

NEVADA BUSINESS CONDITIONS

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August 2019

The “third” estimate of U.S. real gross domestic product (GDP) for the first quarter of 2019 remained unchanged, up by 3.1 percent at an annualized rate, from the “second” estimate. Although the rate of growth remained the same, revisions exist for some components. That is, business investment, net exports, state and local government spending, and residential fixed investment were revised upward, while smaller-than-expected consumer spending offset those gains. The overall real GDP growth depended largely on temporary factors such as higher private business inventories and reduced imports. Consumer spending, which captures about two thirds of the real GDP, however, showed a weaker gain. U.S. nonfarm employment rebounded sharply after a disappointing gain in May, adding 224,000 jobs in June. Big gains occurred in the professional and business services and health care sectors. The employment for April and May, however, was revised down by a combined 11,000 jobs. The unemployment rate ticked up to 3.7 percent, and average hourly earnings growth in June did not budge from 3.1 percent year-over-year despite a tightening labor market. Retail sales in May gained 3.2 percent year-over-year. Housing starts posted a yearly loss, while home prices still gained from last year, but at a slower pace. The Fed will not likely cut the federal fund rate in the near term amid the robust U.S. economic readings but may cut rates later this year, if the trade tensions between the United States and China and global economy uncertainty continue.

The Nevada economy posted positive signals with the most recent data releases. Seasonally adjusted statewide employment gained 5,900 jobs in May and showed the fastest year-over-year growth among all states. The unemployment rate, however, remained unchanged at 4.0 percent. May gaming revenue experienced a year-over-year loss for a fifth straight month, down by 6.0 percent due to a large loss in Clark County. May taxable sales and gasoline sales increased by 4.6 and 0.1 percent, respectively, from last year. April Nevada air passengers climbed by 2.1 percent year-over-year.

Clark County experienced somewhat mixed signals in its economic activity relative to last month. Seasonally adjusted employment gained robustly, adding 4,100 jobs in May. The unemployment rate in April fell to 4.1 percent,

its lowest level since January 2007. May visitor volume in Clark County rebounded after two consecutive year-over-year losses, up by 1.6 percent, partly boosted by a strong gain from convention attendance. May gaming revenue, nonetheless, decreased by 7.6 percent, mainly due to a substantial loss in baccarat win. Total McCarran Airport passengers in May, which hit a record high level, were up strongly by 5.3 percent year-over-year. April taxable sales rose by 6.9 percent year-over-year, while gasoline sales declined by 0.8 percent over the same period. Residential housing permits/units in May continued to decrease by 27.1 percent compared to a year ago.

Washoe County also posted generally mixed economic signals. The Reno-Sparks seasonally adjusted employment added 1,900 jobs in May, up a strong 6.2 percent year-over-year. The unemployment rate remained at a 19-year low of 3.2 percent. April taxable sales for Washoe and Storey Counties contracted by 4.9 percent year-over-year due to continued weak activity in Storey County. May visitor volume experienced a fourth consecutive month of year-over-year losses, down by 4.0 percent. May gaming revenue, nevertheless, experienced a year-over-year gain of 2.3 percent. April total airport passengers exceeded the level from last year by 3.6 percent.

