

How Did COVID-19 Reshape the Economies of Nevada and Utah?

The COVID-19 pandemic wreaked havoc across the globe, not just in terms of public health but also in terms of economic stability. In the United States, while national unemployment soared, GDP per capita dropped, and energy consumption patterns shifted dramatically, the effects varied greatly from one state to another. This disparity highlights a fascinating dynamic: how states with similar geographies and population sizes—like Nevada and Utah—could experience such divergent economic outcomes during and after the pandemic.

Nevada emerged as one of the hardest-hit states. Its unemployment rates skyrocketed to unprecedented levels during the pandemic, and even years later, it continues to hold the unenviable title of the state with the highest unemployment rates. Utah, on the other hand, stood in stark contrast, weathering the storm with relative ease. Its unemployment rates saw a modest rise and recovered swiftly, positioning Utah as one of the best-performing states economically post-pandemic.

This article explores how two seemingly similar states could navigate the pandemic so differently, delving into their economic structures, energy consumption patterns, and potential recovery strategies.

Contrasting Unemployment Trends

To set the stage, we examine **Figure 1**, a static line chart depicting unemployment rates from January 2019 through 2023 for Nevada, Utah, and the national average.

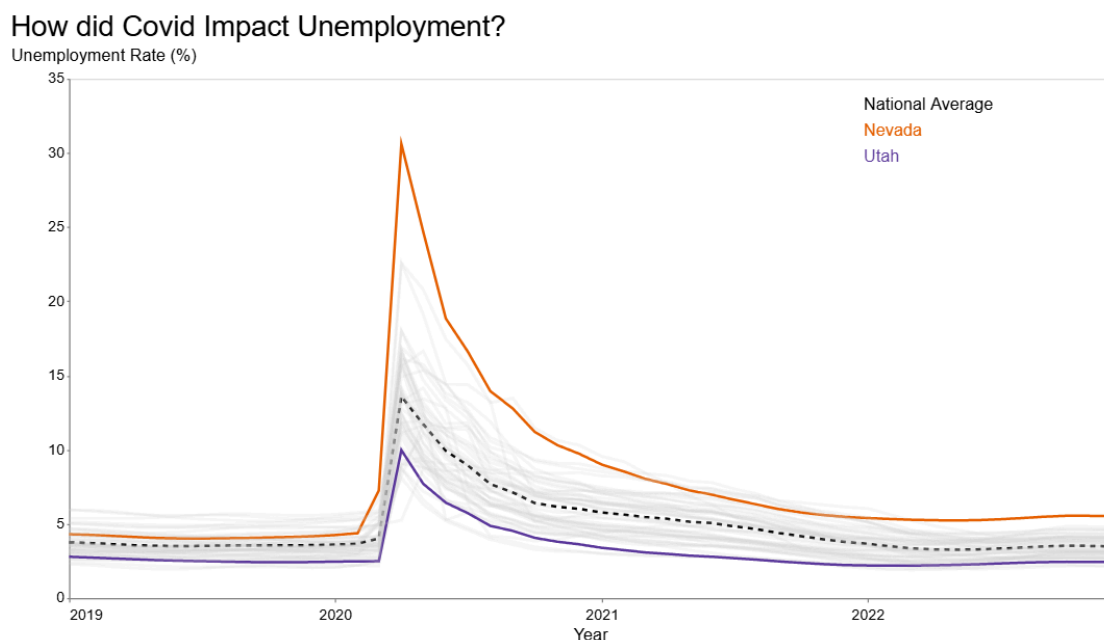


Fig. 1

The data clearly illustrate Nevada’s disproportionate struggle during the pandemic. In April 2020, Nevada’s unemployment rate peaked at a staggering 30.6%, far outpacing both Utah (9.97%) and the national average. By December 2022, while Utah had recovered to an impressive 2.43%, Nevada still lagged behind at 5.52%.

What makes this disparity so intriguing? Nevada and Utah share numerous similarities—geographic proximity, climate zones, and population sizes—yet their economic trajectories diverged dramatically. This begs the question: what structural differences contributed to such outcomes?

Energy Consumption Patterns

One critical lens to examine is energy consumption, as energy production and usage often reflect the underlying economic activities of a state. **Figures 2 and 3** provide a breakdown of energy consumption by sector—residential, commercial, industrial, and transportation—for Nevada and Utah. **Figure 3** provides a comparative summary of the average energy consumption in each sector for each state.

