



NEVADA BUSINESS CONDITIONS

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The “second” estimate for U.S. real gross domestic product (GDP) for the third quarter of 2017 posted the strongest growth in three years, expanding at a 3.3 percent annualized rate. The upward revision of 0.3 percent from the first estimate of 3.0 percent reflected stronger-than-expected business investment, especially inventories. A smaller loss in state and local government spending also contributed to the upward revision. The main positive contributors of economic growth remained the same from the previous estimate. U.S. nonfarm employment exhibited a larger-than-expected gain by adding 228,000 jobs in November. The unemployment rate, however, did not budge at 4.1 percent, a 17-year low level. October retail sales continued a robust pattern of year-over-year growth, up by 4.6 percent, probably reflecting growing consumer confidence. October housing starts fell by 2.9 percent compared to a year ago due to a yearly loss in multi-family units, while seasonally adjusted housing prices in the U.S. continued to rise. The Federal Reserve will likely increase the federal funds rate at its December meeting and then three times in 2018, but the expected tax reform could spur more aggressive monetary policies to prevent the economy from overheating. Overall, the U.S. economy should continue to expand in 2018, boosted by high consumer and business confidence and favorable fiscal policies.

Nevada posted generally positive signals in economic activity based on the most recent data. Seasonally adjusted statewide employment added 2,800 new jobs in October. The unemployment rate, however, edged up to 5.0 percent. Taxable sales in September rose by 4.0 percent year-over-year, and gasoline sales (in gallons) also were up by 2.2 percent during the same period. October gaming revenue experienced a weak 0.3 percent gain year-over-year.

For Clark County, somewhat mixed signals emerged with the latest data. Seasonally adjusted employment added 2,600 jobs from September to October. The unemployment rate, however, remained unchanged at 5.2 percent. October visitor volume for Clark County continued its year-over-year contraction, down by 3.9 percent largely due to trip cancellations and postponements caused by the tragedy of the October shooting, while total McCarran Airport passengers climbed by 1.4 percent. October gaming revenue also decreased slightly by 0.3 percent compared to last year as a result of a large 6.1 percent dip on the Las

Vegas Strip. Clark County taxable sales and gasoline sales for September grew by 2.2 and 2.3 percent, respectively, from a year ago. June residential housing permits gained 11.0 percent year-over-year.

Washoe County also experienced favorable signals in economic activity. The Reno-Sparks seasonally adjusted employment added 200 jobs and rose by 1.5 percent from last year. The unemployment rate ticked up to 4.3 percent in October. September taxable sales for Washoe and Storey Counties increased by 12.7 percent year-over-year. October gaming revenue and visitor volume experienced gains, up by 3.3 and 6.1 percent, respectively, from a year ago. Total air passengers also gained 10.5 percent during the same period. Residential housing permits in September decreased by 4.6 percent from last year. September commercial permits declined by three units compared to last year.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2017M10	000s, SA	1351.9	1349.1	1315.3	0.2%	2.8%	Up Over Year Ago
Unemployment Rate*	2017M10	%, SA	5.0	4.9	5.3	0.1%	-0.3%	Recent Increase
Taxable Sales	2017M09	\$billion	4.949	4.774	4.759	3.7%	4.0%	Up Over Year Ago
Gaming Revenue	2017M10	\$million	988.74	979.86	986.08	0.9%	0.3%	Up Over Year Ago
Air Passengers	2017M10	million persons	4.707	4.446	4.620	5.9%	1.9%	Up Over Year Ago
Gasoline Sales	2017M09	million gallons	102.58	111.38	100.40	-7.9%	2.2%	Up Over Year Ago
Clark County								
Employment	2017M10	000s, SA	985.3	982.7	961.1	0.3%	2.5%	Up Over Year Ago
Unemployment Rate*	2017M10	%, Smoothed SA	5.2	5.2	5.4	0.0%	-0.2%	Flat Month-Over-Month
Taxable Sales	2017M09	\$billion	3.540	3.384	3.463	4.6%	2.2%	Up Over Year Ago
Gaming Revenue	2017M10	\$million	854.29	831.71	856.93	2.7%	-0.3%	Down From 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	2017M10	million persons	4.339	4.071	4.278	6.6%	1.4%	Up Over Year Ago
Gasoline Sales	2017M09	million gallons	69.68	74.84	68.11	-6.9%	2.3%	Up Over Year Ago
Visitor Volume	2017M10	million persons	3.896	3.830	4.054	1.7%	-3.9%	Down From Year Ago
Washoe County								
Employment**	2017M10	000s, SA	228.2	228.0	224.9	0.1%	1.5%	Up Over Year Ago
Unemployment Rate*	2017M10	%, Smoothed SA	4.3	4.2	4.7	0.1%	-0.4%	Recent Increase
Taxable Sales**	2017M09	\$billion	0.869	0.852	0.771	1.9%	12.7%	Up Over Year Ago
Gaming Revenue	2017M10	\$million	71.84	80.04	69.57	-10.3%	3.3%	Up Over Year Ago
Residential Permits	2017M09	units permitted	271	461	284	-41.2%	-4.6%	Down From Year Ago
Commercial Permits	2017M09	permits	22	37	25	-40.5%	-12.0%	Low and Volatile
Air Passengers	2017M10	million persons	0.336	0.345	0.304	-2.6%	10.5%	Up Over Year Ago
Gasoline Sales**	2017M09	million gallons	15.39	16.91	15.26	-9.0%	0.9%	Up Over Year Ago
Visitor Volume	2017M10	million persons	0.429	0.493	0.404	-12.9%	6.1%	Up Over Year Ago
United States								
Employment	2017M11	million, SA	147.241	147.013	145.170	0.2%	1.4%	Up Over Year Ago
Unemployment Rate*	2017M11	%, SA	4.1	4.1	4.6	0.0%	-0.5%	Flat Month-Over-Month
Consumer Price Index	2017M10	82-84=100, SA	246.6	246.4	241.7	0.1%	2.0%	Up Over Year Ago
Core CPI	2017M10	82-84=100, SA	253.4	252.9	249.0	0.2%	1.8%	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	2017M10	\$billion, SA	486.6	485.4	465.4	0.2%	4.6%	Up Over Year Ago
Auto and Truck Sales	2017M11	million, SA	17.35	18.01	17.56	-3.7%	-1.2%	Down From Year Ago
Housing Starts	2017M10	million, SA	1.290	1.135	1.328	13.7%	-2.9%	Down From Year Ago
Real GDP***	2017Q3	2009\$billion, SA	17169.7	17031.1	16778.1	3.3%	2.3%	Strong Growth
Dollar Exchange Rate	2017M11	97.01=100	120.504	120.050	125.581	0.4%	-4.0%	Down From Year Ago
Trade Balance	2017M10	\$billion, SA	-48.731	-44.890	-43.069	8.6%	13.1%	Year-Over-Year Deficit Increase
S and P 500	2017M11	monthly close	2647.58	2575.26	2198.81	2.8%	20.4%	Up Strongly From Year Ago
Real Short-term Rate*	2017M11	%, NSA	-1.27	-1.33	-1.95	0.1%	0.7%	Increased
Treasury Yield Spread*	2017M11	%, NSA	1.12	1.29	1.69	-0.2%	-0.6%	Narrowed

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.