

Nevada Economic Conditions

June 10, 2015

The “second” estimate for first quarter 2015 shows U.S. real gross domestic product decreasing at an annualized rate of 0.7 percent, lower than the 0.2 percent growth previously reported in the “advance” estimate. The revision consisted of a smaller increase in personal consumption spending and inventory investment and a larger decrease in net exports from fourth quarter 2014 to first quarter 2015. Personal consumption expenditures, federal government spending, changes in private inventories, and residential investment made positive contributions. Nonresidential fixed investment, net exports, and state and local government spending made negative contributions. U.S. nonfarm employment experienced gains in May, adding 280,000 jobs over April. The unemployment rate rose from 5.4 percent to 5.5 percent. Housing starts were up strongly, and housing prices experienced a slight increase. Auto/truck sales and retail sales remained above their level from last year. Consumer confidence rose while consumer sentiment fell for the most recent data. The Kansas City Financial Stress Index remained near its long-run average in April, which suggests no financial headwinds. In addition, while oil prices have experienced recent increases, they remain at their lowest levels since the Great Recession.

The Nevada economy evidenced mostly positive signals with the most recent data. Seasonally adjusted, statewide employment increased by 12,800 jobs from March to April, and it was up 3.4 percent year-over-year. The Nevada unemployment rate remained constant at 7.1 percent. Taxable sales continued to show year-over-year growth, up 2.6 percent. Total air passengers were up 1.6 percent over the same time period. Gaming revenue experienced gains for the month but was down 3.1 percent from March 2014.

For Clark County, seasonally adjusted employment rose from March to April by 7,600 jobs and was up 3.2 percent year-over-year. The Las Vegas unemployment rate remained constant at 7.0 percent. Total passengers at McCarran Airport were up 1.8 percent from a year earlier. March visitor volume was down 2.5 percent from a year ago. Gaming revenue was 4.0 percent lower than in March 2014, the result of a decrease in baccarat play. Clark County’s taxable sales for March were 2.0 percent above those of a year earlier. Residential construction permits decreased from March to April. Commercial construction permits remained at a low level.

The most recent data also show mostly positive signals for Washoe County. Seasonally adjusted, Reno-Sparks’ employment increased from March to April by 1,400 jobs and was up over a year ago, by 3.4 percent. The seasonally adjusted Reno-Sparks unemployment rate fell from 6.6 percent to 6.5 percent. Compared to a year earlier, March visitor volume was down 1.2 percent. Total air passengers were down 0.2 percent from March 2014. Gaming revenues for March were up 6.5 percent from a year earlier. Residential construction increased from March to April, while commercial construction permits remained low.

The U.S. economy contracted during the first quarter of 2015, marking the second straight year with a first quarter decline. In 2014, U.S. real gross domestic product fell by a 2.1 percent annualized rate. Consumer spending remains strong, although some aspects of the housing market are no longer improving. In Clark County, tourism remains fairly robust, and taxable sales continue to make gains. Nevada’s employment is also showing stable growth.