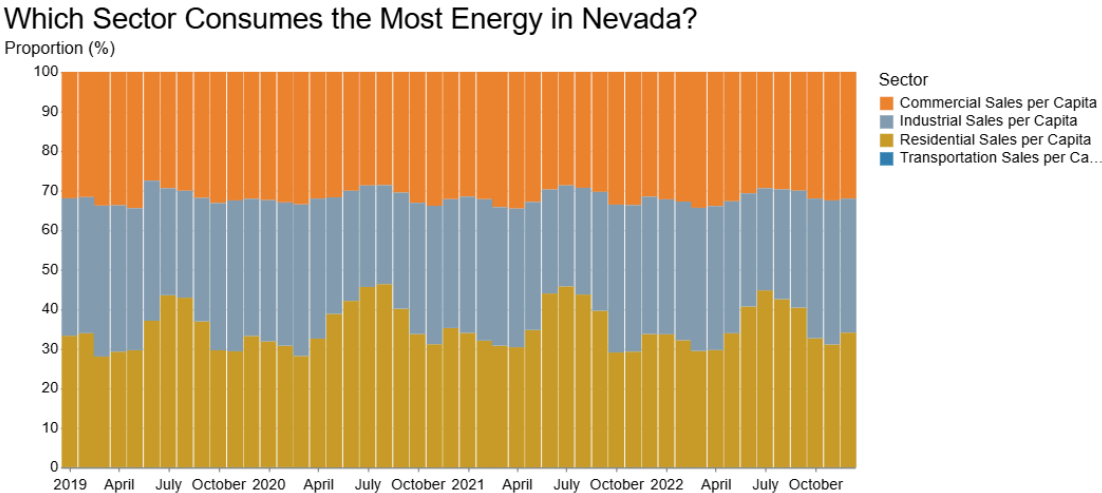


Fig. 2

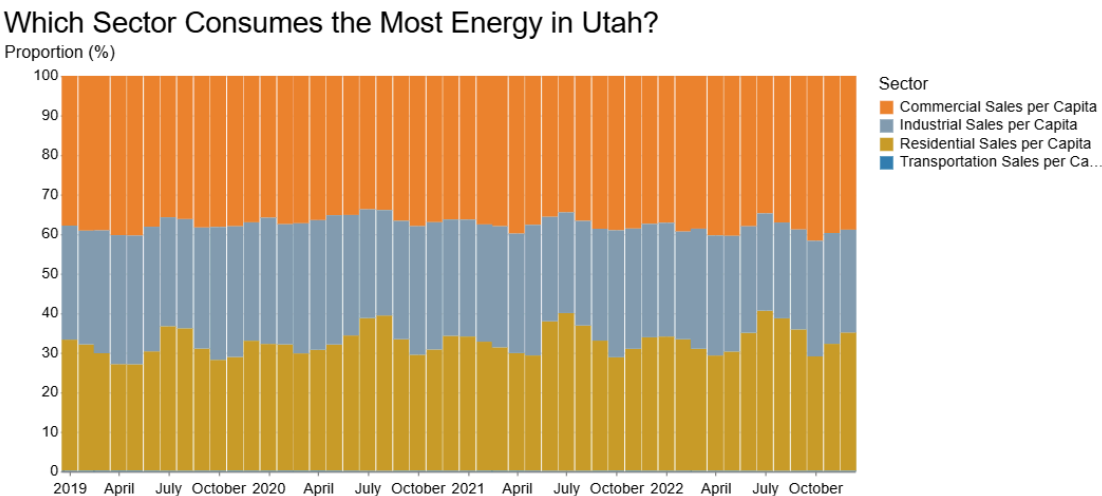


Fig. 3

Utah v. Nevada v. National Sector Breakdown

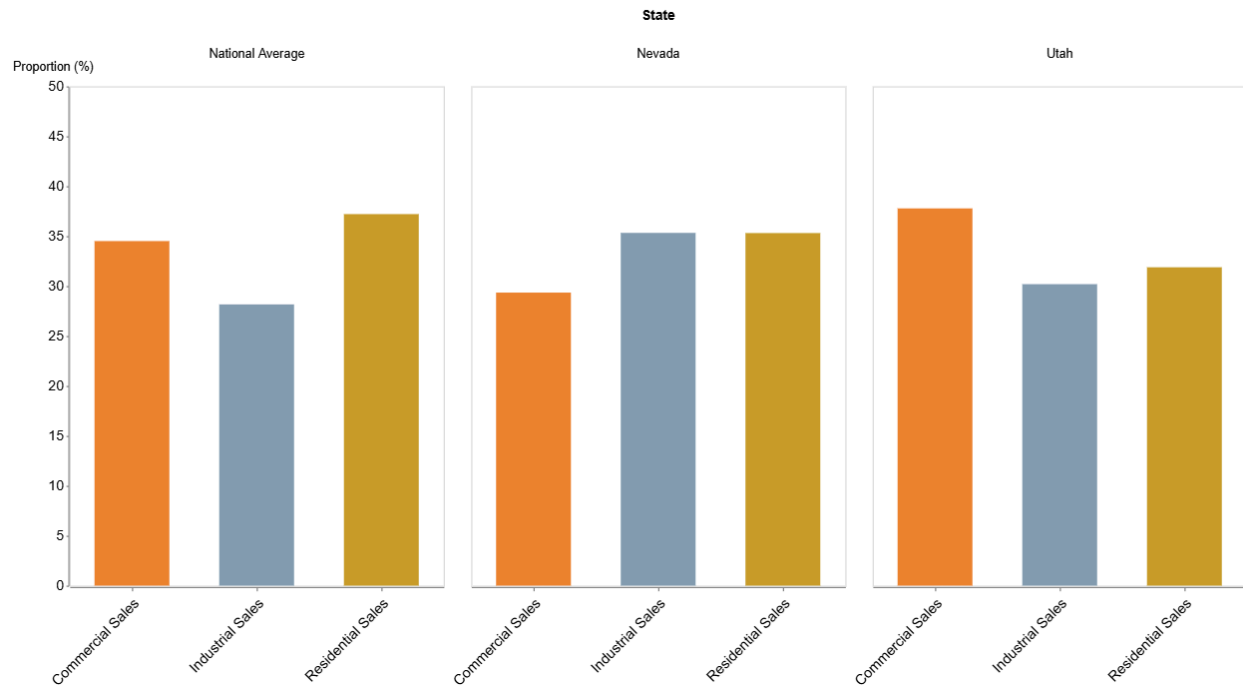


Fig. 4

Nevada's energy consumption leans heavily on the industrial and residential sectors. In contrast, Utah's commercial sector dominates its energy profile. This divergence might hold a clue to their differing economic resilience.

For example, Nevada's reliance on industrial energy could be tied to tourism and hospitality—industries that were severely impacted by the pandemic. Utah, with a stronger emphasis on commercial energy, may have benefitted from sectors like retail and technology, which adapted more swiftly to remote work and digital transformations.

Could this difference in energy usage explain why Utah rebounded so much faster than Nevada?

GDP Recovery and Sectoral Sales

Another piece of the puzzle lies in the relationship between GDP per capita and sectoral sales. **Figures 5 and 6** present scatter plots for each state, highlighting the correlations between GDP per capita and sectoral energy sales.

In Nevada, residential and industrial energy sales appear to have the strongest positive correlations with GDP. For Utah, commercial energy stands out as the most influential factor. These relationships suggest that recovery strategies tailored to the dominant sectors in each state could accelerate economic stability.

For Nevada, incentivizing industrial development or bolstering residential energy efficiency could be key. Utah, meanwhile, might focus on further strengthening its commercial sector to maintain its edge.