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Nevada	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2019M05	000s, SA	1434.2	1428.3	1379.0	0.4%	4.0%	Up Over Year Ago
Unemployment Rate*	2019M05	%, SA	4.0	4.0	4.6	0.0%	-0.6%	Flat Month-Over-Month
Taxable Sales	2019M04	\$billion	5.176	5.628	4.951	-8.0%	4.6%	Up Over Year Ago
Gaming Revenue	2019M05	\$million	981.84	936.48	1044.07	4.8%	-6.0%	Down From Year Ago
Air Passengers	2019M04	million persons	4.644	4.819	4.549	-3.6%	2.1%	Up Over Year Ago
Gasoline Sales	2019M04	million gallons	102.95	104.34	102.89	-1.3%	0.1%	Up Slightly From Year Ago
Clark County			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2019M05	000s, SA	1030.9	1026.8	1003.2	0.4%	2.8%	Up Over Year Ago
Unemployment Rate*	2019M05	%, Smoothed SA	4.1	4.2	4.9	-0.1%	-0.8%	Reduced
Taxable Sales	2019M04	\$billion	3.834	4.174	3.586	-8.2%	6.9%	Up Over Year Ago
Gaming Revenue	2019M05	\$million	835.84	808.65	904.86	3.4%	-7.6%	Down From Year Ago
Residential Permits	2019M05	units permitted	1158	1012	1588	14.4%	-27.1%	Down From Year Ago
Commercial Permits	2019M05	permits	51	54	45	-5.6%	13.3%	Low and Volatile
Air Passengers	2019M05	million persons	4.591	4.285	4.360	7.1%	5.3%	Up Over Year Ago
Gasoline Sales	2019M04	million gallons	70.92	72.33	71.51	-1.9%	-0.8%	Down From Year Ago
Visitor Volume	2019M05	million persons	3.970	3.826	3.909	3.8%	1.6%	Up Over Year Ago
Washoe County			Latest	Previous	Year Ago	Recent	Year Ago	
Employment**	2019M05	000s, SA	257.1	255.2	242.0	0.7%	6.2%	Up Over Year Ago
Unemployment Rate*	2019M05	%, Smoothed SA	3.2	3.2	3.6	0.0%	-0.4%	Flat Month-Over-Month
Taxable Sales**	2019M04	\$billion	0.764	0.826	0.804	-7.5%	-4.9%	Down From Year Ago
Gaming Revenue	2019M05	\$million	74.76	65.87	73.05	13.5%	2.3%	Up Over Year Ago
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	2019M04	million persons	0.337	0.383	0.325	-12.0%	3.6%	Up Over Year Ago
Gasoline Sales**	2019M04	million gallons	15.39	15.54	14.98	-1.0%	2.7%	Up Over Year Ago
Visitor Volume	2019M05	million persons	0.409	0.385	0.427	6.3%	-4.0%	Down From Year Ago
United States			Latest	Previous	Year Ago	Recent	Year Ago	
Employment	2019M06	million, SA	151.308	151.084	149.007	0.1%	1.5%	Up Over Year Ago
Unemployment Rate*	2019M06	%, SA	3.7	3.6	4.0	0.1%	-0.3%	Recent Increase
Consumer Price Index	2019M05	82-84=100, SA	255.2	255.0	250.6	0.1%	1.8%	Up Over Year Ago
Core CPI	2019M05	82-84=100, SA	262.0	261.7	256.9	0.1%	2.0%	Up Over Year Ago
Employment Cost Index	2019Q1	05.12=100, SA	135.9	134.8	132.0	0.8%	3.0%	Up Over Year Ago
Productivity Index	2019Q1	2012=100, SA	107.2	106.2	104.6	0.9%	2.4%	Up Over Year Ago
Retail Sales	2019M05	\$billion, SA	519.0	516.2	503.1	0.5%	3.2%	Up Over Year Ago
Auto and Truck Sales	2019M06	million, SA	17.29	17.40	17.23	-0.6%	0.4%	Up Over Year Ago
Housing Starts	2019M05	million, SA	1.269	1.281	1.332	-0.9%	-4.7%	Down From Year Ago
Real GDP***	2019Q1	2012\$billion, SA	18910.3	18765.3	18324.0	3.1%	3.2%	Strong Growth
Dollar Exchange Rate	2019M06	97.01=100	128.253	128.734	123.423	-0.4%	3.9%	Up Strongly From Year Ago
Trade Balance	2019M05	\$billion, SA	-55.520	-51.224	-44.352	8.4%	25.2%	Year-Over-Year Deficit Increase
S and P 500	2019M06	monthly close	2941.76	2752.06	2718.37	6.9%	8.2%	Up Strongly
Real Short-term Rate*	2019M06	%, NSA	-0.53	-0.55	-1.10	0.02%	0.6%	Up Over Year Ago
Treasury Yield Spread*	2019M06	%, NSA	-0.10	0.05	1.01	-0.2%	-1.1%	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.