Ryan T. Kennelly, Economic Analyst
Jinju Lee, Graduate Assistant

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Nevada	Date	Units	Data		Growth			Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2015M04	000s, SA	1248.9	1236.1	1207.5	1.0%	3.4%	Up Over Year Ago
Unemployment Rate*	2015M04	%, SA	7.1	7.1	8.1	0.0%	-1.0%	Down From Year Ago
Taxable Sales	2015M03	\$billion	4.549	3.832	4.432	18.7%	2.6%	Up Over Year Ago
Gaming Revenue	2015M03	\$million	951.25	916.09	982.17	3.8%	-3.1%	Down From Year Ago
Air Passengers	2015M03	million persons	4.182	3.426	4.115	22.1%	1.6%	Up Over Year Ago
Gasoline Sales	2015M02	million gallons	84.38	91.73	81.27	-8.0%	3.8%	Up Over Year Ago
Clark County			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2015M04	000s, SA	904.9	897.3	877.0	0.8%	3.2%	Up Over Year Ago
Unemployment Rate*	2014M12	%, Smoothed SA	7.0	7.0	9.2	0.0%	-2.2%	Down From Year Ago
Taxable Sales	2015M03	\$billion	3.411	2.899	3.343	17.7%	2.0%	Up Over Year Ago
Gaming Revenue	2015M03	\$million	826.41	796.87	860.45	3.7%	-4.0%	Down From Year Ago
Residential Permits	2015M04	units permitted	786	893	905	-12.0%	-13.1%	Down From Year Ago
Commercial Permits	2015M04	permits	29	25	31	16.0%	-6.5%	Low and Volatile
Air Passengers	2015M03	million persons	3.851	3.154	3.784	22.1%	1.8%	Up Over Year Ago
Gasoline Sales	2015M02	million gallons	58.68	64.00	57.11	-8.3%	2.7%	Up Over Year Ago
Visitor Volume	2015M03	million persons	3.921	3.410	4.023	15.0%	-2.5%	Down From Year Ago
Washoe County			Latest	Previous	Year Ago	Recent	Year Ago	
Employment**	2015M04	000s, SA	208.4	207.0	201.5	0.7%	3.4%	Up Over Year Ago
Unemployment Rate*	2014M12	%, Smoothed SA	6.5	6.6	8.6	-0.1%	-2.1%	Reduced
Taxable Sales	2015M03	\$billion	0.610	0.489	0.556	24.6%	9.8%	Up Over Year Ago
Gaming Revenue	2015M03	\$million	64.00	60.67	60.07	5.5%	6.5%	Up Over Year Ago
Residential Permits	2015M04	units permitted	287	250	169	14.8%	69.8%	Up Over Year Ago
Commercial Permits	2015M04	permits	21	20	25	5.0%	-16.0%	Low and Volatile
Air Passengers	2015M03	million persons	0.277	0.228	0.278	21.6%	-0.2%	Down From Year Ago
Gasoline Sales	2015M02	million gallons	12.72	13.79	12.27	-7.8%	3.7%	Up Over Year Ago
Visitor Volume	2015M03	million persons	0.373	0.334	0.377	11.7%	-1.2%	Down From Year Ago
United States			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2015M05	million, SA	141.679	141.399	138.621	0.2%	2.2%	Up Over Year Ago
Unemployment Rate*	2015M05	%, SA	5.5	5.4	6.3	0.1%	-0.8%	Down From Year Ago
Consumer Price Index	2015M04	82-84=100, SA	236.0	235.7	236.2	0.1%	-0.1%	Down From Year Ago
Core CPI	2015M04	82-84=100, SA	241.4	240.8	237.1	0.3%	1.8%	Up Moderately
Employment Cost Index	2015Q1	89.06=100, SA	122.6	121.7	119.4	0.7%	2.7%	Up Over Year Ago
Productivity Index	2015Q1	2005=100, SA	105.3	106.2	105.1	-0.8%	0.2%	Relatively Constant
Retail Sales	2015M04	\$billion, SA	436.8	436.8	433.0	0.0%	0.9%	Up Over Year Ago
Auto and Truck Sales	2015M05	million, SA	17.71	16.46	16.67	7.6%	6.3%	Up Over Year Ago
Housing Starts	2015M04	million, SA	1.135	0.944	1.039	20.2%	9.2%	Up Strongly
Real GDP***	2015Q1	2009\$billion, SA	16,264.1	16,294.7	15,831.7	-0.7%	2.7%	Recent Decrease
Dollar Exchange Rate	2015M05	97.01=100	114.228	115.076	102.227	-0.7%	11.7%	Up Strongly
Trade Balance	2015M04	\$billion, SA	-40.879	-50.566	-44.271	-19.2%	-7.7%	Year-Over-Year Deficit Decrease
S and P 500	2015M05	monthly close	2116.10	2085.51	1923.57	1.5%	10.0%	Up Strongly
Real Short-term Rate*	2015M04	%, NSA	-2.58	-2.97	-3.17	0.39%	0.59%	Year-Over-Year Increase
Treasury Yield Spread*	2015M05	%, NSA	2.18	1.92	2.53	0.26%	-0.35%	Down From Year Ago

*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.

Note: NSA = Not Seasonally Adjusted, SA = Seasonally Adjusted