The “third” estimate for U.S. real gross domestic product (GDP) for the first quarter of 2017 implied a 1.4 percent annualized rate of growth, 0.2 percentage point higher than the “second” estimate of 1.2 percent. The upward revision reflects larger-than-expected personal consumption expenditure and exports. The overall picture of economic growth remained the same as previously reported. That is, personal consumption expenditure, business investment, residential 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 by adding an impressive 222,000 jobs in June. Moreover, the previous two months of job gains were revised upward. The unemployment rate ticked up to 4.4 percent as the labor force participation rate rose slightly but still stayed at its 16-year low level. May retail sales experienced a slower 3.8 percent year-over-year increase, while auto and truck sales continued to decline compared to last year. Weak auto and truck sales could result in a less-than-expected GDP growth in 2017. May housing starts fell by 2.4 percent year-over-year, while the seasonally adjusted April housing price index rose by 5.5 percent from last year. The Federal Reserve (Fed) raised its benchmark interest rate by 0.25 percentage point to a range of 1.00 to 1.25 percent in June, and another hike will probably happen in December. In addition, the Fed announced that it will start to shrink its $4.5 trillion balance sheet this year, which could promote hikes in mid- and long-term interest rates.

The Nevada economy posted somewhat mixed signals in its economic activity based on the most recent data. Seasonally adjusted statewide employment lost 6,500 jobs in May, but climbed 2.7 percent from last year. The unemployment rate remained unchanged at 4.7 percent. Taxable sales in April experienced a robust 4.6 percent year-over-year increase. Nevada taxable sales have been boosted by the Reno-Tahoe Industrial Center in 2017. Moreover, legalized recreational marijuana sales will add additional gains to taxable sales going forward. April gasoline sales (in gallons) increased by 3.7 percent year-over-year. May gaming revenue and total air passengers rose by 3.5 and 1.6 percent, respectively, compared to a year earlier.

For Clark County, mixed signals also emerged with the latest data. Seasonally adjusted employment lost 1,300 jobs from April to May, mainly reflecting a 1,400 job reduction in the leisure and hospitality sector. The unemployment rate edged up to 5.0 percent, while average weekly earnings in May remained essentially unchanged, up by 0.04 percent. May visitor volume for Clark County experienced a weak 0.4 percent gain year-over-year, and total McCarran passengers rose by 1.4 percent during the same period. Clark County gaming revenue for May also climbed by 3.5 percent from last year. April taxable sales and gasoline sales gained 2.8 and 4.0 percent, respectively, year-over-year. Residential housing permits and commercial permits in February decreased substantially by 58.2 and 32.6 percent, respectively, from last year.

Washoe County experienced generally positive signals in its economic activity. The Reno-Sparks seasonally adjusted employment lost 1,000 jobs in May, but was up by 2.7 percent from last year. The unemployment rate rose from 3.8 in April to 4.1 percent in May. On the positive side, taxable sales for Washoe and Storey Counties in April increased strongly by 17.9 percent from last year, thanks to increased activity at the Tahoe-Reno Industrial Center. May gaming revenue remained relatively flat, up by 0.3 percent year-over-year, while visitor volume climbed 5.8 percent during the same period. May residential housing permits substantially exceeded their level from last year by 155.3 percent, which reflected a remarkable jump in multi-family units in Sparks and Reno.

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.
## BUSINESS CONDITIONS

### For the State of Nevada

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<thead>
<tr>
<th>Date</th>
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### Clark County

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### Washoe County

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### United States

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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.