



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
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The “second” estimate for U.S. real gross domestic product (GDP) for the fourth quarter of 2017 grew at a 1.9 percent annualized rate, remaining unchanged from the “advance” estimate. According to more complete source data, consumer spending increased more strongly than previously thought, but increases in state and local government spending and nonresidential fixed investment did not rise as much as initially expected. U.S. nonfarm employment added a more-than-expected 235,000 jobs in February, while January job gains were revised up by 11,000. The unemployment rate edged down to 4.7 percent, and the labor participation rate rose for the third month in a row. January retail sales surged by 5.6 percent from last year, the largest year-over-year jump in five years, while auto sales in January decreased by 1.6 percent year-over-year. January housing starts posted a strong 10.5 percent gain compared to a year ago, and the housing price index continued its increase for 11 consecutive months. Consumer confidence for February decreased slightly from a month ago but still remained at a decade high. The Fed will probably raise its benchmark rate three times in 2017, as the most recent data signal a strengthened U.S. economy.

The Nevada economy posted strong economic activity based on the most recent data. Seasonally adjusted statewide employment gained 1,000 jobs in January. The annual benchmark revisions drove the monthly payrolls in 2016 upward by an average of 10,400 jobs. The unemployment rate fell to 5.1 percent, the lowest since December 2007. Gaming revenue in January climbed remarkably by 12.0 percent year-over-year with a strong pick-up in Clark County. Taxable sales and gasoline sales (in gallons) in December also experienced robust increases, up by 6.2 and 3.5 percent, respectively, from last year. Total air passengers climbed by 3.9 percent year-over-year.

The Clark County economy also exhibited highly favorable signals on its economic outlook. Seasonally adjusted employment added 4,400 jobs from November to December. The unemployment rate ticked down to 5.1 from 5.3 percent in December. December taxable sales and gasoline sales were up by 1.9 and 3.4 percent, respectively, from a year ago. The tourism sector benefited substantially from the

“Chinese New Year” effect. Visitor volume in January increased by a healthy 9.4 percent year-over-year, and total McCarran passengers in January rose by 3.5 percent over the same period. January gaming revenue recorded its highest value since February 2013, up by 14.3 percent from a year ago. Both table game win and slot machine revenue climbed substantially by 17.8 and 12.0 percent, respectively, year-over-year, while table game win without baccarat increased only slightly by 0.9 percent. Residential housing permits and commercial permits started the year on a strong positive note, increasing by 31.6 and 39.1 percent, respectively, from a year ago.

Washoe County experienced positive signals for its local economy as well. The Reno-Sparks seasonally adjusted employment lost 1,100 jobs in December, but was up by 3.3 percent from last year. The unemployment rate fell to 4.3 percent for the month, which is lower than the national average. Taxable sales in December increased substantially by 19.2 percent from a year ago, while gasoline sales rose by 4.6 percent during the same period. January gaming revenue fell by 7.0 percent from a year ago, while visitor volume increased strongly by 6.7 percent year-over-year. Finally, residential housing permits decreased by 3.3 percent from a year ago.

Stephen M. Miller, Director  
Jinju Lee, Economic Analyst  
UNLV Center for Business and Economic Research

The views expressed are those of the authors and do not necessarily represent those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.

