



Nevada Economic Conditions

May 11, 2012

U.S. real GDP grew at an annualized rate of 2.2 percent during first quarter 2012, representing a substantial slowing from the fourth-quarter rate of 3.0 percent. Consumer spending and inventory investment drove most of the gains. Residential investment also continued to show improvement. Government spending, business fixed investment and net exports made negative contributions. U.S. nonfarm employment rose by only 115,000 jobs in April, marking the weakest gain since August 2011. The unemployment rate fell to 8.1 percent in April, as labor force participation dropped. Consumer sentiment increased slightly in April, but consumer confidence slipped slightly. Sales of new and existing homes slipped in March, but were 7.5 percent and 5.2 percent higher than a year earlier, respectively. Personal consumption expenditures increased for the ninth straight month in March, and retail sales rose in March for the tenth straight month. The Kansas City Financial Stress Index remained below its long-run average in April, which suggests financial headwinds are not impeding economic growth. The quantity of commercial paper outstanding remains low, however, which means that relatively little external financing is being used to support business investment.

The Nevada economy continues to show uneven signs of growth. Visitor volume was 2.3 percent higher in March than a year earlier. Gaming revenue was 10.9 percent lower in March than a year earlier. Declines were seen in slot machine play and most table games. Taxable sales were 10.2 percent higher in February than a year earlier. Statewide employment increased by 8,700 jobs (0.8 percent) in March. The Nevada unemployment rate decreased from 12.2 percent in February to 11.9 percent in March as the result of employment gains and reduced labor force participation.

Clark County's economy also shows uneven signs of growth. Compared to a year earlier, visitor volume was up by 3.1 percent in March. Gaming revenue was 12.2 percent lower in March than a year earlier. Declines were seen in slot machine play and most table games. Taxable sales for February were 11.1 percent above those for a year earlier. Residential construction permits rose sharply from February to March, and commercial construction permits increased from a low level. The region's employment rose by 6,300 jobs (0.8 percent) from February to March. The Las Vegas unemployment rate fell slightly, from 12.2 percent in February to 12.1 percent in March.

Washoe County's economy continued to show sluggish growth. Reno-Sparks employment rose by 1,000 jobs (0.5 percent) from February to March. The Reno-Sparks unemployment rate fell from 12.2 percent in February to 12.0 percent in March. Compared to a year earlier, March visitor volume was down by 5.4 percent. Gaming revenues were up by 0.4 percent over the same period. Residential construction permits held steady in March, and commercial construction permits rose from extremely low levels.

Although consumer spending and inventory investment were strong in first quarter, the pace of national economic growth slipped. Employment growth slowed in April. Southern Nevada's tourism and hospitality continue to grow, but gaming fell off the pace in March, and other sectors aren't contributing much. In Washoe County, some favorable employment signs were seen in March. Nevada's construction shows signs of improving from very low levels.

