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# Las Vegas Chamber 'Preview 2021' – JPMC Institute

January 2021

# Agenda

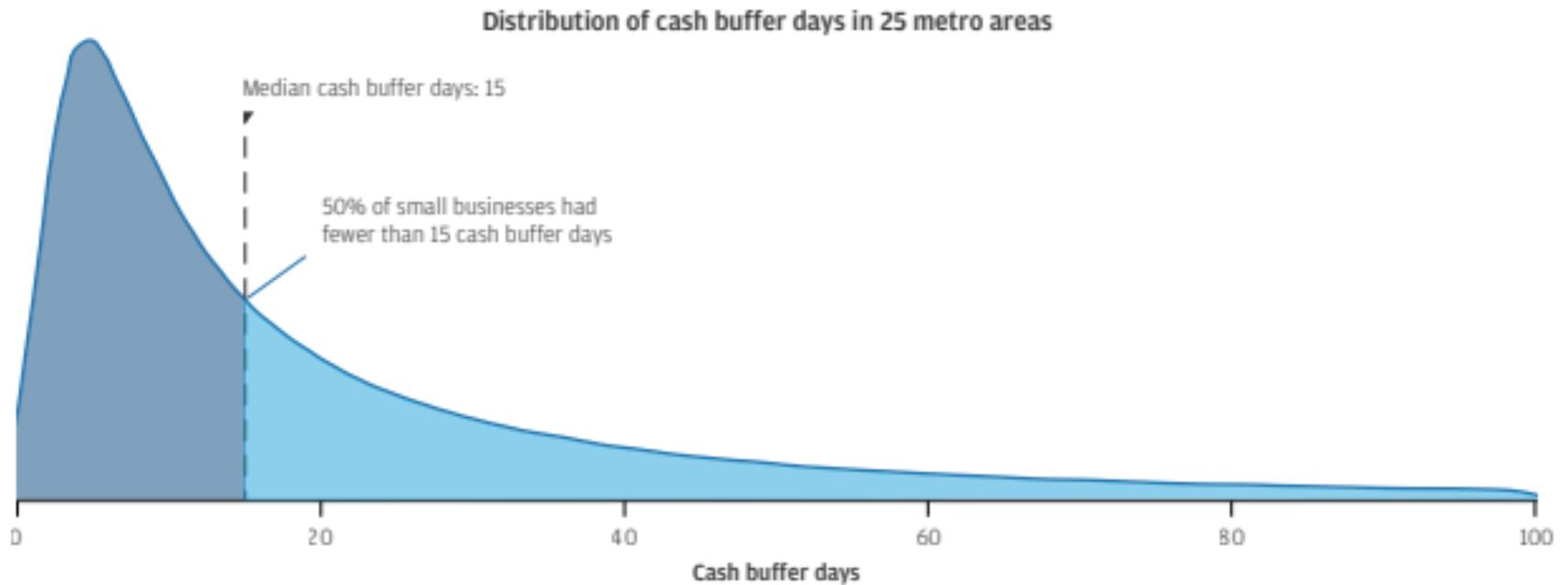
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	Page
<b>1 Small Business Outcomes</b>	<b>1</b>
2 Household spending, liquid assets, and response to gov income supports	9

Prior to the pandemic, half of small businesses had enough cash liquidity to cover only 15 days of expenses in the case of a disruption to inflows

