



NEVADA BUSINESS CONDITIONS

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The “third” estimate of U.S. real gross domestic product (GDP) for the third quarter of 2019 grew at an annual rate of 2.1 percent, unchanged from the “second” estimate. Despite the unchanged growth rate, revisions occurred for several components. With more complete source data, consumer and government spending and nonresidential fixed investment were revised up, which were offset by downward revisions in private inventory investment and residential investment. Overall, strong consumer spending primarily drove real GDP growth in the third quarter, and weaker business investment and imports slowed real GDP growth. U.S. nonfarm employment added a less-than-expected 145,000 jobs in December. The employment for October and November was also revised down, reporting a combined loss of 14,000 jobs. As a result, total nonfarm employment added 2.1 million jobs in 2019, down from a gain of 2.7 million in 2018. The unemployment rate remained at a 50-year low of 3.5 percent. Average hourly earnings growth in December dropped to 2.9 percent year-over-year despite a tight labor market. Retail sales in November increased by 3.3 percent from last year. Housing starts in November continued a strong year-over-year growth of 13.6 percent. The latest readings show that the U.S. economy will continue its modest expansion with some progress on China trade talks, while a global economic slowdown and a recent rising tension in Middle East area could provide headwinds.

The Nevada economy experienced generally positive signals with the release of the most recent data. Seasonally adjusted statewide employment added a strong 5,800 jobs in November, recording the fourth fastest yearly growth of 2.6 percent after Utah, Idaho, and Texas. The unemployment rate also fell to 4.0 percent after four consecutive months of 4.1 percent. November gaming revenue decreased by 3.1 percent year-over-year, while Nevada air passengers rose by 1.9 percent over the same period. October taxable sales continued its robust gain, up by 5.4 percent from year ago. October gasoline sales (in gallons), however, remained relatively flat from last year.

Clark County posted mixed signals in local economic activity. Seasonally adjusted employment gained 5,600 jobs in November, accelerating its year-over-year growth rate to 2.7 from last month’s 1.7 percent. The

unemployment rate in November ticked down to 4.1 percent. November visitor volume and total McCarran Airport passengers increased by 0.7 and 2.2 percent, respectively, from last year. November gaming revenue, nevertheless, slipped by 3.4 percent year-over-year with a large loss in baccarat win. October taxable sales also climbed strongly by 6.7 percent from last year, while gasoline sales (in gallons) remained marginally unchanged over the same period. Residential housing permits/units in November plummeted by 48.9 percent from a year ago, which partly reflected the slowed processing time in some jurisdictions due to understaffing according to Home Builders Research.

Washoe County also displayed mixed economic signals. The Reno-Sparks seasonally adjusted employment gained 700 jobs in November, up by 4.0 percent from last year. The unemployment rate did not budge from 3.2 percent. October taxable sales and gasoline sales for Washoe and Storey Counties experienced year-over-year gains of 2.6 and 0.8 percent, respectively. November total airport passengers were up slightly by 0.7 percent from last year. November visitor volume and gaming revenue, however, declined by 0.4 and 0.5 percent, respectively, from a year ago.