How Industrial Energy Sales Drive Economic Growth in Nevada

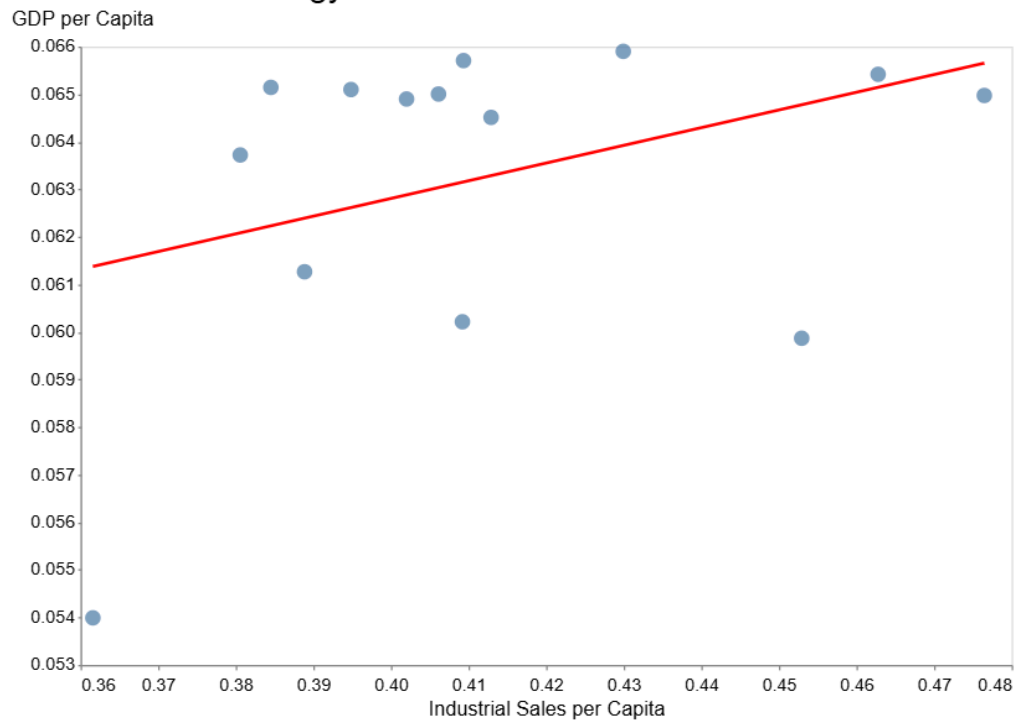


Fig. 5

How Commercial Energy Sales Drive Economic Growth in Utah

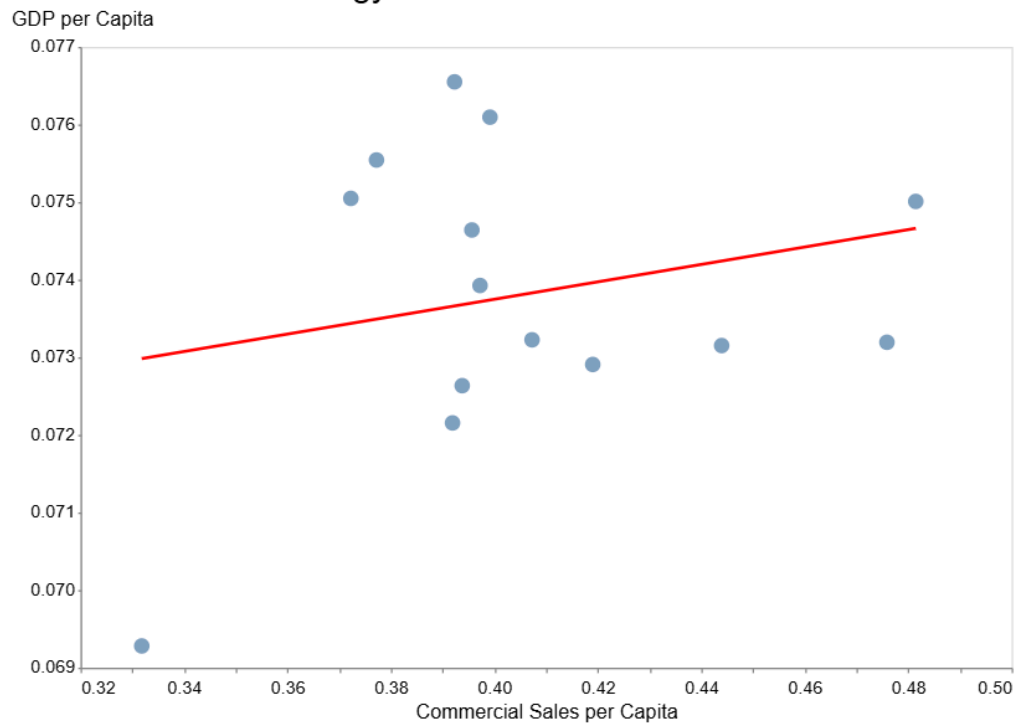


Fig. 6

Summarizing the Interconnections

To tie these threads together, we turn to **Figures 7 and 8**, correlation heatmaps that explore the interplay between GDP per capita, unemployment rates, and sectoral energy sales across time.

