

## Nevada Business Conditions

February 1, 2023

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.

UNLV Center for Business and Economic Research

*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.*

Nevada	Date	Units	Data			Growth		Comments
			Latest	Previous	Year Ago	Recent	Year Ago	
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
<b>Clark County</b>			<b>Latest</b>	<b>Previous</b>	<b>Year Ago</b>	<b>Recent</b>	<b>Year Ago</b>	
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
<b>Washoe County</b>			<b>Latest</b>	<b>Previous</b>	<b>Year Ago</b>	<b>Recent</b>	<b>Year Ago</b>	
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
<b>United States</b>			<b>Latest</b>	<b>Previous</b>	<b>Year Ago</b>	<b>Recent</b>	<b>Year Ago</b>	
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; Harry Reid 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.