



NEVADA BUSINESS CONDITIONS

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The “advance” estimate for U.S. real gross domestic product (GDP) for the first quarter of 2017 grew at a weaker-than-expected 0.7 percent annualized rate. The biggest positive contribution came from private domestic investment, while consumer spending posted the slowest growth since the end of the Great Recession based on incomplete data. Weak consumer spending, in spite of high consumer confidence, mainly reflected fewer auto sales, which most analysts believe to have already passed its peak. Personal consumption expenditure, business investment, residential investment, private inventory investment, and net exports contributed positively to growth; while private inventory investment and federal, state, and local government spending contributed negatively. U.S. nonfarm employment rebounded and added 211,000 jobs in April. The unemployment rate ticked down to 4.4 percent from March to April, which is the lowest level since early 2007. February retail sales continued a strong 5.2 percent year-over-year increase. March housing starts also increased markedly by 9.2 percent from a year ago; the seasonally adjusted housing price index continued a robust 5.7 percent year-over-year gain. The Federal Reserve decided to keep its benchmark rate unchanged in May, but hinted that they will probably raise the interest rate two additional times in 2017.

The Nevada economy posted generally positive economic activity based on the most recent data. Seasonally adjusted statewide employment lost 2,100 jobs in March, but rose by 38,500 jobs from a year ago. The unemployment rate fell to 4.8 percent, the lowest since October 2007. Taxable sales in February posted a robust 4.8 percent year-over-year increase, despite both a weak gain in Clark County and one less day in February 2017. The gain reflected a thousand-fold jump in sales in Storey County due to the operation of the Tesla Gigafactory, Switch, and many others at the Tahoe-Reno Industrial Center (TRIC). Gasoline sales (in gallons) fell by 4.7 percent during the same period. Gaming revenue and total air passengers in March increased by 7.4 and 4.0 percent, respectively, compared to last year.

The Clark County economy also exhibited generally positive signals on its economic outlook. Seasonally adjusted employment slightly increased by 0.01

percent from February to March, or only 100 jobs. The unemployment rate edged down to 4.9 from 5.0 percent in March. March visitor volume for Clark County was the second highest number after July 2016, up by 1.5 percent year-over-year, which is mainly boosted by a 13.3 percent yearly gain from the number of Las Vegas convention attendees. Total McCarran passengers in March climbed 3.2 percent compared to a year ago, and gaming revenue also exhibited a strong 7.6 percent rise during the same period. January taxable sales slightly rose by 0.9 percent year-over-year, while gasoline sales declined by 4.4 percent from last year. Residential housing permits and commercial permits in February decreased substantially by 58.2 and 32.6 percent, respectively, from last year.

Washoe County also experienced generally positive signals for its economy. The Reno-Sparks seasonally adjusted employment lost 400 jobs in March, but was up by 3.1 percent from last year. The unemployment rate fell to 4.0 percent for the month, the lowest level since early 2007. Taxable sales for Washoe and Storey Counties in February increased substantially by 24.5 percent from a year ago thanks to increased activity at TRIC. Gasoline sales, however, fell slightly by 0.4 percent during the same period. March gaming revenue and visitor volume rebounded and gained 8.1 and 4.6 percent, respectively, from last year. Residential housing permits in February posted a large 36.1 percent decrease compared to February 2016.