	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
<b>Nevada</b>								
Employment	2017M01	000s, SA	1322.3	1321.3	1277.9	0.1%	3.5%	Up Over Year Ago
Unemployment Rate*	2016M12	%, SA	5.1	5.2	6.3	-0.1%	-1.2%	Reduced
Taxable Sales	2016M12	\$billion	5.443	4.450	5.124	22.3%	6.2%	Up Strongly
Gaming Revenue	2017M01	\$million	1036.27	956.17	925.07	8.4%	12.0%	Up Strongly
Air Passengers	2017M01	million persons	3.992	4.040	3.843	-1.2%	3.9%	Up Over Year Ago
Gasoline Sales	2016M12	million gallons	98.56	95.43	95.23	3.3%	3.5%	Up Over Year Ago
<b>Clark County</b>								
Employment	2016M12	000s, SA	947.9	943.5	923.6	0.5%	2.6%	Up Over Year Ago
Unemployment Rate*	2016M12	%, Smoothed SA	5.1	5.3	6.3	-0.2%	-1.2%	Reduced
Taxable Sales	2016M12	\$billion	3.873	3.278	3.802	18.2%	1.9%	Up Over Year Ago
Gaming Revenue	2017M01	\$million	926.17	827.79	810.29	11.9%	14.3%	Up Strongly
Residential Permits	2017M01	units permitted	970	1493	737	-35.0%	31.6%	Up Significantly From Year Ago
Commercial Permits	2017M01	permits	32	50	23	-36.0%	39.1%	Low and Volatile
Air Passengers	2017M01	million persons	3.676	3.707	3.552	-0.8%	3.5%	Up Over Year Ago
Gasoline Sales	2016M12	million gallons	68.25	65.86	66.00	3.6%	3.4%	Up Over Year Ago
Visitor Volume	2017M01	million persons	3.750	3.490	3.429	7.5%	9.4%	Up Over Year Ago
<b>Washoe County</b>								
Employment**	2016M12	000s, SA	221.3	222.4	214.2	-0.5%	3.3%	Up Over Year Ago
Unemployment Rate*	2016M12	%, Smoothed SA	4.3	4.6	5.7	-0.3%	-1.4%	Reduced
Taxable Sales	2016M12	\$billion	0.877	0.628	0.736	39.7%	19.2%	Up Strongly
Gaming Revenue	2017M01	\$million	54.64	68.97	58.77	-20.8%	-7.0%	Down Significantly
Residential Permits	2016M11	units permitted	289	427	299	-32.3%	-3.3%	Down From Year Ago
Commercial Permits	2016M10	permits	36	25	17	44.0%	111.8%	Low and Volatile
Air Passengers	2017M01	million persons	0.285	0.301	0.260	-5.3%	9.5%	Up Strongly From Year Ago
Gasoline Sales	2016M11	million gallons	14.05	14.48	13.44	-2.9%	4.6%	Up Over Year Ago
Visitor Volume	2017M01	million persons	0.338	0.386	0.316	-12.5%	6.7%	Up Over Year Ago
<b>United States</b>								
Employment	2017M02	million, SA	145.798	145.563	143.448	0.2%	1.6%	Up Over Year Ago
Unemployment Rate*	2017M02	%, SA	4.7	4.8	4.9	-0.1%	-0.2%	Recent Increase
Consumer Price Index	2017M01	82-84=100, SA	244.2	242.8	238.1	0.6%	2.5%	Up Over Year Ago
Core CPI	2017M01	82-84=100, SA	250.8	250.0	245.2	0.3%	2.3%	Up Over Year Ago
Employment Cost Index	2016Q4	05.12=100, SA	127.2	126.6	124.3	0.5%	2.3%	Up Over Year Ago
Productivity Index	2016Q4	2009=100, SA	107.4	106.9	106.1	0.5%	1.2%	Increased
Retail Sales	2017M01	\$billion, SA	472.1	470.5	447.3	0.4%	5.6%	Strong Year-Over-Year Increase
Auto and Truck Sales	2017M01	million, SA	17.48	18.32	17.76	-4.6%	-1.6%	Down From Year Ago
Housing Starts	2017M01	million, SA	1.246	1.279	1.128	-2.6%	10.5%	Strong Year-Over-Year Increase
Real GDP***	2016Q4	2009\$billion, SA	16804.1	16727.0	16490.7	1.9%	1.9%	Modest Growth
Dollar Exchange Rate	2017M02	97.01=100	125.819	127.618	123.847	-1.4%	1.6%	Up Over Year Ago
Trade Balance	2017M01	\$billion, SA	-48.492	-44.259	-43.356	9.6%	11.8%	Year-Over-Year Deficit Increase
S and P 500	2017M02	monthly close	2363.60	2278.90	1932.20	3.7%	22.3%	Up Strongly
Real Short-term Rate*	2017M02	%, NSA	-2.18	-2.09	-2.19	-0.1%	0.01%	Up Over Year Ago
Treasury Yield Spread*	2017M02	%, NSA	1.90	1.92	1.47	0.0%	0.4%	Up Over Year Ago

Note: NSA = Not Seasonally Adjusted, SA = Seasonally Adjusted

\*Growth data represent change in the percentage rate

\*\*Reflects the Reno-Sparks MSA which includes Washoe and Storey Counties

\*\*\*Recent growth is an annualized rate

Sources: Nevada Department of Taxation; Nevada Department of Employment, Training, and Rehabilitation; UNR Bureau of Business and Economic Research; UNLV Center for Business and Economic Research; McCarran International Airport; Reno/Tahoe International Airport; Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority; U.S. Department of Commerce; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Federal Reserve System.