



NEVADA BUSINESS CONDITIONS

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April 2019

The “initial” estimate of U.S. real gross domestic product (GDP) for the fourth quarter of 2018 produced an annual growth rate of 2.6 percent. Robust personal consumption expenditure contributed to the better-than-expected real GDP growth. Business investment including private inventory and federal government expenditure also positively affected real GDP growth. Residential investment, net exports, and state and local government spending, however, contributed negatively to real GDP growth. Overall, the economy expanded by 2.9 percent in 2018, the strongest growth since 2015, while the trade deficit climbed to the highest level since the Great Recession. U.S. nonfarm employment added an unexpectedly low 20,000 jobs in February. Total nonfarm employment in December and January, however, was revised up from 222,000 to 227,000 and from 304,000 to 311,000, respectively, a total increase of 12,000 jobs. The unemployment rate dropped to 3.8 percent, which partially reflected the return of workers after the partial government shutdown. Average hourly earnings growth rebounded from 3.1 percent growth in January, posting 3.4 percent year-over-year growth in February. Retail sales in December decelerated substantially and posted the weakest yearly rise since August 2016, up only by 2.3 percent year-over-year. As a result, the personal saving rate exhibited its highest level in nearly three years. The Fed will not likely increase the federal fund rate early this year as they pledged more “patience” with future interest hikes due to economic uncertainty.

The Nevada economy showed mixed signals from the most recent data releases. Seasonally adjusted statewide employment added 3,800 jobs in January. The unemployment rate remained unchanged at 4.4 percent. January gaming revenue experienced a year-over-year loss of 3.0 percent, which mainly reflected a large decrease in table game drop. December taxable sales were up by 6.3 percent from last year, which resulted in an increase of 5.4 percent from 2017 to 2018. December Nevada air passengers also rose by 2.4 percent relative to a year ago.

Clark County also experienced mixed signals in its economic activity compared to last month. Seasonally adjusted employment gained 3,400 jobs in January. The unemployment rate, however, edged up to 4.6 percent.

January visitor volume in Clark County rose by 1.8 percent compared to last year, while gaming revenue fell by 3.5 percent over the same period. Total McCarran Airport passengers in January increased by 3.3 percent year-over-year. December taxable sales increased strongly by 8.1 percent year-over-year, which produced a strong gain of 6.8 percent from 2017 to 2018, the fastest growth since 2014. Residential housing permits/units in December decreased substantially by 51.5 percent from a year ago, which brought a reduction of 12.5 percent from 2017 to 2018.

