



NEVADA BUSINESS CONDITIONS

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The “second” estimate for U.S. real gross domestic product (GDP) for the second quarter of 2017 rebounded robustly, increasing at a 3.0 percent annualized rate, which is 0.4 percentage point higher than the “advance” estimate. The upward revision reflected stronger-than-expected consumer spending and business investment, which were partly offset by a larger drop in state and local government spending. The overall picture of economic growth based on more complete data has not changed. That is, personal consumption expenditures, nonresidential fixed investment, federal government spending, and net exports contributed positively to growth; while private residential fixed investment, private inventory investment, and state and local government spending contributed negatively. U.S. nonfarm employment gained a weaker-than-expected 156,000 jobs in August. In addition, the employment change for the previous two months was revised downward by a total of 41,000 jobs. The unemployment rate edged up to 4.4 percent. July retail sales increased robustly by 4.2 percent year-over-year, and consumer confidence remained optimistic. Auto and truck sales continued to decline compared to last year. July housing starts declined by 5.6 percent from a year ago, while the June housing price index continued to gain due to tight supply. The Federal Reserve will probably raise the interest rate once more in 2017 and will start to reduce its \$4.5 trillion balance sheet this year in October, which could promote hikes in mid- and long-term interest rates.

Nevada posted generally positive signals in its economic activity based on the most recent data. Seasonally adjusted statewide employment gained 5,300 jobs in July. The professional and business services sector created the highest number of jobs, up by 2,700. The unemployment rate, however, ticked up to 4.8 percent. Taxable sales in June experienced a robust 4.9 percent year-over-year growth, significantly spurred by the Reno-Tahoe Industrial Center (TRIC). Legalized recreational marijuana sales are expected to bring additional gains to taxable sales going forward. June gasoline sales (in gallons) climbed by 3.1 percent year-over-year. July gaming revenue decreased by 1.7 percent, which mainly reflected a yearly loss in Clark County, while total air passengers rose by 4.1 percent compared to a year ago.

For Clark County, somewhat muted positive signals emerged with the latest data. Seasonally adjusted

employment added 2,000 jobs from June to July. The unemployment rate rose to 5.1 percent due to an increase in the labor force. July visitor volume for Clark County continued its yearly loss, decreasing by 0.7 percent. July gaming revenue also declined by 2.2 percent year-over-year due to a large slip in baccarat win. Total McCarran passengers and the Las Vegas hotel/motel occupancy rate, nevertheless, increased by 3.8 and 0.8 percent, respectively, from a year ago. Clark County taxable sales for June remained relatively flat, up by 0.3 percent from last year, while gasoline sales were up by 3.3 percent during the same period. June residential housing permits gained 11.0 percent year-over-year.

Washoe County experienced highly positive signals in its economic activity. Although the Reno-Sparks seasonally adjusted employment lost 100 jobs in July, it was up by 2.2 percent from last year. The unemployment rate was up to 4.2 percent in July. Taxable sales for Washoe and Storey Counties in June continued to experience a substantial 23.7 percent year-over-year gain, thanks to increased activity at TRIC. July gaming revenue and air passengers climbed by 2.3 and 12.3 percent, respectively, year-over-year. Residential housing permits in July rose slightly by 0.9 percent from last year.

