



# NEVADA BUSINESS CONDITIONS

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CENTER FOR BUSINESS  
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The partial federal government shutdown delayed the publication of some data series that we report.

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 an astonishing 304,000 jobs in January. The total nonfarm employment in December, however, revised downward, which totally offset an upward revision for November employment and produced 70,000 less jobs than previously reported. The unemployment rate ticked up to 4.0 percent, which reflected the partial government shutdown as federal workers were temporarily laid off. Average hourly earnings growth slowed disappointedly despite strong job gains, up by 3.2 percent year-over-year. Retail sales in November experienced a gain, up by 4.2 percent year-over-year. The Fed held the federal funds rate unchanged at a range of 2.25 to 2.5 percent in its first meeting of 2019 and indicated that the Fed will move more patiently with future interest rate hikes.

The Nevada economy posted highly favorable economic activity based on the most recent data. Seasonally adjusted statewide employment added 6,300 jobs in December, which resulted in an average addition of 4,400 jobs per month in 2018, which exceeds the 3,500 average monthly job gains in 2017. The unemployment rate remained unchanged at 4.4 percent. December gaming revenue experienced a yearly increase of 4.1 percent, which led to a 3.0 percent gain from 2017 to 2018. November taxable sales gained robustly by 8.5 percent year-over-year, mainly reflecting strong performance in Clark County. December Nevada air passengers also rose by 2.4 percent relative to a year ago.

Clark County experienced generally positive signals in its economic activity compared to last month. Seasonally adjusted employment gained 2,600 jobs in December. As a result, the 2018 job growth accelerated to 3.6 percent from 2.6 percent in 2017. The unemployment rate, however, edged up to 4.6 percent. December visitor volume in Clark County climbed by 1.7 percent compared to last year, which resulted in a reduction of 0.9 percent from 2017 to 2018. December gaming revenue, nevertheless, rose by 5.0 percent year-over-year, which led to revenue of more than \$10 billion in 2018 for the first time since the Great Recession. Total McCarran Airport passengers in December increased by 2.0 percent compared to last year, which brought to Las Vegas a record-breaking 49.7 million passengers in 2018. November taxable sales experienced a significant gain of 12.2 percent year-over-year. Residential housing permits/units in November decreased substantially by 37.0 percent compared to a year earlier after a strong rebound last month.

Washoe County exhibited slightly negative economic signals. The Reno-Sparks seasonally adjusted employment added 600 jobs from November to December, up by 5.2 percent year-over-year. As a result, an average of 1,000 jobs per month were created in 2018, slightly higher than the 900 jobs per month in 2017. The unemployment rate rose to 3.6 percent. November taxable sales for Washoe and Storey Counties fell by 7.7 percent year-over-year due to continued weak performance in Storey County. December visitor volume and gaming revenue decreased by 6.2 and 1.4 percent, respectively, compared to last year. December total airport passengers exceeded the level from last year by 4.4 percent. Residential housing permits in December experienced a year-over-year loss of 8.0 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	
<b>Nevada</b>								
Employment	2018M12	000s, SA	1412.2	1405.9	1359.8	0.4%	3.9%	Up Over Year Ago
Unemployment Rate*	2018M12	%, SA	4.4	4.4	4.9	0.0%	-0.5%	Flat Month-Over-Month
Taxable Sales	2018M11	\$billion	5.111	5.102	4.711	0.2%	8.5%	Up Strongly
Gaming Revenue	2018M12	\$million	999.66	967.17	960.23	3.4%	4.1%	Up Over Year Ago
Air Passengers	2018M12	million persons	4.278	4.441	4.177	-3.7%	2.4%	Up Over Year Ago
Gasoline Sales	2018M10	million gallons	105.52	104.58	103.54	0.9%	1.9%	Up Over Year Ago
<b>Clark County</b>								
Employment	2018M12	000s, SA	1023.1	1020.5	987.9	0.3%	3.6%	Up Over Year Ago
Unemployment Rate*	2018M12	%, Smoothed SA	4.6	4.5	5.1	0.1%	-0.5%	Recent Increase
Taxable Sales	2018M11	\$billion	3.804	3.706	3.391	2.6%	12.2%	Up Strongly
Gaming Revenue	2018M12	\$million	861.11	833.72	820.40	3.3%	5.0%	Up Over Year Ago
Residential Permits	2018M11	units permitted	1046	1079	1660	-3.1%	-37.0%	Down From Year Ago
Commercial Permits	2017M11	permits	33	34	41	-2.9%	-19.5%	Low and Volatile
Air Passengers	2018M12	million persons	3.903	4.090	3.828	-4.6%	2.0%	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	2018M12	million persons	3.474	3.728	3.415	-6.8%	1.7%	Up Over Year Ago
<b>Washoe County</b>								
Employment**	2018M12	000s, SA	247.6	247.0	235.3	0.2%	5.2%	Up Over Year Ago
Unemployment Rate*	2018M12	%, Smoothed SA	3.6	3.5	3.9	0.1%	-0.3%	Recent Increase
Taxable Sales**	2018M11	\$billion	0.738	0.800	0.799	-7.7%	-7.7%	Down From Year Ago
Gaming Revenue	2018M12	\$million	73.47	69.29	74.52	6.0%	-1.4%	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	2018M12	million persons	0.341	0.316	0.327	8.1%	4.4%	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	2018M12	million persons	0.377	0.353	0.402	6.7%	-6.2%	Down From Year Ago
<b>United States</b>								
Employment	2019M01	million, SA	150.574	150.270	147.767	0.2%	1.9%	Up Over Year Ago
Unemployment Rate*	2019M01	%, SA	4.0	3.9	4.1	0.1%	-0.1%	Recent Increase
Consumer Price Index	2018M12	82-84=100, SA	252.7	252.9	247.9	-0.1%	1.9%	Up Over Year Ago
Core CPI	2018M12	82-84=100, SA	260.0	259.5	254.4	0.2%	2.2%	Up Over Year Ago
Employment Cost Index	2018Q4	05.12=100, SA	134.8	133.9	130.7	0.7%	3.1%	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	2019M01	97.01=100	126.807	128.520	117.194	-1.3%	8.2%	Up Over Year Ago
Trade Balance	2018M10	\$billion, SA	-55.488	-54.555	-46.986	1.7%	18.1%	Year-Over-Year Deficit Increase
S and P 500	2019M01	monthly close	2704.10	2506.85	2823.81	7.9%	-4.2%	Down From Year Ago
Real Short-term Rate*	2019M01	%, NSA	-0.33	-0.33	-1.29	0.0%	1.0%	Up Over Year Ago
Treasury Yield Spread*	2019M01	%, NSA	0.34	0.46	1.17	-0.1%	-0.8%	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.