



NEVADA BUSINESS CONDITIONS

UNLV | LEE BUSINESS SCHOOL
CENTER FOR BUSINESS
AND ECONOMIC RESEARCH

February 2019

The “third” estimate of the growth rate of U.S. real gross domestic product (GDP) for the third quarter of 2018 fell by 0.1 percent to an annual rate of 3.4 percent compared to the “second” estimate. The revision reflected smaller-than-expected personal consumption expenditure and net exports, which a larger-than-expected private inventory investment partly offset. The overall picture of economic growth remained the same. Robust consumer spending and business inventory investment, which was boosted by the recent tax cut, mainly contributed to the strong economic expansion in the third quarter. Government spending also positively affected real GDP growth, while residential investment and net exports contributed negatively. U.S. nonfarm employment added a surprising 312,000 jobs in December. As a result, the average monthly job gains in 2018 equaled 220,000, much higher than the 182,000 and 195,000 average job gains from 2017 and 2016, respectively. The unemployment rate edged up to 3.9 percent, signaling that not only current workers but also previously discouraged workers search for better opportunities amid the strong labor market. Average hourly earnings growth accelerated slightly to 3.2 percent. Retail sales in November experienced a gain, up by 4.2 percent year-over-year. The Federal Reserve Chairman, Jerome Powell, indicated that the Fed would move more cautiously with future interest rate hikes due to economic uncertainty. The Fed raised the federal fund rates in December by 25 basis points for the fourth time in 2018 to a target range of 2.25 to 2.5 percent.

The Nevada economy posted highly positive economic activity based on the most recent data. Seasonally adjusted statewide employment added 5,200 jobs in November. In addition, the October jobs growth revised up by 2,100 to 7,200 jobs, which reflected a higher-than-expected employment in Clark County. The unemployment rate remained unchanged at 4.4 percent, its lowest level since the Great Recession. November gaming revenue increased robustly by 6.4 percent year-over-year. October taxable sales experienced a significant yearly rise of 9.2 percent, and gasoline sales (in gallons) climbed by 1.9 percent during the same period. Nevada air passengers also rose by 4.3 percent relative to a year ago.

Clark County experienced favorable signals in its economic activity compared to last month. Seasonally adjusted employment gained 1,900 jobs in November. The unemployment rate did not budge from 4.5 percent. November visitor volume in Clark County rose by 4.7 percent year-over-year, largely due to the increased number of convention attendees. November gross gaming revenue climbed robustly by 6.2 percent year-over-year, boosted by strong baccarat win. Total McCarran Airport passengers in November rose by 4.5 percent compared to last year and recorded its busiest November ever. October taxable sales experienced a strong gain of 10.2 percent year-over-year, while gasoline sales increased by 1.3 percent during the same period. Residential housing permits/units in October rebounded significantly, up by 20.4 percent year-over-year after the fourth straight month of year-over-year decreases.

Washoe County posted generally mixed economic signals. The Reno-Sparks seasonally adjusted employment added 1,200 jobs from October to November and up by 5.7 percent year-over-year. The unemployment rate ticked down to 3.5 percent. October taxable sales for Washoe and Storey Counties rebounded, up by 4.6 percent year-over-year despite continued weak growth in Storey County. November visitor volume fell by 4.0 percent compared to last year, while gaming revenue also climbed strongly by 9.5 percent over the same period. Total airport passengers exceeded the level from last year by 5.2 percent. Residential housing permits in November experienced a gain of 6.4 percent year-over-year.

Stephen M. Miller, Director
Jinju Lee, Economic Analyst
UNLV Center for Business and Economic Research

