



# NEVADA BUSINESS CONDITIONS

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The “advance” estimate of U.S. real gross domestic product (GDP) for the third quarter of 2021 only increased 2.0 percent at an annual rate, much lower than consensus expectations of 2.8 percent. The weaker-than-expected growth in the third quarter largely reflected a deceleration in consumer spending due to the resurgence of coronavirus cases and goods and labor supply shortages. U.S. nonfarm employment in October, however, experienced a rebound after two consecutive months of weaker-than-expected readings, adding 531,000 jobs amid receding COVID-19 cases. In addition, the enhanced unemployment benefits expired in early September, which may bring some workers back into the labor market. Job growth was widespread, with the largest gain of 164,000 in leisure and hospitality. Government was the only main sector that experienced a loss of 73,000 jobs. The unemployment rate in October dropped to 4.6 from 4.8 percent. Average hourly earnings for October continue to rise by 0.4 percent from last month as the labor shortage continued. Retail sales in September continued a surprising gain of 0.7 percent month-over-month despite supply constraints, which partly translated into higher inflation. The most recent labor market data show the economy regaining momentum, while supply and labor constraints and inflation still add uncertainty. The Federal Reserve begins tapering asset purchases and will end such purchases by June 2022. The \$1 trillion infrastructure bill, nonetheless, should promote future U.S. economic growth over the next five years.

Nevada’s economic activity posted mixed signals amid the spread of the Delta variant based on the most recent monthly data. Seasonally adjusted statewide employment added 4,400 jobs in September. The largest gain occurred in the leisure and hospitality sector, adding 2,700 jobs despite the second straight month of declines in visitor volume. The September unemployment rate also fell 0.2 percent to 7.5 percent. September gaming revenue decreased slightly from last month but increased strongly by 9.5 percent from two years ago. August taxable sales fell on a month-over-month basis but remained significantly higher by 16.5 percent from its level two years ago.

Clark County also displayed mixed signs in its local economic activity. Seasonally adjusted employment gained 2,400 jobs in September. The unemployment rate in September also fell by 0.2 percent to 8.0 percent.

September gaming revenue increased unexpectedly by 1.2 percent month-over-month despite a 1.9 percent decrease in visitor volume, benefitting from a 12.2 percent jump in table game drop. September visitor volume contracted by 1.9 and 18.2 percent, respectively, from last month and two years ago. September total McCarran Airport passengers also posted a slight month-over-month loss of 0.7 percent. August taxable sales recorded its second consecutive monthly loss but climbed strongly by 16.2 percent from August 2019. September residential permits plummeted by 27.3 percent year-over-year. As the delta variant wanes, however, the local economy is expected to accelerate its recovery in the coming months with the reopening of the U.S. border to vaccinated international travelers and the return of convention business.

Washoe County also exhibited mixed signals in its local economic activity. The Reno-Sparks seasonally adjusted employment added 800 jobs in September, and the unemployment rate dropped significantly by 0.7 percent to 4.1 percent. August taxable sales recorded its second consecutive monthly decrease, dropping by 5.9 percent month-over-month but increased by 21.2 percent from two years ago. September gaming revenue and visitor volume decreased by 1.6 and 3.7 percent, respectively, from last month partly due to wildfires. September residential permits slightly rose by 0.5 percent from last year.

The views expressed are those of the authors and do not necessarily represent those of the University of Nevada, Las Vegas or the Nevada System of Higher Education.

