



# NEVADA BUSINESS CONDITIONS

**UNLV** | LEE BUSINESS SCHOOL  
CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH

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The second estimate of U.S. real gross domestic product (GDP) for the second quarter of 2022 continued to shrink for the second straight quarter, down by 0.6 percent at an annual rate. This represents a 0.3 percentage point slower decline from the previous “advance” estimate, due to upward revisions to consumer spending and private inventories. Despite the revision, decreases in private inventory investment led to a slowdown in retail trade that partly explains the shrinkage in real GDP. Consumer spending continued its upward trajectory thanks to increased spending on services. Cuts in goods spending slowed its rise. U.S. nonfarm employment saw the addition of 315,000 jobs in August, a step back from the 526,000 jobs added in July. The U.S. unemployment rate increased to 3.7 percent in August, a 0.2 percentage point increase from July. Despite the decrease in hiring, the labor market likely won’t dissuade the Fed’s plans to continue to hike interest rates to decrease inflation. The CPI increased 8.5 percent year-over-year in July.

Nevada’s economic signals mostly point in a positive direction. Seasonally adjusted statewide employment increased by 7,100 jobs in July, emblematic of a still strong labor market, accompanied by an unemployment rate decrease to 4.4 percent. July gaming revenue decreased 3.2 percent year-over-year, which might signal the start of the normalization of gaming revenue. Taxable sales rose 7.4 percent from June 2021 to June 2022, but gasoline sales in gallons dropped by 6.7 percent over the same period.

Clark County’s economic signals convey continued optimism. July saw seasonally adjusted employment add 5,400 jobs. The unemployment rate in July held steady at a seasonally adjusted 5.3 percent. Total Harry Reid passengers continued to post its record high level, up by 3.9 percent month-over-month in July. Visitor volume followed along with a 5.1 percent month-over-month increase. Visitor volume still remains 7.2 percent lower than its pre-pandemic level in July 2019. Taxable sales increased 2.6 percent month-over-month and 11.1 percent year-over-year in June. Gaming revenue increased 1.3 percent month-over-month but decreased 3.4 percent year-over-year in July. July residential permits plummeted 40.5 percent year-over-year amid higher interest rates.

