



NEVADA BUSINESS CONDITIONS

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The “second” estimate of U.S. real gross domestic product (GDP) for the first quarter of 2019 was revised down by a 0.1 percentage point to 3.1 percent at an annualized rate compared to the “advance” estimate. The revisions reflected smaller-than-expected nonresidential fixed investment, private inventory investment, and net exports, which is partly offset by larger personal consumption expenditures than previously reported. The overall picture of economic growth remained the same. The real GDP growth relied largely on temporary factors such as higher private business inventories and reduced imports. Personal consumption expenditures, private fixed investment, and state and local government spending also contributed positively to the real GDP growth, while residential investment and federal government spending contributed negatively. U.S. nonfarm employment added a disappointing 75,000 jobs in May. In addition, the total nonfarm employment in March and April were revised downward, which resulted in a loss of 75,000 jobs. The unemployment rate, however, remained unchanged at a 50-year low of 3.6 percent. Average hourly earnings growth in May fell to 3.1 percent year-over-year. Retail sales grew by 3.1 percent year-over-year. Housing starts posted seven consecutive months of year-over-year losses, while housing prices showed a year-over-year gain, but at a slower pace. The Fed indicated that it will not likely increase the federal fund rate and may consider multiple potential rate cuts this year in response to global economic uncertainty and escalated trade tensions between the United States and China.

The Nevada economy posted somewhat favorable signals with the most recent data releases. Seasonally adjusted statewide employment gained 2,800 jobs in April. The unemployment rate fell to 4.0 percent, the lowest level since April 2006. April gaming revenue experienced a year-over-year loss of 1.8 percent mainly due to a decline from the Las Vegas Strip. March taxable sales and gasoline sales rose by 4.0 and 2.7 percent, respectively, from last year. April Nevada air passengers climbed by 2.1 percent year-over-year.

Clark County experienced mixed signals in its economic activity relative to last month. Seasonally adjusted employment added 100 jobs in April. The

unemployment rate in April ticked down to 4.2 percent, its lowest level since the Great Recession. April visitor volume in Clark County declined slightly by 0.3 percent year-over-year, reflecting a 6.1 percent loss in convention attendance. Gaming revenue also decreased by 2.0 percent during the same period. Total McCarran Airport passengers in April gained 2.3 percent from last year. March taxable sales and gasoline sales experienced year-over-year gains, up by 5.9 and 2.4 percent, respectively. Residential housing permits/units in April contracted by 17.9 percent year-over-year.

Washoe County also posted generally mixed economic signals. The Reno-Sparks seasonally adjusted employment added 600 jobs in April, up by a strong 5.6 percent year-over-year. The unemployment rate ticked down to 3.2 percent, its lowest level since April 2000. March taxable sales for Washoe and Storey Counties fell strongly by 8.5 percent year-over-year due to a significant 55.7 percent decline in Storey County. April visitor volume experienced a third consecutive month of year-over-year losses, down by 3.2 percent. April gaming revenue, however, gained 1.0 percent from last year. April total airport passengers exceeded the level from last year by 3.6 percent.

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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	2019M04	000s, SA	1425.8	1423.0	1376.2	0.2%	3.6%	Up Over Year Ago
Unemployment Rate*	2019M04	%, SA	4.0	4.2	4.6	-0.2%	-0.6%	Reduced
Taxable Sales	2019M03	\$billion	5.628	4.564	5.413	23.3%	4.0%	Up Over Year Ago
Gaming Revenue	2019M04	\$million	936.48	1022.97	953.74	-8.5%	-1.8%	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	2019M03	million gallons	104.34	89.04	101.62	17.2%	2.7%	Up Over Year Ago
Clark County								
Employment	2019M04	000s, SA	1024.6	1024.5	1000.2	0.01%	2.4%	Up Over Year Ago
Unemployment Rate*	2019M04	%, Smoothed SA	4.2	4.3	4.9	-0.1%	-0.7%	Reduced
Taxable Sales	2019M03	\$billion	4.174	3.430	3.940	21.7%	5.9%	Up Over Year Ago
Gaming Revenue	2019M04	\$million	808.65	882.84	825.32	-8.4%	-2.0%	Down From Year Ago
Residential Permits	2019M04	units permitted	1012	980	1232	3.3%	-17.9%	Down From Year Ago
Commercial Permits	2019M04	permits	54	18	34	200.0%	58.8%	Low and Volatile
Air Passengers	2019M04	million persons	4.285	4.412	4.188	-2.9%	2.3%	Up Over Year Ago
Gasoline Sales	2019M03	million gallons	72.33	62.68	70.65	15.4%	2.4%	Up Over Year Ago
Visitor Volume	2019M04	million persons	3.826	4.004	3.838	-4.4%	-0.3%	Down From Year Ago
Washoe County								
Employment**	2019M04	000s, SA	255.1	254.5	241.5	0.2%	5.6%	Up Over Year Ago
Unemployment Rate*	2019M04	%, Smoothed SA	3.2	3.3	3.6	-0.1%	-0.4%	Reduced
Taxable Sales**	2019M03	\$billion	0.826	0.655	0.903	26.1%	-8.5%	Down From Year Ago
Gaming Revenue	2019M04	\$million	65.87	69.85	65.23	-5.7%	1.0%	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**	2019M03	million gallons	15.54	13.19	14.85	17.8%	4.6%	Up Over Year Ago
Visitor Volume	2019M04	million persons	0.385	0.387	0.398	-0.5%	-3.2%	Down From Year Ago
United States								
Employment	2019M05	million, SA	151.095	151.020	148.745	0.05%	1.6%	Up Over Year Ago
Unemployment Rate*	2019M05	%, SA	3.6	3.6	3.8	0.0%	-0.2%	Reduced
Consumer Price Index	2019M04	82-84=100, SA	255.0	254.1	250.0	0.3%	2.0%	Up Over Year Ago
Core CPI	2019M04	82-84=100, SA	261.7	261.4	256.4	0.1%	2.1%	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	2019M04	\$billion, SA	513.4	514.3	497.8	-0.2%	3.1%	Up Over Year Ago
Auto and Truck Sales	2019M05	million, SA	17.31	16.34	17.20	5.9%	0.7%	Up Over Year Ago
Housing Starts	2019M04	million, SA	1.235	1.168	1.267	5.7%	-2.5%	Down From Year Ago
Real GDP***	2019Q1	2012\$billion, SA	18907.5	18765.3	18324.0	3.1%	3.2%	Strong Growth
Dollar Exchange Rate	2019M05	97.01=100	128.734	127.355	121.430	1.1%	6.0%	Up Strongly
Trade Balance	2019M04	\$billion, SA	-50.791	-51.906	-48.218	-2.1%	5.3%	Year-Over-Year Deficit Increase
S and P 500	2019M05	monthly close	2752.06	2945.83	2705.27	-6.6%	1.7%	Recent Decrease
Real Short-term Rate*	2019M05	%, NSA	-0.55	-0.12	-0.94	-0.4%	0.4%	Up Over Year Ago
Treasury Yield Spread*	2019M05	%, NSA	0.05	0.15	1.12	-0.1%	-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.