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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	
Nevada								
Employment	2017M03	000s, SA	1323.8	1325.9	1285.5	-0.2%	3.0%	Up Over Year Ago
Unemployment Rate*	2017M03	%, SA	4.8	4.9	6.0	-0.1%	-1.2%	Reduced
Taxable Sales	2017M02	\$billion	4.220	4.273	4.027	-1.2%	4.8%	Up Over Year Ago
Gaming Revenue	2017M03	\$million	991.02	945.27	922.33	4.8%	7.4%	Up Strongly From Year Ago
Air Passengers	2017M03	million persons	4.596	3.748	4.420	22.6%	4.0%	Up Over Year Ago
Gasoline Sales	2017M02	million gallons	86.70	93.55	90.95	-7.3%	-4.7%	Down From Year Ago
Clark County								
Employment	2017M03	000s, SA	968.3	968.2	939.0	0.01%	3.1%	Up Over Year Ago
Unemployment Rate*	2017M03	%, Smoothed SA	4.9	5.0	6.2	-0.1%	-1.3%	Reduced
Taxable Sales	2017M02	\$billion	3.032	3.185	3.005	-4.8%	0.9%	Up Over Year Ago
Gaming Revenue	2017M03	\$million	857.35	825.53	796.77	3.9%	7.6%	Up Strongly From Year Ago
Residential Permits	2017M02	units permitted	803	970	1923	-17.2%	-58.2%	Significant Decrease
Commercial Permits	2017M02	permits	29	32	43	-9.4%	-32.6%	Low and Volatile
Air Passengers	2017M03	million persons	4.206	3.432	4.074	22.5%	3.2%	Up Over Year Ago
Gasoline Sales	2017M02	million gallons	60.74	66.86	63.51	-9.2%	-4.4%	Down From Year Ago
Visitor Volume	2017M03	million persons	4.101	3.596	4.040	14.0%	1.5%	Up Over Year Ago
Washoe County								
Employment**	2017M03	000s, SA	224.5	224.9	217.7	-0.2%	3.1%	Up Over Year Ago
Unemployment Rate*	2017M03	%, Smoothed SA	4.0	4.2	5.4	-0.2%	-1.4%	Reduced
Taxable Sales**	2017M02	\$billion	0.757	0.669	0.608	13.2%	24.5%	Up Substantially From Year Ago
Gaming Revenue	2017M03	\$million	69.01	61.44	63.87	12.3%	8.1%	Up Strongly
Residential Permits	2017M02	units permitted	76	88	119	-13.6%	-36.1%	Down From Year Ago
Commercial Permits	2017M02	permits	14	13	11	7.7%	27.3%	Low and Volatile
Air Passengers	2017M03	million persons	0.354	0.286	0.312	23.5%	13.4%	Up Strongly
Gasoline Sales**	2017M02	million gallons	13.50	14.85	13.55	-9.1%	-0.4%	Down From Year Ago
Visitor Volume	2017M03	million persons	0.428	0.353	0.409	21.2%	4.6%	Up Over Year Ago
United States								
Employment	2017M04	million, SA	146.063	145.852	143.826	0.1%	1.6%	Up Over Year Ago
Unemployment Rate*	2017M04	%, SA	4.4	4.5	5.0	-0.1%	-0.6%	Reduced
Consumer Price Index	2017M03	82-84=100, SA	243.8	244.5	238.1	-0.3%	2.4%	Up Over Year Ago
Core CPI	2017M03	82-84=100, SA	251.0	251.3	246.1	-0.1%	2.0%	Up Over Year Ago
Employment Cost Index	2017Q1	05.12=100, SA	128.3	127.2	125.1	0.9%	2.6%	Increased
Productivity Index	2017Q1	2009=100, SA	107.1	107.5	106.0	-0.4%	1.0%	Up Over Year Ago
Retail Sales	2017M03	\$billion, SA	470.8	471.9	447.8	-0.2%	5.2%	Strong Year-Over-Year Increase
Auto and Truck Sales	2017M03	million, SA	16.53	17.48	16.58	-5.5%	-0.3%	Down From Year Ago
Housing Starts	2017M03	million, SA	1.215	1.303	1.113	-6.8%	9.2%	Strong Year-Over-Year Increase
Real GDP***	2017Q1	2009\$billion, SA	16842.4	16813.3	16525.0	0.7%	1.9%	Weak Growth
Dollar Exchange Rate	2017M04	97.01=100	124.349	125.259	119.425	-0.7%	4.1%	Up Over Year Ago
Trade Balance	2017M03	\$billion, SA	-43.706	-43.760	-37.259	-0.1%	17.3%	Year-Over-Year Deficit Increase
S and P 500	2017M04	monthly close	2384.20	2362.72	2065.30	0.91%	15.4%	Up Strongly From Year Ago
Real Short-term Rate*	2017M04	%, NSA	-1.70	-1.76	-2.57	0.1%	0.9%	Up Over Year Ago
Treasury Yield Spread*	2017M04	%, NSA	1.50	1.74	1.58	-0.2%	-0.1%	Down From 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.