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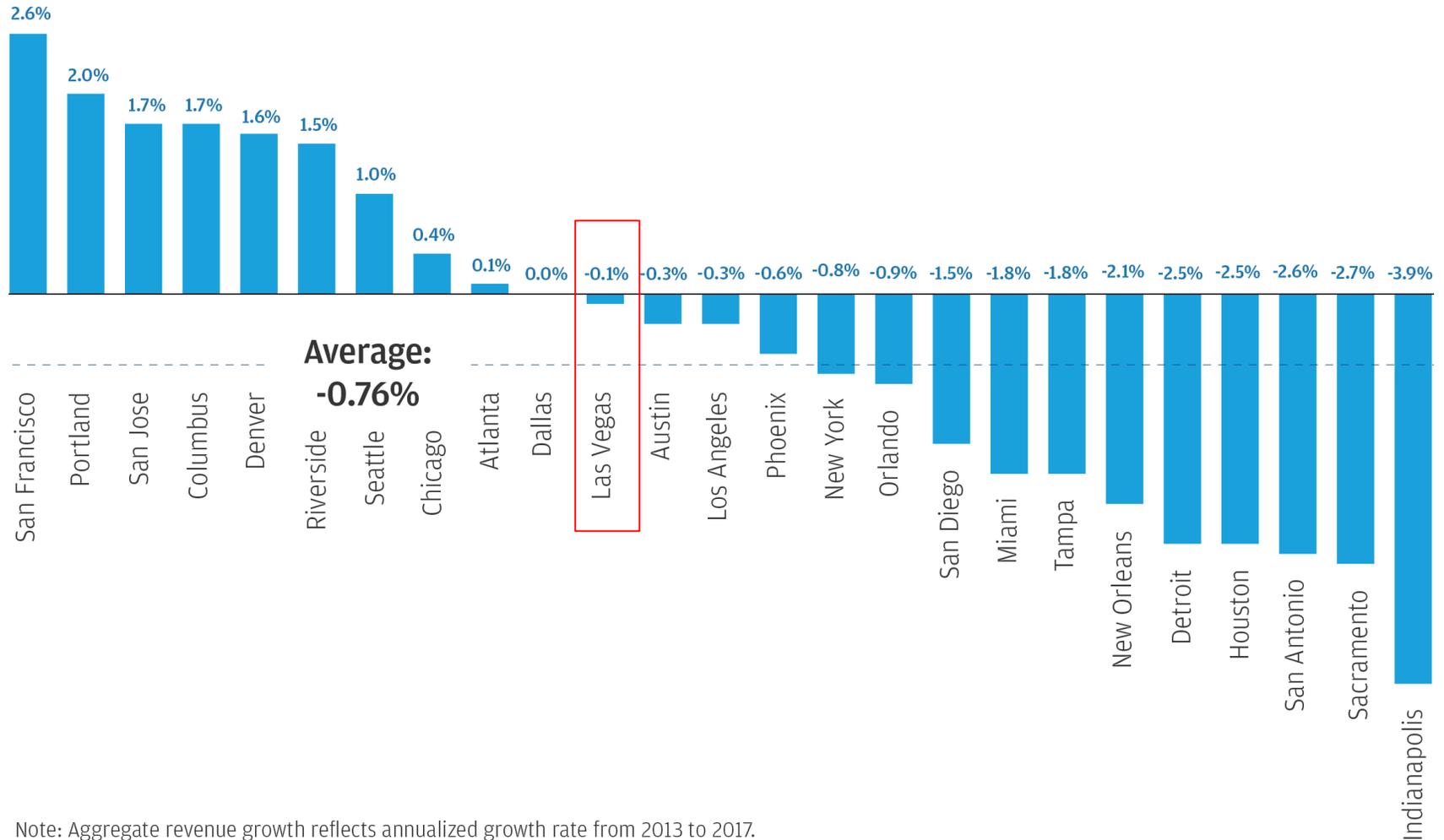
The median small businesses in **Las Vegas** had 14 cash buffer days prior to the pandemic.



Source: JPMorgan Chase Institute

Aggregate revenue growth of new small businesses varied substantially across cities, however small businesses in Las Vegas were growing faster than the average