Washoe County exhibited slightly negative economic signals. The Reno-Sparks seasonally adjusted employment added 1,000 jobs from December to January, up strongly by 6.5 percent year-over-year. The unemployment rate rose to 3.6 percent. December taxable sales for Washoe and Storey Counties declined by 6.6 percent year-over-year, which resulted in a loss of 3.8 percent from 2017 to 2018 due largely to weaker performance in Storey County. January visitor volume climbed by 4.4 percent from last year, while gaming revenue barely budged during the same period. December total airport passengers exceeded the level from last year by 4.4 percent. Residential housing permits in December experienced a year-over-year loss of 8.0 percent.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2019M01	000s, SA	1416.5	1412.7	1363.2	0.3%	3.9%	Strong Year-Over-Year Increase
Unemployment Rate*	2019M01	%, SA	4.4	4.4	4.8	0.0%	-0.4%	Flat Month-Over-Month
Taxable Sales	2018M12	\$billion	5.918	5.111	5.567	15.8%	6.3%	Up Strongly
Gaming Revenue	2019M01	\$million	984.53	999.66	1015.04	-1.5%	-3.0%	Down From Year Ago
Air Passengers	2018M12	million persons	4.278	4.441	4.177	-3.7%	2.4%	Up Over Year Ago
Gasoline Sales	2018M12	million gallons	101.58	99.37	102.07	2.2%	-0.5%	Down Slightly From Year Ago
Clark County								
Employment	2018M01	000s, SA	1023.3	1019.9	990.6	0.3%	3.3%	Up Over Year Ago
Unemployment Rate*	2018M12	%, Smoothed SA	4.6	4.5	5.1	0.1%	-0.5%	Recent Increase
Taxable Sales	2018M12	\$billion	4.318	3.804	3.993	13.5%	8.1%	Up Strongly
Gaming Revenue	2019M01	\$million	860.85	861.11	892.03	-0.03%	-3.5%	Down From Year Ago
Residential Permits	2018M12	units permitted	496	1046	1023	-52.6%	-51.5%	Significant Decrease
Commercial Permits	2017M11	permits	33	34	41	-2.9%	-19.5%	Low and Volatile
Air Passengers	2019M01	million persons	3.902	3.903	3.776	-0.04%	3.3%	Up Over Year Ago
Gasoline Sales	2018M12	million gallons	69.97	67.96	69.77	3.0%	0.3%	Up Slightly From Year Ago
Visitor Volume	2019M01	million persons	3.708	3.474	3.643	6.7%	1.8%	Up Over Year Ago
Washoe County								
Employment**	2018M01	000s, SA	252.6	251.6	237.2	0.4%	6.5%	Up Over Year Ago
Unemployment Rate*	2018M12	%, Smoothed SA	3.6	3.5	3.9	0.1%	-0.3%	Recent Increase
Taxable Sales**	2018M12	\$billion	0.918	0.738	0.983	24.4%	-6.6%	Down From Year Ago
Gaming Revenue	2019M01	\$million	60.75	73.47	60.72	-17.3%	0.04%	Flat Year-Over-Year
Residential Permits	2018M12	units permitted	527	545	573	-3.3%	-8.0%	Down From Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2018M12	million persons	0.341	0.316	0.327	8.1%	4.4%	Up Over Year Ago
Gasoline Sales**	2018M12	million gallons	15.63	15.01	15.94	4.1%	-1.9%	Down From Year Ago
Visitor Volume	2019M01	million persons	0.355	0.377	0.340	-5.9%	4.4%	Up Over Year Ago
United States								
Employment	2019M02	million, SA	150.606	150.586	148.097	0.01%	1.7%	Up Over Year Ago
Unemployment Rate*	2019M02	%, SA	3.8	4.0	4.1	-0.2%	-0.3%	Reduced
Consumer Price Index	2019M01	82-84=100, SA	252.7	252.7	248.9	0.0%	1.5%	Up Over Year Ago
Core CPI	2019M01	82-84=100, SA	260.7	260.1	255.2	0.2%	2.1%	Up Over Year Ago
Employment Cost Index	2018Q4	05.12=100, SA	134.8	133.9	130.7	0.7%	3.1%	Up Over Year Ago
Productivity Index	2018Q4	2012=100, SA	106.3	105.8	104.3	0.4%	1.9%	Up Over Year Ago
Retail Sales	2018M12	\$billion, SA	505.8	512.2	494.6	-1.2%	2.3%	Up Over Year Ago
Auto and Truck Sales	2019M01	million, SA	16.60	17.49	17.12	-5.1%	-3.0%	Down From Year Ago
Housing Starts	2018M12	million, SA	1.078	1.214	1.210	-11.2%	-10.9%	Down From Year Ago
Real GDP***	2018Q4	2012\$billion, SA	18784.6	18665.0	18223.8	2.6%	3.1%	Robust Growth
Dollar Exchange Rate	2019M02	97.01=100	126.819	126.706	117.550	0.1%	7.9%	Up Over Year Ago
Trade Balance	2018M12	\$billion, SA	-59.769	-50.297	-51.889	18.8%	15.2%	Year-Over-Year Deficit Increase
S and P 500	2019M02	monthly close	2784.49	2704.10	2713.83	3.0%	2.6%	Up Over Year Ago
Real Short-term Rate*	2019M02	%, NSA	-0.21	-0.33	-1.13	0.1%	0.9%	Up Over Year Ago
Treasury Yield Spread*	2019M02	%, NSA	0.29	0.34	1.29	-0.05%	-1.0%	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.