



NEVADA BUSINESS CONDITIONS

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The third estimate of U.S. real gross domestic product (GDP) for the third quarter of 2022 expanded by an annual 3.2 percent, up by 0.3 percent from the second estimate. While unsustainably strong net exports remained the main contributor to the real GDP gain, the upward revision also reflected larger-than-expected rise in consumer spending and a smaller-than-expected decline in business investment. U.S. nonfarm employment added 223,000 jobs, lower than the average monthly gain of 375,000 jobs in 2022 but exceeding the consensus forecast of 202,000. The unemployment rate fell to a low of 3.5 percent in December, while the labor-force participation rate ticked up. Average hourly earnings rose at a slower pace of 0.3 percent month-over-month in December and 1.7 jobs available per unemployed person still exist in November. The strong labor market suggests that the Fed will continue to increase interest rates to control inflation. CPI inflation continued to decelerate in November but still grew 7.1 percent year-over-year. Retail sales in November declined by 0.6 percent month-over-month despite Black Friday and Cyber Monday.

Nevada posted mixed economic signals. Seasonally adjusted statewide employment gained 5,300 jobs in November. The unemployment rate, however, rose for the second straight month, up by 0.3 percent to 4.9 percent as the labor force participation rate continued to climb. November gaming revenue plummeted by 7.6 percent year-over-year yet still topped \$1 billion. Taxable sales in October continued a robust year-over-year gain of 9.4 percent.

Clark County also displayed mixed economic signals. Seasonally adjusted employment in November added 2,300 jobs, while the unemployment rate continued to edge up to 5.6 percent. Although November total Harry Reid passengers and visitor volume rose strongly by 14.4 and 7.1 percent, respectively, year-over-year, gaming revenue dropped by 8.4 percent over the same period. This may signal the normalization of gaming revenue as well as reduced budgets for gambling amid inflation. Taxable sales climbed by 10.6 percent year-over-year in October. November residential permits continued to fall by 52.3 percent from last year.

Washoe County generally showed unfavorable economic signals. The Reno-Sparks seasonally adjusted employment lost 300 jobs. The unemployment rate rose to 3.5 percent in November, higher than last year's 3.2 percent. Taxable sales increased by 9.7 percent year-over-year in October. Gaming revenue and visitor volume in November, however, decreased by 4.1 and 4.4 percent, respectively, year-over-year. November residential permits also contracted by 41.8 percent from last year.