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	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
Nevada								
Employment	2019M11	000s, SA	1444.5	1438.7	1407.6	0.4%	2.6%	Up Over Year Ago
Unemployment Rate*	2019M11	%, SA	4.0	4.1	4.4	-0.1%	-0.4%	Reduced
Taxable Sales	2019M10	\$billion	5.376	5.566	5.102	-3.4%	5.4%	Up Over Year Ago
Gaming Revenue	2019M11	\$million	937.47	1021.91	967.12	-8.3%	-3.1%	Down From Year Ago
Air Passengers	2019M11	million persons	4.526	5.022	4.442	-9.9%	1.9%	Up Over Year Ago
Gasoline Sales	2019M10	million gallons	105.58	105.05	105.52	0.5%	0.1%	Relatively Flat Year-Over-Year
Clark County								
Employment	2019M11	000s, SA	1045.0	1039.4	1017.9	0.5%	2.7%	Up Over Year Ago
Unemployment Rate*	2019M11	%, Smoothed SA	4.1	4.2	4.6	-0.1%	-0.5%	Reduced
Taxable Sales	2019M10	\$billion	3.954	3.970	3.706	-0.4%	6.7%	Up Over Year Ago
Gaming Revenue	2019M11	\$million	805.22	879.03	833.72	-8.4%	-3.4%	Down From Year Ago
Residential Permits	2019M11	units permitted	725	1313	1419	-44.8%	-48.9%	Down From Year Ago
Commercial Permits	2019M11	permits	22	43	37	-48.8%	-40.5%	Low and Volatile
Air Passengers	2019M11	million persons	4.179	4.609	4.090	-9.3%	2.2%	Up Over Year Ago
Gasoline Sales	2019M10	million gallons	71.89	71.00	71.64	1.2%	0.3%	Relatively Flat Year-Over-Year
Visitor Volume	2019M11	million persons	3.754	3.934	3.728	-4.6%	0.7%	Up Slightly From Year Ago
Washoe County								
Employment**	2019M11	000s, SA	260.5	259.8	250.4	0.3%	4.0%	Up Over Year Ago
Unemployment Rate*	2019M11	%, Smoothed SA	3.2	3.2	3.6	0.0%	-0.4%	Flat Month-Over-Month
Taxable Sales**	2019M10	\$billion	0.821	0.971	0.800	-15.5%	2.6%	Up Over Year Ago
Gaming Revenue	2019M11	\$million	68.94	73.63	69.29	-6.4%	-0.5%	Down Slightly From Year Ago
Residential Permits	2019M11	units permitted	334	423	522	-21.0%	-36.0%	Down From Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2019M11	million persons	0.318	0.381	0.316	-16.5%	0.7%	Up Slightly Over Year Ago
Gasoline Sales**	2019M10	million gallons	15.90	15.91	15.78	-0.1%	0.8%	Up Slightly Over Year Ago
Visitor Volume	2019M11	million persons	0.352	0.408	0.353	-13.7%	-0.4%	Down Slightly From Year Ago
United States								
Employment	2019M12	million, SA	152.383	152.238	150.275	0.1%	1.4%	Up Over Year Ago
Unemployment Rate*	2019M12	%, SA	3.5	3.5	3.9	0.0%	-0.4%	Flat Month-Over-Month
Consumer Price Index	2019M11	82-84=100, SA	257.9	257.3	252.8	0.3%	2.0%	Up Over Year Ago
Core CPI	2019M11	82-84=100, SA	265.6	265.0	259.6	0.2%	2.3%	Up Over Year Ago
Employment Cost Index	2019Q3	05.12=100, SA	137.9	136.7	133.9	0.9%	3.0%	Up Over Year Ago
Productivity Index	2019Q3	2012=100, SA	107.9	107.9	106.3	-0.1%	1.5%	Up Over Year Ago
Retail Sales	2019M11	\$billion, SA	528.0	527.0	510.9	0.2%	3.3%	Up Over Year Ago
Auto and Truck Sales	2019M11	million, SA	17.09	16.53	17.38	3.4%	-1.7%	Down From Year Ago
Housing Starts	2019M11	million, SA	1.365	1.323	1.202	3.2%	13.6%	Up Strongly
Real GDP***	2019Q3	2012\$billion, SA	19121.1	19021.9	18732.7	2.1%	2.1%	Robust Growth
Dollar Exchange Rate	2019M12	97.01=100	129.362	129.919	128.520	-0.4%	0.7%	Up Over Year Ago
Trade Balance	2019M11	\$billion, SA	-43.086	-46.939	-53.647	-8.2%	-19.7%	Year-Over-Year Deficit Decrease
S and P 500	2019M12	monthly close	3230.78	3140.98	2506.85	2.9%	28.9%	Up Strongly
Real Short-term Rate*	2019M12	%, NSA	-0.76	-0.96	-0.33	0.2%	-0.4%	Down From Year Ago
Treasury Yield Spread*	2019M12	%, NSA	0.32	0.27	0.46	0.1%	-0.1%	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.