



Nevada's Shrinking Retail Sector

Most of us can recall stores, shops and boutiques we once frequented that have recently faded from street corners and strip centers. Perhaps you were a regular customer of the mom-and-pop-owned gourmet pet treat shop on Charleston and Town Center, the Great Indoors on Rampart, the Linens 'N' Things on South Virginia Street, or the only Krispy Kreme Donuts store in Reno. As another sign of the times, and perhaps more heart-breaking to many, the long-time classic model builders' hobby shop, High Sierra Hobbies on Kietzke Lane in Reno, recently announced it will close its doors in August 2010.

Some attrition in the retail sector is necessary and normal, but for many store owners and their employees (as well as their loyal customers, even if their visits are fewer and farther between, and their wallets tighter) these closures are no small events. Owners may be facing bankruptcy, employees may be facing a job market that does not need or respect their particular expertise, and neighborhoods faced with increasing long-term vacancy see their curbside appeal spiral into decline.

There is no easy way to quantify actual store closings statewide. However, we do know that in net terms, the number of retail establishments statewide declined by 174 from the end of the third quarter of 2008 to the end of 2009 (latest data available). The actual number of casualties is likely much higher. Further, although the number of retail establishments declined by 174 (or 2.8 percent) from Q3 2008 to the end of 2009; retail trade employment declined by 6,811 (or 7.5 percent) over the same period. Said differently, the average number of employees per retail trade establishment declined by 4.8 percent, or from approximately 15 to 14 workers per store.

Certain types of retail establishments have been hit harder than others. By the end of 2009, the state had lost nearly one in five furniture and home furnishings stores since the third quarter of 2008 (a net loss of 93 establishments, or a decline of 18.9 percent). Over the same period, the state lost nearly one in ten building material and garden supply stores (a loss of 40 establishments, or a decline of 9.0 percent). One in seven specialty



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Mission Statement:

Our Mission is to strengthen the business environment for Nevada Retailers and Associates by providing a government relationship program which supports retail industry needs through effective lobbying at federal, state and local levels.

Looking out for Business

At RAN we make it our business to support and protect your business. From monitoring local, county, state and some federal issues RAN is there to inform you on the events that can have a real impact to your business.

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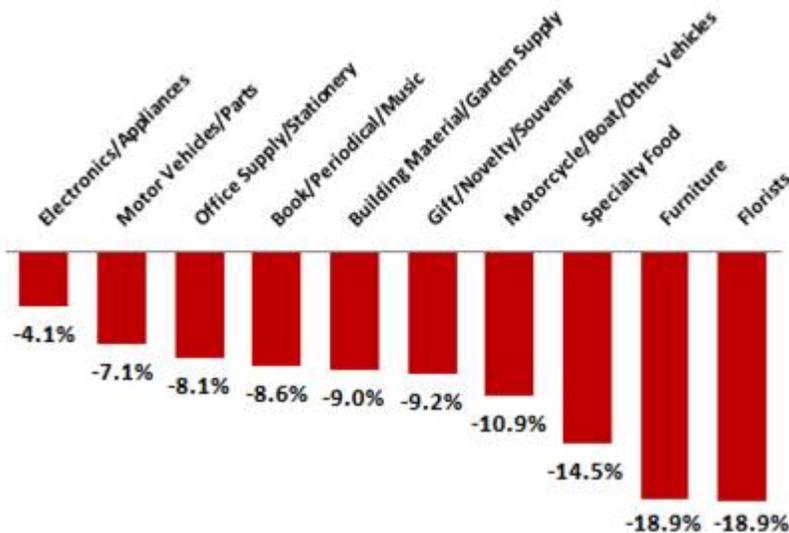
food stores disappeared (24 stores, or 14.5 percent of establishments); nearly one in five florists were lost (21 floral shops, or 18.9 percent of establishments). The state lost one in ten book, periodical and music stores (7 stores, or 8.6 percent of the statewide total). Further, over the same period, the state lost 30 office supply and stationery stores (8.1 percent of establishments), and 27 gift, novelty and souvenir shops (9.2 percent of establishments). One in ten boat and motorcycle shops disappeared (12 establishments, or a decline of 10.9 percent). The state also lost 62 motor vehicle and parts dealers, or 7.1 percent of the statewide total.

The list continues, but these sectors clearly illustrate the net store loss experienced in many sectors of the retail trade. Each closure represents an individual business; though the length of time each was open differs, each represents a loss that is most likely life-changing to its owner and its employees. As noted above, actual closures are likely much higher; the figures above represent net closings after adjusting for openings.

In Clark County, the total number of retail establishments declined by 141 from the third quarter of 2008 to the end of 2009, a decline of 3.3 percent. Over the same time period, Washoe County lost a net 13 establishments, or 1.3 percent of stores countywide; however, it is noted that retail establishments in Washoe peaked in the second quarter of 2007 at 1,047; since then, the county has lost a net 33 establishments, or 3.2 percent of its retail outlets.

Percentage Decline in Number of Establishments Statewide

Selected Retail Sectors, Q3 2008 – Q4 2009



Source: Nevada Department of Employment, Training and Rehabilitation

About The Author

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