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	
Nevada								
Employment	2018M11	000s, SA	1405.2	1400.0	1353.3	0.4%	3.8%	Up Over Year Ago
Unemployment Rate*	2018M11	%, SA	4.4	4.4	4.9	0.0%	-0.5%	Flat Month-Over-Month
Taxable Sales	2018M10	\$billion	5.102	5.072	4.673	0.6%	9.2%	Up Strongly
Gaming Revenue	2018M11	\$million	967.17	1062.90	909.01	-9.0%	6.4%	Up Over Year Ago
Air Passengers	2018M11	million persons	4.432	4.808	4.250	-7.8%	4.3%	Up Over Year Ago
Gasoline Sales	2018M10	million gallons	105.52	104.58	103.54	0.9%	1.9%	Up Over Year Ago
Clark County								
Employment	2018M11	000s, SA	1024.0	1022.1	985.1	0.2%	3.9%	Up Over Year Ago
Unemployment Rate*	2018M11	%, Smoothed SA	4.5	4.5	5.1	0.0%	-0.6%	Flat Month-Over-Month
Taxable Sales	2018M10	\$billion	3.706	3.697	3.364	0.2%	10.2%	Up Strongly From Year Ago
Gaming Revenue	2018M11	\$million	833.72	926.51	785.05	-10.0%	6.2%	Up Over Year Ago
Residential Permits	2018M10	units permitted	1079	656	896	64.5%	20.4%	Up Over Year Ago
Commercial Permits	2017M11	permits	33	34	41	-2.9%	-19.5%	Low and Volatile
Air Passengers	2018M11	million persons	4.090	4.433	3.914	-7.7%	4.5%	Up Over Year Ago
Gasoline Sales	2018M10	million gallons	71.64	71.02	70.73	0.9%	1.3%	Up Over Year Ago
Visitor Volume	2018M11	million persons	3.728	3.957	3.562	-5.8%	4.7%	Up Over Year Ago
Washoe County								
Employment**	2018M11	000s, SA	246.4	245.2	233.1	0.5%	5.7%	Up Over Year Ago
Unemployment Rate*	2018M11	%, Smoothed SA	3.5	3.6	3.9	-0.1%	-0.4%	Reduced
Taxable Sales**	2018M10	\$billion	0.800	0.793	0.765	0.9%	4.6%	Up Over Year Ago
Gaming Revenue	2018M11	\$million	69.29	70.89	63.26	-2.3%	9.5%	Up Over Year Ago
Residential Permits	2018M11	units permitted	529	548	497	-3.5%	6.4%	Up Over Year Ago
Commercial Permits	2018M11	permits	21	47	29	-55.3%	-27.6%	Low and Volatile
Air Passengers	2018M11	million persons	0.316	0.348	0.300	-9.1%	5.2%	Up Over Year Ago
Gasoline Sales**	2018M10	million gallons	15.78	15.82	15.37	-0.3%	2.6%	Up Over Year Ago
Visitor Volume	2018M11	million persons	0.353	0.403	0.368	-12.4%	-4.0%	Down From Year Ago
United States								
Employment	2018M12	million, SA	150.263	149.951	147.625	0.2%	1.8%	Up Over Year Ago
Unemployment Rate*	2018M12	%, SA	3.9	3.7	4.1	0.2%	-0.2%	Recent Increase
Consumer Price Index	2018M11	82-84=100, SA	252.9	252.8	247.4	0.02%	2.2%	Up Over Year Ago
Core CPI	2018M11	82-84=100, SA	259.5	258.9	253.8	0.2%	2.2%	Up Over Year Ago
Employment Cost Index	2018Q3	05.12=100, SA	133.9	132.8	130.0	0.8%	3.0%	Up Over Year Ago
Productivity Index	2018Q3	2012=100, SA	105.9	105.4	104.6	0.5%	1.2%	Up Over Year Ago
Retail Sales	2018M11	\$billion, SA	513.5	512.4	492.8	0.2%	4.2%	Up Over Year Ago
Auto and Truck Sales	2018M11	million, SA	17.40	17.49	17.52	-0.5%	-0.7%	Down From Year Ago
Housing Starts	2018M11	million, SA	1.256	1.217	1.303	3.2%	-3.6%	Down From Year Ago
Real GDP***	2018Q3	2012\$billion, SA	18665.0	18511.6	18120.8	3.4%	3.0%	Strong Growth
Dollar Exchange Rate	2018M12	97.01=100	128.552	128.298	119.931	0.2%	7.2%	Increased
Trade Balance	2018M10	\$billion, SA	-55.488	-54.555	-46.986	1.7%	18.1%	Year-Over-Year Deficit Increase
S and P 500	2018M12	monthly close	2506.85	2760.17	2673.61	-9.2%	-6.2%	Down From Year Ago
Real Short-term Rate*	2018M12	%, NSA	-0.33	-0.47	-1.38	0.1%	1.1%	Up Over Year Ago
Treasury Yield Spread*	2018M12	%, NSA	0.46	0.79	1.08	-0.3%	-0.6%	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.