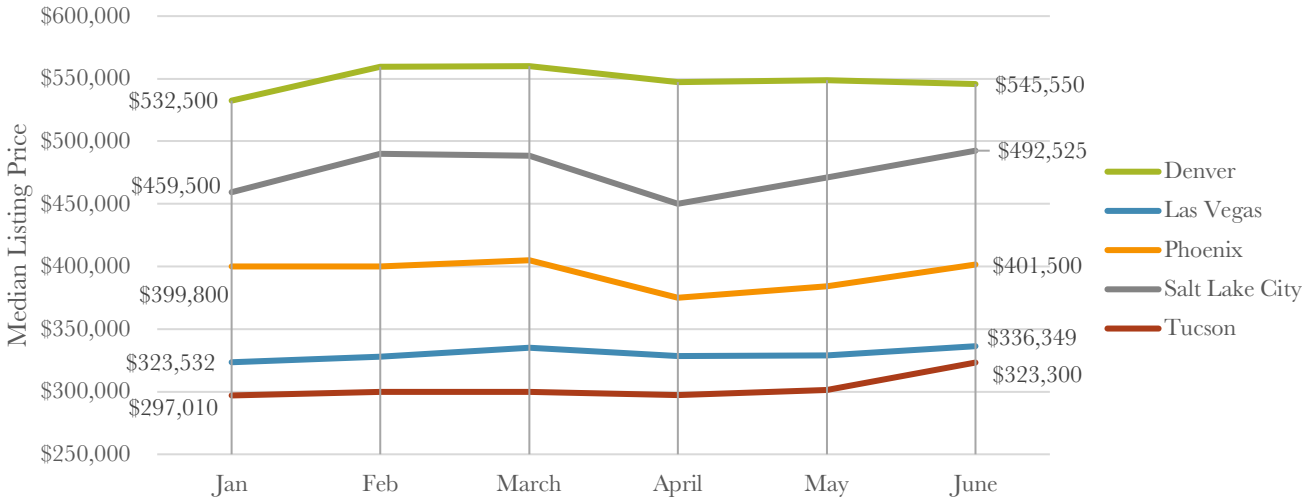
Figure 6: Active Real Estate Listings in Very Large Mountain West Metros, January - June 2020



Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020

Figure 7 displays the median real estate prices from January 2020 to June 2020 for "very large" Mountain West MSAs. Salt Lake City and Phoenix experienced similar price increases in April which continued to climb in June. Tucson also saw an increase in median real estate prices after following a steady pattern throughout the beginning of the year, with a slight uptick in May. Denver and Las Vegas experienced less fluctuation in real estate pricing during the first half of 2020.

Figure 7: Median Real Estate Listing Price in Very Large Mountain West Metros, January - June 2020



Source: Adapted from data provided by Alan Berube & Sarah Crump, "COVID-19 Metro Recovery Index," 2020