



NEVADA BUSINESS CONDITIONS

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The “second” estimate of U.S. real gross domestic product (GDP) for the third quarter of 2021 grew 2.1 percent at an annual rate, which was revised up by 0.1 percent from the previous estimate. The upward revision primarily reflected larger-than-expected consumer spending and private inventory investment. Overall, the disappointing growth in the third quarter largely reflected a deceleration in consumer spending due to the resurgence of coronavirus cases and goods and labor supply shortages. U.S. nonfarm employment only added 210,000 jobs in November, its lowest gain since a loss in December 2020 and much lower than the consensus forecast of 550,000. The November labor participation rate, however, increased by 0.2 percent to 61.8 percent, the highest level since the start of the pandemic, as well as upward revisions in the nonfarm payrolls for October (+15,000) and September (+67,000), signaling that workers are returning to the labor market. The U.S. unemployment rate in November dropped by 0.4 percent to 4.2 percent. Retail sales in October experienced its strongest month-over-month gain of 1.7 percent since March 2021, partly benefitting from early holiday shopping. The most recent data indicate that the U.S. economy will continue its expansion, but the Omicron variant, continued supply shortages, and high inflation pose probable headwinds. Federal Reserve Chairman Jerome Powell signaled that the Fed could speed up the pace of tapering asset purchases early next year amid escalating inflation.

Nevada’s economic activity posted highly positive signals based on the most recent data as the delta variant waned. Seasonally adjusted statewide employment added 10,900 jobs in October, the largest monthly increase in five months. The largest gains occurred in the professional and business services and education and health services sectors, adding 4,200 and 3,100 jobs, respectively. The October unemployment rate also fell by 0.2 percent to 7.3 percent. October gaming revenue experienced a strong rebound of 5.5 percent month-over-month after two consecutive months of decline. It, nonetheless, topped \$1 billion for the eighth straight month, a record. September taxable sales also climbed strongly by 8.3 percent from last month.

Clark County also displayed favorable signs in its local economic activity. Seasonally adjusted employment gained 8,400 jobs in October. The unemployment rate in September also fell by 0.3 percent to 7.7 percent. October

gaming revenue increased strongly by 5.1 percent month-over-month, benefitting from a 15.1 percent gain in visitor volume from September. October total McCarran Airport passengers also surged by 10.7 percent month-over-month amid receding COVID-19 cases. Visitor volume and Harry Reid Airport passengers, however, remained 11.2 and 9.3 percent lower than their levels in October 2019. September taxable sales rose strongly by 8.9 percent month-over-month, while gasoline sales in gallon plummeted by 5.7 percent over the same period. October residential permits gained 27.9 percent year-over-year. The local economy is regaining momentum, benefitting from higher vaccination rates and the reopening of borders. The recent resurgence of COVID-19 cases and the Omicron variant, nonetheless, could slow the speed of recovery.

Washoe County exhibited mixed signals in its local economic activity. The Reno-Sparks seasonally adjusted employment added 1,300 jobs in October, and the unemployment rate fell slightly by 0.1 percent to 4.0 percent. September taxable sales soared by 9.9 percent month-over-month. October air passengers experienced a strong recovery, up by 15.7 percent month-over-month. October gaming revenue and visitor volume, however, contracted by 2.4 and 7.7 percent, respectively, from last month. October residential permits remained almost flat, up by 0.2 percent from last year.