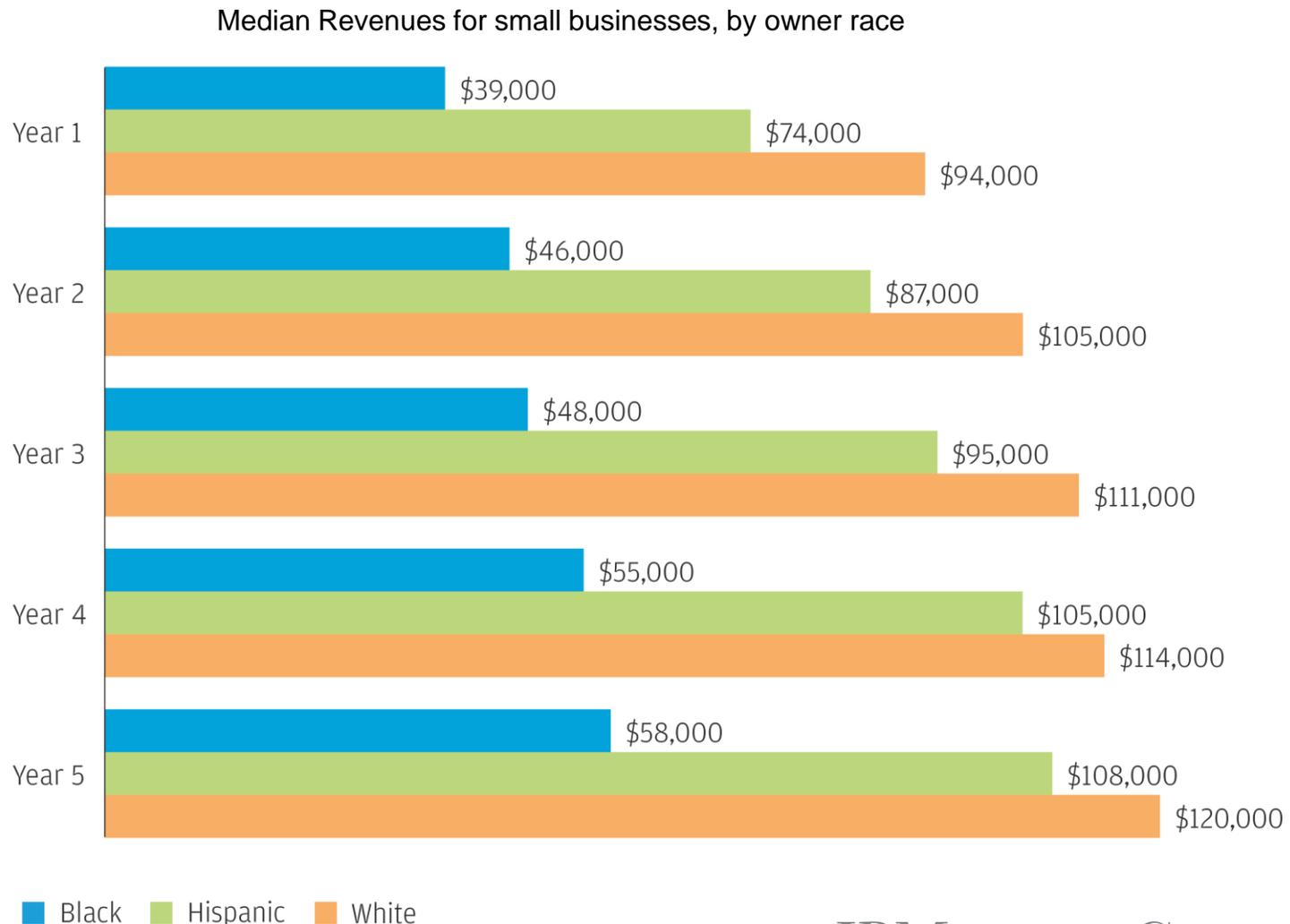
Annualized revenue growth rate for small business



Note: Aggregate revenue growth reflects annualized growth rate from 2013 to 2017.

## Pre-pandemic, there were significant gaps in small business revenues, profit margins, cash liquidity, and survival by owner race

Black-owned businesses earned 59% less and Latinx-owned businesses earned 21% less in first-year revenues than White-owned businesses.



Note: Sample includes firms founded in 2013 and 2014.<sup>3</sup>

## Pre-pandemic, there were also significant gender gaps in small business revenues

In Las Vegas, women-owned businesses had median first-year revenues of \$57K whereas male-owned business had \$75K in first year revenues.

