



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
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The “second” estimate of U.S. real gross domestic product (GDP) for the third quarter of 2019 expanded at a 2.1 percent annualized rate, revised up by 0.2 percent from the advance estimate of 1.9 percent. The upward revisions reflected less negative business investment, including inventory investment and more positive consumer spending than previously thought, which were partly offset by smaller state and local government spending than initially reported. Robust consumer spending primarily drove real GDP growth in the third quarter. In addition, residential investment, inventory investment, and government spending also contributed positively to the real GDP expansion, while continued weaker business investment and net exports contributed negatively to the economic expansion. U.S. nonfarm employment experienced a surprising gain, adding 266,000 jobs in November, partly due to the end of the auto industry strike. Furthermore, the employment for September and October was revised up, reporting a combined 41,000 more jobs. The unemployment rate also fell to a 50-year low of 3.5 percent. Average hourly earnings growth in November, nevertheless, slipped slightly to 3.1 percent year-over-year. Retail sales in October rose by 3.1 percent from last year, while auto and truck sales experienced its largest year-over-year decline in two years over the same period. Housing starts in October increased strongly by 8.5 percent from a year ago. The tight U.S. labor market and robust retail sales suggest that the U.S. economy will continue its modest expansion, while continued unresolved trade talks with China and a global economic slowdown could provide headwinds. The Fed will probably keep the federal funds rate unchanged in the near term.

The Nevada economy experienced more positive than negative signals with the release of the most recent data. Seasonally adjusted statewide employment lost 1,800 jobs in October but rose by 2.2 percent from last year. The unemployment rate, nonetheless, remained unchanged at 4.1 percent for four consecutive months. October gaming revenue posted a year-over-year loss of 3.9 percent due to reduced performance in Clark County. September taxable sales increased strongly by 9.8 percent from a year earlier, while gasoline sales (in gallons) rose slightly by 0.5 percent during the same period. October Nevada air passengers climbed by 4.1 percent from last year.

Clark County posted mixed signals in local economic activity. Seasonally adjusted employment gained 700 jobs in October, showing its slowest yearly growth of 1.3 percent in nearly eight years. The unemployment rate in October ticked down to 4.2 percent. October visitor volume and gaming revenue in Clark County decreased by 0.6 and 5.1 percent, respectively, from last year. Total McCarran Airport passengers, however, hit its highest value on record in October 2019, up by 4.0 percent from last year. September taxable sales also climbed robustly by 7.4 percent year-over-year, while gasoline sales (in gallons) remained flat over the same period. Residential housing permits/units in October experienced a loss of 8.0 percent from a year ago, mainly due to declined activity in unincorporated Clark County.

Washoe County displayed favorable economic signals. The Reno-Sparks seasonally adjusted employment gained 700 jobs in October, up by 4.8 percent year-over-year. The unemployment rate edged down to 3.2 percent. September taxable sales for Washoe and Storey Counties experienced a strong year-over-year gain, up by 22.4 percent. September gasoline sales climbed slightly by 0.6 percent from last year. October total airport passengers continued its strong year-over-year gain, rising by 9.6 percent. October visitor volume and gaming revenue rebounded, increasing by 1.1 and 3.9 percent, respectively, from a year ago.