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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 | |
| Nevada | | | | | | | | |
| Employment | 2022M11 | 000s, SA | 1476.1 | 1470.8 | 1418.9 | 0.4% | 4.0% | Up Over Year Ago |
| Unemployment Rate* | 2022M11 | %, SA | 4.9 | 4.6 | 5.3 | 0.3% | -0.4% | Recent Increase |
| Taxable Sales | 2022M10 | \$billion, NSA | 7.243 | 7.469 | 6.623 | -3.0% | 9.4% | Up Over Year Ago |
| Gaming Revenue | 2022M11 | \$million, NSA | 1220.87 | 1280.70 | 1321.59 | -4.7% | -7.6% | Down Strongly From Year Ago |
| Air Passengers | 2022M11 | million persons, NSA | 4.911 | 5.565 | 4.328 | -11.7% | 13.5% | Up Strongly From Year Ago |
| Gasoline Sales | 2022M10 | million gallons, NSA | 102.70 | 102.55 | 105.27 | 0.1% | -2.4% | Down From Year Ago |
| Clark County | | | | | | | | |
| Employment | 2022M11 | 000s, SA | 1075.2 | 1072.9 | 1025.2 | 0.2% | 4.9% | Up Over Year Ago |
| Unemployment Rate* | 2022M11 | %, Smoothed SA | 5.6 | 5.5 | 6.1 | 0.1% | -0.5% | Recent Increase |
| Taxable Sales | 2022M10 | \$billion, NSA | 5.364 | 5.504 | 4.852 | -2.5% | 10.6% | Up Over Year Ago |
| Gaming Revenue | 2022M11 | \$million, NSA | 1062.51 | 1104.85 | 1159.96 | -3.8% | -8.4% | Down From Year Ago |
| Residential Permits | 2022M11 | units permitted, NSA | 826 | 764 | 1732 | 8.1% | -52.3% | Down From Year Ago |
| Commercial Permits | 2022M08 | permits, NSA | 39 | 22 | 34 | 77.3% | 14.7% | Low and Volatile |
| Air Passengers | 2022M11 | million persons, NSA | 4.562 | 5.172 | 3.989 | -11.8% | 14.4% | Up Strongly From Year Ago |
| Gasoline Sales | 2022M10 | million gallons, NSA | 69.40 | 69.39 | 71.50 | 0.0% | -2.9% | Down From Year Ago |
| Visitor Volume | 2022M11 | million persons, NSA | 3.432 | 3.831 | 3.206 | -10.4% | 7.1% | Up Over Year Ago |
| Washoe County | | | | | | | | |
| Employment** | 2022M11 | 000s, SA | 259.0 | 259.3 | 250.5 | -0.1% | 3.4% | Up Over Year Ago |
| Unemployment Rate* | 2022M11 | %, Smoothed SA | 3.5 | 3.4 | 3.2 | 0.1% | 0.3% | Increased |
| Taxable Sales** | 2022M10 | \$billion, NSA | 1.170 | 1.148 | 1.067 | 1.9% | 9.7% | Up Over Year Ago |
| Gaming Revenue | 2022M11 | \$million, NSA | 79.27 | 91.47 | 82.66 | -13.3% | -4.1% | Down From Year Ago |
| Residential Permits | 2022M11 | units permitted, NSA | 259 | 369 | 445 | -29.8% | -41.8% | Down From Year Ago |
| Commercial Permits | 2019M01 | permits, NSA | 40 | 21 | 42 | 90.5% | -4.8% | Low and Volatile |
| Air Passengers | 2022M11 | million persons, NSA | 0.343 | 0.385 | 0.324 | -11.0% | 6.1% | Up Over Year Ago |
| Gasoline Sales** | 2022M10 | million gallons, NSA | 15.24 | 15.36 | 15.50 | -0.8% | -1.7% | Down From Year Ago |
| Visitor Volume | 2022M11 | million persons, NSA | 0.272 | 0.330 | 0.285 | -17.5% | -4.4% | Down From Year Ago |
| United States | | | | | | | | |
| Employment | 2022M12 | million, SA | 153.743 | 153.520 | 149.240 | 0.1% | 3.0% | Up From Year Ago |
| Unemployment Rate* | 2022M12 | %, SA | 3.5 | 3.6 | 3.9 | -0.1% | -0.4% | Reduced |
| Consumer Price Index | 2022M11 | 82-84=100, SA | 298.3 | 298.1 | 278.5 | 0.1% | 7.1% | Up Strongly |
| Core CPI | 2022M11 | 82-84=100, SA | 300.1 | 299.5 | 283.2 | 0.2% | 6.0% | Up Strongly |
| Employment Cost Index | 2022Q3 | 05.12=100, SA | 155.9 | 154.1 | 148.1 | 1.2% | 5.3% | Strong Increase |
| Productivity Index | 2022Q3 | 2012=100, SA | 113.3 | 113.2 | 114.8 | 0.1% | -1.3% | Down From Year Ago |
| Retail Sales | 2022M11 | \$billion, SA | 689.4 | 693.5 | 647.5 | -0.6% | 6.5% | Up Over Year Ago |
| Auto and Truck Sales | 2022M11 | million, SA | 14.13 | 15.12 | 13.10 | -6.5% | 7.9% | Up Over Year Ago |
| Housing Starts | 2022M11 | million, SA | 1.427 | 1.434 | 1.706 | -0.5% | -16.4% | Down From Year Ago |
| Real GDP*** | 2022Q3 | 2012\$billion, SA | 20054.7 | 19895.3 | 19672.6 | 3.2% | 1.9% | Rebound |
| Dollar Exchange Rate | 2022M12 | 06.01=100, NSA | 122.333 | 125.015 | 115.824 | -2.1% | 5.6% | Up Over Year Ago |
| Trade Balance | 2022M11 | \$billion, SA | -61.511 | -77.847 | -77.977 | -21.0% | -21.1% | Month-Over-Month Deficit Decrease |
| S and P 500 | 2022M12 | monthly close, NSA | 3839.50 | 4080.11 | 4766.18 | -5.9% | -19.4% | Down |
| Real Short-term Rate* | 2022M12 | %, NSA | -0.15 | -0.75 | -4.74 | 0.6% | 4.6% | Up From Year Ago |
| Treasury Yield Spread* | 2022M12 | %, NSA | -0.63 | -0.26 | 1.41 | -0.4% | -2.0% | 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.