Median first-year revenues for female- and male-owned firms, by metro area



Source: JPMorgan Chase Institute

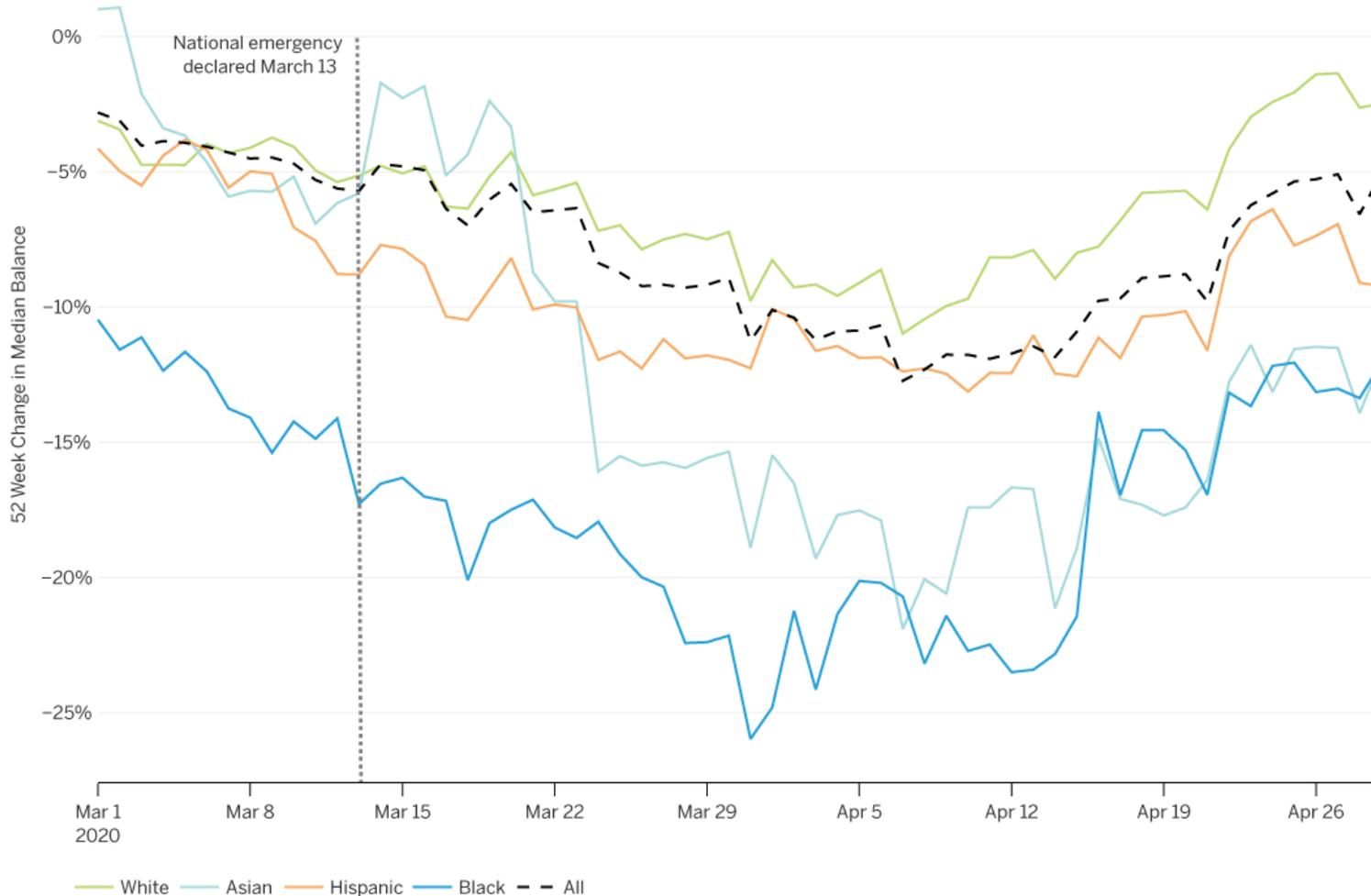
## At the onset of the pandemic, balances, revenues, and expenses dropped sharply

COVID-19 relief efforts helped bolster small businesses' cash balances, but expenses remained materially lower in September 2020 than they were a year prior, suggesting that small businesses may be deferring payments to maintain cash liquidity.



Note: Sample includes firms operating in the period shown as well as the same period 52 weeks earlier. Balances for firms with inactive or closed accounts evaluated at last observed balance

# At the onset of the pandemic, Asian, Black, and Hispanic-owned businesses had larger declines in balances and revenues than White-owned businesses

