



NEVADA BUSINESS CONDITIONS

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The “third” estimate for U.S. real gross domestic product (GDP) for the first quarter of 2018 expanded at a 2.0 percent annualized rate, revised down from the second estimate of 2.2 percent. The downward revisions mainly reflected smaller-than-expected private inventory investment and personal consumption expenditure. Based on more complete data; consumer spending, nonresidential fixed investment, and government spending contributed positively to growth, while residential fixed investment, private inventory investment, and net exports contributed negatively. U.S. nonfarm employment continued its surprising gain by adding 213,000 jobs in June. The unemployment rate, nevertheless, ticked up to 4.0 from 3.8 percent, signaling that some discouraged workers returned to the labor force. June average hourly earnings growth remained at 2.7 percent year-over-year in spite of a tight labor market. Retail sales in May experienced a robust rise, up by 0.8 and 5.9 percent, respectively, month-over-month and year-over-year. May housing starts hit its highest level since the Great Recession, up by 20.3 percent compared to last year. Recent strong economic indicators may lead the Federal Reserve to engineer four interest rate hikes in 2018. The recent uncertainty about a potential tariff war, however, may provide a significant headwind.

The Nevada economy posted generally robust economic activity based on the most recent data. Seasonally adjusted statewide employment lost 700 jobs in May, but increased by 2.8 percent year-over-year, the fifth fastest yearly growth after Utah, Idaho, Texas, and Washington. The unemployment rate finally dropped to 4.8 percent after nine consecutive months of 4.9 percent. Taxable sales and gasoline sales (in gallons) in April rose by 8.6 and 3.4 percent, respectively, from a year ago. May gaming revenue experienced a gain, up by 5.3 percent year-over-year. Total air passengers rose by 4.0 percent year-over-year.

Clark County experienced generally positive signals in local economic activity. Seasonally adjusted employment added 2,200 new jobs from April to May. The unemployment rate dropped significantly to 4.7 percent, the lowest level since the Great Recession. May visitor volume to Clark County rebounded, up by 0.7 percent year-over-year, ending the 11 consecutive months of yearly losses. In addition, total McCarran Airport

passengers reached its highest level in May, up by 3.6 percent compared to last year. Gaming revenue continued its strong year-over-year gains, climbing by 5.1 percent. The Las Vegas tourism industry experienced a great month in May, partly due to the Electric Daisy Carnival, which moved from June to May. Clark County taxable sales in April experienced a strong year-over-year gain of 8.2 percent, and gasoline sales for April rose by 3.3 percent from last year. Residential housing permits/units increased robustly by 15.2 percent year-over-year.