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Nevada	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2012M03	000 employees	1,122.6	1,113.9	1,113.8	0.8%	0.8%	Recent Gain
Unemployment Rate*	2012M03	%, NSA	11.9	12.2	13.5	-0.3%	-1.6%	Reduced
Taxable Sales	2012M02	\$billion	3.223	3.154	2.924	2.2%	10.2%	Up Strongly
Gaming Revenue	2012M03	\$million	854.59	932.17	958.73	-8.3%	-10.9%	Dropped Sharply
Passengers	2012M03	passengers	4.000	3.418	3.990	17.0%	0.2%	Up Over Year Ago
Gasoline Sales	2012M02	million gallons	83.72	85.12	79.63	-1.6%	5.1%	Up Over Year Ago
Visitor Volume	2012M03	million visitors	4.377	3.821	4.278	14.6%	2.3%	Up Over Year Ago
Clark County								
Employment	2012M03	000 employees	806.1	799.8	803.4	0.8%	0.3%	Up Recently
Unemployment Rate*	2012M03	%, NSA	12.1	12.2	13.7	-0.1%	-1.6%	Reduced
Taxable Sales	2012M02	\$billion	2.416	2.332	2.174	3.6%	11.1%	Up Strongly
Gaming Revenue	2012M03	\$million	733.49	812.14	835.68	-9.7%	-12.2%	Dropped Sharply
Residential Permits	2012M03	units permitted	841	460	450	82.8%	86.9%	Up Very Strongly
Commercial Permits	2012M03	permits	23	18	32	27.8%	-28.1%	Up Recently
Passengers	2012M03	million persons	3.655	3.108	3.565	17.6%	2.5%	Up Over Year Ago
Gasoline Sales	2012M02	million gallons	57.89	59.50	55.28	-2.7%	4.7%	Up Over Year Ago
Visitor Volume	2012M03	million visitors	3.836	3.326	3.722	15.3%	3.1%	Up Over Year Ago
Washoe County								
Employment**	2012M03	000 employees	186.9	185.9	186.0	0.5%	0.5%	Up Over Year Ago
Unemployment Rate*	2012M03	%, NSA	12.0	12.2	13.5	-0.2%	-1.5%	Reduced
Taxable Sales	2012M02	\$billion	0.398	0.397	0.359	0.3%	10.7%	Up Over Year Ago
Gaming Revenue	2012M03	\$million	61.43	60.26	61.15	1.9%	0.4%	Up Moderately
Residential Permits	2012M03	units permitted	42	42	57	0.0%	-26.3%	Down from Year Ago
Commercial Permits	2012M03	permits	9	4	5	125.0%	80.0%	Up from Low Level
Passengers	2012M03	million persons	0.293	0.265	0.349	10.5%	-16.0%	Down from Year Ago
Gasoline Sales	2012M02	million gallons	13.10	13.02	12.41	0.7%	5.6%	Up Over Year Ago
Visitor Volume	2012M03	million visitors	0.333	0.314	0.352	6.1%	-5.4%	Down from Year Ago
United States								
Employment	2012M04	million, SA	132.989	132.874	131.173	0.1%	1.4%	Slow Growth
Unemployment Rate*	2012M04	%, SA	8.1	8.2	9.0	-0.1%	-0.9%	Reduced
Consumer Price Index	2012M03	82-84=100, SA	229.1	228.4	223.2	0.3%	2.6%	Food & Energy Prices
Core CPI	2012M03	82-84=100, SA	228.4	227.9	223.4	0.2%	2.3%	Up Moderately
Employment Cost Index	2012Q1	89.06=100, SA	115.3	114.7	113.2	0.5%	1.9%	Up Somewhat
Productivity Index	2012Q1	2005=100, SA	110.6	110.7	110.1	-0.2%	0.5%	Declined
Retail Sales	2012M03	\$billion, SA	408.0	404.8	382.1	0.8%	6.8%	Strong Upward Trend
Auto and Truck Sales	2012M03	million, SA	14.31	15.04	13.02	-4.8%	9.9%	Up Over Year Ago
Housing Starts	2012M03	million, SA	0.654	0.694	0.593	-5.8%	10.3%	Up Over Year Ago
Real GDP***	2012Q1	2005\$billion, SA	13,502.4	13,429.0	13,227.9	2.2%	2.1%	Up Moderately
U.S. Dollar	2012M04	97.01=100	99.026	98.727	95.361	0.3%	3.8%	Some Strengthening
Trade Balance	2012M03	\$billion, SA	-51.825	-45.416	-46.059	14.1%	12.5%	Increased Deficit
S and P 500	2012M04	monthly close	1,397.91	1,408.47	1,363.61	-0.7%	2.5%	Down Recently
Real Short-term Rates*	2012M04	%, NSA	-3.12	-3.82	-4.54	0.7%	1.4%	Less Negative
Treasury Yield Spread*	2012M04	%, NSA	1.97	2.09	3.40	-0.1%	-1.4%	Narrowed

*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