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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	2017M07	000s, SA	1342.7	1337.4	1307.0	0.4%	2.7%	Up Over Year Ago
Unemployment Rate*	2017M07	%, SA	4.8	4.7	5.6	0.1%	-0.8%	Down From Year Ago
Taxable Sales	2017M06	\$billion	5.110	4.820	4.873	6.0%	4.9%	Increased
Gaming Revenue	2017M07	\$million	997.97	895.71	1015.45	11.4%	-1.7%	Down From Year Ago
Air Passengers	2017M07	million persons	4.743	4.581	4.557	3.5%	4.1%	Up Over Year Ago
Gasoline Sales	2017M06	million gallons	105.47	104.54	102.30	0.9%	3.1%	Up Over Year Ago
Clark County								
Employment	2017M07	000s, SA	977.1	975.1	953.7	0.2%	2.5%	Up Over Year Ago
Unemployment Rate*	2017M07	%, Smoothed SA	5.1	5.0	5.8	0.1%	-0.7%	Down From Year Ago
Taxable Sales	2017M06	\$billion	3.613	3.470	3.601	4.1%	0.3%	Relatively Flat Year-Over-Year
Gaming Revenue	2017M07	\$million	848.56	764.32	867.76	11.0%	-2.2%	Down From Year Ago
Residential Permits	2017M06	units permitted	1399	1177	1260	18.9%	11.0%	Up Over Year Ago
Commercial Permits	2017M02	permits	29	32	43	-9.4%	-32.6%	Low and Volatile
Air Passengers	2017M07	million persons	4.326	4.198	4.168	3.1%	3.8%	Up Over Year Ago
Gasoline Sales	2017M06	million gallons	72.00	71.94	69.67	0.1%	3.3%	Up Over Year Ago
Visitor Volume	2017M07	million persons	4.109	3.895	4.136	5.5%	-0.7%	Down From Year Ago
Washoe County								
Employment**	2017M07	000s, SA	225.9	226.0	221.0	-0.04%	2.2%	Up Over Year Ago
Unemployment Rate*	2017M07	%, Smoothed SA	4.2	4.0	5.0	0.2%	-0.8%	Down From Year Ago
Taxable Sales**	2017M06	\$billion	0.919	0.818	0.743	12.3%	23.7%	Up Strongly
Gaming Revenue	2017M07	\$million	77.86	67.10	76.13	16.0%	2.3%	Up Over Year Ago
Residential Permits	2017M07	units permitted	574	488	569	17.6%	0.9%	Up Over Year Ago
Commercial Permits	2017M07	permits	52	31	46	67.7%	13.0%	Low and Volatile
Air Passengers	2017M07	million persons	0.401	0.368	0.357	9.0%	12.3%	Up Over Year Ago
Gasoline Sales**	2017M06	million gallons	15.53	15.45	15.00	0.5%	3.6%	Up Over Year Ago
Visitor Volume	2017M07	million persons	0.515	0.484	0.476	6.6%	8.3%	Up Over Year Ago
United States								
Employment	2017M08	million, SA	146.730	146.574	144.633	0.1%	1.4%	Up Over Year Ago
Unemployment Rate*	2017M08	%, SA	4.4	4.3	4.9	0.1%	-0.5%	Down From Year Ago
Consumer Price Index	2017M07	82-84=100, SA	244.0	243.8	239.9	0.1%	1.7%	Up Over Year Ago
Core CPI	2017M07	82-84=100, SA	251.9	251.6	247.7	0.1%	1.7%	Up Over Year Ago
Employment Cost Index	2017Q2	05.12=100, SA	129.0	128.3	126.0	0.5%	2.4%	Increased
Productivity Index	2017Q2	2009=100, SA	107.7	107.5	106.5	0.2%	1.1%	Up Over Year Ago
Retail Sales	2017M07	\$billion, SA	478.9	476.0	459.5	0.6%	4.2%	Up Over Year Ago
Auto and Truck Sales	2017M07	million, SA	16.69	16.59	17.75	0.6%	-6.0%	Down From Year Ago
Housing Starts	2017M07	million, SA	1.155	1.213	1.223	-4.8%	-5.6%	Decreased
Real GDP***	2017Q2	2009\$billion, SA	17030.0	16903.2	16663.5	3.0%	2.2%	Strong Rebound
Dollar Exchange Rate	2017M08	97.01=100	119.446	120.667	120.847	-1.0%	-1.2%	Down From Year Ago
Trade Balance	2017M07	\$billion, SA	-43.689	-43.543	-41.294	0.3%	5.8%	Year-Over-Year Deficit Increase
S and P 500	2017M08	monthly close	2471.65	2470.30	2170.95	0.1%	13.9%	Up Strongly From Year Ago
Real Short-term Rate*	2017M08	%, NSA	-1.59	-1.53	-2.2	-0.06%	0.6%	Up Over Year Ago
Treasury Yield Spread*	2017M08	%, NSA	1.20	1.25	1.26	-0.05%	-0.06%	Slight Decrease

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.