Washoe County also posted favorable economic signals. The Reno-Sparks seasonally adjusted employment gained 100 jobs from April to May and was up by 3.6 percent from last year. The unemployment rate fell to 3.5 percent, the lowest level since July 2000. April taxable sales for Washoe and Storey Counties rose by 5.0 percent year-over-year. May visitor volume and total airport passengers were up by 2.7 and 8.7 percent, respectively, compared to last year. Residential housing permits in May experienced a year-over-year loss, decreasing by 23.0 percent due to reduced activity in Sparks.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2018M05	000s, SA	1374.2	1374.9	1336.8	-0.1%	2.8%	Up Over Year Ago
Unemployment Rate*	2018M05	%, SA	4.8	4.9	5.1	-0.1%	-0.3%	Reduced
Taxable Sales	2018M04	\$billion	4.951	5.413	4.559	-8.5%	8.6%	Up Over Year Ago
Gaming Revenue	2018M05	\$million	1044.08	953.70	991.60	9.5%	5.3%	Up Over Year Ago
Air Passengers	2018M05	million persons	4.742	4.548	4.561	4.3%	4.0%	Up Over Year Ago
Gasoline Sales	2018M04	million gallons	102.89	101.62	99.46	1.2%	3.4%	Up Over Year Ago
Clark County								
Employment	2018M05	000s, SA	1001.1	998.9	973.3	0.2%	2.9%	Up Over Year Ago
Unemployment Rate*	2018M05	%, Smoothed SA	4.7	5.1	5.4	-0.4%	-0.7%	Reduced
Taxable Sales	2018M04	\$billion	3.586	3.940	3.314	-9.0%	8.2%	Up Over Year Ago
Gaming Revenue	2018M05	\$million	904.58	825.33	860.71	9.6%	5.1%	Up Over Year Ago
Residential Permits	2018M05	units permitted	1546	930	1342	66.2%	15.2%	Strong Increase
Commercial Permits	2017M11	permits	33	34	41	-2.9%	-19.5%	Low and Volatile
Air Passengers	2018M05	million persons	4.360	4.188	4.208	4.1%	3.6%	Up Over Year Ago
Gasoline Sales	2018M04	million gallons	71.51	70.65	69.21	1.2%	3.3%	Up Over Year Ago
Visitor Volume	2018M05	million persons	3.909	3.838	3.882	1.9%	0.7%	Up Over Year Ago
Washoe County								
Employment**	2018M05	000s, SA	238.8	238.7	230.4	0.04%	3.6%	Up Over Year Ago
Unemployment Rate*	2018M05	%, Smoothed SA	3.5	3.9	4.3	-0.4%	-0.8%	Reduced
Taxable Sales**	2018M04	\$billion	0.804	0.903	0.765	-10.9%	5.0%	Up Over Year Ago
Gaming Revenue	2018M05	\$million	73.10	65.40	68.25	11.8%	7.1%	Up Over Year Ago
Residential Permits	2018M05	units permitted	423	478	549	-11.5%	-23.0%	Down From Year Ago
Commercial Permits	2018M05	permits	59	42	47	40.5%	25.5%	Low and Volatile
Air Passengers	2018M05	million persons	0.346	0.325	0.318	6.2%	8.7%	Up Over Year Ago
Gasoline Sales**	2018M04	million gallons	14.98	14.85	14.65	0.9%	2.3%	Up Over Year Ago
Visitor Volume	2018M05	million persons	0.427	0.398	0.415	7.3%	2.7%	Up Over Year Ago
United States								
Employment	2018M06	million, SA	148.912	148.699	146.538	0.1%	1.6%	Up Over Year Ago
Unemployment Rate*	2018M06	%, SA	4.0	3.8	4.3	0.2%	-0.3%	Recent Increase
Consumer Price Index	2018M05	82-84=100, SA	250.5	250.0	243.9	0.2%	2.7%	Up Over Year Ago
Core CPI	2018M05	82-84=100, SA	256.9	256.5	251.3	0.2%	2.2%	Up Over Year Ago
Employment Cost Index	2018Q1	05.12=100, SA	132.0	130.7	128.3	1.0%	2.9%	Up Over Year Ago
Productivity Index	2018Q1	2009=100, SA	108.9	108.7	107.5	0.2%	1.3%	Up Over Year Ago
Retail Sales	2018M05	\$billion, SA	502.0	497.9	474.2	0.8%	5.9%	Up Over Year Ago
Auto and Truck Sales	2018M05	million, SA	16.81	17.11	16.70	-1.8%	0.6%	Up Over Year Ago
Housing Starts	2018M05	million, SA	1.350	1.286	1.122	5.0%	20.3%	Strong Increase
Real GDP***	2018Q1	2009\$billion, SA	17371.9	17286.5	16903.2	2.0%	2.8%	Robust Growth
Dollar Exchange Rate	2018M06	97.01=100	123.450	121.456	122.044	1.6%	1.2%	Increased
Trade Balance	2018M05	\$billion, SA	-43.053	-46.081	-45.823	-6.6%	-6.0%	Year-Over-Year Deficit Decrease
S and P 500	2018M06	monthly close	2718.37	2705.27	2423.41	0.5%	12.2%	Increased
Real Short-term Rate*	2018M06	%, NSA	-1.10	-0.94	-1.62	-0.2%	0.5%	Up Over Year Ago
Treasury Yield Spread*	2018M06	%, NSA	1.01	1.12	1.21	-0.1%	-0.2%	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