



NEVADA BUSINESS CONDITIONS

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The “second” estimate for U.S. real gross domestic product (GDP) for the first quarter of 2017 grew at a 1.2 percent annualized rate, a half percentage point higher than the “first” estimate. The upward revision reflects larger gains in nonresidential fixed investment and personal consumption expenditure and smaller losses in state and local government spending. Consumer spending posted the slowest growth since 2010 despite its upward revision. The overall picture of economic growth remains the same: 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 added a lower-than-expected 138,000 jobs in May, and the job gain in April was revised downward to 174,000 from 211,000. The unemployment rate ticked down in May to 4.3 percent, the lowest level since 2001. But, the drop partly reflected a lower labor force participation rate. April retail sales posted a robust 4.5 percent year-over-year increase. April housing starts showed a weak 0.7 percent gain year-over-year, while the seasonally adjusted housing price index rose by 5.7 percent in March from a year ago. The Federal Open Market Committee hinted that they will probably raise the interest rate a total of three times in 2017.

The Nevada economy posted positive signals in its economic activity based on the most recent data. Seasonally adjusted statewide employment added 11,300 jobs in April, the largest gain since July 2016. The unemployment rate ticked down to 4.7 percent, the lowest since September 2007. Taxable sales in March posted a substantial 15.0 percent year-over-year increase thanks to strong gains in Clark and Storey Counties. Remarkable yearly taxable sales growth in Storey County will continue as Tesla started its Gigafactory’s operation this year. March gasoline sales (in gallons) increased strongly by 4.3 percent year-over-year. Gaming revenue and total air passengers in April increased by 1.2 and 3.8 percent, respectively, compared to last year.

The Clark County economy also exhibited generally positive signals in its economic activity. Seasonally adjusted employment gained 7,500 jobs from March to

April. The unemployment rate remained unchanged at 4.9 percent due to an increase in the civilian labor force. April visitor volume for Clark County decreased slightly by 0.05 percent from a year ago due to a large 14.4 percent loss in Las Vegas convention attendees. Total McCarran passengers climbed by 3.8 percent during the same period. April Clark County gaming revenue rose by 1.4 percent compared to last year, while Las Vegas Strip gaming revenue decreased by 3.3 percent. March taxable sales and gasoline sales rose strongly by 9.8 and 5.0 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 also experienced mostly positive signals in its economy activity. The Reno-Sparks seasonally adjusted employment added 600 jobs in April, and was up by 3.1 percent from last year. The unemployment rate fell to 3.8 percent for the month, which is lower than the national average. Taxable sales for Washoe and Storey Counties in March increased substantially by 49.0 percent from a year ago thanks to increased activity at the Tahoe-Reno Industrial Center. Gasoline sales also climbed strongly by 5.9 percent during the same period. April gaming revenue contracted by 3.1 percent from last year, while visitor volume gained 4.5 percent year-over-year. Residential housing permits in March posted a large 54.6 percent rise compared to a year ago, which mainly reflected an increase in multi-family units in Sparks.

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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	2017M04	000s, SA	1337.0	1325.7	1290.8	0.9%	3.6%	Up Over Year Ago
Unemployment Rate*	2017M04	%, SA	4.7	4.8	5.9	-0.1%	-1.2%	Reduced
Taxable Sales	2017M03	\$billion	5.394	4.220	4.691	27.8%	15.0%	Significant Increase
Gaming Revenue	2017M04	\$million	886.53	991.02	876.14	-10.5%	1.2%	Up Over Year Ago
Air Passengers	2017M04	million persons	4.380	4.575	4.220	-4.3%	3.8%	Up Over Year Ago
Gasoline Sales	2017M03	million gallons	103.24	86.70	99.00	19.1%	4.3%	Up Strongly
Clark County								
Employment	2017M04	000s, SA	975.3	967.8	943.2	0.8%	3.4%	Up Over Year Ago
Unemployment Rate*	2017M04	%, Smoothed SA	4.9	4.9	6.1	0.0%	-1.2%	Reduced
Taxable Sales	2017M03	\$billion	3.851	3.032	3.508	27.0%	9.8%	Up Strongly
Gaming Revenue	2017M04	\$million	763.20	857.35	752.88	-11.0%	1.4%	Up Over 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	2017M04	million persons	4.062	4.206	3.912	-3.4%	3.8%	Up Over Year Ago
Gasoline Sales	2017M03	million gallons	72.38	60.74	68.91	19.2%	5.0%	Up Strongly
Visitor Volume	2017M04	million persons	3.839	4.101	3.841	-6.4%	-0.05%	Down Slightly From Year Ago
Washoe County								
Employment**	2017M04	000s, SA	225.1	224.5	218.4	0.3%	3.1%	Up Over Year Ago
Unemployment Rate*	2017M04	%, Smoothed SA	3.8	4.0	5.2	-0.2%	-1.4%	Reduced
Taxable Sales**	2017M03	\$billion	0.990	0.757	0.664	30.7%	49.0%	Up Substantially
Gaming Revenue	2017M04	\$million	64.19	69.01	66.25	-7.0%	-3.1%	Down From Year Ago
Residential Permits	2017M04	units permitted	487	503	315	-3.2%	54.6%	Up Significantly From Year Ago
Commercial Permits	2017M04	permits	32	32	30	0.0%	6.7%	Low and Volatile
Air Passengers	2017M04	million persons	0.302	0.354	0.274	-14.6%	10.4%	Up Strongly From Year Ago
Gasoline Sales**	2017M03	million gallons	14.86	13.18	14.03	12.7%	5.9%	Up Over Year Ago
Visitor Volume	2017M04	million persons	0.411	0.428	0.394	-3.9%	4.5%	Up Over Year Ago
United States								
Employment	2017M05	million, SA	146.135	145.997	143.869	0.1%	1.6%	Up Over Year Ago
Unemployment Rate*	2017M05	%, SA	4.3	4.4	4.7	-0.1%	-0.4%	Reduced
Consumer Price Index	2017M04	82-84=100, SA	244.2	243.8	238.9	0.2%	2.2%	Up Over Year Ago
Core CPI	2017M04	82-84=100, SA	251.2	251.0	246.5	0.1%	1.9%	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	2017M04	\$billion, SA	474.9	473.1	454.7	0.4%	4.5%	Strong Year-Over-Year Increase
Auto and Truck Sales	2017M04	million, SA	16.81	16.52	17.34	1.8%	-3.1%	Down From Year Ago
Housing Starts	2017M04	million, SA	1.172	1.203	1.164	-2.6%	0.7%	Up Over Year Ago
Real GDP***	2017Q1	2009\$billion, SA	16861.6	16813.3	16525.0	1.2%	2.0%	Weak Growth
Dollar Exchange Rate	2017M05	97.01=100	124.234	124.349	120.684	-0.1%	2.9%	Up Over Year Ago
Trade Balance	2017M04	\$billion, SA	-47.617	-45.283	-38.422	5.2%	23.9%	Year-Over-Year Deficit Increase
S and P 500	2017M05	monthly close	2411.80	2384.20	2096.96	1.2%	15.0%	Up Strongly From Year Ago
Real Short-term Rate*	2017M05	%, NSA	-1.71	-1.70	-2.13	-0.01%	0.4%	Up Over Year Ago
Treasury Yield Spread*	2017M05	%, NSA	1.41	1.50	1.54	-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.