	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
<b>Nevada</b>								
Employment	2021M09	000s, SA	1349.3	1344.9	1265.2	0.3%	6.6%	Improved
Unemployment Rate*	2021M09	%, SA	7.5	7.7	13.0	-0.2%	-5.5%	Improved
Taxable Sales	2021M08	\$billion	6.302	6.513	4.877	-3.2%	29.2%	Up Strongly From Year Ago
Gaming Revenue	2021M09	\$million	1158.17	1165.80	820.98	-0.7%	41.1%	Up Strongly From Year Ago
Air Passengers	2021M09	million persons	4.091	4.187	1.879	-2.3%	117.8%	Up Strongly From Year Ago
Gasoline Sales	2021M08	million gallons	109.80	113.02	100.50	-2.8%	9.3%	Up Strongly From Year Ago
<b>Clark County</b>								
Employment	2021M09	000s, SA	964.3	961.9	895.0	0.2%	7.7%	Improved
Unemployment Rate*	2021M09	%, Smoothed SA	8.0	8.2	15.3	-0.2%	-7.3%	Improved
Taxable Sales	2021M08	\$billion	4.567	4.676	3.359	-2.3%	36.0%	Down Month-Over-Month
Gaming Revenue	2021M09	\$million	1005.18	993.43	666.65	1.2%	50.8%	Up Strongly
Residential Permits	2021M09	units permitted	1125	1588	1548	-29.2%	-27.3%	Down From Year Ago
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M09	million persons	3.778	3.806	1.706	-0.7%	121.5%	Down Month-Over-Month
Gasoline Sales	2021M08	million gallons	74.19	75.73	65.90	-2.0%	12.6%	Down Month-Over-Month
Visitor Volume	2021M09	million persons	3.034	3.094	1.815	-1.9%	67.2%	Down Month-Over-Month
<b>Washoe County</b>								
Employment**	2021M09	000s, SA	247.5	246.7	235.9	0.3%	4.9%	Improved
Unemployment Rate*	2021M09	%, Smoothed SA	4.1	4.8	7.0	-0.7%	-2.9%	Improved
Taxable Sales**	2021M08	\$billion	1.038	1.103	0.875	-5.9%	18.7%	Down Month-Over-Month
Gaming Revenue	2021M09	\$million	89.06	90.50	78.82	-1.6%	13.0%	Down Month-Over-Month
Residential Permits	2021M09	units permitted	380	465	378	-18.3%	0.5%	Up Over Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M09	million persons	0.303	0.370	0.164	-18.1%	84.6%	Down Month-Over-Month
Gasoline Sales**	2021M08	million gallons	16.38	17.16	16.06	-4.5%	2.0%	Down Month-Over-Month
Visitor Volume	2021M09	million persons	0.350	0.363	0.279	-3.7%	25.3%	Down Month-Over-Month
<b>United States</b>								
Employment	2021M10	million, SA	148.319	147.788	142.545	0.4%	4.1%	Improved
Unemployment Rate*	2021M10	%, SA	4.6	4.8	6.9	-0.2%	-2.3%	Improved
Consumer Price Index	2021M09	82-84=100, SA	274.1	273.0	260.1	0.4%	5.4%	Up Over Year Ago
Core CPI	2021M09	82-84=100, SA	280.0	279.3	269.2	0.2%	4.0%	Up Over Year Ago
Employment Cost Index	2021Q3	05.12=100, SA	148.1	145.8	141.6	1.6%	4.6%	Up Over Year Ago
Productivity Index	2021Q3	2012=100, SA	111.6	113.0	112.3	-1.2%	-0.6%	Decreased
Retail Sales	2021M09	\$billion, SA	625.4	620.9	548.9	0.7%	13.9%	Up Strongly
Auto and Truck Sales	2021M09	million, SA	12.16	12.99	16.28	-6.4%	-25.3%	Down Significantly
Housing Starts	2021M09	million, SA	1.555	1.580	1.448	-1.6%	7.4%	Up Strongly From Year Ago
Real GDP***	2021Q3	2012\$billion, SA	19465.2	19368.3	18560.8	2.0%	4.9%	Weak Growth
Dollar Exchange Rate	2021M10	06.01=100	114.419	113.752	116.087	0.6%	-1.4%	Down From Year Ago
Trade Balance	2021M09	\$billion, SA	-80.934	-72.813	-62.625	11.2%	29.2%	Year-Over-Year Deficit Increase
S and P 500	2021M10	monthly close	4605.38	4307.54	3269.96	6.9%	40.8%	Up Strongly
Real Short-term Rate*	2021M10	%, NSA	-4.75	-4.56	-2.50	-0.2%	-2.3%	Down From Year Ago
Treasury Yield Spread*	2021M10	%, NSA	1.53	1.33	0.69	0.2%	0.8%	Up Over 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.