



NEVADA BUSINESS CONDITIONS

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The “advance” estimate for U.S. real gross domestic product (GDP) for the third quarter of 2017 grew strongly at a 3.0 percent annualized rate. The main positive contributors of economic growth did not change from the last quarter. Consumer spending and business investment, including inventories, remain robust, and net exports and federal government spending further strengthened from their second quarter readings. Residential investment and state and local government spending, however, continued to contract. U.S. nonfarm employment rebounded by adding 261,000 jobs in October. Moreover, September employment revised up, which resulted in 18,000 new jobs instead of 33,000 job losses. The unemployment rate also dropped to a 17-year low of 4.1 percent. September retail sales growth accelerated to 4.4 percent year-over-year thanks to a strong rebound in auto and truck sales. September housing starts also increased robustly by 6.1 percent from a year ago, and housing prices in the U.S. continued to increase. The Federal Reserve kept the federal funds rate on hold at its October meeting, while a December hike is expected by most forecasters. The recent jump in consumer confidence also suggests that the economy will continue its expansion.

Nevada posted generally positive signals in its economic activity based on the most recent data. Seasonally adjusted statewide employment added a weak 200 jobs in September. The unemployment rate remained unchanged at 4.9 percent. Taxable sales in August climbed by 3.3 percent year-over-year, which is its slowest pace with the first yearly loss in Storey County in 2017. August gasoline sales (in gallons), however, increased at the fastest pace year-over-year in 2017, up by 5.3 percent. September gaming revenue rose by 3.3 percent from last year.

For Clark County, somewhat mixed signals emerged with the latest data. Seasonally adjusted employment lost 500 jobs from August to September. The unemployment rate, however, did not budge at 5.2 percent. September visitor volume for Clark County continued its year-over-year decrease, down by 2.2 percent, while total McCarran passengers increased slightly, up by 0.4 percent. September gaming revenue, however, increased by 2.8 percent from a year earlier. Clark County taxable sales for August climbed by 3.7 percent from a year ago, and

gasoline sales grew by 4.8 percent during the same period. June residential housing permits gained 11.0 percent year-over-year.

Washoe County also experienced mixed signals in its economic activity. The Reno-Sparks seasonally adjusted employment added 2,000 jobs and rose by 2.5 percent from last year. The unemployment rate ticked downward to 4.2 percent in September. Yearly growth in taxable sales for Washoe and Storey Counties for August decelerated to 1.8 percent due to a large loss in Storey County. September gaming revenue increased robustly by 8.1 percent year-over-year. Air passengers and visitor volume also gained 6.0 and 4.0 percent, respectively, during the same period. Residential housing permits in September decreased by 4.6 percent from last year, and commercial permits showed disappointing 6 units, which is its lowest value since December 2008.