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	2021M10	000s, SA	1363.8	1352.9	1267.2	0.8%	7.6%	Improved
Unemployment Rate*	2021M10	%, SA	7.3	7.5	12.0	-0.2%	-4.7%	Improved
Taxable Sales	2021M09	\$billion	6.825	6.302	5.346	8.3%	27.7%	Up Strongly
Gaming Revenue	2021M10	\$million	1221.41	1158.17	822.30	5.5%	48.5%	Up Strongly
Air Passengers	2021M10	million persons	4.544	4.091	2.172	11.1%	109.3%	Strong Recovery
Gasoline Sales	2021M09	million gallons	102.25	109.80	96.42	-6.9%	6.0%	Up Over Year Ago
Clark County								
Employment	2021M10	000s, SA	975.1	966.7	898.4	0.9%	8.5%	Improved
Unemployment Rate*	2021M10	%, Smoothed SA	7.7	8.0	13.8	-0.3%	-6.1%	Improved
Taxable Sales	2021M09	\$billion	4.976	4.567	3.709	8.9%	34.1%	Up Strongly
Gaming Revenue	2021M10	\$million	1056.68	1005.18	671.82	5.1%	57.3%	Up Strongly
Residential Permits	2021M10	units permitted	1252	1125	979	11.3%	27.9%	Up Strongly
Commercial Permits	2021M01	permits	32	17	39	88.2%	-17.9%	Low and Volatile
Air Passengers	2021M10	million persons	4.181	3.778	1.981	10.7%	111.0%	Strong Recovery
Gasoline Sales	2021M09	million gallons	69.97	74.19	63.48	-5.7%	10.2%	Up Over Year Ago
Visitor Volume	2021M10	million persons	3.493	3.034	1.968	15.1%	77.5%	Strong Recovery
Washoe County								
Employment**	2021M10	000s, SA	249.1	247.8	237.7	0.5%	4.8%	Improved
Unemployment Rate*	2021M10	%, Smoothed SA	4.0	4.1	6.2	-0.1%	-2.2%	Improved
Taxable Sales**	2021M09	\$billion	1.142	1.038	0.911	9.9%	25.3%	Up Strongly
Gaming Revenue	2021M10	\$million	86.91	89.06	78.15	-2.4%	11.2%	Down From Month Ago
Residential Permits	2021M10	units permitted	422	380	421	11.1%	0.2%	Up Over Year Ago
Commercial Permits	2018M12	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2021M10	million persons	0.351	0.303	0.174	15.7%	101.9%	Strong Recovery
Gasoline Sales**	2021M09	million gallons	15.27	16.38	14.90	-6.8%	2.5%	Up Over Year Ago
Visitor Volume	2021M10	million persons	0.323	0.350	0.276	-7.7%	16.8%	Down From Month Ago
United States								
Employment	2021M11	million, SA	148.611	148.401	142.809	0.1%	4.1%	Improved
Unemployment Rate*	2021M11	%, SA	4.2	4.6	6.7	-0.4%	-2.5%	Improved
Consumer Price Index	2021M10	82-84=100, SA	276.7	274.1	260.5	0.9%	6.2%	Up Over Year Ago
Core CPI	2021M10	82-84=100, SA	281.7	280.0	269.4	0.6%	4.6%	Up Over Year Ago
Employment Cost Index	2021Q3	05.12=100, SA	148.1	145.8	141.6	1.6%	4.6%	Up Over Year Ago
Productivity Index	2021Q3	2012=100, SA	111.6	113.0	112.3	-1.2%	-0.6%	Decreased
Retail Sales	2021M10	\$billion, SA	638.2	627.5	548.7	1.7%	16.3%	Up Strongly
Auto and Truck Sales	2021M11	million, SA	12.86	12.96	15.87	-0.7%	-19.0%	Down Significantly
Housing Starts	2021M10	million, SA	1.520	1.530	1.514	-0.7%	0.4%	Up Over Year Ago
Real GDP***	2021Q3	2012\$billion, SA	19469.4	19368.3	18560.8	2.1%	4.9%	Weak Growth
Dollar Exchange Rate	2021M11	06.01=100	115.396	114.419	114.380	0.9%	0.9%	Down From Year Ago
Trade Balance	2021M10	\$billion, SA	-67.116	-81.435	-63.678	-17.6%	5.4%	Year-Over-Year Deficit Increase
S and P 500	2021M11	monthly close	4567.00	4605.38	3621.63	-0.8%	26.1%	Down Month-Over-Month
Real Short-term Rate*	2021M11	%, NSA	-4.85	-4.75	-2.71	-0.1%	-2.1%	Down From Year Ago
Treasury Yield Spread*	2021M11	%, NSA	1.51	1.53	0.78	0.0%	0.7%	Up Over 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.