



NEVADA BUSINESS CONDITIONS

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The “advance” estimate of U.S. real gross domestic product (GDP) for the first quarter of 2019 increased unexpectedly by 3.2 percent at an annualized rate. Although the growth rate marked its fastest first quarter increase since 2015, the overall real GDP growth included some temporary factors – reduced imports and higher private business inventories. Thus, the unexpected gain of real GDP mainly reflected a substantial reduction in the trade deficit and increases in private business inventories and state and local government spending. Consumer spending and private business investment, which largely caused real GDP growth in 2018, slowed, however. In addition, residential investment continued to post its fifth consecutive quarterly loss. U.S. nonfarm employment added more-than-expected 263,000 jobs in April with notable gains in professional business services, construction, health care, and social assistance sectors. Moreover, the total nonfarm employment revisions in February and March resulted in an additional gain of 16,000 jobs. The unemployment rate also declined to 3.6 percent, its lowest level in 50 years, partly due to a decrease in the labor force participation rate. Average hourly earnings growth in April remained at 3.2 percent despite strong labor market performance. Retail sales growth in March accelerated to 3.6 percent after weak gains for three months. The Fed confirmed recently that it will not likely increase the federal fund rate this year, in response to global economic uncertainty.

The Nevada economy posted mixed signals with the most recent data releases. Seasonally adjusted statewide employment gained 1,700 jobs in March with the main contributors coming from the construction and financial activities sectors. The unemployment rate fell to 4.2 percent, the lowest level since April 2007. March gaming revenue barely budged, down slightly by 0.1 percent year-over-year. February taxable sales increased by a robust 4.8 percent from last year, but at a slower pace compared to the last four months. Gasoline sales, however, declined by 2.3 percent over the same period. March Nevada air passengers rose by 2.7 percent year-over-year.

Clark County experienced somewhat mixed signals in its economic activity relative to last month. Seasonally adjusted employment added 1,700 jobs in March. The unemployment rate in March reached 4.3 percent, its lowest

level since the Great Recession. March visitor volume in Clark County decreased by 1.4 percent year-over-year, and gaming revenue also declined by 0.6 percent during the same period. Total McCarran Airport passengers in March climbed by 2.6 percent year-over-year. February taxable sales experienced a strong year-over-year gain, up by 7.1 percent. Residential housing permits/units in March fell significantly by 45.8 percent from last year, which may reflect a recent slowing in the housing market.

Washoe County also posted generally mixed economic signals. The Reno-Sparks seasonally adjusted employment added 300 jobs from February to March, up by a strong 5.8 percent year-over-year. The unemployment rate ticked down to 3.3 percent, its lowest level since May 2000. February taxable sales for Washoe and Storey Counties again declined by 5.8 percent year-over-year after a strong rebound last month, and gasoline sales were also down sharply by 5.8 percent over the same period. March visitor volume experienced a continued year-over-year loss of 8.4 percent. March gaming revenue also fell by 0.9 percent from a year ago. March total airport passengers, however, exceeded the level from last year by 7.6 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	2019M03	000s, SA	1420.7	1419.0	1373.5	0.1%	3.4%	Up Over Year Ago
Unemployment Rate*	2019M03	%, SA	4.2	4.3	4.7	-0.1%	-0.5%	Reduced
Taxable Sales	2019M02	\$billion	4.564	4.839	4.355	-5.7%	4.8%	Up Over Year Ago
Gaming Revenue	2019M03	\$million	1022.97	1011.54	1024.18	1.1%	-0.1%	Relatively Flat Year-Over-Year
Air Passengers	2019M03	million persons	4.819	3.959	4.690	21.7%	2.7%	Up Over Year Ago
Gasoline Sales	2019M02	million gallons	89.04	99.35	91.18	-10.4%	-2.3%	Down From Year Ago
Clark County								
Employment	2019M03	000s, SA	1025.7	1024.0	998.2	0.2%	2.8%	Up Over Year Ago
Unemployment Rate*	2019M03	%, Smoothed SA	4.3	4.5	5.0	-0.2%	-0.7%	Reduced
Taxable Sales	2019M02	\$billion	3.430	3.543	3.203	-3.2%	7.1%	Up Over Year Ago
Gaming Revenue	2019M03	\$million	882.84	892.70	888.30	-1.1%	-0.6%	Down From Year Ago
Residential Permits	2019M03	units permitted	939	1430	1733	-34.3%	-45.8%	Down Significantly From Year Ago
Commercial Permits	2019M03	permits	18	29	51	-37.9%	-64.7%	Low and Volatile
Air Passengers	2019M03	million persons	4.412	3.633	4.298	21.4%	2.6%	Up Over Year Ago
Gasoline Sales	2019M02	million gallons	62.68	69.40	63.21	-9.7%	-0.8%	Down From Year Ago
Visitor Volume	2019M03	million persons	4.004	3.431	4.063	16.7%	-1.4%	Down From Year Ago
Washoe County								
Employment**	2019M03	000s, SA	253.7	253.4	239.8	0.1%	5.8%	Up Over Year Ago
Unemployment Rate*	2019M03	%, Smoothed SA	3.3	3.5	3.7	-0.2%	-0.4%	Reduced
Taxable Sales**	2019M02	\$billion	0.655	0.770	0.696	-14.9%	-5.8%	Down From Year Ago
Gaming Revenue	2019M03	\$million	69.85	60.60	70.49	15.3%	-0.9%	Down From 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	2019M03	million persons	0.383	0.307	0.356	24.9%	7.6%	Up Over Year Ago
Gasoline Sales**	2019M02	million gallons	13.19	14.86	14.00	-11.2%	-5.8%	Down From Year Ago
Visitor Volume	2019M03	million persons	0.387	0.327	0.422	18.3%	-8.4%	Down From Year Ago
United States								
Employment	2019M04	million, SA	151.095	150.832	148.475	0.2%	1.8%	Strong Increase
Unemployment Rate*	2019M04	%, SA	3.6	3.8	3.9	-0.2%	-0.3%	Reduced
Consumer Price Index	2019M03	82-84=100, SA	254.1	253.1	249.5	0.4%	1.9%	Up Over Year Ago
Core CPI	2019M03	82-84=100, SA	261.4	261.0	256.1	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	2019M03	\$billion, SA	514.1	506.1	496.1	1.6%	3.6%	Up Over Year Ago
Auto and Truck Sales	2019M03	million, SA	17.48	16.54	17.23	5.7%	1.4%	Up Over Year Ago
Housing Starts	2019M03	million, SA	1.139	1.142	1.327	-0.3%	-14.2%	Down From Year Ago
Real GDP***	2019Q1	2012\$billion, SA	18912.3	18765.3	18324.0	3.2%	3.2%	Strong Growth
Dollar Exchange Rate	2019M04	97.01=100	127.355	127.210	118.148	0.1%	7.8%	Up Strongly From Year Ago
Trade Balance	2019M02	\$billion, SA	-49.382	-51.134	-55.719	-3.4%	-11.4%	Year-Over-Year Deficit Decrease
S and P 500	2019M04	monthly close	2945.83	2834.40	2648.05	3.9%	11.2%	Strong Increase
Real Short-term Rate*	2019M04	%, NSA	-0.12	-0.10	-0.94	-0.02%	0.8%	Up Over Year Ago
Treasury Yield Spread*	2019M04	%, NSA	0.15	0.17	1.11	-0.02%	-1.0%	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.