Washoe County’s posted weaker economic signals. The Reno-Sparks seasonally adjusted employment gained 1,000 jobs in July, while the unemployment rate increased to 2.9 percent. Taxable sales grew 9.1 percent month-over-month but decreased 5.4 percent year-over-year in June. Gaming revenue, air passengers, and visitor volume decreased by 5.3, 6.9, and 3.2 percent respectively, 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 |                                   |
| <b>Nevada</b>          |         |                   |         |          |          |        |          |                                   |
| Employment             | 2022M07 | 000s, SA          | 1461.6  | 1454.5   | 1383.4   | 0.5%   | 5.7%     | Increased                         |
| Unemployment Rate*     | 2022M07 | %, SA             | 4.4     | 4.7      | 6.6      | -0.3%  | -2.2%    | Reduced                           |
| Taxable Sales          | 2022M06 | \$billion         | 7.443   | 7.152    | 6.932    | 4.1%   | 7.4%     | Up Strongly From Year Ago         |
| Gaming Revenue         | 2022M07 | \$million         | 1315.99 | 1277.07  | 1359.88  | 3.0%   | -3.2%    | Down From Year Ago                |
| Air Passengers         | 2022M07 | million persons   | 5.289   | 5.078    | 4.602    | 4.1%   | 14.9%    | Up Strongly                       |
| Gasoline Sales         | 2022M06 | million gallons   | 100.43  | 104.18   | 107.68   | -3.6%  | -6.7%    | Down From Year Ago                |
| <b>Clark County</b>    |         |                   |         |          |          |        |          |                                   |
| Employment             | 2022M07 | 000s, SA          | 1063.4  | 1058.0   | 1008.6   | 0.5%   | 5.4%     | Improved                          |
| Unemployment Rate*     | 2022M07 | %, Smoothed SA    | 5.3     | 5.3      | 8.0      | 0.0%   | -2.7%    | Flat Month-Over-Month             |
| Taxable Sales          | 2022M06 | \$billion         | 5.422   | 5.284    | 4.881    | 2.6%   | 11.1%    | Up Strongly From Year Ago         |
| Gaming Revenue         | 2022M07 | \$million         | 1123.42 | 1109.16  | 1162.60  | 1.3%   | -3.4%    | Down From Year Ago                |
| Residential Permits    | 2022M07 | units permitted   | 697     | 1301     | 1171     | -46.4% | -40.5%   | Down From Year Ago                |
| Commercial Permits     | 2022M06 | permits           | 35      | 61       | 59       | -42.6% | -40.7%   | Low and Volatile                  |
| Air Passengers         | 2022M07 | million persons   | 4.864   | 4.683    | 4.151    | 3.9%   | 17.2%    | Up Strongly                       |
| Gasoline Sales         | 2022M06 | million gallons   | 66.57   | 70.81    | 71.67    | -6.0%  | -7.1%    | Down From Year Ago                |
| Visitor Volume         | 2022M07 | million persons   | 3.692   | 3.514    | 3.422    | 5.1%   | 7.9%     | Up Strongly                       |
| <b>Washoe County</b>   |         |                   |         |          |          |        |          |                                   |
| Employment**           | 2022M07 | 000s, SA          | 258.6   | 257.6    | 248.6    | 0.4%   | 4.0%     | Increased                         |
| Unemployment Rate*     | 2022M07 | %, Smoothed SA    | 2.9     | 2.8      | 4.3      | 0.1%   | -1.4%    | Recent Increase                   |
| Taxable Sales**        | 2022M06 | \$billion         | 1.186   | 1.087    | 1.254    | 9.1%   | -5.4%    | Down From Year Ago                |
| Gaming Revenue         | 2022M07 | \$million         | 94.78   | 85.64    | 100.04   | 10.7%  | -5.3%    | Down From Year Ago                |
| Residential Permits    | 2022M07 | units permitted   | 383     | 511      | 487      | -25.0% | -21.4%   | Down Strongly                     |
| Commercial Permits     | 2019M01 | permits           | 40      | 21       | 42       | 90.5%  | -4.8%    | Low and Volatile                  |
| Air Passengers         | 2022M07 | million persons   | 0.408   | 0.384    | 0.438    | 6.1%   | -6.9%    | Down From Year Ago                |
| Gasoline Sales**       | 2022M06 | million gallons   | 15.46   | 15.34    | 16.41    | 0.8%   | -5.8%    | Down From Year Ago                |
| Visitor Volume         | 2022M07 | million persons   | 0.370   | 0.360    | 0.382    | 2.8%   | -3.2%    | Down From Year Ago                |
| <b>United States</b>   |         |                   |         |          |          |        |          |                                   |
| Employment             | 2022M08 | million, SA       | 152.744 | 152.429  | 146.904  | 0.2%   | 4.0%     | Up From Year Ago                  |
| Unemployment Rate*     | 2022M08 | %, SA             | 3.7     | 3.5      | 5.2      | 0.2%   | -1.5%    | Reduced                           |
| Consumer Price Index   | 2022M07 | 82-84=100, SA     | 295.3   | 295.3    | 272.2    | 0.0%   | 8.5%     | Up From Year Ago                  |
| Core CPI               | 2022M07 | 82-84=100, SA     | 295.3   | 294.4    | 278.8    | 0.3%   | 5.9%     | Up From Year Ago                  |
| Employment Cost Index  | 2022Q2  | 05.12=100, SA     | 154.1   | 151.7    | 145.8    | 1.6%   | 5.7%     | Up From Year Ago                  |
| Productivity Index     | 2022Q2  | 2012=100, SA      | 110.1   | 111.3    | 112.8    | -1.0%  | -2.4%    | Down From Year Ago                |
| Retail Sales           | 2022M07 | \$billion, SA     | 682.8   | 682.6    | 619.2    | 0.0%   | 10.3%    | Up From Year Ago                  |
| Auto and Truck Sales   | 2022M08 | million, SA       | 13.18   | 13.33    | 13.09    | -1.1%  | 0.7%     | Up Slightly From Year Ago         |
| Housing Starts         | 2022M07 | million, SA       | 1.446   | 1.599    | 1.573    | -9.6%  | -8.1%    | Down Strongly                     |
| Real GDP***            | 2022Q2  | 2012\$billion, SA | 19699.5 | 19727.9  | 19368.3  | -0.6%  | 1.7%     | Two Quarters Decline              |
| Dollar Exchange Rate   | 2022M07 | 06.01=100         | 122.821 | 120.162  | 113.095  | 2.2%   | 8.6%     | Up From Year Ago                  |
| Trade Balance          | 2022M07 | \$billion, SA     | -70.650 | -80.879  | -69.382  | -12.6% | 1.8%     | Month-Over-Month Deficit Decrease |
| S and P 500            | 2022M08 | monthly close     | 3955.00 | 4057.66  | 4522.68  | -2.5%  | -12.6%   | Down Strongly From Year Ago       |
| Real Short-term Rate*  | 2022M08 | %, NSA            | -2.17   | -2.97    | -4.55    | 0.8%   | 2.4%     | Up From Year Ago                  |
| Treasury Yield Spread* | 2022M08 | %, NSA            | 0.27    | 0.67     | 1.23     | -0.4%  | -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.