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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	2019M10	000s, SA	1435.7	1437.5	1404.9	-0.1%	2.2%	Up Over Year Ago
Unemployment Rate*	2019M10	%, SA	4.1	4.1	4.4	0.0%	-0.3%	Flat Month-Over-Month
Taxable Sales	2019M09	\$billion	5.566	5.411	5.072	2.9%	9.8%	Up Strongly
Gaming Revenue	2019M10	\$million	1021.91	1059.29	1062.88	-3.5%	-3.9%	Down From Year Ago
Air Passengers	2019M10	million persons	5.022	4.747	4.825	5.8%	4.1%	Up Over Year Ago
Gasoline Sales	2019M09	million gallons	105.05	113.49	104.58	-7.4%	0.5%	Up Slightly Over Year Ago
<b>Clark County</b>								
Employment	2019M10	000s, SA	1035.5	1034.8	1022.4	0.1%	1.3%	Up Over Year Ago
Unemployment Rate*	2019M10	%, Smoothed SA	4.2	4.3	4.6	-0.1%	-0.4%	Reduced
Taxable Sales	2019M09	\$billion	3.970	3.929	3.697	1.0%	7.4%	Up Strongly
Gaming Revenue	2019M10	\$million	879.03	913.57	926.51	-3.8%	-5.1%	Down From Year Ago
Residential Permits	2019M10	units permitted	1303	978	1417	33.2%	-8.0%	Down From Year Ago
Commercial Permits	2019M10	permits	43	30	36	43.3%	19.4%	Low and Volatile
Air Passengers	2019M10	million persons	4.609	4.324	4.433	6.6%	4.0%	Up Over Year Ago
Gasoline Sales	2019M09	million gallons	71.00	76.39	71.02	-7.1%	0.0%	Flat Year-Over-Year
Visitor Volume	2019M10	million persons	3.934	3.709	3.957	6.1%	-0.6%	Down Slightly From Year Ago
<b>Washoe County</b>								
Employment**	2019M10	000s, SA	260.7	260.0	248.8	0.3%	4.8%	Up Over Year Ago
Unemployment Rate*	2019M10	%, Smoothed SA	3.2	3.3	3.6	-0.1%	-0.4%	Reduced
Taxable Sales**	2019M09	\$billion	0.971	0.856	0.793	13.3%	22.4%	Up Strongly
Gaming Revenue	2019M10	\$million	73.63	76.23	70.89	-3.4%	3.9%	Up Over Year Ago
Residential Permits	2019M10	units permitted	423	659	549	-35.8%	-23.0%	Down From Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2019M10	million persons	0.381	0.392	0.348	-2.9%	9.6%	Up Over Year Ago
Gasoline Sales**	2019M09	million gallons	15.91	17.59	15.82	-9.6%	0.6%	Up Slightly Over Year Ago
Visitor Volume	2019M10	million persons	0.408	0.446	0.403	-8.5%	1.1%	Up Over Year Ago
<b>United States</b>								
Employment	2019M11	million, SA	152.252	151.986	150.048	0.2%	1.5%	Up Over Year Ago
Unemployment Rate*	2019M11	%, SA	3.5	3.6	3.7	-0.1%	-0.2%	Reduced
Consumer Price Index	2019M10	82-84=100, SA	257.3	256.4	252.8	0.4%	1.8%	Up Over Year Ago
Core CPI	2019M10	82-84=100, SA	265.0	264.6	259.0	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	107.8	107.9	106.3	-0.1%	1.5%	Up Over Year Ago
Retail Sales	2019M10	\$billion, SA	526.5	525.2	510.7	0.3%	3.1%	Up Over Year Ago
Auto and Truck Sales	2019M10	million, SA	16.55	17.14	17.48	-3.5%	-5.3%	Down From Year Ago
Housing Starts	2019M10	million, SA	1.314	1.266	1.211	3.8%	8.5%	Up Over Year Ago
Real GDP***	2019Q3	2012\$billion, SA	19122.1	19021.9	18732.7	2.1%	2.1%	Robust Growth
Dollar Exchange Rate	2019M11	97.01=100	129.919	130.156	128.298	-0.2%	1.3%	Up Over Year Ago
Trade Balance	2019M10	\$billion, SA	-47.199	-51.100	-56.692	-7.6%	-16.7%	Year-Over-Year Deficit Decrease
S and P 500	2019M11	monthly close	3140.98	3037.56	2760.17	3.4%	13.8%	Increased
Real Short-term Rate*	2019M11	%, NSA	-0.96	-0.85	-0.47	-0.1%	-0.5%	Down From Year Ago
Treasury Yield Spread*	2019M11	%, NSA	0.27	0.06	0.79	0.2%	-0.5%	Recent Increase

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.