



NEVADA BUSINESS CONDITIONS

UNLV | LEE BUSINESS SCHOOL
CENTER FOR BUSINESS
AND ECONOMIC RESEARCH

November 2022

The third estimate of U.S. real gross domestic product (GDP) for the second quarter of 2022 remained down by 0.6 percent at an annual rate, unchanged from the second estimate. Overall, the decrease in real GDP in the second quarter largely reflected reduced private inventory investment and residential fixed investment, which was partly offset by increased consumer spending on services. U.S. nonfarm employment experienced a steady gain, but at a slower pace, adding 263,000 jobs in September after adding 315,000 and 537,000 jobs, respectively, in August and July. Despite this sign of a cooling labor market, the unemployment rate dropped to a 50-year low of 3.5 percent. The Fed will likely continue to increase interest rates by 50 basis points or more when they meet in November in order to control inflation, given a tight labor market. Retail sales performed better than expected in August, up by 0.3 and 9.1 percent, respectively, month-over-month and year-over-year, outpacing price increases. The CPI increased 8.2 percent year-over-year in August.

Nevada posted mixed economic signals. Seasonally adjusted statewide employment decreased by 2,600 jobs in August. The unemployment rate, however, remained unchanged at 4.4 percent. August gaming revenue plummeted 8.2 percent from last month but increased by 3.7 percent from last year, which might signal the normalization of gaming revenue. Taxable sales in July rose 6.5 percent year-over-year, but the gallons of gasoline sales dropped by 7.4 percent over the same period.

Clark County's economic signals convey more caution. August saw seasonally adjusted employment add 900 jobs. The unemployment rate in August edged up to 5.4 percent. August total Harry Reid passengers declined by 4.6 percent month-over-month after hitting record-high levels for two consecutive months. Visitor volume fell by 9.2 percent month-over-month. Visitor volume still remains 12.6 percent lower than its pre-pandemic level in August 2019. Gaming revenue increased 3.1 percent year-over-year in August. Taxable sales climbed 8.2 percent year-over-year in July. August residential permits continued to plummet by 58.5 percent year-over-year amid higher interest rates.

Washoe County continues to display mixed economic signals. The Reno-Sparks seasonally adjusted employment gained 100 jobs in August, while the unemployment rate

increased to 3.1 percent. Taxable sales only rose by 1.7 percent year-over-year in July despite higher inflation. Gaming revenue and air passengers in August rose by 2.3 and 10.9 percent, respectively, from last year, while visitor volume declined 2.3 percent over the same period.

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	2022M08	000s, SA	1460.8	1463.4	1390.9	-0.2%	5.0%	Up Over Year Ago
Unemployment Rate*	2022M08	%, SA	4.4	4.4	6.0	0.0%	-1.6%	Flat Month-Over-Month
Taxable Sales	2022M07	\$billion	6.939	7.443	6.513	-6.8%	6.5%	Up Over Year Ago
Gaming Revenue	2022M08	\$million	1208.50	1315.99	1165.80	-8.2%	3.7%	Up Over Year Ago
Air Passengers	2022M08	million persons	5.059	5.279	4.186	-4.2%	20.8%	Up Strongly From Year Ago
Gasoline Sales	2022M07	million gallons	104.67	100.43	113.02	4.2%	-7.4%	Down From Year Ago
Clark County								
Employment	2022M08	000s, SA	1064.3	1063.4	1013.5	0.1%	5.0%	Up Over Year Ago
Unemployment Rate*	2022M08	%, Smoothed SA	5.4	5.3	7.3	0.1%	-1.9%	Recent Increase
Taxable Sales	2022M07	\$billion	5.057	5.422	4.676	-6.7%	8.2%	Up Strongly From Year Ago
Gaming Revenue	2022M08	\$million	1024.09	1123.42	993.43	-8.8%	3.1%	Up Over Year Ago
Residential Permits	2022M08	units permitted	659	697	1588	-5.5%	-58.5%	Down From Year Ago
Commercial Permits	2022M08	permits	39	22	34	77.3%	14.7%	Low and Volatile
Air Passengers	2022M08	million persons	4.642	4.864	3.806	-4.6%	22.0%	Up Strongly From Year Ago
Gasoline Sales	2022M07	million gallons	69.80	66.57	75.73	4.9%	-7.8%	Down From Year Ago
Visitor Volume	2022M08	million persons	3.353	3.692	3.094	-9.2%	8.4%	Up Strongly From Year Ago
Washoe County								
Employment**	2022M08	000s, SA	258.8	258.7	248.8	0.0%	4.0%	Up Over Year Ago
Unemployment Rate*	2022M08	%, Smoothed SA	3.1	2.9	3.9	0.2%	-0.8%	Recent Increase
Taxable Sales**	2022M07	\$billion	1.122	1.186	1.103	-5.4%	1.7%	Up Over Year Ago
Gaming Revenue	2022M08	\$million	92.58	94.78	90.50	-2.3%	2.3%	Up Over Year Ago
Residential Permits	2022M08	units permitted	383	509	465	-24.8%	-17.6%	Down Strongly
Commercial Permits	2019M01	permits	40	21	42	90.5%	-4.8%	Low and Volatile
Air Passengers	2022M08	million persons	0.410	0.408	0.370	0.5%	10.9%	Up Over Year Ago
Gasoline Sales**	2022M07	million gallons	15.90	15.46	17.16	2.9%	-7.3%	Down From Year Ago
Visitor Volume	2022M08	million persons	0.355	0.370	0.363	-4.1%	-2.3%	Down From Year Ago
United States								
Employment	2022M09	million, SA	153.018	152.755	147.328	0.2%	3.9%	Up From Year Ago
Unemployment Rate*	2022M09	%, SA	3.5	3.7	4.7	-0.2%	-1.2%	Reduced
Consumer Price Index	2022M08	82-84=100, SA	295.6	295.3	273.1	0.1%	8.2%	Up Strongly From Year Ago
Core CPI	2022M08	82-84=100, SA	297.0	295.3	279.3	0.6%	6.3%	Up Strongly From Year Ago
Employment Cost Index	2022Q2	05.12=100, SA	154.1	151.7	145.8	1.6%	5.7%	Recent Strong Increase
Productivity Index	2022Q2	2012=100, SA	110.2	111.2	112.8	-0.9%	-2.3%	Decreased
Retail Sales	2022M08	\$billion, SA	683.3	681.3	626.0	0.3%	9.1%	Up From Year Ago
Auto and Truck Sales	2022M09	million, SA	13.49	13.18	12.31	2.4%	9.6%	Up Strongly
Housing Starts	2022M08	million, SA	1.575	1.404	1.576	12.2%	-0.1%	Down Slightly From Year Ago
Real GDP***	2022Q2	2012\$billion, SA	19895.3	19924.1	19544.2	-0.6%	1.8%	Two Quarters Decline
Dollar Exchange Rate	2022M09	06.01=100	125.748	122.426	113.477	2.7%	10.8%	Up Strongly
Trade Balance	2022M08	\$billion, SA	-67.398	-70.455	-71.426	-4.3%	-5.6%	Deficit Decrease
S and P 500	2022M09	monthly close	3585.62	3955.00	4307.54	-9.3%	-16.8%	Down Strongly
Real Short-term Rate*	2022M09	%, NSA	-1.57	-2.17	-4.56	0.6%	3.0%	Up From Year Ago
Treasury Yield Spread*	2022M09	%, NSA	0.39	0.27	1.33	0.1%	-0.9%	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.