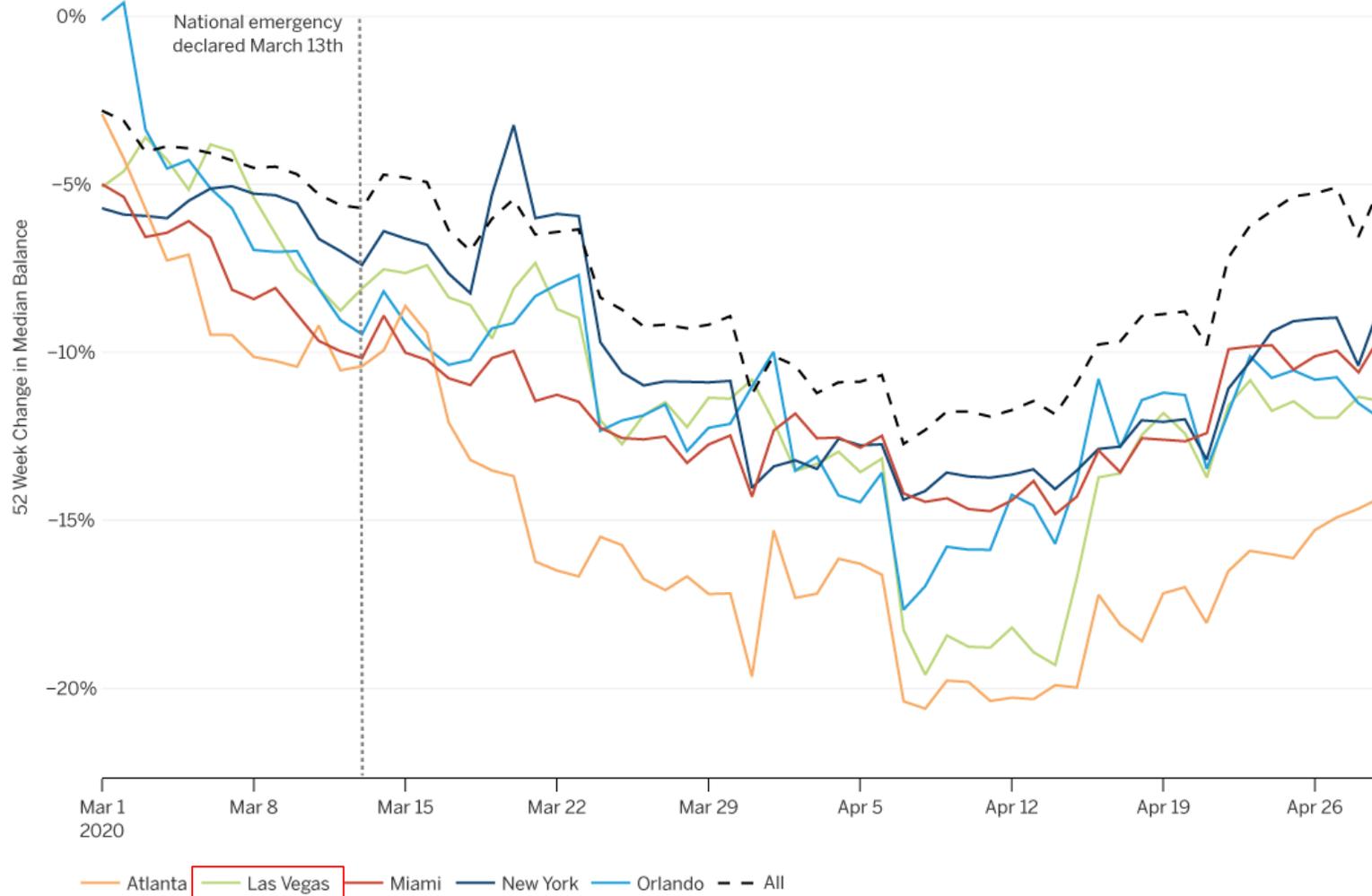


Note: Sample includes firms operating in the period shown as well as the same period 52 weeks earlier.

Source: JPMorgan Chase Institute

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# Small businesses in Las Vegas saw larger than average balance decreases at the onset of the pandemic



Note: Sample includes firms operating in the period shown as well as the same period 52 weeks earlier.

Source: JPMorgan Chase Institute

In Las Vegas, small business expenses were down 36% at the onset of the pandemic and were down 1% at the end of September

Metro Area	Median expense growth, week ending		
	4/10	8/21	9/25
Sacramento, CA	-32%	-4%	0%
Atlanta, GA	-32%	9%	0%
Houston, TX	-33%	-3%	-1%
Miami, FL	-35%	6%	-1%
Las Vegas, NV	-36%	-6%	-1%
Orlando, FL	-31%	5%	-2%
Columbus, OH	-32%	6%	-2%
Phoenix, AZ	-21%	1%	-2%
Indianapolis, IN	-34%	4%	-4%
Tampa, FL	-28%	11%	-4%
Riverside, CA	-32%	-2%	-4%
Detroit, MI	-49%	5%	-4%
Austin, TX	-32%	1%	-4%
Dallas, TX	-33%	-2%	-5%
Chicago, IL	-36%	4%	-6%
New Orleans, LA	-38%	-4%	-6%
<b>All</b>	<b>-38%</b>	<b>0%</b>	<b>-7%</b>
San Diego, CA	-29%	-3%	-7%
San Antonio, TX	-34%	-10%	-7%
Denver, CO	-33%	0%	-8%
Portland, OR	-32%	0%	-8%
Los Angeles, CA	-33%	-4%	-9%
San Jose, CA	-37%	-10%	-11%
Seattle, WA	-37%	-5%	-12%
New York, NY	-53%	-1%	-12%
San Francisco, CA	-37%	-15%	-17%

Note: Sample includes firms operating in the period shown as well as the same period 52 weeks earlier.