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	
Nevada								
Employment	2017M09	000s, SA	1348.0	1347.8	1315.7	0.01%	2.5%	Increased
Unemployment Rate*	2017M09	%, SA	4.9	4.9	5.4	0.0%	-0.5%	Flat Month-Over-Month
Taxable Sales	2017M08	\$billion	4.774	4.697	4.619	1.6%	3.3%	Up Over Year Ago
Gaming Revenue	2017M09	\$million	979.86	989.51	948.99	-1.0%	3.3%	Up Over Year Ago
Air Passengers	2017M09	million persons	4.446	4.670	4.414	-4.8%	0.7%	Up Over Year Ago
Gasoline Sales	2017M08	million gallons	111.38	108.88	105.77	2.3%	5.3%	Up Over Year Ago
Clark County								
Employment	2017M09	000s, SA	981.4	981.9	959.8	-0.1%	2.3%	Up Over Year Ago
Unemployment Rate*	2017M09	%, Smoothed SA	5.2	5.2	5.5	0.0%	-0.3%	Flat Month-Over-Month
Taxable Sales	2017M08	\$billion	3.384	3.339	3.264	1.3%	3.7%	Up Over Year Ago
Gaming Revenue	2017M09	\$million	831.71	841.59	808.86	-1.2%	2.8%	Up Over Year Ago
Residential Permits	2017M06	units permitted	1399	1177	1260	18.9%	11.0%	Strong Increase
Commercial Permits	2017M02	permits	29	32	43	-9.4%	-32.6%	Low and Volatile
Air Passengers	2017M09	million persons	4.071	4.245	4.053	-4.1%	0.4%	Relatively Flat From Year Ago
Gasoline Sales	2017M08	million gallons	74.84	73.95	71.42	1.2%	4.8%	Up Over Year Ago
Visitor Volume	2017M09	million persons	3.830	3.839	3.915	-0.3%	-2.2%	Decreased
Washoe County								
Employment**	2017M09	000s, SA	228.4	226.4	222.9	0.9%	2.5%	Up Over Year Ago
Unemployment Rate*	2017M09	%, Smoothed SA	4.2	4.3	4.8	-0.1%	-0.6%	Reduced
Taxable Sales**	2017M08	\$billion	0.852	0.794	0.837	7.4%	1.8%	Up Over Year Ago
Gaming Revenue	2017M09	\$million	80.04	77.25	74.02	3.6%	8.1%	Up Over Year Ago
Residential Permits	2017M09	units permitted	271	461	284	-41.2%	-4.6%	Down From Year Ago
Commercial Permits	2017M09	permits	6	37	25	-83.8%	-76.0%	Low and Volatile
Air Passengers	2017M09	million persons	0.345	0.393	0.326	-12.2%	6.0%	Up Over Year Ago
Gasoline Sales**	2017M08	million gallons	16.91	16.18	16.25	4.5%	4.0%	Up Over Year Ago
Visitor Volume	2017M09	million persons	0.493	0.510	0.474	-3.5%	4.0%	Up Over Year Ago
United States								
Employment	2017M10	million, SA	147.010	146.749	145.006	0.2%	1.4%	Up Over Year Ago
Unemployment Rate*	2017M10	%, SA	4.1	4.2	4.8	-0.1%	-0.7%	Reduced
Consumer Price Index	2017M09	82-84=100, SA	246.4	245.0	241.0	0.5%	2.2%	Up Over Year Ago
Core CPI	2017M09	82-84=100, SA	252.9	252.5	248.6	0.1%	1.7%	Up Over Year Ago
Employment Cost Index	2017Q3	05.12=100, SA	129.9	129.0	126.6	0.7%	2.6%	Up Over Year Ago
Productivity Index	2017Q3	2009=100, SA	108.8	107.9	107.2	0.9%	1.5%	Up Over Year Ago
Retail Sales	2017M09	\$billion, SA	483.9	476.5	463.3	1.6%	4.4%	Robust Increase
Auto and Truck Sales	2017M10	million, SA	18.00	18.47	17.80	-2.6%	1.1%	Up Over Year Ago
Housing Starts	2017M09	million, SA	1.127	1.183	1.062	-4.7%	6.1%	Up Over Year Ago
Real GDP***	2017Q3	2009\$billion, SA	17156.9	17031.1	16778.1	3.0%	2.3%	Robust Growth
Dollar Exchange Rate	2017M10	97.01=100	120.237	118.132	122.909	1.8%	-2.2%	Down From Year Ago
Trade Balance	2017M09	\$billion, SA	-43.495	-42.765	-38.466	1.7%	13.1%	Year-Over-Year Deficit Increase
S and P 500	2017M10	monthly close	2575.26	2519.36	2126.15	2.2%	21.1%	Up Strongly From Year Ago
Real Short-term Rate*	2017M10	%, NSA	-1.33	-1.67	-2.07	0.3%	0.7%	Up Over Year Ago
Treasury Yield Spread*	2017M10	%, NSA	1.29	1.17	1.43	0.1%	-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.