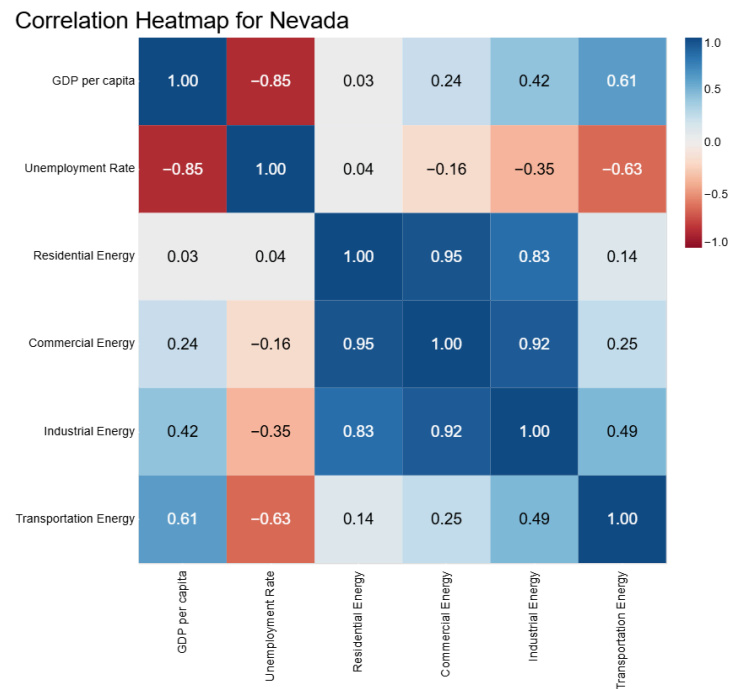


Fig. 7

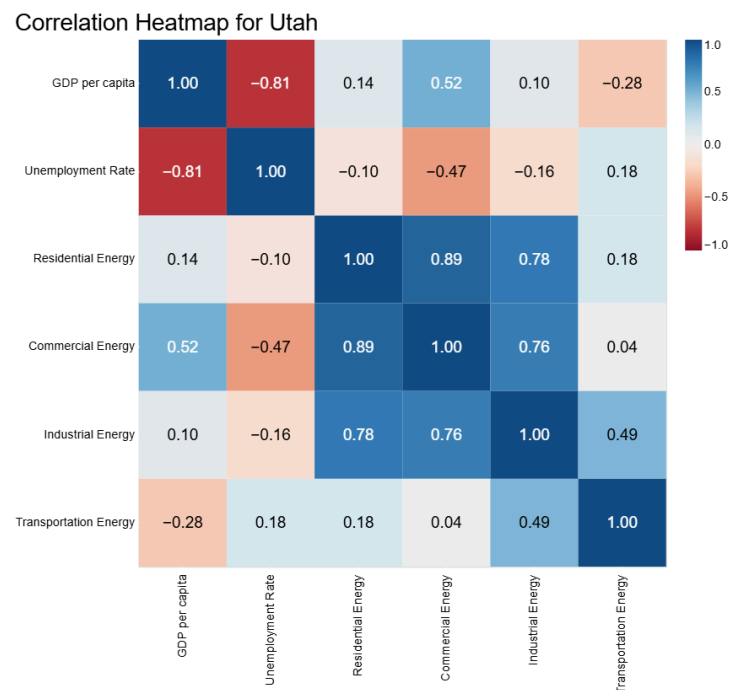


Fig. 8

These heatmaps underscore the interconnectedness of these variables, highlighting how shifts in energy consumption, economic output, and employment rates ripple through a state's economy. For both Nevada and Utah, understanding these relationships is critical not only for post-pandemic recovery but also for future resilience planning.

Opening the Floor for Exploration

While this article focused on Nevada and Utah, the insights and methods presented here can be applied to any state. To encourage further exploration, we provide interactive versions of all four visualizations, allowing readers to delve into the data and conduct their own analyses.

What can this teach us about broader economic resilience? Could other states adopt tailored recovery strategies based on these findings?

The interactive versions of these visualizations can be found [here](#).

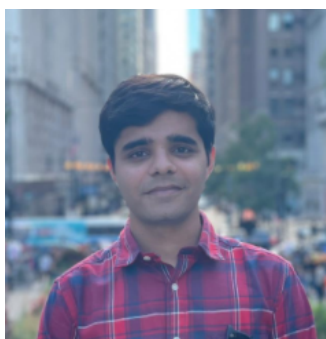
Conclusion

The COVID-19 pandemic exposed the vulnerabilities and strengths of state economies across the United States. Through unemployment trends, energy consumption patterns, and GDP correlations, we've seen how Nevada and Utah—despite their similarities—took starkly different paths during the pandemic.

For Nevada, the road to recovery lies in diversifying its economic activities and reducing its reliance on sectors most vulnerable to external shocks. Utah's success, meanwhile, serves as a blueprint for resilience, demonstrating the importance of adaptability and strategic sectoral focus.

By understanding these dynamics, policymakers and citizens alike can work towards a more stable and equitable economic future, not just for these two states but for the nation as a whole.

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