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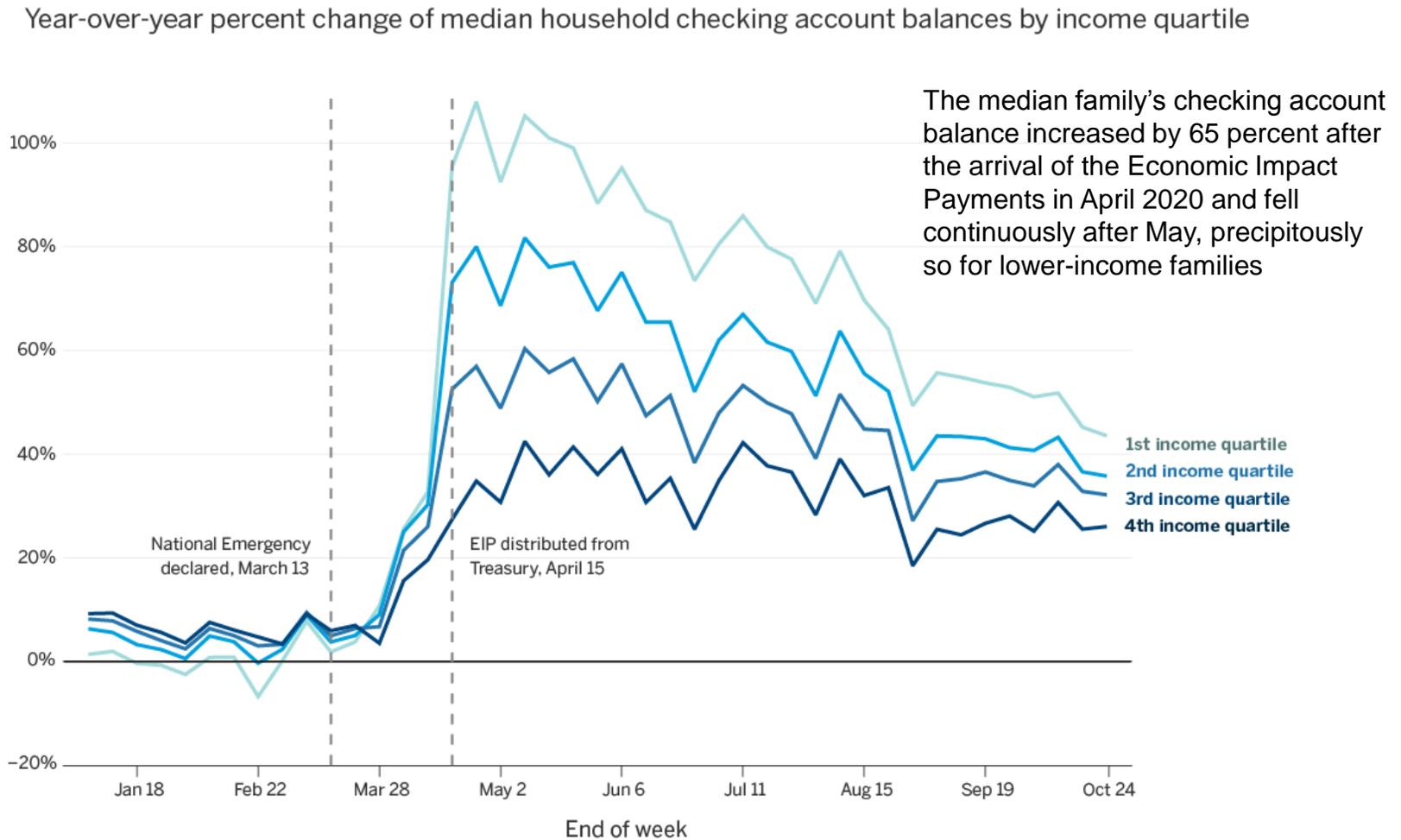
There were significant declines in brick-and-mortar (offline) local commercial spending, while online spending grew

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# While the CARES Act resulted in elevated cash balances for families for much of 2020, median balances fell

The “typical” family may be spending down the cash buffer it accumulated at the onset of COVID-19



## Increased unemployment benefits provided by the CARES Act boosted both spending and savings among the unemployed

The unemployed roughly doubled their liquid savings over the four-month period between March and July 2020, but upon expiration of the \$600 benefit supplement in August, spending by the unemployed declined by 14%, roughly back to pre-pandemic baseline

